

PINEWOOD SCHOOL LIMITED
(Limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Registered Charity No: 309642
Registered Number: 339394

PINEWOOD SCHOOL LIMITED

GOVERNORS' REPORT INCORPORATING STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

REFERENCE AND ADMINISTRATIVE INFORMATION

REGISTERED OFFICE	Pinewood Bourton Swindon Wiltshire SN6 8HZ
CHARITY REGISTRATION NUMBER	309642
COMPANY REGISTRATION NUMBER	339394
PRINCIPAL ADDRESS	Pinewood Bourton Swindon Wiltshire SN6 8HZ
HEADMASTER	P J Hoyland BEd (until 31 August 2020) N A Bailey BA Hons PGCE (from 1 September 2020)
SECRETARY	Mrs N J McAvoy BSc (Hons) CMgr MCMI
AUDITORS	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
BANKERS	Lloyds Bank plc 84-86 Cricklade Road Gorse Hill Swindon Wiltshire SN2 6AE
SOLICITORS	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

GOVERNORS' REPORT INCORPORATING STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

The Board of Governors present their annual report for the year ended 31 August 2020 under the Charities Act 2011 together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, applicable law, the Memorandum and Articles of Association and the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The School was incorporated in 1938 as a company limited by guarantee with charitable status and not having any share capital.

The Board of Governors shall consist of not less than eight and not more than sixteen individuals each of whom will be a Member of the Company. No teacher of the School or any other person employed by the Company shall be a Governor. The Governors are also the Directors of the Charitable Company.

The Governors who served during the year and up to the date of this report are:

R F Badham-Thornhill Esq ³ (Chairman)
A P Ballard Esq ⁵
J C Birch Esq ³
R T M Brown Esq ^{1,4}
J C Campbell Esq ^{1,6} (Vice Chairman)
N F Cleverley Esq ^{1,4}
Mrs E A M N Cripwell ⁵
Mrs R Dougall ³
D J Fawcus Esq ¹
G P W Foster Esq ⁴
Mrs C France ²
Mrs N Huggett ^{2,3}
P Lough Esq ^{2,3}
E G Mawle Esq ^{1,5}
B Robertson ²
R I White Esq ^{1,6}

¹ Member of the Finance and General Purposes Committee

² Member of the Governance Committee

³ Member of the Education Committee

⁴ Member of the Buildings and Estates Committee

⁵ Member of the Admissions, Marketing and Development Committee

⁶ Member of the Bursary Committee

Officers of the School:

Headmaster:	P J Hoyland BEd (until 31 August 2020) N A Bailey BA Hons PGCE (from 1 September 2020)
Bursar:	Mrs N J McAvoy BSc (Hons) CMgr MCMI

Governing Document

The School is governed by its Memorandum and Articles of Association. The Memorandum was amended by special resolution on:

- 16 November 1950
- 19 December 1951
- 20 March 2004
- 26 November 2011
- 24 November 2018

New Articles of Association were adopted by special resolution on 24 November 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governing Body

The Governors, who are also required under the Articles to serve as members of the Company, are elected at a full Governors Meeting on the basis of nominations presented by the Governors and the Headmaster. The Council invites professional people including a number of parents who have an interest in the progression of the School and who also can bring the benefit of their expert skills to the School. Council, through the Governance Committee, conducts regular reviews of the balance of skills required and available. The Council shall comprise of no fewer than 8 Governors and no more than sixteen; this maximum number may be increased or decreased from time to time. The Governors serve for periods of 4 years and may stand for re-election twice. Only a maximum of 25% of the Board can be from the parental body at any one time; there are currently 2 parent Governors.

Trustee Appointments and Training

The Governance Committee annually reviews the skills, training and attendance of Governors on the Board. When vacancies on the Board exist, the Governance Committee considers the skills gaps of the Board and considers suitable individuals for appointment. Potential Governors will receive an induction briefing and tour of the School from the Headmaster and an interview with the Chairman of Governors before being proposed to the Board of Governors for formal appointment. Once appointed they receive copies of various School and Trustee documents to assist them in their new role as well as being invited to attend a suitable formal briefing and online training organised by one of the independent schools' overseer associations. The majority have also taken the opportunity to visit the School in the role of a pupil for the day and specific training is also provided to all Governors on a regular basis; recent training includes Safeguarding, Duties and Responsibilities as a Trustee and Corporate Manslaughter Act. Several Governors have also attended other relevant seminars and conferences to assist them in their role.

