

CANFORD SCHOOL LIMITED  
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021



CONTENTS

DIRECTORS AND OFFICERS ..... 2

NOTICE OF ANNUAL GENERAL MEETING..... 4

DIRECTORS AND TRUSTEES' REPORT ..... 5

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANFORD SCHOOL LIMITED ..... 16

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES..... 19

CONSOLIDATED AND CHARITY BALANCE SHEETS .....20

CONSOLIDATED CASH FLOW STATEMENT .....21

NOTES TO THE FINANCIAL STATEMENTS.....22

## DIRECTORS AND OFFICERS

### DIRECTORS

Chairman	David Levin BEcon MA FRSA
Vice-chairman	Michael Jeffries Dip Arch RIBA FICE FRSA
	Mary Armitage CBE BSc MB ChB DM FRCP FRCPE
	Teresa Colaianni
	Barry Coupe BA DipArch RIBA
	Lieutenant General Sir Gary Coward KBE CB
	Robert Daubeney BA
	Philippa Dickins MA MBBS DCH DRCOG MRCGP
	Georgina Fozard MA Cantab MBBS MRCPsych
	Professor Mark French MA Oxon PhD
	Nicholas Holloway BA
	Stephen Le Bas FCA BA Hons
	Richard Nicholl BA PGCE
	Adam Richards BA
	Rev John Simmons
	James Stileman MA
	Annabel Thomas BA

Resigned 10 May 2021

### OFFICERS

Headmaster	Ben Vessey MA MBA	
Bursar	David J Brook OBE BSc MA CEng MRAS	
Company Secretary	Michael Porter MSc BA	
Registered Office	The Bursary Canford School Wimborne BH21 3AD	
Solicitors	Harrison Clark Rickerbys Limited Ellenborough House, Wellington Street Cheltenham GL50 1YD	Steele Raymond LLP Richmond Point, 43 Richmond Hill Bournemouth BH2 6LR
	Veale Wasbrough Vizards LLP Narrow Quay House, Narrow Quay Bristol BS1 4QA	
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	

**Bankers**

Barclays Bank Plc  
Wytham Court  
11 West Way, Botley  
Oxford OX2 0XP

**Insurance Brokers**

Marsh Limited  
Capital House 15 Perrymount Road  
Haywards Heath RH16 3SY

**Investment Advisors**

Rathbone Brothers Plc  
8 Finsbury Circus  
London EC2M 7AZ

## NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the company will be held at 12 noon on Thursday 24 March 2022 at Canford School, Wimborne BH21 3AD.

In accordance with the Articles of Association Dr Dickins, Dr Fozard, Mr Nicholl and Mr Richards retire by rotation and, being eligible, offer themselves for re-election. Mr Coupe retires by rotation and does not offer himself for re-election. For a third of the governors to be re-elected, required by the Articles of Association, Mr Daubeney, as the longest serving governor, retires by rotation and being eligible, offers himself for re-election.

## DIRECTORS AND TRUSTEES' REPORT

### FINANCIAL STATEMENTS

The Governors, who are Directors for the purposes of Company Law and Trustees for the purposes of Charity Law, present their annual report and audited financial statements for the year ended 31 July 2021. The Governors have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (Second Edition, effective 1 January 2019) based on Financial Reporting Standard (FRS) 102, in preparing the annual report and financial statements of the charity.

### OBJECTS AND AIMS

#### Charitable Objects

The Charity's Object is to advance the education of boys and girls including but not limited to the provision of a senior school in or near Canford, Dorset and/or if thought desirable, in other parts of England or Wales, in accordance with the principles of the Church of England.

#### Public Benefit Aims and Intended Impact

In furtherance of this Object, Canford School's public benefit aim is to provide a first class independent education, through strong academic tuition and through developing wider sporting, artistic, cultural and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

Canford has restricted and unrestricted funds for the development of the School's facilities as well as for scholarships, prizes and other educational purposes. The School provides bursaries for those without the means to support their child through school.

The Charity also has to maintain its heritage endowment, with its Grade I and II listed buildings and historic park and tree collection, which are all considered of national importance.

Canford views the social responsibilities it carries as an educational institution as being a central feature of our ethos, aims and actions. The '*Importance of Community*' is one of our core aims whereby we recognise '*the importance of community and the engendering of a deep rooted sense of social responsibility in the context of Canford's Christian origins and heritage*' alongside '*respecting the abilities, views and dignity of others throughout the school community and in the wider world*'.

This is not just a form of words but articulates an attitude and approach which guides and informs much of what we do within and beyond the school. Aside from activities within the school based educational programme which seek to raise awareness and understanding of issues and problems confronting the wider world, hundreds of our pupils and many of our staff are engaged in active charitable and community partnership work locally, regionally, nationally and internationally. It is beyond the scope of this report to outline all of the detail of this extensive activity, although some more information can be found on pages 7 and 8. This social engagement and interaction in a meaningful and sustained sense is very much part of the fabric of Canford's culture.

In the furtherance of these aims the Governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act. In addition, the Governors act to promote the success of the school by: considering the likely consequences of any decision in the long term; looking at the interests of the company's employees; fostering relationships with pupils, parents, staff, suppliers and others; considering the impact of the Charity's operations on the community and the environment; by maintaining a reputation for high standards of business conduct; and acting fairly as between members of the company.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The School is a company limited by guarantee and each of its members has undertaken to contribute an amount not exceeding £1 (one pound) towards the assets of the company in the event of the same being wound up and the assets being insufficient to cover the company's debts and liabilities. The School is a registered charity and is governed by its Articles of Association as most recently amended

on 26th September 2013 by Special Resolution. Canford School is a member of the Allied Schools group of independent schools, all of which were founded by the Martyrs' Memorial and Church of England Trust (MMT). On September 26th 2013 the Allied Schools signed a management Agreement with MMT by which the members of the group agreed to the appointment of the Allied Schools Agency to oversee the performance of the schools and to monitor their adherence to the foundational religious principles on behalf of MMT.

The School has a subsidiary company, Cheneford Limited, which undertakes a range of trading activities including the letting of the School's sports facilities to the public. We also co-operate with many local charities in our on-going endeavours to widen public access to the schooling we provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive at Canford.

### **Governing Body**

The Governors are responsible for the overall management and control of Canford School and meet three times a year. The work of detailed formulation and implementation of most of their policies is carried out by members of the Finance and Executive Committees, who usually meet a few weeks in advance of the full Governing Board. The Education and Safeguarding, Property, External Relations and Communication, and Awards sub-Committees perform detailed reviews in their specialist areas.

Governors are elected by the Governing Body, except that two Governors are nominated by the Martyrs Memorial and Church of England Trust if the total does not exceed 12, three if the number exceeds 12 but does not exceed 18, and four if the number exceeds 18. New governors are appointed by existing governors with input from the Headmaster and Bursar and care is taken to ensure that the relevant skills and experience are represented. Each new governor is provided with an information pack (handbook) and meets with key staff as part of an induction process. They are all encouraged to spend time at the School to experience lessons as the pupils do. All governors receive information on governor training update courses.

All governors have access to the meeting papers and minutes for all committee meetings, whether or not they are members of that committee. Meetings may be held in person or virtually. This ensures that they are informed about the issues being addressed by those committees but can also raise queries and monitor progress in a wide range of areas. The chairmen of the sub committees meet regularly with the School's lead for each committee area, thereby ensuring that they are fully briefed on issues and can provide advice, challenge and support as required.

### **Organisational Management**

The day to day running of the School is delegated to the Headmaster, the Bursar and the Senior Leadership Team (SLT), which comprises of Deputy Head Academic, Deputy Head Pastoral, Deputy Head Co-Curricular and two Assistant Heads (Academic and Pupils). Strategic matters are discussed with the Senior Management Group (SMG), which comprises of the SLT plus the directors of Marketing, Admissions, Development, Human Resources, Finance and Estates, as well as the School Services Manager. Various educational management groups also operate to progress educational and pastoral matters.

Changes to the remuneration levels of key management personnel are made with reference to industry standards, such as the Baines Cutler benchmark reports. Remuneration changes for specific roles are made with reference to internal performance criteria and external role benchmarks, including salary surveys and use of a benchmarking agency as required.

The Headmaster and Bursar attend meetings of all the governors' committees.



## STRATEGIC REPORT AND FUTURE PLANS

Canford's Governors recognise that the School must remain competitive, relevant and sustainable in a rapidly changing and increasingly uncertain environment in which there is no shortage of local and regional competitor schools. In looking to the future, Canford intends to maintain and enhance its profile and position as a premium independent school. The Governing Body is already implementing strategies that will enable the School to defend and grow its share of the prestige school boarding and day markets. The key to this will be attracting and retaining suitably able pupils by meeting or exceeding their and their parents' expectations for high academic results, a wide range of high-quality co-curricular facilities and for comfortable pupil accommodation. Our plans include a wide array of educational programmes to enhance the learning experience of our pupils and the provision of flexible, adaptable infrastructure in order to widen the gap between full capacity and the break-even point, allowing flexible and efficient operation with an appropriate level of spare capacity. This strategy is subject to regular reviews, particularly in light of the Covid-19 pandemic.

One particular area of focus is our work on Equality, Diversity and Inclusion. Several reviews are underway to ensure that societal issues surrounding sexism, racism and other aspects relating to equality, diversity and inclusion will be at the forefront of our education. An EDI working group including a Governor, pupil leaders, a newly appointed Head of EDI and other representatives are developing plans for the future as well as implementing actions agreed by the Governing Body.

### Vision and Mission Statements

Our Vision: 'Canford: a school community where all are inspired to explore, empowered to express and challenged to excel.'

Our Mission: 'To build a community of open minded people who are motivated to embrace learning in all its forms, and committed to making a difference to their own lives, and to the lives of others. Our exceptional education grants freedom to grow and creates opportunities for all to explore, to express and to excel.'

