

THE MOUNT KELLY FOUNDATION

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

THE MOUNT KELLY FOUNDATION

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THE MOUNT KELLY FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

The sole Trustee of the Charity is Mount Kelly Foundation Governors, a company registered in the UK; company number 03069235.

The Board of Directors of Mount Kelly Foundation Governors are a self-appointed body. These directors are referred to as Governors throughout this report

The co-opted Governors are elected by the Board of Mount Kelly Foundation Governors. Service on the Board is for a term of four years. Retiring Governors can be re-elected.

**Charity registered
number**

306716

Principal office

Mount Kelly
Parkwood Road
Tavistock
Devon
PL19 0HZ

Governors

The Reverend Prebendary Roger J Carlton, Nominated Governor of the Dean and Chapter of Exeter Cathedral
Dr Howard J Ball (resigned 30 June 2020)
Mrs Wendy V Davis
Mr Keith Hollinshead
Mr David Parlby
Mr Alistair Grove
Mrs Kerstin Lewis, Nominated Governor of the Bishop of Exeter
Mr John W B May Somerville (resigned 2 April 2021)
Mr Julian E R Trahair
Mr James B Kitson
Mr Niel O'Neill
Mrs Amanda J Le Page
Mrs Sarah M M Fitzgerald (resigned 30 September 2020)
Dr Kevin C P Wilson, Chairman
Mr Andrew C Main
Dr Michael J Atkinson
Mrs Hilary J Monk
Mr Julian P Whiteley
Mrs Claire L Weston (appointed 26 June 2020)
Mr Nicholas A S Andrew (appointed 26 June 2020)
Mr Barry M Widdows (appointed 22 September 2020)

Officers

Mr G T Ayling, Principal of the Foundation
Ms J Paine, Director of Finance and Operations (appointed 1 May 2021)

Independent auditors

Bishop Fleming LLP
Chartered Accountants
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

THE MOUNT KELLY FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Bankers	Natwest Corporate Services Team PO BOX 33 St Andrews Cross Plymouth PL4 0YH
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Solicitors	Foot Anstey Senate Court Southernhay Gardens Exeter Devon EX1 1NT
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THE MOUNT KELLY FOUNDATION

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustee presents its annual report together with the audited financial statements of The Mount Kelly Foundation (the Charity and the Group) for the period 1 September 2019 to 31 August 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Charity provides education in Tavistock for children from the ages 3-18. It also provides support and advice to a campus in Hong Kong and is exploring other international opportunities, runs summer schools for overseas pupils, and swimming camps throughout the year. The day to day running of the School is delegated to the Principal of the Foundation and the Head of Finance.

The Charity is constituted by an 1872 Trust Deed and registered with the Charity Commission under Charity number 306716. The Trust Deed has been amended in subsequent years, the latest amendment being 2014.

RECRUITMENT AND TRAINING OF GOVERNORS

Mount Kelly is a member of HMC, SoH, IAPS, AGBIS, ISC, BSA and ISBA, all of which provide regular guidance, support and training. Compliance with Charity Commission regulation and best practice are reviewed on a regular basis and the Governing Body is continuing to consider its present and future composition, taking into account known requirements and the need for a range of skills. Governors' training is enhanced through regular twilight sessions as well as attendance at courses, and the circulation of appropriate briefs.

GOVERNOR MEETINGS

The Governors meet as a full Board twice a term and have a full complement of sub-committees. In the year 2019-20 there were a total of 59 meetings (36 2018-19), including 16 meetings of the Coronavirus Committee.

ORGANISATIONAL MANAGEMENT

The Trustee of the Charity is Mount Kelly Foundation Governors (formerly Kelly College Governors), a company limited by guarantee.

Through its directors, Mount Kelly Foundation Governors have responsibility for the overall management of the Charity and its interests.

GROUP STRUCTURE AND RELATIONSHIPS

The Charity's wholly owned trading subsidiaries carry out non-charitable trading activities on behalf of the Charity. The subsidiaries incurred losses in the year due to the impact of the pandemic which significantly reduced income from letting the Foundation's property in the school holidays.

RISK MANAGEMENT

The Trustee has a review process continually to monitor and examine the principal areas of the School's operations and the risks that may be faced. A formal and comprehensive process of risk identification, mitigation and management has been conducted, and the Trustee considers that the major risks to which the Charity may be exposed have been identified and reviewed and that the systems set up to mitigate those risks, including insurance cover, are appropriate.

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

COMPLIANCE INSPECTION

There was no compliance inspection this year, the School having passed a no-notice ISI compliance inspection in March 2018.

OBJECTIVES AND ACTIVITIES

POLICIES AND OBJECTIVES

The Objects of the Charity are the provision and conduct in or near Tavistock of a boarding and day school for young persons and the promotion of the education of former pupils of the School. Within these Objects, the Charity also has various permanent endowed and un-endowed trust funds held for special purposes in connection with the development of the School's facilities and for scholarships, bursaries, prizes and other educational purposes.

Mount Kelly recognises the benefits of having a diverse school community, with individuals who value one another, and the different contributions everyone can make. All members of the community are expected to value and respect others and pupils are taught this as part of their Mount Kelly education. The School is committed to being an equal opportunities education provider and employer, committed to equality of opportunity for all members of the school community. In the provision of equal opportunities, the School recognises and accepts its responsibilities under the law and opposes all discrimination. Further details can be found in the School's Pupils and Staff Equality Policies.