Organisational Management

The Governors meet as a Board (commonly referred to as Council) at least 3 times a year, once in each academic term, to review strategy, performance, management and financial control for which they are legally responsible. The work of implementing the Council's policies is delegated to 6 subordinate committees:

- The Education Committee
- The Finance and General Purposes Committee
- The Buildings and Estates Committee
- The Admissions, Marketing and Development Committee
- The Governance Committee
- The Bursary Committee

Council delegates responsibility for overseeing the direction and efficient management of the School through the 6 committees, each of which has its own terms of reference articulating the aims, objectives and composition of the committee. Each committee reports back to Council for discussion and ratification of decisions on key issues. The Headmaster attends all the committee meetings and the Bursar attends all apart from the Admissions, Marketing and Development and Education. The Bursar is the Clerk to the Governors and attends all Council meetings along with the Headmaster and Deputy Head.

Each committee meets at least once each term. Day to day management of the School is delegated to the Headmaster, the Bursar and the other members of the Senior Leadership Team as key management personnel within the School. They exercise their responsibility through the Senior Management Team.

During term time the Headmaster chairs a weekly meeting of the School's senior managers where policy is discussed and direction given and every two weeks he chairs a further meeting of the School's Leadership Team to ensure the School maintains its strategic direction set by the Governors. Additionally, the Headmaster chairs the meetings of the Health and Safety Management Committee, Pastoral Committee and IT Strategy twice a term. He reports on Health and Safety to the Governance Committee and on Pastoral and IT to the Education Committee.

The Council has carried out a recent Strategic Review for the School and the Strategic Plan was approved at the Council Meeting in March 2019. The School is implementing this plan and uses it to guide the School's financial and operational decisions. The Council plans to carry out further Strategic Review every 5 years with interim reviews every 2-3 years. As the School has a new Headmaster it has decided to undertake a full Strategic Review earlier than planned and this will take place in 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The School recognises the value of capable and well-motivated teaching and support staff in succeeding in its objective of maximising the achievement of all pupils and seeks to ensure that all staff receive recognition for their contribution to the quality of school life. It recognises that an effective remuneration policy allows the School to maintain and improve the quality of education provided for all pupils by enabling the School to recruit, retain and motivate staff.

All pay related decisions are made taking full account of the School's current financial situation, benchmarking against other similar organisations and in compliance with relevant legislation. Staff remuneration is reviewed and set annually by the Council each Summer Term and any changes normally take effect on 1st September at the start of the next academic year. Remuneration for key management personnel is part of this review with the remuneration arrangements for the Headmaster, the Bursar, the Deputy Head and the Headmaster's Wife specifically reviewed by the Chairman of the Governors and Chairman of Finance and General Purposes Committee (also appointed as Vice Chairman).

Organisational Structure and Relationships

Pinewood School Ltd does not have any owned subsidiary companies.

The School has membership of the IAPS, BSA, AGBIS and ISBA for the promotion and maintenance of standards generally and takes part in peer group studies for the evaluation of quality and performance improvement methods.

The School operates with numerous charities and seeks to widen public access to the education which it provides; to offer the use of sporting and other educational facilities to beneficiaries from the local community outside the school and to raise pupils' awareness of the wider social context of the education they receive at the School.

Risk Management

Risk management is overseen by the Governance Committee on behalf of the Governors. It has drawn up and reviewed the Risk Management Plan annually and delegates the routine management of risk to the Headmaster and Bursar. All Governors' sub committees review risk for their respective areas of concern and have it as a standing item on their meeting agendas. As part of the monitoring process the Governance Committee also conducts the annual review of insurance cover immediately prior to the renewal date and agrees levels of cover.

The School has identified its four key risks as:

- ***Failure to Remain Affordable to Parents.*** The School is aware that affordability of independent schooling is an issue across the sector and considers the impacts on Pinewood and its current and future pupil numbers. The key controls to mitigate this risk comprise of:
 - Raising fee levels by the minimum amount necessary to maintain standards at the School whilst generating a modest surplus to allow for the provision of good educational facilities to meet current and future needs.
 - Providing bursaries to certain families who cannot afford the fees so that their children can benefit from the School. Especially during period of parental financial pressure resulting from COVID-19.
 - Ensuring effective financial controls and cost savings measures are in place.
- ***Loss of Reputation due to Poor Educational Standards.*** The School needs to ensure high educational standards are maintained to ensure that the reputation of the School continues. The key controls to mitigate this risk comprise of:
 - Recruiting, training and retaining excellent teaching staff.
 - Rigorous staff appraisal and monitoring programme.
 - Seeking external professional advice when necessary.
 - Established school management structure and open lines of staff reporting.
 - Developing remote learning provision for pupils' absence during lockdowns and isolation due to COVID-19.
- ***Failure to Comply with Statutory Regulations.*** The School is required to comply with a variety of Statutory Regulations in order to provide an appropriate level of education and a safe environment for pupils and staff. The key controls to mitigate this risk comprise of:
 - Policies and procedures to ensure that statutory regulations are met.
 - Strict vetting and safeguarding procedures with respect to employment of staff.
 - Regular internal checks and external inspections to confirm compliance with legal requirements, regulatory guidelines and established good practice.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- *Failure to Comply with Government Guidance on COVID-19.* The School is required to comply with a variety of Government Guidance in order to provide a safe environment for pupils, staff and visitors. The key controls to mitigate this risk comprise of:
 - Policies, procedures and risk assessments are in place and implemented effectively.
 - Staff and pupils are provided with safe facilities and equipment as identified in the risk assessments.
 - Communications with key stakeholders is maintained.
 - Sufficient insurance is in place.