Our Values: 'Develop Purposeful engagement – Building a confident mindset develops positive life-long learning. We inspire members of our community to be curious and determined in pursuit of knowledge and opportunity.  
Instil a Courageous Attitude – Being principled and strong, yet reflective and tolerant takes courage. We support members of our community to be bold and sensitive in expressing thoughts, words and deeds.  
Promote Humble Ambition – Pursuing goals without arrogance or complacency brings meaningful success. We challenge members of our community to be energetic and resilient in pursuit of their goals but honest and grateful for fulfilment of them.  
Encourage Gracious Leadership – Fulfilling a duty to guide and support others makes a difference. We urge members of our community to lead graciously and serve willingly for the greater good.'

### Achievements and Performance

Our vision and values have played out each and every day over the past year in so many ways, not least in the way all have adapted and supported each other over the past months during the challenges of the Covid-19 pandemic. The following is an extract from one of the many supportive communications received from parents and pupils.

*'We would like to express our gratitude to you and your amazing staff for being the best school ever! I know we are completely biased as parents at your school only I do not think that I have ever known such an exceptional school. Everything you do from a parental perspective is always so accessible and informative, plus your forms are always super easy to fill in and send! It makes such a difference for busy parents. All your staff in every department are so kind, understanding and always offer viable helpful solutions if there is a problem to overcome. Nothing is ever too much trouble. Being a parent at Canford has been an absolute pleasure. We have LOVED being a part of your community for the past five years.'*

*'Our daughter came into the school as a somewhat shy Shell who found it hard to offer her opinions in and outside of the classroom all this has changed during her time at Canford. Since being at Canford she has developed an unassuming confidence in herself and is so relaxed and happy in any social situation.'*

*'She is strong and determined but is also kind and compassionate. We believe that the environment that you have created has helped her to flourish and to bring out these wonderful qualities. It was so touching to see the genuine beautiful relationships between the pupils and staff at the leaver's day. It was very emotional watching the pupils celebrate their time at Canford but also to see how difficult it was to say goodbye to Canford and its wonderful staff after five amazing years of being part of such an inspirational community.'*

*'Schools have had to continuously adapt to such challenging times during the pandemic however you have always responded quickly and efficiently to all the obstacles that you have had to overcome. Bravo to you all and well done.'*

One broad area of focus over the year was developing our work on EDI. A survey gathered insights into attitudes and experiences of sexism at Canford from pupils and staff. With a very high response rate, across boys, girls and year groups, this provided extremely valuable information. Alongside year group assemblies on sexism and other EDI issues, we have also worked with Lower Sixth pupils who facilitated discussions on sexism with small groups of junior pupils. The structure of the sessions provided invaluable insights. An online panel session focused on Sexism / Sexual Harassment in the Workplace for the Fifth Form and Upper Sixth which included four high profile speakers who are involved in EDI in the commercial, legal and journalistic spheres, along with a representative from Beyond Equality, which was very well received. Further developments are planned in this area in the new academic year.

#### *Academic*

After another extremely challenging and unsettling year we are delighted with the results that our pupils have been awarded. It is not really possible, nor fair, to compare the results this year to previous years because the method of assessment was so different and, crucially there were no nationally norm standardised examinations. However, we can be confident that we provided our pupils with the best opportunities to demonstrate their learning and we were thorough and fair in our methods. Pleasingly, our Centre Policy was reviewed by the Joint Council for Qualifications (JCQ) and passed. The Exam board Quality Assurance sampling we were obliged to undertake was also successful when analysed. We can, therefore, be steadfastly secure from an objective point of view that our Teacher Assessed Grade (TAG) systems and procedures were robust and thorough.

#### *Academic Enrichment*

The 2020/21 academic year saw several exciting enrichment activities delivered by the school and taken on by our pupils. The annual Baynham and CP Snow essay competition was run for our Lower 6th year group with some truly outstanding entries. The Shell and 4th Form Scholars programmes ran throughout the year, both virtually and in-person, with a range of speakers giving talks to our talented young minds. Topics ranged from global variations in health to the investigations that lead to the arrest of the Unabomber.

During Black History Month, we invited Historian David Olusoga to deliver a virtual talk on the Forgotten History of Black Britons, a session that was very well received by both pupils and staff alike. This sat alongside many departmental activities with a Black History focus such as a Shell Geography project on the Underground Railroad, which taught pupils the journeys and experiences of slaves seeking freedom in the USA. Undeterred by the pandemic, the school debating competition took place online, with some impressive arguments including topics such as the legitimacy of graffiti as art, and whether guns make America strong.

The final Enrichment focused event of the year was the Canford Educational Partnership Day, during which several Lower 6th pupils were invited to several talks and discussions with pupils from partner schools and Old Canfordians. Session themes ranged from the importance of peer reviewed research to interview and careers advice

The school's Global Connections programme expanded considerably during the year, with every age group turning their gaze outwards, including the local community and our international partnerships. All pupils now have the opportunity to participate in Model United Nations and there are numerous activities to collaborate with the partnership projects, such as the Hogar el Alba home in Argentina. Whether it be learning the cultural origins of the Haka, discussing the root of geopolitical conflicts, or debating resolutions on climate change, Canfordians are given every opportunity to delve into our diverse world at every turn.

#### *Higher Education*

Despite the difficulties over the last 18 months, our Upper Sixth maintained their enthusiasm, worked diligently and set their sights high. Of the 136 that gained places at university, 130 were accepted into their first choice. 112 of these (82%) were Russell Group or from the Times Top 12 institutions, including 7 who were successful applicants to Oxbridge. Despite the high competition for places in medical schools, 8 Canfordians achieved places for medicine as well as 2 applicants for Veterinary Science. In spite of all the restrictions, these results demonstrate that Canford has managed to maintain a high standard of education and preparation for life after school.

#### *Sport*

The difficulties of the year - a term of internal sport only, a period of remote learning, some regular competition and then more remote learning – at least showed the amazing resilience of pupils and staff to meet whatever challenges were thrown at them. Highlights of the remote learning period were the development of some younger pupils via Athletic Development sessions; the distance clocked up during the Canford Round the World event; and a variety of other challenges delivered by Sixth Formers and Graduate Assistants. Other remote, live sessions including HIIT and Crossfit gave pupils exercise opportunities from home. The need to look after both physical and mental health was reinforced through some great messaging on Wellbeing Wednesdays and Feel-good Fridays, delivered by our Head

of Wellbeing and pupil leaders. This was enhanced with Instagram #EATtoEXCEL cooking sessions. The summer term saw the return of some competitive sport, with our Cricketers, Rowers, Tennis Players and Athletes in action both home and away. Plans for 21/22 should see pupils exploring, expressing and excelling across their sporting endeavours.

The year provided an opportunity to reassess our sports programme. Identifying four focus team sports (Hockey, Rugby, Netball and Cricket) has resulted in reallocating resources to these areas, with more support for Netball and girls' Cricket, in particular. Looking towards the new academic year, the Wellbeing focus will be to drive the understanding that physical activity and wellbeing affect performance in all areas, not just on the sports field. Initiatives include the Sleep programme and Eat2Excel. Additional physiotherapy support, an enhanced approach to sports injuries and a new Head of Athletic Development will help to minimise injuries and provide movement skills for life. The High Performers who need this specialist help and advice will particularly benefit, and a more structured sports scholar programme will include specialist talks and more analysis work for those who are aspirational in their sporting aims.

#### *Drama*

Despite the obvious difficulties the pandemic brought to all areas of life, the Drama department successfully navigated the challenges and provided a busy and fulfilling year for many pupils. In October we produced for a live audience Enda Walsh's "Chatroom", a play perfectly suited to rehearsing and staging with social distancing in mind. The end of term saw us produce a Pantomime, written by pupils, involving a large number of Shell pupils. Both productions were enjoyed by audiences in situ and remotely. The lockdown in January and February resulted in the production of Be My Baby moving from stage to online. Using sophisticated technology it was live streamed from several locations around the country and was enjoyed online by a large number of people.

Throughout the year our A Level and GCSE classes continued to work effectively both remotely and in person and we were delighted that both their devised and scripted work were able to be performed in person and to small audiences. A number of shows, including Little Shop of Horrors and a Dance Show were due to be performed in the Summer term. However, due to covid, these productions were moved to the Christmas term of 2021.

#### *Music*

Music ensembles and choirs continued throughout the year, adapting performances to a mixture of live-streamed, pre-recorded and remotely recorded concerts. The pupils were able to continue rehearsing in all the usual ensembles, despite being socially distanced and, during periods of school closure, remote rehearsals. Almost all concerts or performances which might have happened in a normal year took place – but were disseminated online, via the 'Canford Music' youtube channel. The audience/viewer support for the pupils was notable, with viewing figures per video regularly into the high hundreds, and cumulatively into the tens of thousands for the channel. Particular highlights included the orchestra's performance of 'Nimrod', released for Remembrance Day, which garnered over 2,000 views in the first couple of days alone. The virtual carol service was similarly well-received. Over the course of the year there were in the region of 50 or more online performances across the whole range of events, ensembles and musical genres.

The summer term afforded the 4<sup>th</sup> form and L6 an opportunity to be supported, live, by their parents in concerts for their GCSE and A level course. Notwithstanding the covid-related difficulties of the end of the academic year, the musical education of the pupils continued successfully. A significant number of pupils achieved grade 8 with either merit or distinction during the year, with similarly promising achievements at lower grades too. The achievements of the pupils and department have been recognised with the Music Department a finalist in the 'Independent School of the Year', Performing Arts category.

#### *CCF*

The new Canford Outdoor Education Centre has proved to be the envy of many schools, with a very good assault course, landscaped battlecraft areas, a range and the stores all in one place. With the employment of two ex-regular servicemen on the teaching staff, the CCF is thriving, with "The Week" naming Canford's CCF as the "Best of the Best" nationally. Cadet numbers are very healthy. Activities onsite continued as normal with some restrictions but being out of doors helped enormously and enabled most of the basic training to proceed as normal. A full 24-hour field training exercise for the fourth form and sixth form NCOs took place on Bovington Training Area in May. The weather was awful, but the cadets' self-reflections were extraordinary recognising the lessons learned particularly in leadership, resilience, teamwork and communication. Unfortunately, covid-related issues resulted in a number of camps being cancelled at the end of the year. Looking ahead, it is hoped that we can resume the normal menu of trips in the coming months.