As a charity Mount Kelly understands fully its responsibility to maximise and demonstrate the benefits that its work provides for individuals, communities and the wider public. The School is committed to developing a culture of collaboration and partnership that enhances the experiences of our pupils and ensures the School is a force for good beyond its own boundaries. This undertaking is clearly defined in a new 5-year strategic plan that will see the School strengthen and sustain a long-term commitment to the wellbeing of the community.

AIMS AND INTENDED IMPACT

As an educational charity for children, Mount Kelly's principal activity is the education and pastoral care of its pupils and it aims to achieve excellence in education and preparation for life. This is achieved by helping each individual pupil to maximise their academic potential, and also by providing a programme to enrich the curriculum and develop character. The provision of high-quality pastoral care and the development of moral and spiritual values enables pupils to contribute to both the local community and society in general.

Mount Kelly's key features are as follows:

- Mount Kelly is an all-round co-educational School, where pupils from the age of 3-18 are nurtured and encouraged to realise their full potential
- Mount Kelly is a school which values strong academic performance and it works tirelessly to maximise the ability of every child
- Mount Kelly is located on the edge of Dartmoor National Park and makes every use of its exceptional surroundings to widen pupils' experiences

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

- Mount Kelly is proud to be a close-knit school and there is a special emphasis on individual pastoral care where family values pervade every aspect of school life
- Mount Kelly understands what it takes for pupils to compete at the top level; its globally recognised swimming programme is replicated in other fields across the School
- Mount Kelly is a school with a strong sense of service to the community and believes it is important to give children a chance to attend the School who could not otherwise afford to do so
- Mount Kelly is a Christian School, where the importance of tolerance, understanding and kindness are taught with skill and dedication
- Mount Kelly produces happy, confident, well-rounded and ambitious pupils and they have a fierce pride in being part of Mount Kelly

The Mount Kelly Purpose

Mount Kelly delivers a values-led, life-defining educational experience

Mount Kelly Values

COMPASSION

Empathy Tolerance Kindness

We treat others with compassion; demonstrating empathy, tolerance and kindness in all that we do

COURAGE

Determination Resilience Grit

We act with courage; demonstrating determination, resilience and grit in the face of both opportunity and challenge and always striving to learn through life's journey

HUMILITY

Modesty Gratitude Selflessness

We behave with humility; we are modest in our success, grateful for our blessings and selfless in the way that we share them

RESPECT

Courtesy Service Consideration

We value and respect every person equally; always seeking to serve those around us and treating all with courtesy and consideration

COMMITMENT

Dedication Loyalty Endurance

We demonstrate commitment to our School and to those around us, making the most of opportunities available; we are dedicated, loyal and always endure through to the end

INTEGRITY

Honesty Decency Morality

We value integrity above all; we are honest with ourselves and others, conducting our lives with decency whilst striving for the highest moral standards

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

OBJECTIVES FOR THE YEAR

The Governing Body set the following aims for the academic year 2019-20:

- Continue to implement the Strategic and Development Plans
- Continue to develop integration across the Foundation and a one-school ethos
- Continue to develop coherence of purpose and values across the Foundation
- Maintain the School's commitment to high academic standards and the adding of value at all stages
- Maintain the excellent standards of pastoral care and continue to broaden the range of extra-curricular activities across the Foundation
- Continue to improve the School's facilities and to protect the historic environment
- Actively identify and exploit opportunities for further international expansion
- Plan for an expansion of commercial activity
- Begin the formulation of a new 5-year strategy

ACTIVITY TO ACHIEVE THE YEAR'S OBJECTIVES

Further progress has been made in realising the aims set out in the Strategic Plan

Academic Improvement

Aims

- Continuity across Prep and College
- Rise in attainment and aspiration
- Expansion of Personalised Learning provision
- Broader academic co-curriculum
- Improved academic management and use of data
- Managing lockdown

Actions taken

Continuity across Prep and College

- Timetable is now synchronised, start/finish and length of lessons
- Staffing – some sharing of staff in English/Drama/PE/MFL
- Syllabus alignment
 - CE syllabuses dropped
- Technology
 - ISAMS and Teams operating across the School
 - Devices now required in the classroom for pupils in Year 7 and above

Rise in attainment and aspiration

- Improving classroom teaching
 - Classroom provision – décor and technology improving in Main Block
 - Deployment of Head of Teaching & Learning – lesson observations, work scrutiny

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

- Better use of technology, including *Century* and other platforms
- Professional development
 - New appraisal system introduced, focus on professional development
 - MK Handbook completed and soon to be published
- Oxford trip in February
- Collaboration with other schools for Oxbridge/Medicine applications

Expansion of Personalised Learning provision

- SEN
 - Review of use of LSAs at the College
 - Provision for Sixth Form
 - New staff training and qualification
- EAL
 - Review of EAL curriculum, more focus on supporting other subjects
 - Brought under the PL umbrella

Broader academic co-curriculum

- Co-ordinator of LOTC has created a plan for KS3 year-groups
- Plum Society (Yrs9/10) and Senior Plum Society (Sixth Form)
- Oxford Model UN in November

Improved academic management and use of data

- CEM data/assessments identifying pupils for management intervention
- Introduction of Surveys (including pupil voice) and Forums
- Use of CEM data to build a coherent picture across the School
- Construction of 'pillars' to establish academic responsibility across the School

Managing lockdown

- New timetables
- Staff training
- New software to facilitate parent/teaching meetings
- Parent/pupil guidance