Safeguarding

All Governors are responsible for Safeguarding at Pinewood: they endorse the Safeguarding Policy annually, and whenever it is updated, discuss safeguarding matters at Governor's meetings and undergo safeguarding training every 3 years. The School has a Nominated Safeguarding Governor (NSG) and he is supported by the Designated Safeguarding Lead (DSL) (Deputy Head) and Deputy DSL (Headmaster's Wife). Pinewood has a further 6 senior safeguarders covering all age groups across the school including E-Safety.

The DSL meets with all the safeguarding team formally on a termly basis as well as regular informal meetings and discussions as required. He also meets twice a term with the Deputy Head of Pre-Prep to discuss Pre-Prep safeguarding concerns and the NSG on a termly basis and on more occasions when required. All staff complete formal safeguarding training every 3 years supplemented by regular staff updates and training sessions.

The NSG carries out an annual review including inspection of the Single Central Register, recruitment files and other safeguarding practices and procedures. The NSG and DSL then report to the Governors in their annual safeguarding report. The DSL completes an annual Oxfordshire schools' audit and undertakes a full safeguarding audit by the Oxfordshire Local Area Designated Officer (LADO) every 5 years; most recent one took place in September 2016. Safeguarding is also part of the Independent Schools Inspectorate (ISI) Inspections which are due to take place every 3 years; most recent one took place in March 2018.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

Charitable Object

The Object of the Charity, as set out in the Company's Memorandum and Articles of Association, is to advance education by the provision of a day and boarding school (in or near Bourton, Oxfordshire) and by ancillary or incidental educational activities and other associated activities for the benefit of the community. The main beneficiaries of the Charity are the pupils who are boys and girls aged 3 – 13; some of whom receive means-tested assistance with the fees. There are also other beneficiaries outside of the school community who are provided with access to the facilities and provision of activities and support.

Strategic Aim and Intended Effect

The School's strategic aim is to release the potential of our pupils by developing character, curiosity, learning and skills through a variety of opportunities that present themselves within the academic, sporting, musical, dramatic and artistic arenas, as well as through our activity and adventure programmes and approach to boarding. These areas of activity are provided in order to draw out their natural ability and academic potential, stimulate and develop wider interests in life and to motivate them for further successful development at the senior school of their choice. The School's co-educational philosophy, country location, flexible approach to boarding, size and high levels of pastoral care all combine to create an environment that allows the pupils to enjoy a happy, secure and fulfilled childhood that engenders courteous, kind, cultivated and considerate children who possess a degree of independence and a bedrock of traditional Christian values. Whilst firmly being a Christian school, Pinewood promotes understanding and empathy with all faiths and backgrounds on an inclusive basis.

Objectives for the Year

In setting the objectives and planning activities of the School, the Governors have complied with the duty in section 17 of the Charities Act 2011 to have due regard for the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on advancing education and fee charging.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES (continued)

The main objective for the year was to continue the achievements of previous years by ensuring all pupils, from all backgrounds, are educated to a common high standard in order that they will be ideally placed to gain maximum benefit from the education and development offered by their chosen senior schools. Pinewood aims to feed children to a variety of leading senior schools, both local and national, whilst acknowledging its broad intake and the importance of parental choice.

The School has continued to maintain an appropriate staff to pupil ratio so that all children are able to benefit from close tuition and mentoring. Teaching was provided to the Leavers tailored to the schools of their choice and the pupils' abilities to ensure their applications were successful.

Our curriculum objectives:

- To provide a broad and balanced curriculum that gives our pupils the necessary skills and knowledge to gain entry into their chosen senior school at either 11 or 13.
- To enrich the learning experience for our pupils beyond the usual expectations of the National Curriculum.
- To produce well-balanced and rounded children who appreciate other cultures as well as their own.
- To develop thinking skills, and enable our pupils to take responsibility for their own learning both now and in the future.
- To promote citizenship skills, and an understanding of the importance of stewardship of the global environment.
- To develop in our pupils an intellectual enthusiasm and curiosity.