#### *Duke of Edinburgh's Award*

The School has not been able to run its normal menu of Community Service volunteering and relied on a remote provision in many cases. This has, however, seen real success in some areas and some pupils have been extraordinary, volunteering to deliver food, working

at Covid testing centres, etc. Exercising at home and pursuing personal skills has seen considerable initiative too. The expeditions have been difficult to run and we have not succeeded in the normal numbers. However, where pupils have prioritised expeditions and their training, a number of pupils have been able to complete this section. Many of the most recent leavers were able to complete their expedition over the summer, after leaving Canford, as the country opened up.

### *Activities*

During covid lockdowns, we provided – remotely - some 40 activities including photography, cookery and many others. A move to making activities voluntary has led to a more ambitious and focused ethos, with many opportunities for senior pupils to learn to lead.

### **Community Service and Public Benefit**

The year was challenging as we were not able to send any pupils off campus. That said, engaged in a purposeful set of projects that involved our pupils producing resources for organisations that we worked with that were then shared securely. For example, some pupils recorded bingo games and made bingo cards that were sent through to care homes, pupils recorded music concerts and another group of pupils wrote and recorded their own illustrated stories and sent them to local primary schools. At the end of the year we also set up a live storytelling session. A team of pupils called some elderly members of the public every week to offer friendship and support, one of whom commented that 'those weekly phone calls would stay with me for a few days and really helped to keep me going'.

Some pupils videoed laboratory work and sent it to The Bourne Academy, as they were unable to carry out science experiments. We visited City Reach with a group of pupils at Christmas to provide food and presents for a meal and also had, right at the end of term, a visit by some primary school pupils to take place in a 'Shine' day of sport and outdoor pursuits.

### **Stakeholder Relationships**

Canford exists as a community; our links with current and former pupils, parents and staff, as well as our community partners, are strong. We employ over 450 people in the local community who, along with our suppliers, are crucial to our success.

Over the last year, the School have used more than 550 suppliers, supporting our local, regional and national economy. We have improved our payment performance, in regard to paying within the agreed terms, and continue to focus on this. In particular, during the lock down period due to Covid-19, we ensured suppliers continued to be paid on time and provided flexibility when appropriate. We are grateful to our suppliers for their continued support for Canford.

### **Employee Engagement and Employment Policy**

Governors communicate with employees through a variety of channels. Both governors and employees sit on the Joint Consultative Committee where matters relating to pay, benefits and working conditions are discussed. Governors and employees also sit on the Health and Safety Committee. Governors write to employees to explain the impact of significant decisions, such as pay reviews and the strategic direction of the School. Any significant decisions taken during governors' meetings are assessed for the impact they will have on staff, with the governors aware that the School cannot be successful without an engaged, motivated staff body. In particular, the governors provided employees with a number of specific reassurances during the Covid-19 lockdown which were unanimously appreciated by staff.

For information on the relationship between governors and management, see section 'Structure, Governance and Management'.

Canford School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial performance of the school.

### **Fundraising Performance**

Canford undertakes fundraising activity to its supporters via fundraising events, sponsored events and direct mail. Email is used in line with the Fundraising Code of Practice set by the Fundraising Regulator. Our fundraising promise, which is available on our website alongside our privacy notice to reassure supporters of our approach, is:

"When you support you can be sure of the following:

- We will never sell your contact details to anyone
- If you ask us to change how we communicate with you, or stop, we will respect that
- We try hard to ensure no one ever feels pressurised to support our work
- All our activities are open, fair, honest and legal.”

Canford is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. There were no complaints about fundraising activity during the year.

Total fundraising costs during the year including operating budget and salaries were £169K (2020: £174K), to cover programmes including fundraising and engagement work. Where events took place, income (tickets purchased) partially offset some of the costs. Income from fundraising activities totalled £153K (2020: £100K). The Development Programme continues to seek to engage alumni, parents and friends of Canford as School benefactors. This can be through giving of time and expertise through volunteering; the giving of financial donations including one-off gifts, regular giving, or gifts of stocks, shares or art; and securing longer-term legacies.

There are three main areas of activity within the current Development Programme: (1) engaging the Canford Community, (2) encouraging and promoting volunteering, and (3) fundraising to increase access to a Canford education through the provision of pupil bursaries. Secondary fundraising priorities include funding capital and equipment projects.

Engaging the Canford Community involves supporting the many different volunteer-driven groups which themselves aim to benefit Canford, Canfordians and associated partner charities and organisations. The Development team provide support to the Old Canfordian Society (OCS), the Friends of Canford School, the Friends of Canford Music and the Friends of Canford Rowing. Events and monies raised by these groups are returned directly to benefit the education and enrichment of pupils and the Canford Community. Modernisation of the OCS is continual process. Developments aim to transform connections between OCs and facilitate better communication, knowledge and support of our alumni.

Volunteers to Canford give in a variety of ways. All school governors are volunteers and provide strategic oversight. Many others serve as alumni, sports or committee representatives. Alumni and parents provide careers advice to pupils providing mentoring, work experience or speaking to pupils about their experiences. Other volunteer duties include supporting music at Canford, supporting sport at home and away fixtures and speaking at Canford events. During the year over 264 individuals provided their time and expertise free of charge to Canford. The Governing Body is very appreciative of this invaluable support.

Donations include cash gifts, regular gifts, bequests received and gifts-in-kind. The Development Office also supports the work of the Friends of Canford School (FCS), a parent and friends' group. The group have this year focused their support on local external charities through grants for specific projects. This included a grant to a longstanding partnership, the City Reach project in Southampton.

The fourth annual fundraising auction to support the Martin Marriott Foundation raised a significant amount for the Foundation in November 2020. Regular donors acquired through the 2019 Telethon are continuing to donate monthly and are stewarded accordingly. The Case for Support on the website has been updated to include new testimonies from bursary pupils, state fundraising aims and provide an accessible method for making online donations. In November 2020 we launched our Lady Charlotte's Walk campaign inviting alumni and parents to sponsor a stone on the walkway leading to the new library. This has been well received with the first 150 stones being laid in August 2021. The strategic plan for 2019-2024 is revised annually with an action plan updated to reflect current trends.

## FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Current pupil numbers, and considerable future interest in the School, give us confidence that we will be at full capacity for the foreseeable future. This is a result of our continued resolve to deliver a top-quality education, supported by talented staff in an inspiring environment.

The School's financial policy is to maintain total fee income at a level sufficient to generate a surplus over time to meet the objectives of the School's strategic plan, allowing for investment in the school. This will be achieved through both operating cash flow and fundraising. As a charity the parents of our pupils have the assurance that all the income of the school must be applied for educational purposes.

In preparing its budget for this year the School recognised the need to continue to invest in both high quality staff and the School's fabric, to ensure that both continue to support the educational mission. However, in recognition of the impact of the pandemic, the School also agreed to target a lower surplus for 2021.

Financial review summary	2021	2020
School fees receivable	£18,872K	£17,421K
Fundraising income	£153K	£100K
All other income	£7,561K	£2,113K
Provision of education	£(19,124)K	£(18,804)K
Other costs	£(592)K	£(790)K
Net income	£6,870K	£40K

Operational financial performance was in line with budget this year, despite the periods of remote learning. Total gross fee income for the year was 8.6% higher than last year (2020: 9.7% lower). Pupil numbers remained healthy and, whilst there was no fee rise, the number of discounted weeks due to covid were reduced. Other income increased significantly, driven by the sale of a piece of land adjacent to the school on which contracts have been exchanged but which has not yet completed. These funds will be used for capital projects.

Careful cost control was exercised throughout the year, particularly during remote education, to ensure that resources were focussed on pupil outcomes. In addition, the use of the Coronavirus Job Retention Scheme (CJRS) allowed us to maintain staffing levels and retain jobs, despite the periods of remote learning. The amount raised through fundraising for bursaries was higher, due to the generosity of a number of parents and Old Canfordians. In addition to this, investment gains helped to offset losses in the previous year, therefore the Statement of Financial Activities shows the School's Net Income to be £8.6M (2020: loss of £0.5M).

The overall cost of the School's capital expenditure in this financial year amounted to £8.0M (2020: £4.1M), which included the strategic capital works programme (two new Boarding Houses £4.6M and the new Library £2.6M). Other capital expenditure included ongoing reinvestment into the fabric of the school. Investing in additional flexible capacity and improved core facilities will ensure Canford's future sustainability and there is a clear imperative to complete the strategic building plans which are essential to support future sustainability and success. The economic environment and effects of Covid-19 will demand caution, therefore, whilst planning work for subsequent phases of the capital programme will continue, the decision for any construction to begin will be preceded by a wholesale review of demand and requirements. All projects will remain subject to the usual governance and approval processes. Given the investment in capital expenditure there was a reduction in cash of £4.7M (2020: £1.5M).

Overall the Governors accepted this financial result, given the economic circumstances of the past year. Plans for the future will require a return to the levels of surplus seen in previous years in order to meet the objective of providing sufficient income for the School's strategic plan objectives – a top-quality education, supported by talented staff in an inspiring environment.

### Reserves Policy

The beneficiaries of Canford School are its pupils; any reserves held must ultimately be for their benefit. Governors have determined that Canford should not hold excessive reserves, money that could otherwise be used for the benefit of pupils. Equally, insufficient reserves, in the event of a crisis, may mean that pupils experience undue disruption to their education.

Given the current economic climate, political climate and the Covid-19 pandemic, or in the event of a crisis, Governors have reaffirmed their commitment for pupils to be able to complete the current academic year as a minimum. This strikes a balance between unduly tying up funds and minimising disruption in a crisis such as unplanned closure. To ensure this, the level of general reserves held will be equivalent to the sum of cash liabilities in the longest period in the academic year with no fee income, approximately £6M. This has been

tested against a number of scenarios to confirm the suitability of this level of reserves.