Pastoral

Aims

- Improve general care
- Mental wellbeing focus
- Uniformity across Prep and College
- Managing lockdown

Actions taken

Improve general care

- House structure moved from horizontal to vertical
- Staff training
- Revised PSHE curriculum
- PASS software trial
- HMC's PLQ (Pastoral Leaders Qualification)
- Pastoral meetings
- Pupil voice

Mental wellbeing focus

- Staff training

THE MOUNT KELLY FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

- Review of medical provision
- Wellbeing space created in Prep

Uniformity across Prep and College

- Single SLT
- Combined pastoral meetings

Managing lockdown

- Wellbeing surveys
- Staff/pupil contact
- Forums

Extra-Curricular

- Continuing to ensure breadth and quality of opportunities for all
- Girls' football in partnership with Chelsea FC Foundation
- Further developments to the fixture lists
- New cricket scoreboard
- Strengthening coaching structures
- Developing Academies
- All-sport strength and conditioning provision
- On-site physiotherapy clinic
- Year group drama productions in Prep and regular concert programme throughout

Estate

Governors have continued to direct investment into the estate, ensuring that health, safety and wellbeing of all members of the community are of primary importance and that the facilities enhance an excellent educational provision.

Work that has been undertaken includes:

- Main block classroom refurbishment
- Science Block refurbishment
- Gym refurbishment
- Various roof repairs

PUBLIC RECOGNITION

Independent School Parent magazine's Independent Schools of the Year Awards - Performing Arts category 2020

South West Swim Coach of the Year 2019

UK Swim Coaching Talent Development Coach of the Year 2020

2020 School Choir of the Year

Finalists in the BBC Young Choir of the Year

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

PUBLIC BENEFIT

Employment

257 employees with a total wage bill of £6,113,677

Local economy

Estimated direct local spend	£617,277
Estimated direct pupil spend in Tavistock	£115,500
Means-tested local bursary support	£265,450
Tavistock Gift Card sponsorship	£4,000

Swimming Pools (25m and 50m pools) usage

Attendances

- 77,152 total attendances

Learn to Swim Programme

- 450 children and 50 adults
- 16 swim clubs
- 3 triathlon clubs
- 2 Surf Lifesaving clubs
- 11 local groups
- 6 coaching courses delivered
- 1 Swimathon

Local Schools

- 15 local primary schools receive swimming lessons
- 1 senior school swimming gala

Residential Swim Camps

618 swimmers

Swim Schools

205 swimmers

Swim Performance

The 50m pool has heralded a huge improvement in the Mount Kelly swim programme, with resulting reputational benefits for town and locality:

Regional qualifiers

2015	38
2016	60
2017	70
2018	86
2019	92
2020	103

Sports facilities

A range of facilities are used by local organisations:

All weather	Tavistock HC, Tavistock RFC
Campus	Dartmoor Velo, Tavistock Triathlon, High 5, Archery Club, Spooners Pony Club
Worham Hall	Stannary Brass Band
Sports Hall	MCCF cricket hub, Brendon Worth Cricket School, Rugby Tots, Tavistock Badminton Club
Sports fields	Football camps
Courts	Local Fives club

THE MOUNT KELLY FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Partnerships

Mount Kelly has entered into arrangements with several organisations including:

Tavistock HC	shared financing arrangement for all-weather pitch
Tavistock College	athletics track, pool
Tavistock Athletics	shared facilities and coaching
Tavistock BID	sponsorship of Gift Card
Tamar Energy Community	solar panel installation and management
Chelsea FC	creating SW girls' football hub

Culture

Mount Kelly Choral Society

- the rehearsal venue
- administration support
- the services of the Music Director
- soloists and orchestral members from time to time
- marketing assistance

Tavistock Festival

- the School is a major sponsor of this event
- provides venue and administration support
- provides content for a number of events free of charge, including the Tavistock Sings event featuring numerous local Primary Schools

Mount Kelly Concert Society

- high quality professional musical performances

Other events

- concerts at care homes and other venues providing pupil performances especially at Christmas
- pupils provide music for Dickensian evening, the Christmas Tree Festival and the annual Remembrance Concert at the parish church

Volunteering

The School has a far-reaching programme that sees pupils and staff assisting with the Food Bank, Tavistock Locals Help, Rotary activities, Caring Calls and letter writing campaigns, local litter picking and gardening.

GRANT MAKING POLICY

The Trustee's policy, in line with that of other independent schools, is to award some grants on the basis of educational ability, subject to the restrictions imposed by the original donor of funds. The Charity has continued its move towards a policy of granting a greater proportion of means-tested awards, making such awards this year to the value of £786,536.

VOLUNTEERS

The Parents' Association maintains its interest in the life of the School, raising funds to support non-curriculum activities, and a significant number of parents support the extra-curricular life of the School as volunteers. Fundraising for a new Prep playground has picked up pace.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

In the academic year 2019-20 Mount Kelly had a total of 600 pupils on-roll, maintaining an increase of over

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

30% since the foundation of Mount Kelly in 2014.

Buoyant numbers have allowed further investment in line with the School's objectives as detailed above.

Mount Kelly has a philosophy that is committed to an all-round education, and the provision of a wide range of extra-curricular opportunity enables our pupils to explore, grow and develop as well-rounded individuals.

A Level results were again strong. 17% of papers taken were awarded an A*, 42% were graded A*- A and 80% A*- C, all of which are well above the national average. 80% of pupils secured their places at their first choice of university, including universities in Europe and Hong Kong, and once again a number of pupils gained scholarships at universities in the USA.