Principal Activity

The School's principal activity continues to be the provision of education for children of both sexes in the age range 3 to 13. The School welcomes children of all abilities and from all backgrounds. During 2019-20 there were on average 415 children in the School, of which 297 attended the Prep School and 118 were in the Nursery and Pre-Prep School. Demand for places continues to be buoyant, resulting in the School being full in the majority of year groups.

Volunteers

The Friends of Pinewood is a volunteer group of parents who work tirelessly to organise and run a range of events for the School, thereby raising funds which are put to the benefit of the School and other charities. In 2019-20 they funded numerous projects and purchased various items of equipment for use in the School.

During the year two members of the wider Pinewood Community volunteered to assist in the School on a weekly basis. One in Lower School hearing children read and assisting on external trips and the other in the Middle School taking part in sports coaching and specifically cross country. The School is very grateful for their efforts.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

Pinewood children in their final year at the School did very well in their Common Entrance exams. Due to the COVID-19 restrictions these exams took place at home and were marked internally. In addition to this, 21 scholarships or other awards to senior schools were achieved across the spectrum of academic, music, sports and drama.

Pinewood is well established as one of the leading preparatory schools in the South of England attracting pupils from a wide area. The combination of academic rigour in the classroom with opportunities to explore a wide range of sporting and other activities ensures we provide preparation for life at the leading independent senior schools of the UK.

The School continued through its daily assemblies, regular acts of worship, Life Skills lessons and drama sessions to develop the children's social conscience, spiritual awareness, cultural antennae and a regard for their own safety and well-being. The Heads of Schools (Upper, Middle, Lower and Pre-Prep), Form Tutor and House system offered a high level of pastoral care enabling children to confidently grasp opportunities presented to them and forge loyalties that transcend both age and gender. A Head of Wellbeing and Emotional Support provides further pastoral support to the pupils. Music, Drama and Art have continued to flourish and all year groups have been presented with opportunities to perform or exhibit work to their peers.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Pinewood continued to participate in a full competitive calendar of major and minor sports, raising the children's levels of fitness and enjoyment while imparting skill and a feeling of team spirit. Our adventure activities, trips and lecture programmes continued to challenge and inspire a myriad of children during the Autumn and Spring Terms and through the opportunities presented they have developed character, independence, learning and skills.

During the Summer Term, COVID-19 restrictions did heavily impact the operations of the School. However, the School successfully continued its educational provision through its newly created online Pinewood Virtual Learning Platform and welcomed all pupils back into School by the end of the Term in accordance with Government guidance.

Numbers of children boarding at the School continues to be strong. This provision teaches children another level of independence while realising they have responsibilities to a close-knit community and that their behaviour must reflect shared standards and principles and a common core of values.

Staff numbers remains steady: the average figure for 2019-20 was 116 across all disciplines which equates to 95 full time equivalents.

Public Benefit

The School has a Public Benefit Strategy which is reviewed on a regular basis; last reviewed in March 2020. The aim of this Strategy is to ensure that the School provides Public Benefit now and in the longer term to the public as a whole, including those in poverty, in addition to the current beneficiaries within the School. The School normally looks to provide Public Benefit to assist those in the local area because they can take full advantage of the School's activities and facilities. However, the School also supports the public, including those in poverty, further afield through its support to charities worldwide.

Bursaries and Other Financial Allowances

The School is particularly sensitive about the costs associated with delivering first class education, and seeks to extend its facilities as far as possible to those who might not otherwise be able to afford them. Allowances including bursaries and staff discounts totalled £362,766 for the full year. Bursaries allocation for the year was set at 4% of forecast gross fee income and provided £183,625. In the past year, the School has provided means tested bursaries to 19 children; 3 of whom received full funding and a further 7 at more than 75% of the fees.

All bursaries are considered by a sub-committee of the Governors and were awarded to allow access to the School for those whose families show financial need and are reviewed on an annual basis. Subject to the budgetary constraints for the bursary scheme, the School also provides means-tested assistance with fees for cases of sudden, unforeseen need experienced by families of existing pupils; these are known as Hardship Bursaries.

When pupils attend Pinewood on bursaries we liaise with senior schools to help seek continued bursary provision for them so supporting these pupils onto their senior school education.

The School Bursary Policy is incorporated in the Public Benefit Strategy and reviewed annually by the Governors. The level of funds allocated from the general fund for bursaries in 2020-21 has been set at 4% of forecast gross fee income. Further funds will be made available for the designated Public Benefit and Community Fund should it be called upon during the year; this Fund currently stands at £89,248

Public Benefit Access to Others

In addition to the provision of bursaries as detailed above, the School continues its involvement in the local community with the aim to widen access of its facilities and resources to other beneficiaries outside of the School's Community. COVID-19 prevented some of the physical Outreach opportunities that normally take place annually in the Summer Term.