Whilst restricted funds fall outside the definition of free reserves, some restricted funds are maintained principally for the award of bursaries and the advance payment of school fees. Designated funds are also held, in addition to the reserves above, for the purposes of matching the investment made in the fabric of the school, to fund the school's partnership activities and to provide bursaries.

At the year end the school held total funds of £52.6M, of which £3.4M was held in restricted funds principally for the award of bursaries and the advance payment of school fees. The Governors have designated a further £38.7M for the following purposes:

- a) to match the investment it has made over the years in the fabric of the school estate and is not therefore freely available £31.6M
- b) to set aside funds to support the school's partnership activities £0.3M; and
- c) to set aside funds that are invested for the provision of bursary support £6.8M.

After these designations, and the value of fixed assets not represented by the property fund, free reserves are £10.5M (2020: £10.2M) which the Governors consider exceed the reserves policy objective. This excess will continue to be used for capital projects for the charity's beneficiaries, with at least £6m of projects planned in 21/22. Most of these projects have commenced. Governors monitor reserve levels on a regular basis, considering the working capital management of the school and the desire to continually improve facilities.

### Investment Policy and Objectives

Canford School holds investments in three portfolios with the prime objective to preserve and grow the capital value of funds, whilst generating sufficient income to meet current commitments. This is achieved through a balanced approach to income and asset growth and appropriate risk diversification. The policy recognises that there will be differing investment styles required for some of the restricted funds. The company's Articles of Association empower it to invest the monies of the company not immediately required, as it thinks fit.

The school uses external professional discretionary fund managers to achieve the investment objectives, which may be a single firm or several firms. The performance of these managers is reviewed regularly by the Investment Sub-committee of the Finance Committee as is the overall allocation of assets by type and manager. During the year, Rathbone Brothers PLC managed the investment portfolio and have discretionary management powers. In 2021 a gain of 18.8% (2020: 3.8% loss) was seen across the funds. Governors were satisfied with this result as it exceeds the investment policy objective range of CPI plus 1ppt to CPI plus 4ppts across the various funds.

The largest portfolio is a fund for the award of scholarships and bursaries. This fund comprises the Assyrian Fund and Canford Partnership Fund. The investment policy is to maximise long-term total return in such a way as to permit the regular award of scholarships and bursaries while maintaining or increasing the value of the fund in real terms. The second portfolio comprises various funds restricted by the donors for the provision of scholarships, bursaries, prizes and activities. The Composition Fees Scheme for advance payment of fees, the third portfolio, were invested with the aim of preserving the capital and achieving a return over a period of five years sufficient to fund the School's liabilities under the scheme. This scheme was close to new entrants in October 2020.

### Grant Making Policy

This year, the value of scholarships, grants, prizes and other awards made to the School's pupils was £827K (2020: £768K). The Governors' policy is to make these awards based on the individual's educational potential, subject to the particular conditions imposed by the original donor where an award is made from restricted funds. In addition, means-tested bursary awards totalling £1,480K (2020: £1,172K) were provided. Funding from investments contributed £240K (2020: £157K) to this, with the remainder funded from fees income. The policy for awarding bursaries is to broaden access to the school for prospective pupils and to relieve hardship where a current pupil's education and future prospects would otherwise be at risk. Awards representing 90% or more of the fees went to 24 pupils (2020: 23). The availability of all such awards for fee assistance, together with the terms and conditions for each kind of award, is advertised on our website. In the year the Governors reaffirmed their plan to increase means tested fee assistance through fundraising.

### Energy and Carbon Performance

Energy and carbon performance is an area which receives an ever-increasing focus in the School. The Governors have agreed to establish a committee to develop a strategy to reduce the School's environmental impact and to monitor the implementation of the strategy. Notwithstanding this, during the year several steps were taken to improve environmental performance. This included a continued roll out of LED lighting and a continued focus by pupils on recycling and food waste. Following a strong case made by pupils, a contract was agreed with a local company to have all food waste collected and converted to bio methane for energy generation. These efforts resulted

in the school maintaining Silver status under the Eco-Schools programme.

For all Canford's capital projects, early consideration is given to heat generation options, including the investigation of low and zero carbon technologies. Each option is evaluated on its likely reduction of carbon emissions, along with the practicalities of the location, likely impact on the setting and surrounding grounds, along with technical and cost considerations. The new Boarding Houses have a building management system to optimise hot water heating efficiencies and ventilation will either be natural or use high efficiency plate heat exchangers, where required. All lighting will be based on low energy LED technology, with daylight and motion sensors. The new Library has a similar LED lighting system and is designed to have a high air tightness rating along with a high efficiency heating system. Almost all the school's electricity is from renewable sources. Other options for improving energy use are under review.

To determine the School's CO<sub>2</sub> emissions, we have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and the 2021 UK Government's Conversion Factors for Company Reporting. The level of CO<sub>2</sub>e per pupil increased in 2021. This was driven by an increase in gas usage, although comparisons between years is difficult due to periods in both comparator years where the school site was closed due to the Covid-19 pandemic.

	Energy type	2021 CO <sub>2</sub> kg	2020 CO <sub>2</sub> kg	Notes
<b>Scope 1 emissions</b>	Transport - diesel	35,215	46,465	Fuel for minibuses, vans and cars
	Transport - unleaded	5,258	-	
<b>Scope 2 emissions</b>	Electricity *	365,717	403,324	All School buildings
	Gas	1,145,344	1,007,367	
<b>Total</b>		<b>1,551,534</b>	<b>1,457,156</b>	

<b>kg CO<sub>2</sub>e per pupil</b>	<b>2,413</b>	<b>2,218</b>
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\* Note that electricity emissions have been determined using the UK Government's standard conversion factors. However, the School's electricity is sourced through a renewable energy contract so this element of our emissions is essentially carbon neutral.

## Risk Management

The Board of Governors is responsible for the management of risks faced by the School. Risks are identified and reviewed by the School's leadership team and split into functional risk areas. The Governors' functional sub-committees review their risk areas on a termly basis, implementing appropriate mitigation measures. The most significant risks are reviewed by the Governing Body each term. Through this process, the Governors are satisfied that the major risks to the School have been identified and reasonably mitigated with key controls.

The Governors consider the major risks to the School to be:

- The inability to deliver high quality education and / or charge sufficient fees to sustain the school due to the Covid-19 outbreak.
- Competition from other schools could adversely affect pupil numbers.
- Significant disruption to school activities from power outages, fire or the failure of key computer hardware or software.
- Pupils significantly underachieve their potential.
- A challenging economic or political outlook and / or a rising cost base could affect the affordability of Canford's fees.
- A lack of readily available financial reserves might limit the School's ability to respond to unexpected catastrophic events.
- Staff costs rise at unsustainable levels given the increasing level of employer pension contributions and the National Living Wage.
- A road traffic accident or similar incident leads to injury or death, on or off school premises.

The key controls include:

- An ongoing risk assessment to mitigate the effects of Covid-19. This includes implementation of advice from the Department for Education and Public Health England. This risk assessment is published on the School's website.
- Strategic risk assessment, planning, budgeting and management accounting, focussing funds on critical areas of infrastructure.
- Clear Terms of Reference for all Committees and appropriate membership, ensuring oversight of high educational standards, relations with feeder schools, all aspects of health and safety, the financial position of the school and IT systems.
- Formal written policies.
- Risk assessments for individual activities and departments.
- Vetting procedures as required by law for the protection of vulnerable people.
- Clear organisational structure, lines of reporting and authority limits.
- Formal agenda and minutes to support decisions of all Committee and Governing Body activities.



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Governors, who are Directors for the purposes of Company Law, are responsible for preparing the Directors and Trustees' Report, incorporating the strategic report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company and group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## AUDITORS

Haysmacintyre LLP have expressed their willingness to continue as auditors to Canford School Limited.

This report was approved by the Board on 26 November 2021 and signed on its behalf by:



David R Levin  
Director/Trustee

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANFORD SCHOOL LIMITED

### Opinion

We have audited the financial statements of Canford School Limited for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Cash flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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 Directors and Trustees' Report (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 Directors and Trustees' Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission and the Independent Schools Inspectorate, 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 the Charities Act 2011, and consider other factors such as payroll tax and sales tax.

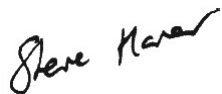
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in making accounting estimates. 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 by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

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

**Use of our report**

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



Steven Harper (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date: 7 December 2021

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure account)