There was another outstanding set of GCSE results this year. 50% of all grades awarded were 9-7, almost twice the national figure, and over 99% of all examinations taken were awarded 9-4. Almost 20% of Mount Kelly pupils scored 8 or 9 in five or more subjects.

There was also success at the Prep, with pupils winning places and scholarships not only at the College, but also at other well-known HMC schools.

2019-2020 was only half a season for our swimmers, however, there were still notable achievements:

- Arena League: A Final Winners
- Short Course Winter Championships: 35 qualifiers and 17 medalists
- National Records: 1 Lebanese national; 1 English age group; 1 British Age group
- Six pupils going on to universities with swimming programmes

We are also making significant progress across a wider range of sporting commitment. The games programme has grown, with a wider range of sporting options, and more fixtures across the range enable more pupils to represent the School. This has been impacted by lockdown but a clear pattern of participation and success has been firmly established.

Our youngest sportsmen and women receive much-improved and regular quality coaching and the overall quality of provision at the Prep school has strengthened markedly, with again a growth in the quantity and quality of fixtures.

Music continues to be a strength of the School with pupils, ensembles and choirs performing to an executional standard. The senior choir is particularly talented and received national recognition and our pupils continue to perform in many local events. Associated Board music exam uptake remains strong with considerable success at every level. The School maintains a very lively programme of informal concerts.

The School also runs a programme of public concerts, welcoming to the School professional soloists and ensembles of the highest calibre, performing to our own pupils and to the wider community. This programme has naturally been curtailed by the lockdown.

Outdoor pursuits remain a popular and successful element of Mount Kelly's extra-curricular life. Pupils in Years 6, 7 and 8 are now fully engaged in the LOTC programme, spending time out of the classroom during the summer term learning in the natural environment, and the addition of sail training on *Olga*, the School's cutter, has added an extra dimension to our offering. While at the College we maintain a high profile in the Ten Tors Challenge and the Devizes to Westminster International Canoe Race, and a lively involvement in Duke of Edinburgh Gold Awards, such activity has been severely impacted by the pandemic. A full return to action as soon as possible is planned.

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

In Performing Arts, a significant number of pupils this year once again took LAMDA examinations with Distinction passes at Grade 8. Drama productions have been affected by the lockdown but impressive plans had been in place, and the introduction of BTEC Performing Arts has given pupils another avenue through which their passions can be developed.

The lockdown saw the cancellation of the summer Mount Kelly Arts Festival, but plans are in place for 2021.

FINANCIAL REVIEW

The financial year 2019-20 was a challenging year, despite the enforced closure of the School for part of the year due to the pandemic. The School was closed for the summer term 2020 and reverted to a very successful remote learning programme for all year groups. As a result, summer term fees were discounted by an average of 33% resulting in an income shortfall of £1 million. However, furlough income of £500,000 together with overhead savings and a delay in expenditure on refurbishment projects significantly compensated for the loss of income. Consequently, the Foundation's deficit for the year was restricted to £176,000.-Capitalised projects to improve the School's facilities and infrastructure amounted to £300,000.

GOING CONCERN

Since the year end there have been subsequent lockdowns due to the pandemic and, as a result, further fee rebates of £500,000 have been granted. Like last year, these will be offset by further furlough income and cost savings totalling some £300,000. As a result, the Foundation may incur a further small loss in the year to 31 August 2021. However, the Foundation held significant reserves prior to the pandemic and Governors are confident that the Charity has sufficient resources in place to manage the challenges resulting from the pandemic. In particular, pupil recruitment remains strong and the roll is higher than it has ever been. Current projections indicate that pupil numbers for September 2021 will exceed the current figure. After making enquiries, the Trustee is confident that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustee continues to adopt the going concern basis in preparing the financial statements.

RESERVES POLICY

The Foundation has total funds of £16.9m of which £13.9m are general funds and £3m are restricted or endowment funds. The majority of the Foundation's general funds are tied up in fixed assets and therefore not readily realisable in the short term. The Foundations current assets total some £4.6m including cash reserves of £3.6m. The Trustee's target, in line with the generally accepted view in the independent school sector, is to have accessible funds in place at the start of each term equating to a full term's expenditure. This was primarily achieved in the 2019-20 financial year by the Trustee's management of its cash balances, unrestricted investments and working capital overdraft facility.

INVESTMENT POLICY AND OBJECTIVES

The Trustee's investment powers are governed by the Trust Deed, which permits the Charity's funds to be invested by an authorised stockbroker regulated by the Financial Services Authority.

The Trustee's Policy is to maintain income whilst preserving the real value of endowment investments; to maximise income on temporary invested restricted funds; to match the return on invested Advance Fees Scheme monies in line with the maturation profile of the related liability to provide schooling in future years. The Charity's investments have continued to be managed in conformity with the Policy and the Trust Deed.

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

FUTURE DEVELOPMENTS

- Formulate and execute a new 5-year strategy to be published by September 2021.

PAY POLICY FOR SENIOR STAFF

The salaries and benefits for the Principal of the Foundation and the Director of Finance and Operations are reviewed annually by the Governors' Remuneration Committee, and are assessed in line with benchmarking studies in the sector.