- *Public Benefit Activities that align with the School's Charitable Object.*
 - The School has an appointed Head of Outreach who develops our outreach programme and relationships with our local primary schools.
 - Year 5 pupils from 11 local Primary Schools normally attend our annual Maths Challenge morning although it was cancelled this year due to COVID-19. This is an annual event and is detailed on the Schools Together website.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

- 76 Year 4 pupils from 5 local Primary Schools attended a Science Experience afternoon taking part in lighting Bunsen Burners and flame tests, an electricity workshop and using microscope workshop. This is an annual event and is detailed on the Schools Together website.
- 31 pupils from Bishopstone Primary School attended a talk on World War 2 Dakota Aircraft.
- 4 Year 5 pupils from Bishopstone Primary School attended a talk on Judaism.
- 8 Year 3 pupils from Bishopstone Primary School attended an Ancient Egyptian morning at Pinewood.
- 8 Year 3 pupils from Bishopstone Primary School attended a Junk Orchestra and 7 Year 3 pupils attended African Drumming at Pinewood.
- Pupils from Bishopstone Primary School were due to come to watch the Year 6 Rock Bottom dress rehearsal however this was cancelled due to COVID-19.
- Transport is provided to the local primary schools to allow these outreach events to take place.
- Pinewood continues to be used by a sports organisation during the Easter and Summer Holidays to provide 4 weeks' worth of daily holiday camps for local children aged 13 or under although this was cancelled this year due to COVID-19.
- The School forged a link with Ashbury Primary School and hopes to develop an outreach programme over the coming next year.
- Our parent fundraising body, Friends of Pinewood, donated money to Bishopstone Primary School to complete their ongoing appeal for a cover over their playground.
- The Year 8 Scholars were going to Bishopstone Primary School to 'support a teacher' on a rota over 3 days and planned to host pupils at Pinewood for a morning of sports. Both events were cancelled due to COVID-19.
- *Other Public Benefit Activities.*
 - Pupils from the School normally take part in Freshbrook Community Outreach where some Year 8 pupils chat and play board games with the older members of the church community. This did not take place this year due to COVID-19.
 - The School encourages the inhabitants of the village of Bourton to use its sporting and other amenities for local community events free of charge
 - Bourton Villagers and their families are invited to attend the School's annual Bonfire Night free of charge. Pupils and staff from Bishopstone Primary School were also provided free entry to this event.
 - The School provides power to the Village's Christmas lights and on occasions lends equipment.
 - The School supports the local church by attending services and providing financial assistance, an initiative which has prevented it from closure.
 - The School donates a tree to the Church annually.
 - The Headmaster is Chairman of the Bourton Alms Houses.
 - The School regularly provides work experience for post-GCSE students and trainee teachers.

Charitable Donations

Pinewood continued to support several external charities through fundraising events during the year; it raised £1,620 for the Shonda Project (Reg No: 1075035) which is a small independent charity which has helped provide Kenyan children with affordable primary education. Much of this money has been received from collections after the children's plays, concerts and the Christmas Carol Service. In addition to this food brought in for the Harvest Festival celebrations was donated to the aged in the Village of Bourton and Swindon Food Bank. These charitable activities give the pupils the understanding of their social and environmental responsibilities which is one of the cornerstones of their education at Pinewood.

Fundraising Performance

The School has an established Development Office. It is planned that this will develop into fundraising for new facilities and provision of bursaries in the medium to long term.

During the year the School has received £2,695 donations to the Bursary Fund and £5,250 donations to the Teaching and Learning Centre. The School also raised £34,281 in voluntary donations (including Gift Aid) from 139 sets of parents to assist in delivering new and improved facilities within the School. In 2019–20 these donations were used to fund 30 new IT devices and the auditorium audio visual system for the new Teaching and Learning Centre.

STRATEGIC REPORT

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Net income for the year achieved a surplus from the unrestricted fund of £309,079 (2019: £789,677). Surpluses are required to fund our on-going capital expenditure which is needed to upgrade and enhance the School's facilities in order to keep pace with what is expected of us as a first-class educational establishment. In 2019-20 the School completed the construction of a £3.2m Teaching and Learning Centre as identified in Pinewood's Strategic Review. This new building for Middle School has allowed for completion of the reorganisation of office space, classrooms and expansion of the boarding pastoral areas in the main school building.

The School has a bank loan facility of £440,906 (as at 31 Aug 20) to fund construction of the new Teaching and Learning Centre; the total bank loan facility is £1,014,591 (as at 31 Aug 20). The School has deposited available funds on short term deposits throughout the year providing an income of £13,791.