Note	2021				2020			
	General Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	General Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
<b>INCOME FROM</b>								
<b>Income from charitable activities</b>								
School fees receivable	18,871,850	0	0	18,871,850	17,421,096	0	0	17,421,096
Other educational income	381,045	0	0	381,045	424,042	0	0	424,042
Other ancillary trading income	97,078	0	0	97,078	87,207	0	0	87,207
	<b>19,349,973</b>	<b>0</b>	<b>0</b>	<b>19,349,973</b>	<b>17,932,345</b>	<b>0</b>	<b>0</b>	<b>17,932,345</b>
<b>Other trading activities</b>								
Fundraising	13,415	0	139,349	152,764	27,976	0	71,964	99,940
Trading company	465,695	0	0	465,695	598,918	0	0	598,918
Rents and school lets	179,138	0	0	179,138	185,134	0	0	185,134
Income from Investments	17,821	101,195	61,379	180,395	74,367	59,607	41,787	175,761
Other income	6,257,293	0	0	6,257,293	641,610	0	0	641,610
<b>Total Income</b>	<b>26,283,335</b>	<b>101,195</b>	<b>200,728</b>	<b>26,585,258</b>	<b>19,460,350</b>	<b>59,607</b>	<b>113,751</b>	<b>19,633,708</b>
<b>EXPENDITURE ON</b>								
<b>Expenditure on raising funds</b>								
	528,594	27,396	35,527	591,517	694,382	47,678	47,705	789,765
<b>Expenditure on Charitable activities</b>								
	18,882,620	1	241,068	19,123,689	18,642,911	(2)	161,271	18,804,180
<b>Total Expenditure</b>	<b>19,411,214</b>	<b>27,397</b>	<b>276,595</b>	<b>19,715,206</b>	<b>19,337,293</b>	<b>47,676</b>	<b>208,976</b>	<b>19,593,945</b>
<b>NET INCOME before transfers and investments gains/(losses)</b>								
	<b>6,872,121</b>	<b>73,798</b>	<b>(75,867)</b>	<b>6,870,052</b>	<b>123,057</b>	<b>11,931</b>	<b>(95,225)</b>	<b>39,763</b>
<b>OPERATING SURPLUS before investment gains/(losses)</b>								
	6,858,706	73,798	(215,216)	6,717,288	95,081	11,931	(167,189)	(60,177)
Net gains/(losses) on Investments	(1)	1,048,157	640,043	1,688,199	0	(307,672)	(216,861)	(524,533)
<b>FUNDRAISING INCOME</b>								
	13,415	0	139,349	152,764	27,976	0	71,964	99,940
<b>Net Income</b>	<b>6,872,120</b>	<b>1,121,955</b>	<b>564,176</b>	<b>8,558,251</b>	<b>123,057</b>	<b>(295,741)</b>	<b>(312,086)</b>	<b>(484,770)</b>
<b>NET MOVEMENT IN FUNDS</b>								
Transfers between funds	(6,555,664)	6,555,664	0	0	(1,276,926)	1,276,926	0	0
	<b>316,456</b>	<b>7,677,619</b>	<b>564,176</b>	<b>8,558,251</b>	<b>(1,153,869)</b>	<b>981,185</b>	<b>(312,086)</b>	<b>(484,770)</b>
Fund balance brought forward at 1 August	10,192,173	31,029,339	2,861,374	44,082,886	11,346,042	30,048,154	3,173,460	44,567,656
Balance carried forward at 31 July	<b>10,508,629</b>	<b>38,706,958</b>	<b>3,425,550</b>	<b>52,641,137</b>	<b>10,192,173</b>	<b>31,029,339</b>	<b>2,861,374</b>	<b>44,082,886</b>

All operations of the company continued throughout both years and no operations were acquired or discontinued in either year.

The company had no recognised gains or losses in the year other than those above.

The statement of financial activities includes the income and expenditure account.

The notes on pages 22 to 38 form an integral part of these financial statements.

## CONSOLIDATED AND CHARITY BALANCE SHEETS

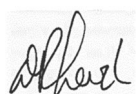
CANFORD SCHOOL LIMITED AS AT 31 JULY 2021

COMPANY REGISTERED NO: 190956

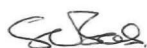
		Group		Charity	
	Notes	July 2021 £	July 2020 £	July 2021 £	July 2020 £
FIXED ASSETS					
Cost		51,123,625	43,434,211	50,978,103	43,286,716
Depreciation		(14,724,326)	(13,578,870)	(14,590,675)	(13,451,903)
Tangible Fixed Assets	8	<u>36,399,299</u>	<u>29,855,341</u>	<u>36,387,428</u>	<u>29,834,813</u>
INVESTMENTS					
Investment in subsidiary undertaking	9	0	0	100	100
Investment for composition fees	10	962,148	1,158,313	962,148	1,158,313
Restricted investments	11	3,149,435	2,721,621	3,149,435	2,721,621
Other investments	11	7,073,734	5,951,778	7,073,734	5,951,778
		<u>11,185,317</u>	<u>9,831,712</u>	<u>11,185,417</u>	<u>9,831,812</u>
CURRENT ASSETS					
Stocks	12	92,403	110,078	16,211	11,595
Debtors	13	6,534,551	671,669	6,537,101	700,781
Cash at bank and in hand		<u>5,802,783</u>	<u>10,515,472</u>	<u>5,633,260</u>	<u>10,360,897</u>
		<u>12,429,737</u>	<u>11,297,219</u>	<u>12,186,572</u>	<u>11,073,273</u>
CREDITORS: amounts falling due within one year	14	(6,904,973)	(6,046,795)	(6,658,501)	(5,813,690)
NET CURRENT ASSETS		<u>5,524,764</u>	<u>5,250,424</u>	<u>5,528,071</u>	<u>5,259,583</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>53,109,380</u>	<u>44,937,477</u>	<u>53,100,916</u>	<u>44,926,208</u>
CREDITORS: amounts falling due after more than one year	15	(468,243)	(854,591)	(468,243)	(854,044)
NET ASSETS		<u>52,641,137</u>	<u>44,082,886</u>	<u>52,632,673</u>	<u>44,072,164</u>
UNRESTRICTED FUNDS					
General fund		10,508,629	10,192,173	10,500,165	10,181,451
Designated funds:					
Property fund		31,621,974	25,066,311	31,621,974	25,066,311
Assyrian Fund		6,832,291	5,749,803	6,832,291	5,749,803
Canford Partnership fund		252,693	213,225	252,693	213,225
RESTRICTED FUNDS		3,425,550	2,861,374	3,425,550	2,861,374
TOTAL FUNDS	17	<u>52,641,137</u>	<u>44,082,886</u>	<u>52,632,673</u>	<u>44,072,164</u>

The surplus of the parent charitable company before consolidation was £8,560,509 (2020: loss of £484,770).

The financial statements were approved and authorised for issue by the Board of Directors on 26 November 2021 and were signed on its behalf by:



David R Levin  
Chairman



Stephen Le Bas  
Chairman of Finance Committee

The notes on pages 22 to 38 form an integral part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

FORTHEYEAR ENDED 31 JULY 2021

	2021 £	2020 £
Net movement in funds	8,558,251	(484,770)
Investment income receivable	(180,395)	(175,761)
(Gains)\losses on investments	<u>(1,688,200)</u>	<u>524,533</u>
Operating surplus for the year	6,689,656	(135,998)
Depreciation	1,463,022	1,369,236
(Profit)\loss on disposal of fixed assets	(5,755,183)	211,068
Amortisation of lease granted over land	(7,666)	(7,666)
Discount given on Composition fees	18,827	15,071
Decrease \ (increase) in stocks	17,675	37,179
(Increase)\decrease in debtors	(112,882)	3,591
(Decrease)\increase in creditors	1,598,794	787,922
<b>Net cash inflow from operating activities</b>	<u>3,912,243</u>	<u>2,280,403</u>
<b>Investing</b>		
Investment income received	180,395	175,761
Purchase of tangible fixed assets	(8,512,006)	(4,184,115)
Proceeds from sale of tangible fixed assets	5,334	3,808
Net Sale\Purchase) of investments	14,382	81,805
Net movement in composition fee investments	<u>320,213</u>	<u>583,314</u>
<b>Net cashflow from capital expenditure and financial investments</b>	<u>(7,991,682)</u>	<u>(3,339,427)</u>
<b>Net cash inflow/(outflow) before financing</b>	<u>(4,079,439)</u>	<u>(1,059,024)</u>
<b>Financing</b>		
Composition fees received	0	439,695
Composition fee payments	(630,426)	(863,359)
Lessee's payments for the reduction of the outstanding liability relating to a finance lease	<u>(2,824)</u>	<u>(2,278)</u>
Net cashflow from financing	(633,250)	(425,942)
<b>Decrease in cash in the year</b>	<u><u>(4,712,689)</u></u>	<u><u>(1,484,966)</u></u>
<b>Cash and cash equivalents at the start of the year</b>	10,515,472	12,000,438
<b>Cash and cash equivalents at the end of the year</b>	5,802,783	10,515,472

Note 22

The notes on pages 22 to 38 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

#### I. ACCOUNTING POLICIES

**a) *General information***

The Charity is a private company limited by guarantee, incorporated in England and Wales (company number 190956) and a charity registered in England and Wales (charity number 306315). The Charity's registered office address is The Bursary, Canford School, Wimborne, Dorset BH21 3AD.

**b) *Basis of accounting***

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Canford School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Financial statements are prepared in pounds sterling rounded to the nearest pound.

These financial statements consolidate the results of the charity and its wholly owned subsidiary Cheneford Limited. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Canford School Limited.

The Trustees have reviewed the appropriateness of adopting the going concern basis of accounting in preparing the annual financial statements to assess whether the charity was viable in accordance with the new requirement of the UK Corporate Governance Code. The assessment included a review of the budget and principal risks facing the charity, their potential impact, how they were being managed and a review as to the appropriate period for the assessment. This assessment included the short- and medium-term risks associated with Covid-19. The Governors are confident that there is a reasonable expectation that the charity will be able to continue in operation and meet its liabilities as they fall due over the one-year period of the assessment.

**c) *Significant judgements and sources estimation uncertainty***

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Items covered above in Basis of accounting, such as determining the charity is a going concern, and
- Estimates regarding pensions liabilities have been made and are covered in Note 21.

**d) *Income and expenditure***

School fees and operating expenses are included in the financial statements on the accruals basis. Fees receivable are stated after deducting allowance, scholarships and other remissions granted by the school. Entrance and registration fees are credited to income in the year in which they are received. All income and expenditure included in the financial statements is from continuing operations.

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to the management estimates of time spent or space occupied, as appropriate. VAT is included with the item of expenditure to which it relates.

Governance costs comprise the cost of running the company, including strategic planning for its future development, external audit, and all the costs of complying with constitutional and statutory requirements, such as the cost of governor and committee meetings and preparing financial statements.

**e) *Termination payments***

Termination payments are accounted for in the year in which the commitment is made. This applies to pay in lieu of notice, redundancy payments and payments under compromise agreements.



**f) Donations**

Donations of tangible fixed assets are capitalised, and a matching gift in kind is accounted for as a donation within the Statement of Financial Activities. Other donations are accounted for within the Statement of Financial Activities and are recognised when the school is entitled to the receipt.

**g) Repairs and maintenance**

Repairs and maintenance expenditure is charged as an operating expense in the year in which it is incurred net of any grants receivable.