TRUSTEE RESPONSIBILITIES STATEMENT

The Trustee is responsible for preparing the Trustee report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources of the Group for that period. In preparing these financial statements, the Trustee is 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustee is responsible for keeping proper accounting records that are sufficient to show and explain the Charity and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. It is also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustee on 7/5/2021 and signed on their behalf by:



Dr KCP Wilson
Chairman of Mount Kelly
Foundation Governors



AM Grove
Chairman of Finance and General
Purposes Committee

(CONTINUED)

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustee is required to:

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

The Trustee are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. It is also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE MOUNT KELLY FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MOUNT KELLY FOUNDATION

OPINION

We have audited the financial statements of The Mount Kelly Foundation (the 'parent charity') and its subsidiaries (the 'Group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 August 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE MOUNT KELLY FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MOUNT KELLY FOUNDATION (CONTINUED)

OTHER INFORMATION

The Trustee is responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustee's report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the Group's and the parent charity'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 Trustee either intends to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

THE MOUNT KELLY FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MOUNT KELLY FOUNDATION (CONTINUED)

USE OF OUR REPORT

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an Auditors' 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 charity and its trustee, as a body, for our audit work, for this report, or for the opinions we have formed.



Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 27/5/2021

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE MOUNT KELLY FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	-	91,813	13,397	105,210	38,534
Charitable activities	3	-	-	8,408,518	8,408,518	8,646,956
Other trading activities	4	-	-	483,540	483,540	880,594
Investments	5	-	32,276	-	32,276	44,924
TOTAL INCOME AND ENDOWMENTS		-	124,089	8,905,455	9,029,544	9,611,008
EXPENDITURE ON:						
Trading activities		-	-	702,888	702,888	808,262
Charitable activities	6	-	47,716	8,423,225	8,470,941	8,690,604
TOTAL EXPENDITURE		-	47,716	9,126,113	9,173,829	9,498,866
Net losses on investments		(26,070)	(6,268)	-	(32,338)	(2,957)
NET (EXPENDITURE)/INCOME		(26,070)	70,105	(220,658)	(176,623)	109,185
Transfers between funds	16	(1,559)	(46,593)	48,152	-	-
NET MOVEMENT IN FUNDS		(27,629)	23,512	(172,506)	(176,623)	109,185
RECONCILIATION OF FUNDS:						
Total funds brought forward		603,574	2,341,237	14,105,915	17,050,726	16,941,541
Net movement in funds		(27,629)	23,512	(172,506)	(176,623)	109,185
TOTAL FUNDS CARRIED FORWARD		575,945	2,364,749	13,933,409	16,874,103	17,050,726

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


The notes on pages 22 to 40 form part of these financial statements.

THE MOUNT KELLY FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	10	21,143,159	21,485,925
Investments	11	996,405	1,032,176
		22,139,564	22,518,101
CURRENT ASSETS			
Stocks	12	91,774	113,527
Debtors	13	851,058	785,356
Cash at bank and in hand		3,615,509	3,500,392
		4,558,341	4,399,275
Creditors: amounts falling due within one year	14	(6,075,614)	(5,958,944)
NET CURRENT LIABILITIES		(1,517,273)	(1,559,669)
TOTAL ASSETS LESS CURRENT LIABILITIES		20,622,291	20,958,432
Creditors: amounts falling due after more than one year	15	(3,748,188)	(3,907,706)
NET ASSETS EXCLUDING PENSION ASSET		16,874,103	17,050,726
TOTAL NET ASSETS		16,874,103	17,050,726
CHARITY FUNDS			
Endowment funds	16	575,945	603,574
Restricted funds	16	2,364,749	2,341,237
Unrestricted funds	16	13,933,409	14,105,915
TOTAL FUNDS		16,874,103	17,050,726

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


Dr KCP Wilson
Chairman of Mount Kelly
Foundation Governors


AM Grove
Chairman of Finance and General
Purposes Committee

Date: 7/5/2021

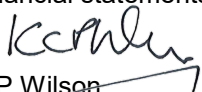
The notes on pages 22 to 40 form part of these financial statements.

THE MOUNT KELLY FOUNDATION

CHARITY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	10	21,142,471	21,483,759
Investments	11	996,405	1,032,176
		22,138,876	22,515,935
CURRENT ASSETS			
Stocks	12	24,585	24,990
Debtors	13	921,111	792,287
Cash at bank and in hand		3,476,382	3,357,344
		4,422,078	4,174,621
Creditors: amounts falling due within one year	14	(5,984,336)	(5,924,281)
NET CURRENT LIABILITIES		(1,562,258)	(1,749,660)
TOTAL ASSETS LESS CURRENT LIABILITIES		20,576,618	20,766,275
Creditors: amounts falling due after more than one year	15	(3,748,188)	(3,907,706)
NET ASSETS EXCLUDING PENSION ASSET		16,828,430	16,858,569
TOTAL NET ASSETS		16,828,430	16,858,569
CHARITY FUNDS			
Endowment funds	16	575,945	603,574
Restricted funds	16	2,364,185	2,200,864
Unrestricted funds	16	13,888,300	14,054,131
TOTAL FUNDS		16,828,430	16,858,569

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


Dr KCP Wilson
Chairman of Mount Kelly
Foundation Governors


AM Grove
Chairman of Finance and General
Purposes Committee

Date: 7/5/2021

The notes on pages 22 to 40 form part of these financial statements.