As an educational charity, the parents of our pupils have the reassurance that all the income of the School is applied for educational purposes. The School is exempt from tax on its educational activities and surpluses, although the School does pay PAYE Income Tax and NI Contributions on all staff salaries and the VAT that it pays for items purchased and services received is irrecoverable.

Reserves Policy

The School has a capital projects programme over the three-year period to 31 August 2023; at least £1.7m is required to achieve this plan. As at 31 August 2019, a significant proportion of the School's unrestricted funds were represented by the School's operational fixed assets, and this increased in the year with the construction of the Teaching and Learning Centre. The School therefore does not have the full resources required to fulfil this programme but expects to generate the surpluses required in future accounting periods. The Governors' policy is to hold free reserves equivalent to one term's expenditure which currently equates to approximately £1.80m as at 31 August 2020, but anticipated to be in excess of £2m for the 2020/2021 financial year.

The primary use of additional unrestricted funds generated over the period of the programme will therefore be to provide funds for these new capital projects. These funds will not increase the level of free reserves as they will be represented by fixed assets. In addition, it is expected that the timing of the funds generated over this period will match the timing of the capital expenditure thus leaving minimal free reserves at any stage over this period.

Over the medium term, the Council has identified a need to rebuild its free reserves equivalent to one term's expenditure for the following purposes:

- To achieve a margin of working capital to enable all aspects of the School's work to be conducted in an orderly and efficient manner.
- To achieve a liquid reserve to provide cover for unexpected variations in its income stream or unavoidable expenditure that cannot be funded from current income.

As at 31 August 2020 the School held free reserves under this policy of almost £0.5m although this takes account of the loans of £1.0m that are linked to the capital programme. As these loans are expected to be repayable from future operating income and cashflows and are secured on the school premises it is often considered appropriate to exclude them from the calculation of free reserves. Excluding these loans leaves free reserves of £1.5m which, given the circumstances faced by the country as a whole, and the needs of the School, is considered reasonable.

Once the current programme of works is completed the financial plan will include replenishing free reserves in line with the Council's policy.

FUTURE PLANS

Key targets for the following year include:

- To continue to improve the provision of education with the target to achieve numerous scholarships and awards.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

- To continue with the plan for the provision of future facilities to ensure the School provides the educational and pastoral needs of current and future pupil numbers in line with its Strategic Review dated March 2019. This will include completion of the additional artificial sports pitch and an office extension for the Pre-Prep.
- To carry out a Strategic Review by Autumn 2021.
- To further implement its Public Benefit Strategy and specifically to continue with the provision of substantial bursaries to low income families to enable access to the School and continue to develop our links and benefits to Ashbury and Bishopstone Primary Schools as well as our other local primary schools.

STATEMENT OF GOVERNORS RESPONSIBILITIES

The Governors (who are also directors of Pinewood School for the purposes of Company Law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- There is no relevant audit information of which the company's auditors are unaware; and
- The Governors 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

In accordance with Section 485 of the Companies Act 2006, the appointment of auditors to the Company was discussed at the Annual General Meeting on 27th November 2020. It was agreed to re-tender auditors for the financial year 2020-21.

Approved by the Board of Governors and signed on its behalf by:



.....
R F Badham-Thornhill
Chairman

Date: ...27th November 2020.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PINEWOOD SCHOOL LIMITED

Opinion

We have audited the financial statements of Pinewood School Limited for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charitable company's affairs as at 31 August 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Governors' 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

PINEWOOD SCHOOL LIMITED (continued)

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 Governors' 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 Governors' Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Use of our report

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

Adam Halsey (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London EC4R 1AG

27th November 2020

haysmacintyre is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

PINEWOOD SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020 Total £	2019 Total £
INCOME FROM:						
Charitable activities:						
School fees	2	5,354,125	-	-	5,354,125	5,795,556
Other income	3	290,809	-	-	290,809	449,897
Other trading activities:						
Letting income		-			-	19,101
Investment income		13,792	-	-	13,792	26,190
Voluntary sources:						
Donations and fund raising		34,281	-	-	34,281	35,073
Other income:						
Government grants		204,266			204,266	-
TOTAL INCOME		<u>5,897,273</u>	<u>-</u>	<u>-</u>	<u>5,897,273</u>	<u>6,325,817</u>
EXPENDITURE ON:						
Charitable activities:						
Education		<u>5,588,194</u>	<u>-</u>	<u>11,835</u>	<u>5,600,029</u>	<u>5,506,519</u>
TOTAL EXPENDITURE	5	<u>5,588,194</u>	<u>-</u>	<u>11,835</u>	<u>5,600,029</u>	<u>5,506,519</u>
NET INCOME/(EXPENDITURE)		309,079	-	(11,835)	297,244	819,298
Transfer between funds		-	-	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		309,079	-	(11,835)	297,244	819,298
Balances brought forward		<u>9,639,596</u>	<u>89,248</u>	<u>71,171</u>	<u>9,800,015</u>	<u>8,980,717</u>
Balances carried forward		<u>9,948,675</u>	<u>89,248</u>	<u>59,336</u>	<u>10,097,259</u>	<u>9,800,015</u>

The accompanying notes form part of these financial statements.