**h) Investments**

The investments are stated at market value, less any provision for permanent diminution in value. It is the company's policy to keep valuation up to date such that when investments are sold there is no gain or loss arising. As a result, the Statement of Financial Activities only includes those unrealised gains or losses arising from the revaluation of the investment portfolio throughout the year. The school also holds an investment at cost in its subsidiary, Cheneford Limited, shown in Note 9.

**i) Tangible fixed assets and depreciation***Freehold land and buildings*

Expenditure relating to the acquisition of and extensions to freehold land and buildings together with the initial equipping thereof is capitalised and is stated in the financial statements at cost less depreciation and any provision for impairment. No depreciation is charged on freehold land. Leases granted over land are amortised over the term of the lease. Land and buildings are reviewed annually for impairment in accordance with FRS 102.

*Depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation. Donations of tangible fixed assets are capitalised at their cash value or at estimated cash value if received in kind. Depreciation is provided on tangible fixed assets so as to write off their cost, less estimated residual value, by equal instalments over the expected useful lives of the assets concerned. Assets with a cost of more than £5,000 are capitalised. The estimated useful lives are considered to be as follows:

Freehold buildings	- Up to 50 years
Property improvements	- 5 – 25 years
Plant and equipment	- 3 – 20 years
Computer equipment	- 4 – 7 years
Furniture, fixtures and fittings	- 10 – 20 years
Motor vehicles	- 4 Years

**j) Composition fees**

Composition fees represent payments in advance in respect of school fees for current and future pupils. These are recorded in the School's balance sheet as a liability (representing the fees received in advance from parents) and assets (being the investments managed by Rathbone Brothers PLC). A transfer to the revenue account is made each term in respect of school fees which are then due.

**k) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**l) Assets acquired under finance leases**

Assets acquired under finance leases, which confer rights and obligations similar to those attached to owned assets are capitalised and included under tangible fixed assets in the balance sheet and are depreciated over the shorter of the lease term and their useful lives.

The capital elements of finance lease obligations are recorded as liabilities while the interest elements are charged to the Statement of Finance Activities over the primary lease period, to produce a constant rate of charge on the balance of capital repayments outstanding.

**m) Operating leases**

Assets used by the school under operating leases are not capitalised. The costs associated with their rental are charged on a straight-line basis over the lease term, even if the payments are not made on such basis.

**n) Pensions**

The School's professional teaching staff are members of a Superannuation Scheme operated by the Department for Education and Skills. This is a multi-employer defined benefits scheme and individual schools are not able to identify their share of the underlying assets and liabilities of the scheme. The results for the year are stated after charging the relevant employer's contributions to this scheme. Other staff are members of a defined contribution scheme. Further information and the basis of accounting is given in Note 21.

**o) Taxation**

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

**p) Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

**q) Government grants**

Government grants are accounted for on an accruals basis.

**2. FEES**

	2021	2020
	£	£
Gross School Fees	21,509,237	19,813,741
Less: scholarships, bursaries, grants and allowances	(2,877,387)	(2,549,475)
	<hr/>	<hr/>
	18,631,850	17,264,266
Add: scholarships funded from Assyrian Fund and from Scholarship Bursary and Prize Fund	240,000	156,830
	<hr/>	<hr/>
	<u>18,871,850</u>	<u>17,421,096</u>

**3. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES**

The company owns 99% of the issued share capital of Cheneford Limited, a company registered in England, (Company number: 2694274). The company lets the facilities of the school, including a golf course, for use by the public and various organisations. The subsidiary's net profit is paid to Canford under a Deed of Covenant.

The subsidiary's trading results for the year, as extracted from the audited financial statements, are summarised below:

	2021	2020
	£	£
Turnover	473,869	608,414
Cost of Sales	(463,931)	(539,407)
<b>Gross Profit</b>	<b>9,938</b>	<b>69,007</b>
Administration expenses	(12,218)	(21,319)
Other operating income	0	0
<b>Operating profit</b>	<b>(2,280)</b>	<b>47,688</b>
Interest receivable	7	107
Interest payable	(458)	(1,004)
<b>Net profit</b>	<b>(2,731)</b>	<b>46,791</b>

Turnover includes £23,590 (2020: £29,407) supplied to the School. Costs include contributions to the overheads of the School totalling £149,552 (2020: £159,072). These intercompany transactions are excluded from the consolidated figures shown on the SOFA and in note 6.

At 31 July 2021 there was a balance of £40,010 (2020: £53,052) owed by Cheneford to Canford School Limited and £2,853 (2020: £3,180) owed by Canford School Limited to Cheneford Limited.

The subsidiary's balance sheet as at 31 July 2021 as extracted from the audited financial statements is summarised below:

	2021	2020
	£	£
Fixed assets	11,871	20,528
Current assets	286,030	280,179
Less current liabilities	(289,336)	(289,338)
Long term liabilities	0	(547)
<b>Net Assets</b>	<b>8,565</b>	<b>10,822</b>
Called up share capital	100	100
Profit and loss account	8,465	10,722
	<b>8,565</b>	<b>10,822</b>

#### 4. OTHER INCOME

	2021	2020
	£	£
<b>Other educational charitable activities</b>		
Fee income for extra subjects	292,592	320,906
Entrance and registration fees	80,064	68,035
Courses and sub lettings	8,389	35,101
	<b>381,045</b>	<b>424,042</b>

**Other income**

Gain / (Loss) on Sales of Fixed Assets	5,755,183	(211,068)
Other operational income	428	420
Amortisation of lease granted over land	7,666	7,666
CJRS claims	494,016	844,592
	<u>6,257,293</u>	<u>641,610</u>

**Other ancillary trading income**

Ancillary income	97,078	87,207
Insurance commission	0	0
	<u>97,078</u>	<u>87,207</u>

**5. INVESTMENT INCOME**

	General Funds	Restricted Funds	2021 Total	General Funds	Restricted Funds	2020 Total
	£	£	£	£	£	£
Investment income	101,196	61,379	162,575	59,608	41,787	101,395
Interest received	17,820	0	17,820	74,366	0	74,366
	<u>119,016</u>	<u>61,379</u>	<u>180,395</u>	<u>133,974</u>	<u>41,787</u>	<u>175,761</u>

**6. ANALYSIS OF TOTAL EXPENDITURE**

	Staff costs	Other costs	Depreciation	2021 Total	Staff costs	Other costs	Depreciation	2020 Total
	£	£	£	£	£	£	£	£
Costs of generating funds:								
Fundraising	108,837	60,337	0	169,174	110,062	63,984	0	174,046
Trading costs of subsidiary	117,602	193,537	8,657	319,796	137,387	244,770	12,235	394,392
Finance costs	0	102,547	0	102,547	0	221,327	0	221,327
	<u>226,439</u>	<u>356,421</u>	<u>8,657</u>	<u>591,517</u>	<u>247,449</u>	<u>530,081</u>	<u>12,235</u>	<u>789,765</u>
Charitable Activities								
Provision of education								
-Teaching	7,177,864	458,334	0	7,636,198	7,252,660	729,832	0	7,982,492
-Welfare	3,109,075	914,698	0	4,023,773	3,026,958	790,281	0	3,817,239
-Premises	1,266,573	1,758,337	1,454,364	4,479,274	1,294,398	1,642,471	1,357,001	4,293,870
-Support costs	1,874,984	799,370	0	2,674,354	1,749,838	728,024	0	2,477,862
Governance	0	64,865	0	64,865	0	64,205	0	64,205
	<u>13,428,496</u>	<u>3,995,604</u>	<u>1,454,364</u>	<u>18,878,464</u>	<u>13,323,854</u>	<u>3,954,813</u>	<u>1,357,001</u>	<u>18,635,668</u>
Grants, awards and prizes	0	245,225	0	245,225	0	168,513	0	168,513
	<u>13,428,496</u>	<u>4,240,829</u>	<u>1,454,364</u>	<u>19,123,689</u>	<u>13,323,854</u>	<u>4,123,326</u>	<u>1,357,001</u>	<u>18,804,181</u>
Total Expenditure	<u>13,654,935</u>	<u>4,597,250</u>	<u>1,463,021</u>	<u>19,715,206</u>	<u>13,571,303</u>	<u>4,653,407</u>	<u>1,369,236</u>	<u>19,593,945</u>

All support costs relate to the provision of education. Support staff costs include the salaries of the Headmaster, Finance, Human Resources, IT, Marketing and Admissions. Other support costs include computer equipment, photocopying equipment, software licences professional fees and the apprenticeship levy.

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
<b>Charitable activities include:</b>				
Depreciation on owned assets	1,463,021	1,369,236	1,454,364	1,357,001
Operating leases	78,507	68,973	78,507	68,973
<b>Finance costs include</b>				
Bad debts expense	32,403	122,901	33,491	119,292
<b>Governance costs include</b>				
Auditors remuneration for				
Audit services	20,690	17,790	17,340	14,640
Other service	0	0	0	0

## 7. STAFF COSTS

	2021	2020
	£	£
Total staff costs were as follows:		
Wages and salaries	10,973,864	10,867,894
Social security costs	1,010,124	986,788
Pension contributions	1,670,947	1,716,620
	<u>13,654,935</u>	<u>13,571,302</u>

The governors received no remuneration during the year (2020: £nil). No related party transactions occurred during the year (2020: £nil). Two Governors have a child in the school paid at standard rates. Two Governors have children / grandchildren who receive merit-based scholarships. The related Governors were not involved in the decisions to make these awards.

An aggregate amount of £123 was reimbursed to one governor during the year, in respect of travel expenses (2020: £2,303 to 5 governors).

	2021	2020
	No.	No.
<b>Staff numbers</b>		
The number of employees in the year were:	468	486
The number of employees whose emoluments exceeded £60,000 were		
£60,001 to £70,000	16	18
£70,001 to £80,000	4	4
£80,001 to £90,000	3	3
£110,001 to £120,000	1	1
£180,001 to £190,000	0	1
£220,001 to £230,000	1	0

The employer pension contributions paid for the above higher-paid staff were £338,730 (2020: £383,390). During the year, pension arrangements for the highest paid employee were changed. A total of £263,267 (2020: £325,774) was paid to the Teachers' Pension Scheme, a defined benefit scheme, and £75,463 (2020: £57,616) to other schemes.