THE MOUNT KELLY FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	19	372,109	1,102,957
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		32,276	45,094
Proceeds from the sale of intangible assets		(156,537)	(352,271)
Proceeds from sale of investments		163,236	169,202
Purchase of investments		(160,175)	(152,396)
NET CASH USED IN INVESTING ACTIVITIES		(121,200)	(290,371)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(129,583)	(262,047)
Repayments of HP		(10,144)	(22,517)
NET CASH USED IN FINANCING ACTIVITIES		(139,727)	(284,564)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		111,182	528,022
Cash and cash equivalents at the beginning of the year		3,545,658	3,017,636
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20	3,656,840	3,545,658

The notes on pages 22 to 40 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 GOING CONCERN

Since the year end there have been subsequent lockdowns due to the pandemic and, as a result, further fee rebates of £500,000 have been granted. Like last year, these will be offset by further furlough income and cost savings totalling some £300,000. As a result, the Foundation may incur a further small loss in the year to 31 August 2021. However, the Foundation held significant reserves prior to the pandemic and Governors are confident that the Charity has sufficient resources in place to manage the challenges resulting from the pandemic. In particular, pupil recruitment remains strong and the roll is higher than it has ever been. Current projections indicate that pupil numbers for September 2021 will exceed the current figure. After making enquiries, the Trustee is confident that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustee continues to adopt the going concern basis in preparing the financial statements.

1.3 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 EXPENDITURE

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE (CONTINUED)

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

All expenditure is inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 1-2% straight line
Land	- not depreciated
Other fixed assets	- 6.67 - 25% straight line
Motor vehicles	- 15% straight line
Fixtures and fittings	- 10% straight line

1.6 INVESTMENTS

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

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

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES AND PROVISIONS

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

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

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

1.11 FINANCIAL INSTRUMENTS

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

1.12 FINANCE LEASES AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.13 PENSIONS

1.14 FUND ACCOUNTING

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

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

Investment income, gains and losses are allocated to the appropriate fund.

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	91,813	13,397	105,210

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Donations	36,051	2,483	38,534

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Tuition fees: Gross fees	10,273,155	10,273,155	11,167,647
Less Bursaries, Scholarships and other discounts	(2,455,158)	(2,455,158)	(2,649,415)
Other educational income:			
After school care	2,531	2,531	6,731
Registration fees	16,549	16,549	14,760
Other ancillary income:			
Interest on unpaid fees	2,455	2,455	5,443
Income from property rental	-	-	2,340
Furlough grants	488,236	488,236	-
Income from extra activities	80,750	80,750	99,450
	8,408,518	8,408,518	8,646,956

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sales	8,259	8,259	18,701
Other commercial activities	187,263	187,263	387,330
Commercial swimming	288,018	288,018	444,563
International activities	-	-	30,000
	<u>483,540</u>	<u>483,540</u>	<u>880,594</u>

5. INVESTMENT INCOME

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	<u>32,276</u>	<u>32,276</u>	<u>44,924</u>

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational	4,409,016	-	4,409,016
Domestic & Catering	-	1,557,467	1,557,467
Maintenance	-	767,896	767,896
Administration	-	1,508,075	1,508,075
Finance costs	-	195,966	195,966
Governance	-	32,521	32,521
	<u>4,409,016</u>	<u>4,061,925</u>	<u>8,470,941</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational	4,170,223	-	4,170,223
Domestic & Catering	-	1,754,806	1,754,806
Maintenance	-	852,114	852,114
Administration	-	1,730,195	1,730,195
Finance costs	-	131,995	131,995
Governance	-	51,271	51,271
	<u>4,170,223</u>	<u>4,520,381</u>	<u>8,690,604</u>

7. AUDITORS' REMUNERATION

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	12,300	9,655
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	<u>5,229</u>	<u>3,950</u>

8. STAFF COSTS

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Wages and salaries	4,525,474	4,667,446	4,213,024	4,377,559
Social security costs	394,461	405,822	379,672	392,912
Contribution to defined contribution pension schemes	612,782	440,409	606,583	434,900
	<u>5,532,717</u>	<u>5,513,677</u>	<u>5,199,279</u>	<u>5,205,371</u>

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

8. STAFF COSTS (CONTINUED)

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

	Group 2020 No.	Group 2019 No.
Education	86	83
Domestic	19	18
Administration	16	17
Maintenance	19	19
Subsidiary companies	40	40
	180	177

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

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

9. TRUSTEE'S REMUNERATION AND EXPENSES

During the year, no Trustee received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

10. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
COST OR VALUATION					
At 1 September 2019	20,756,769	123,990	2,526,441	956,689	24,363,889
Additions	-	-	145,383	11,154	156,537
Disposals	-	(11,259)	(46,253)	-	(57,512)
At 31 August 2020	20,756,769	112,731	2,625,571	967,843	24,462,914

THE MOUNT KELLY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. TANGIBLE FIXED ASSETS (CONTINUED)

GROUP (CONTINUED)

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
DEPRECIATION					
At 1 September 2019	1,052,922	87,046	1,365,869	372,127	2,877,964
Charge for the year	249,983	6,315	197,140	43,411	496,849
On disposals	-	(8,903)	(46,155)	-	(55,058)
At 31 August 2020	1,302,905	84,458	1,516,854	415,538	3,319,755

NET BOOK VALUE

At 31 August 2020	19,453,864	28,273	1,108,717	552,305	21,143,159
At 31 August 2019	19,703,847	36,944	1,160,572	584,562	21,485,925