All the charity's activities during the above two financial years were derived from continuing activities.

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	8	9,564,842	8,317,377
CURRENT ASSETS			
Stock		13,718	15,131
Debtors	9	156,111	231,665
Cash at bank and in hand		2,583,251	3,370,970
		<u>2,753,080</u>	<u>3,617,766</u>
CREDITORS: amounts falling due Within one year	10	(1,394,454)	(1,642,343)
NET CURRENT ASSETS		<u>1,358,626</u>	<u>1,975,423</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,923,468	10,292,800
CREDITORS: amounts falling due After more than one year	11	(826,209)	(492,785)
NET ASSETS		<u>10,097,259</u>	<u>9,800,015</u>
FUNDS AND CAPITAL	13/14		
Restricted funds		59,336	71,171
Unrestricted funds		10,037,923	9,728,844
TOTAL FUNDS		<u>10,097,259</u>	<u>9,800,015</u>

The financial statements were approved and authorised for issue by the Council on 27th November 2020 and were signed below on its behalf by:



.....
R F Badham-Thornhill
Chairman

Date: ...27th November 2020.....

The accompanying notes form part of these financial statements.

PINEWOOD SCHOOL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Net cash inflow from operations	(i)	344,807	1,158,789
Cash flows from investing activities:			
Investment income receipts		13,792	26,190
Finance costs paid		(35,106)	(17,104)
Net cash generated/(used) in investing activities		(21,314)	9,087
Cash flows from financing activities:			
Payments for tangible fixed assets		(1,547,020)	(1,863,175)
Net cash used in financing activities		(1,547,020)	(1,863,175)
Change in cash and cash equivalents in the reporting period		(1,223,526)	(695,299)
Cash and cash equivalents at the beginning of the period		2,792,186	3,487,486
Cash and cash equivalents at the end of the reporting period	(ii)	1,568,660	2,792,186

NOTES TO THE CASH FLOW STATEMENT

	2020	2019
	£'000	£'000
(i) Reconciliation of net incoming resources to net cash flow from operations		
Net incoming resources	297,244	819,298
Elimination of non-operating cash flows:		
- Investment income	(13,792)	(26,190)
- Financing costs	35,106	17,104
Depreciation charge	298,920	250,685
Loss on disposal of assets	-	64,815
(Increase)/decrease in stock	1,412	(9,566)
(Increase)/decrease in debtors	75,554	(84,438)
Increase/(decrease) in creditors	(349,637)	127,079
	47,563	339,490
Net cash inflow from operations	344,807	1,158,789
(ii) Analysis of changes in net funds		
	At 1 September 2019 £'000	Cash Flows £'000
Cash at bank	3,370,970	(787,719)
Loans	(578,784)	(435,807)
	2,792,186	(1,223,526)
		At 31 August 2020 £'000
		2,583,251
		(1,014,591)
		1,568,660

1 ACCOUNTING POLICIES

Basis of Preparation

The accounts have been prepared under the Charities Act 2011 on historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP (FRS 102).

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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

School fees

Fees and charges for services and use of premises are accounted for in the period in which the service is provided. Fees are stated after deducting allowances, scholarships and other remissions granted by the School.

Other income

These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable certainty.

Donations, legacies, grants and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Government grant income relates to the Coronavirus Job Retention Scheme (CJRS) and is recognised as receivable in line with the period that the expense has been incurred.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Fund. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Expenditure

Expenditure is accrued for as soon as a liability is considered probable, discounted to present value for long term liabilities.

Raising funds comprise costs associated with lettings.

Expenditure is allocated to expense headings either on a direct cost basis, or apportioned on a consistent basis. The irrecoverable element of VAT is included with the item of expense to which it relates. Charitable Activities comprises all expenditure directly related to the objects of the school. Governance costs are those incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Pension Costs

The School contributes to the Teachers' Superannuation Scheme at rates set by the scheme actuary and advised to the Governors by the Scheme Administrator. For the purposes of complying with the relevant accounting standards, the Teachers' Superannuation Scheme is accounted for as a defined contribution scheme as the school is not responsible for or entitled to receive benefit for any surplus or deficit on the scheme. The amounts included within the Statement of Financial Activities and Balance Sheet are in accordance with FRS 102.