There are a number of key management personnel in the School including the Senior Management Team and the Support Staff Senior Management Team. The total amount of remuneration, benefits (excluding those listed below) and pensions paid to this group of individuals was £1,671,775 (2020: £1,642,209).

In addition to the payments contained in the bandings above, the School provides fee remission to teaching and some senior staff typical for the independent school sector and accommodation (or reimbursement for own accommodation) to staff who are entitled to accommodation by virtue of their role.

### Pension contributions and commitments

Teaching staff are eligible to contribute to the Teachers' Pension Scheme. Support staff are eligible to contribute to a personal pension plan, which is a defined contribution scheme administered by Scottish Widows. All schemes permit staff to make additional voluntary contributions.

Further details relating to these pension schemes are set out in note 21.

	2021	2020
	£	£
<b>Pension contributions</b>		
Total employer contributions incurred during the year were:		
Teaching staff	1,105,716	1,081,898
Support staff	565,231	634,722
	<u>1,670,947</u>	<u>1,716,620</u>

	2021	2020
	£	£
<b>Redundancy &amp; Termination Payments</b>		
made in the year totalled	46,320	74,270

## 8. TANGIBLE FIXED ASSETS – GROUP

	Freehold property	Plant & equipment	Computer equipment	Furniture, fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Historic cost</b>						
Opening - 1st August	34,021,102	5,232,291	1,913,812	2,069,448	197,558	43,434,211
Transfers	0	0	0	0	0	0
Additions	7,293,495	377,607	84,629	180,580	70,819	8,007,130
Disposals	(13,280)	(13,696)	(290,740)	0	0	(317,716)
Closing - 31st July	<u>41,301,317</u>	<u>5,596,202</u>	<u>1,707,701</u>	<u>2,250,028</u>	<u>268,377</u>	<u>51,123,625</u>
<b>Depreciation</b>						
Opening - 1st August	8,954,791	2,194,060	1,430,510	809,383	190,126	13,578,870
Transfers	0	0	0	0	0	0
Charge in year	737,831	419,497	148,378	137,670	19,646	1,463,022
Disposals	(13,281)	(13,545)	(290,740)	0	0	(317,566)
Closing - 31st July	<u>9,679,341</u>	<u>2,600,012</u>	<u>1,288,148</u>	<u>947,053</u>	<u>209,772</u>	<u>14,724,326</u>
<b>Net Book Value</b>						
Opening - 1st August	25,066,311	3,038,231	483,302	1,260,065	7,432	29,855,341
Closing - 31st July	<u>31,621,976</u>	<u>2,996,190</u>	<u>419,553</u>	<u>1,302,975</u>	<u>58,605</u>	<u>36,399,299</u>

**8. TANGIBLE FIXED ASSETS – CHARITY**

	Freehold property	Plant & equipment	Computer equipment	Furniture, fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Historic cost</b>						
Opening - 1st August	34,021,102	5,095,885	1,902,723	2,069,448	197,558	43,286,716
Transfers	0	0	0	0	0	0
Additions	7,293,495	377,607	84,629	180,580	70,819	8,007,130
Disposals	(13,280)	(11,723)	(290,740)	0	0	(315,743)
Closing - 31st July	<u>41,301,317</u>	<u>5,461,769</u>	<u>1,696,612</u>	<u>2,250,028</u>	<u>268,377</u>	<u>50,978,103</u>
<b>Depreciation</b>						
Opening - 1st August	8,954,791	2,078,182	1,419,421	809,383	190,126	13,451,903
Transfers	0	0	0	0	0	0
Charge in year	737,831	410,840	148,378	137,670	19,645	1,454,364
Disposals	(13,280)	(11,572)	(290,740)	0	0	(315,592)
Closing - 31st July	<u>9,679,342</u>	<u>2,477,450</u>	<u>1,277,059</u>	<u>947,053</u>	<u>209,771</u>	<u>14,590,675</u>
<b>Net Book Value</b>						
Opening - 1st August	25,066,311	3,017,703	483,302	1,260,065	7,432	29,834,813
Closing - 31st July	<u>31,621,975</u>	<u>2,984,319</u>	<u>419,553</u>	<u>1,302,975</u>	<u>58,606</u>	<u>36,387,428</u>

**9. INVESTMENTS**

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Investment in subsidiary undertaking	-	-	100	100

**10. COMPOSITION FEES**

The investments are managed by Rathbone Brothers PLC in accordance with an investment policy established by the school as a trustee. The surplus of funds invested over liabilities has been recognised and is shown as a restricted reserve. This scheme was close to new entrants in October 2020.

	2021	2020
	£	£
At 1 August 2020	1,456,535	1,944,150
Composition fees received	0	439,695
Income arising from investments	76,710	(45,092)
Management fees and similar charges	(4,640)	(11,847)
Applied to school fees	<u>(630,426)</u>	<u>(863,359)</u>
Net Movement in the year	<u>(558,356)</u>	<u>(480,603)</u>
Total liability as at 31 July 2021	898,179	1,463,547
Unrealised gain/(loss) on investments	<u>64,469</u>	<u>(7,012)</u>
At 31 July 2021	<u>962,648</u>	<u>1,456,535</u>

Represented by:

Investment with Rathbones	962,148	1,158,313
Cash at bank	500	298,222
Interest Receivable	0	0
	<u>962,648</u>	<u>1,456,535</u>

Amounts falling due within one year	386,727	625,597
Amounts falling due after one and within five years	323,518	696,247
Amount falling due after five years		
	<u>710,245</u>	<u>1,321,844</u>
Composition Fees Reserve	252,403	134,691
	<u>962,648</u>	<u>1,456,535</u>

2021	2020
£	£

**Investments representing Composition Fees Funds**

Investments representing restricted funds at cost	897,679	1,165,325
	<u>897,679</u>	<u>1,165,325</u>
Market value of assets representing restricted funds	962,148	1,158,313
	<u>962,148</u>	<u>1,158,313</u>

The funds are invested by Rathbones

UK equities	238,336	422,301
Overseas equities	186,407	261,582
Index linked	93,524	217,497
Other	428,445	217,421
Cash and commitments	15,436	39,512
	<u>962,148</u>	<u>1,158,313</u>

2021
£

**Reconciliation of Movement in Fund**

B/Fwd	1,158,313
Additions	331,394
Disposals	(627,530)
Profit /(Loss) on Disposals	52,567
Unrealised Gains/(Losses)	71,481
Cash Movements	<u>(24,076)</u>
C/Fwd	<u>962,148</u>



**11. OTHER INVESTMENTS**

	2021 £	2020 £
<b>a) Assyrian Fund</b>		
Cost of assets representing School Funds	6,143,411	5,965,675
Market value of assets representing School Funds	7,064,984	5,943,028
The funds are invested by Rathbones		
	2021 Total £	2020 Total £
UK equities	1,673,158	1,761,050
Overseas equities	2,372,462	2,069,625
Index linked	355,487	516,403
Other	2,580,052	1,059,734
Cash and commitments	83,825	536,216
	7,064,984	5,943,028
	2021 £	
<b>Reconciliation of Movement in Fund</b>		
B/Fwd	5,943,028	
Additions	1,659,971	
Disposals	(1,133,780)	
Profit /(Loss) on Disposals	103,936	
Unrealised Gains/(Losses)	944,221	
Cash Movements	(452,391)	
C/Fwd	7,064,984	
<b>b) Other Assets held as Investments</b>		
Market value of assets representing School Funds	8,750	8,750
<b>Total Other Investments</b>	<b>7,073,734</b>	<b>5,951,778</b>

	2021 £	2020 £
<b>c) Restricted Funds - Scholarship, Bursaries and Prize Fund</b>		
Investments representing restricted funds at cost	2,715,477	2,763,968
Market value of assets representing restricted funds	3,149,435	2,721,621

The funds are invested by Rathbones

	2021 Total £	2020 Total £
UK equities	828,281	829,318
Overseas equities	1,347,296	950,230
Index linked	89,281	103,206
Other	814,728	219,117
Cash and commitments	69,849	619,750
	3,149,435	2,721,621

	2021 £
<b>Reconciliation of Movement in Fund</b>	
B/Fwd	2,721,621
Additions	869,113
Disposals	(407,393)
Profit /(Loss) on Disposals	39,690
Unrealised Gains/(Losses)	476,305
Cash Movements	(549,901)
C/Fwd	3,149,435

The investments are managed by Rathbones Investment Management Ltd in accordance with an investment policy established by the School as trustee. Notes 17 and 18 show the funds to which these investments relate.

## 12. STOCKS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Goods for resale	92,403	110,078	16,211	11,595

The replacement cost of stocks is not considered to be materially different from their historical costs.

## 13. DEBTORS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Debtors in respect of school fee account	225,381	69,306	225,381	69,306
Amounts owed by subsidiary undertaking	0	0	40,010	53,052
Other debtors	5,885,266	224,135	5,854,932	203,410
Prepayments and accrued income	423,904	378,228	416,778	375,013

6,534,551	671,669	6,537,101	700,781
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Other Debtors 2021 includes proceeds of land sale for which contracts have been exchanged but funds are not due until completion.