CHARITY

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
COST OR VALUATION					
At 1 September 2019	20,756,769	123,990	2,468,492	956,689	24,305,940
Additions	-	-	145,383	11,154	156,537
Disposals	-	(11,259)	(46,253)	-	(57,512)
At 31 August 2020	20,756,769	112,731	2,567,622	967,843	24,404,965

DEPRECIATION

At 1 September 2019	1,052,922	87,046	1,310,086	372,127	2,822,181
Charge for the year	249,983	6,315	195,662	43,411	495,371
On disposals	-	(8,903)	(46,155)	-	(55,058)
At 31 August 2020	1,302,905	84,458	1,459,593	415,538	3,262,494

NET BOOK VALUE

At 31 August 2020	19,453,864	28,273	1,108,029	552,305	21,142,471
At 31 August 2019	19,703,847	36,944	1,158,406	584,562	21,483,759

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

10. TANGIBLE FIXED ASSETS (CONTINUED)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	Group 2020 £	Group 2019 £
Plant, F&F and Equipment	32,753	73,870

11. FIXED ASSET INVESTMENTS

Group and Charity	Listed investments £	Cash account held as part of investment portfolio £	Total £
COST OR VALUATION			
At 1 September 2019	986,911	45,265	1,032,176
Additions	160,175	-	160,175
Disposals	(159,674)	-	(159,674)
Revaluations	(32,338)	-	(32,338)
Transfers between classes	-	(3,934)	(3,934)
AT 31 AUGUST 2020	955,074	41,331	996,405
NET BOOK VALUE			
AT 31 AUGUST 2020	955,074	41,331	996,405
AT 31 AUGUST 2019	986,911	45,265	1,032,176

12. STOCKS

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Stocks	91,774	113,527	24,585	24,990

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

13. DEBTORS

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
DUE WITHIN ONE YEAR				
Trade debtors	14,481	112,942	-	-
Amounts owed by group undertakings	-	-	147,045	127,367
Other debtors	84,004	21,126	25,750	18,996
Prepayments and accrued income	137,935	175,640	133,678	170,276
Fees	614,638	475,648	614,638	475,648
	851,058	785,356	921,111	792,287

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loans	296,507	266,571	296,507	266,571
Advance fees	433,297	551,396	433,297	551,396
Trade creditors	185,596	228,364	165,485	198,346
Other taxation and social security	104,892	130,138	99,138	126,560
Obligations under finance lease and hire purchase contracts	23,609	33,753	23,609	33,753
Fees received in advance	3,054,302	2,968,477	3,054,302	2,968,477
Other creditors	1,549,312	1,409,418	1,540,331	1,402,614
Accruals and deferred income	428,099	370,827	371,667	376,564
	6,075,614	5,958,944	5,984,336	5,924,281

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fees received in advance at 1 September	2,968,477	2,826,711	2,968,477	2,826,711
Resources deferred during the year	3,054,302	2,968,477	3,054,302	2,968,477
Amounts released from previous periods	(2,968,477)	(2,826,711)	(2,968,477)	(2,826,711)
Fees received in advance at 31 August 2020	3,054,302	2,968,477	3,054,302	2,968,477

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
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THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loans	3,748,188	3,907,706	3,748,188	3,907,706

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	14,105,915	8,905,455	(9,126,113)	48,152	-	13,933,409
ENDOWMENT FUNDS						
Endowment Fund	603,574	-	-	(1,559)	(26,070)	575,945
RESTRICTED FUNDS						
Scholarships and bursaries funds	427,636	-	-	(1,499)	(6,268)	419,869
Investment income	45,094	32,276	-	(45,094)	-	32,276
Bursary fund	47,951	91,813	-	-	-	139,764
Music school fund	217,055	-	(4,796)	-	-	212,259
Swimming pool fund	1,048,068	-	(22,299)	-	-	1,025,769
Hockey pitch fund	526,633	-	(20,021)	-	-	506,612
Old Mount Kelleian bridge donation	28,800	-	(600)	-	-	28,200
	2,341,237	124,089	(47,716)	(46,593)	(6,268)	2,364,749
TOTAL OF FUNDS	17,050,726	9,029,544	(9,173,829)	-	(32,338)	16,874,103

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	14,000,469	9,530,033	(9,451,150)	26,563	-	14,105,915
ENDOWMENT FUNDS						
Endowment Fund	611,697	-	-	4,505	(12,628)	603,574
RESTRICTED FUNDS						
Scholarships and bursaries funds	417,965	-	-	-	9,671	427,636
Investment income	31,068	45,094	-	(31,068)	-	45,094
Bursary fund	12,302	35,649	-	-	-	47,951
Music school fund	221,851	-	(4,796)	-	-	217,055
Swimming pool fund	1,070,367	-	(22,299)	-	-	1,048,068
Hockey pitch fund	546,422	232	(20,021)	-	-	526,633
Old Mount Kelleian bridge donation	29,400	-	(600)	-	-	28,800
	2,329,375	80,975	(47,716)	(31,068)	9,671	2,341,237
TOTAL OF FUNDS	16,941,541	9,611,008	(9,498,866)	-	(2,957)	17,050,726

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
General funds	14,105,915	8,905,455	(9,126,113)	48,152	-	13,933,409
Endowment funds	603,574	-	-	(1,559)	(26,070)	575,945
Restricted funds	2,341,237	124,089	(47,716)	(46,593)	(6,268)	2,364,749
	<u>17,050,726</u>	<u>9,029,544</u>	<u>(9,173,829)</u>	<u>-</u>	<u>(32,338)</u>	<u>16,874,103</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
General funds	14,000,469	9,530,033	(9,451,150)	26,563	-	14,105,915
Endowment funds	611,697	-	-	4,505	(12,628)	603,574
Restricted funds	2,329,375	80,975	(47,716)	(31,068)	9,671	2,341,237
	<u>16,941,541</u>	<u>9,611,008</u>	<u>(9,498,866)</u>	<u>-</u>	<u>(2,957)</u>	<u>17,050,726</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	2,364,749	18,778,410	21,143,159
Fixed asset investments	575,945	-	420,460	996,405
Current assets	-	-	4,558,341	4,558,341
Creditors due within one year	-	-	(6,075,614)	(6,075,614)
Creditors due in more than one year	-	-	(3,748,188)	(3,748,188)
TOTAL	575,945	2,364,749	13,933,409	16,874,103

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Endowment funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	1,820,324	19,665,601	21,485,925
Fixed asset investments	603,574	428,176	426	1,032,176
Current assets	-	92,737	4,306,538	4,399,275
Creditors due within one year	-	-	(5,958,944)	(5,958,944)
Creditors due in more than one year	-	-	(3,907,706)	(3,907,706)
TOTAL	603,574	2,341,237	14,105,915	17,050,726

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2020 £	Group 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(176,623)	109,185
ADJUSTMENTS FOR:		
Depreciation charges	496,852	480,087
Gains/(loss) on investments	(32,338)	2,653
Dividends, interests and rents from investments	(32,276)	(45,094)
(Profit)/loss on the sale of fixed assets	-	1,063
Decrease/(increase) in stocks	21,751	(10,235)
Decrease/(increase) in debtors	(61,958)	129,112
Increase in creditors	156,701	436,186
NET CASH PROVIDED BY OPERATING ACTIVITIES	372,109	1,102,957

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2020 £	Group 2019 £
Cash in hand	3,475,745	3,500,393
Held within investment funds	41,331	45,265
Bursary Funds	139,764	-
TOTAL CASH AND CASH EQUIVALENTS	3,656,840	3,545,658

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	3,500,392	115,117	3,615,509
Debt due within 1 year	(266,571)	(29,936)	(296,507)
Debt due after 1 year	(3,907,706)	159,518	(3,748,188)
Finance leases	(33,753)	10,144	(23,609)
	(707,638)	254,843	(452,795)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. PENSION COMMITMENTS

There are several pension schemes available to certain employees of the School, the Teachers' Pension Scheme for teaching staff and a Group Personal Pension and a Death in Service Life Assurance for non-teaching staff.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS and at the year-end £62,179 (2019 - £45,939) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

Non teaching staff

All non teaching staff are invited to participate in the Group Personal Pension Plan and the Death in Service Life Assurance. This scheme is a defined contribution scheme, and the assets of the scheme are held separately from those in the School in independently administered funds.

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

22. PENSION COMMITMENTS (CONTINUED)

Contributions totaling £11,171 (2019: £11,600) were payable at the year end.

23. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
AMOUNTS PAYABLE:		
Not later than 1 year	27,377	57,924
Later than 1 year and not later than 5 years	29,927	58,466
Total	57,304	116,390

24. RELATED PARTY TRANSACTIONS

A number of employees of the Charity have children who are pupils at the school and therefore pay fees to the School. All transactions re conducted in accordance with the Foundation's financial regulation and normal procurement procedures, although they are given staff discount of 50%-80%.

25. PRINCIPAL SUBSIDIARIES

Mount Kelly operates three trading subsidiaries.

a) Mount Kelly Overseas Limited

The Hong Kong company that signed a franchise agreement with the subsidiary company, Mount Kelly Overseas Ltd, has now opened a Mount Kelly Hong Kong Nursery, Pre-Prep and Prep school.

Due to the impact of pandemic and the issues between Hong Kong and China, the overseas franchisee has been unable to make a contribution to the Foundation this year and, as a result, Mount Kelly Overseas Limited incurred a loss of £17,602 in the year.

b) Mount Kelly Swimming Limited

The company's operations were severely impacted by the pandemic and both the 50m and 25m pools were closed for four months of the year. This resulted in lost income from both local users and swim clubs from further afield which normally stay in the Foundation's accommodation on swim camps. Consequently, the company incurred losses of £247,577 in the year after paying intra group rent to the Mount Kelly Foundation of £30,000. The Mount Kelly is committed to supporting its 100% subsidiary, by granting the subsidiary sufficient funds to cover this loss, as the pool brings benefits to the Foundation as a whole that far exceed this value.

c) Mount Kelly Enterprises Limited

The company generated £12,467 from letting out the Foundation's accommodation etc. There was no commercial activity for the whole of the summer which is usually when the majority of the lets and language school business take place.

The following were subsidiary undertakings of the Charity:

THE MOUNT KELLY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

25. PRINCIPAL SUBSIDIARIES (CONTINUED)

Names	Company number	Holding	Included in consolidation
Mount Kelly Overseas Limited	10012171	100%	Yes
Mount Kelly Swimming Limited	10066675	100%	Yes
Mount Kelly Enterprises Limited	01482627	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Mount Kelly Overseas Limited	-	(17,602)	(17,602)	(17,601)
Mount Kelly Swimming Limited	537,309	(537,309)	-	-
Mount Kelly Enterprises Limited	197,081	(184,614)	12,467	63,275