#### 14. CREDITORS: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
School fees paid on account	2,942,092	2,642,312	2,942,092	2,642,312
Composition fees (see note 10)	386,727	625,597	386,727	625,597
Trade creditors	814,289	548,186	795,973	535,641
Amounts owed to subsidiary undertaking	0	0	2,853	3,180
Other creditors	759,964	564,354	640,982	458,249
Taxation & social security	280,150	272,763	257,177	262,733
Finance lease obligations	533	2,810	0	0
Accruals and deferred income	1,721,218	1,390,773	1,632,697	1,285,978
	<u>6,904,973</u>	<u>6,046,795</u>	<u>6,658,501</u>	<u>5,813,690</u>

#### 15. CREDITORS: amounts falling due after more than one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Composition fees due 2 - 5 years (see note 10)	323,518	696,247	323,518	696,247
Composition fees due more than 5 years (see note 10)	0	0	0	0
Deferred Income due 2 - 5 years	30,664	30,664	30,664	30,664
Deferred Income more than 5 years	99,657	107,324	99,657	107,324
Finance lease obligations due 2 - 5 years	0	547	0	0
Finance lease obligations more than 5 years	0	0	0	0
Pension Scheme Deficit 2 - 5 years (see note 21)	14,404	19,809	14,404	19,809
Pension Scheme Deficit more than 5 years (see note 21)	0	0	0	0
	<u>468,243</u>	<u>854,591</u>	<u>468,243</u>	<u>854,044</u>

The Deferred Income relates to a lease granted over land and is amortised over the life of the lease.

#### 16. MOVEMENT IN TOTAL DEFERRED INCOME

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
As at 1st August	237,222	227,060	145,675	184,580
New Deferred Income	98,718	91,569	26,160	21
Released to SOFA	(99,235)	(81,407)	(7,688)	(38,926)
As at 31st July	<u>236,705</u>	<u>237,222</u>	<u>164,147</u>	<u>145,675</u>

## 17. FUNDS

	1 August 2019	Income	Expenditure	Gain/(Loss) on Investment Assets	Transfer Between Funds	1 August 2020	Income	Expenditure	Gain/(Loss) on Investment Assets	Transfer Between Funds	31 July 2021
	£	£	£	£	£	£	£	£	£	£	£
<b>Unrestricted Funds</b>											
Assyrian Fund	6,033,464	57,540	(46,000)	(295,201)	0	5,749,803	97,637	(26,419)	1,011,270	0	6,832,291
Canford Partnership Fund	225,305	2,069	(1,678)	(12,471)	0	213,225	3,559	(977)	36,886	0	252,693
Designated Property Fund	23,789,385	0	0	0	1,276,926	25,066,311	0	0	0	6,555,663	31,621,974
	30,048,154	59,609	(47,678)	(307,672)	1,276,926	31,029,339	101,196	(27,396)	1,048,156	6,555,663	38,706,958
General Fund	11,335,320	19,278,257	(19,155,200)	0	(1,276,926)	10,181,451	20,211,527	(13,337,150)		(6,555,663)	10,500,165
Total Unrestricted School Funds	41,383,474	19,337,866	(19,202,878)	(307,672)	0	41,210,790	20,312,723	(13,364,546)	1,048,156	0	49,207,123
<b>Restricted Funds</b>											
Composition Fees Fund	213,713	455,031	(466,612)	(67,441)	0	134,691	89,989	(96,325)	124,048	0	252,403
Scholarship Bursary and Prize Fund	2,959,747	98,414	(182,058)	(149,420)	0	2,726,683	183,596	(253,127)	515,995	0	3,173,147
Total Restricted School Funds	3,173,460	553,445	(648,670)	(216,861)	0	2,861,374	273,585	(349,452)	640,043	0	3,425,550
Total Charity Funds	44,556,934	19,891,311	(19,851,548)	(524,533)	0	44,072,164	20,586,308	(13,713,998)	1,688,199	0	52,632,673
Subsidiary Reserves	10,723	628,432	(628,432)	0	0	10,723	489,292	(491,550)	0	0	8,465
	44,567,657	20,519,743	(20,479,980)	(524,533)	0	44,082,887	21,075,600	(14,205,548)	1,688,199	0	52,641,137

The total of the Income and Expenditure in each year above matches the Net Income before transfers and investments gains/(losses) on the SOFA.

The cost of scholarships in the year from the Assyrian Fund and the Scholarship, Bursary and Prize Funds are included within the total for "scholarships, bursaries, grants and allowances" in note 2.

## Purpose of funds

## Unrestricted Funds

Assyrian Fund	This is designated for annual scholarship and bursary awards to pupils.
Canford Partnership Fund	This is designated for work carried out by pupils on trips to orphanages in countries such as Argentina, Ghana and India.
Designated Property Fund	This is designated to match the value of the investment made over the years in the fabric of School buildings.
General Fund	General reserves are available to the group. Governors monitor this fund on a regular basis, considering the working capital management of the School and the desire to continually improve facilities.

## Restricted Funds

Composition Fees Fund	This is restricted to the advance payment of fees, and represents funds received in respect of school fees for current and future pupils. This scheme was close to new entrants in October 2020.
Scholarship Bursary and Prize Fund	This is restricted to terms set out by donors for the provision of scholarships, bursaries, prizes and activities.

## Transfers between funds

£6,555,663 was transferred to the designated property fund from the general fund to match the movement in net book value of freehold land and buildings.

**18. ALLOCATION OF NET ASSETS TO FUNDS**

	Fixed assets	Investments	Other net assets/(liabilities)	Long term liabilities	2021 Total	Fixed assets	Investments	Other net assets/(liabilities)	Long term liabilities	2020 Total
	£	£	£	£	£					
Unrestricted General Fund	4,777,325	8,750	5,867,279	(144,725)	10,508,629	4,789,030	8,750	5,552,737	(158,344)	10,192,173
<b>Unrestricted School Funds</b>										
Assyrian Fund	0	6,812,291	20,000	0	6,832,291	0	5,729,803	20,000	0	5,749,803
Canford Partnership Fund	0	252,693	0	0	252,693	0	213,225	0	0	213,225
Designated Property Fund	31,621,974	0	0	0	31,621,974	25,066,311	0	0	0	25,066,311
	31,621,974	7,064,984	20,000	0	38,706,958	25,066,311	5,943,028	20,000	0	31,029,339
<b>Restricted Funds</b>										
Composition Fees Fund	0	962,148	(386,227)	(323,518)	252,403	0	1,158,313	(327,375)	(696,247)	134,691
Scholarship Bursary and Prize Fund	0	3,149,435	23,712	0	3,173,147	0	2,721,621	5,062	0	2,726,683
	0	4,111,583	(362,515)	(323,518)	3,425,550	0	3,879,934	(322,313)	(696,247)	2,861,374
	36,399,299	11,185,317	5,524,764	(468,243)	52,641,137	29,855,341	9,831,712	5,250,424	(854,591)	44,082,886

**19. OPERATING LEASE COMMITMENTS**

At 31 July 2021 the company's future minimum operating lease payments are as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Within one year	78,441	78,441	74,204	74,204
Between 1 and 5 years	117,963	117,963	106,438	106,438

At 31 July 2021 the company's future minimum operating lease income is as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Within one year	7,666	7,666	7,666	7,666
Between 1 and 5 years	38,330	38,330	38,330	38,330
Over 5 years	107,323	107,323	107,323	107,323

**20. CAPITAL COMMITMENTS**

Capital expenditure authorised and contracted for at the balance sheet date amounted to £4,710,796 (2020: £7,363,490)

**21. PENSIONS**

The Group operates two pension schemes: Teachers are enrolled in the Teachers' Pension Scheme and Support Staff are offered a Scottish Widows Group Personal Pension Plan. Staff who do not elect to join one of two schemes offered are swept up into the Scottish Widows scheme under auto-enrolment rules. There are a small number of Support Staff who are active members of a legacy pension scheme, which is no longer offered to new members; The Pensions Trust Growth Plan. The School is also responsible for paying a share of the pension costs for employees of the Allied School Agency Limited which provides company secretarial and other services to the School. The figures shown below include this liability.

## Teachers Pensions

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,144,500 (2020: £1,161,746) and at the year-end £133,903 (2020: £142,871) was accrued in respect of contributions to this scheme.

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

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

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

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

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

To fulfil the School's responsibility to the Allied Schools Agency Limited the company participates in this scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

*Overall Scheme Deficit Contributions:* From 1 April 2019 to 31 January 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

*Company Deficit Contributions:* From 1 April 2016 to 30 September 2028: £5,549 per annum (payable monthly and increasing by 3% each on 1st April). The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

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

#### PRESENT VALUES OF PROVISION

31-Jul-21 31-Jul-20  
(£000s) (£000s)

Present value of provision

20 25

#### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

Period Ending 31-Jul-21 Period Ending 31-Jul-20  
(£000s) (£000s)

Provision at start of period

25 30

Unwinding of the discount factor (interest expense)

0 0

Deficit contribution paid

(5) (5)

Remeasurements - impact of any change in assumptions

0 0

Remeasurements - amendments to the contribution schedule

0 0

Provision at end of period

20 25

#### INCOME AND EXPENDITURE IMPACT

Period Ending 31-Jul-21 Period Ending 31-Jul-20  
(£000s) (£000s)

Interest expense

0 0

Remeasurements - impact of any change in assumptions

0 0

Remeasurements - amendments to the contribution schedule

0 0

Contributions paid in respect of future service\*

0 0

Costs recognised in income and expenditure account

0 0

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

**ASSUMPTIONS**

	31-Jul-21	31-Jul-20
	% per annum	% per annum
Rate of discount	0.57	0.60

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

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

**DEFICIT CONTRIBUTIONS SCHEDULE**

Year ending	31-Jul-21 (£000s)	31-Jul-20 (£000s)
Year 1	5	5
Year 2	6	6
Year 3	6	6
Year 4	3	6
Year 5	0	3
Year 6	0	0

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

**22. ANALYSIS OF CHANGES IN NET DEBT**

	1 August 2020	Cashflows	New Finance Leases	Fair Value Movements	Foreign Exchange Movements	Other Non Cash Movements	31 July 2021
Cash	10,515,472	(4,712,689)	0	0	0	0	5,802,783
Composition fees	(1,321,844)	630,428	0	0	0	(18,827)	(710,244)
Finance lease obligation	(3,357)	2,824	0	0	0	0	(533)
	<u>9,190,271</u>	<u>(4,079,437)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,827)</u>	<u>5,092,007</u>