Certain non-teaching members of staff are offered membership of a Group Personal Pension scheme. The assets of this scheme are held separately from those of the School, being invested with an insurance company. The pension costs for that scheme represent the contributions payable by the School in the year.

Leases and hire purchase contracts

Rentals paid under operating leases are charged to the Statement of Financial Activities evenly over the period of the lease.

1 ACCOUNTING POLICIES (continued)

Fixed assets

Tangible fixed assets are included in the financial statements at their original cost less depreciation provided to date.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs less estimated residual value of each asset, by equal annual instalments, over their expected useful lives which are considered to be:-

Freehold buildings and improvements	-	50 years
Fixtures and equipment	-	10 years
Facilities	-	20 years
Vehicles	-	5 years
Computers	-	3 years

Land and assets under the course of construction are not depreciated.

Stock

All stock is stated at the lower of cost and net realisable value.

Debtors

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

Cash and bank

Cash at bank and cash 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.

Creditors and Provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Funds

The General Fund represents funds available for use at the discretion of the Governors in furtherance of the objects of the charity and which have not been designated for other purposes. The Restricted Fund represents donations where the donors state the particular purpose for which the funds must be applied.

Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The directors consider the following items to be areas subject to estimation and judgement.

Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. As tangible fixed assets are not significant variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically no changes have been required.

Bad debt:

The School maintains a bad debt provision which is reassessed annually based on fees outstanding from the summer term.

PINEWOOD SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

2. SCHOOL FEES	2020 £	2019 £
Fees receivable	5,716,891	6,205,614
Bursaries and allowances	(362,766)	(410,058)
	<u>5,354,125</u>	<u>5,795,556</u>
3. OTHER INCOME	2020 £	2019 £
Extras*	205,875	342,085
Learning Support Income	22,231	33,491
Minibus	15,907	21,904
Registration fees	5,173	3,520
Other	41,623	48,897
	<u>290,809</u>	<u>449,897</u>

* Related expenditure included within teaching and support costs.

4. TAXATION

The charity has currently been granted exemption from corporation tax under s478(1) of CTA 2010, on the income arising from its charitable activities provided that it is applied for charitable purposes.

5. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	Total 2020 £	Total 2019 £
a) Total Expenditure					
Charitable expenditure					
Teaching costs	3,293,857	481,880	132,291	3,908,028	3,741,490
Welfare	143,532	509,579	-	653,111	732,950
Premises	241,161	453,909	167,264	862,334	901,243
Support costs and governance	56,836	84,614	-	141,450	100,731
Finance costs	-	35,106	-	35,106	17,105
Grants and donations	-	-	-	-	13,000
	<u>3,735,386</u>	<u>1,565,088</u>	<u>299,555</u>	<u>5,600,029</u>	<u>5,506,519</u>

b) Governance included in support costs

Remuneration paid to auditor for audit services	<u>10,380</u>	<u>9,984</u>
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5a. COMPARATIVE ANALYSIS OF EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	Total 2019 £	Total 2018 £
a) Total Expenditure					
Charitable expenditure					
Teaching costs	3,065,378	575,228	100,884	3,741,490	3,763,197
Welfare	404,058	328,892	-	732,950	688,429
Premises	245,029	506,413	149,801	901,243	813,279
Support costs and governance	51,411	49,320	-	100,731	77,633
Finance costs	-	17,105	-	17,105	16,200
Grants and donations	-	13,000	-	13,000	-
	<u>3,765,876</u>	<u>1,489,958</u>	<u>250,685</u>	<u>5,506,519</u>	<u>5,358,738</u>

6. STAFF COSTS	2020 £	2019 £
Wages and salaries	2,921,203	3,108,563
Social security costs	288,710	295,878
Other pension costs	525,473	361,435
	<u>3,735,386</u>	<u>3,765,876</u>
Aggregate employee benefits of key management personnel	<u>764,697</u>	<u>690,842</u>

The average number of employees during the year were 116 (2019: 116)

The average number of full time equivalent employees (excluding peripatetic staff) during the year was:

	Number	Number
Teaching staff	51	56
Other employees	44	38
	<u>95</u>	<u>94</u>

2 Governors (2019: 2) received reimbursement of expenses during the year of £537 (2019: £801).

The School provides indemnity insurance to trustees, the cost of which is included in the School's combined insurance policy.

Termination payments during the year amounted to £nil (2019: £nil).

The number of employees whose emoluments exceeded £60,000 excluding pension contributions was:

	2020 No	2019 No
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	2	2
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u></u>	<u></u>
The number with retirements benefits accruing		
- in Defined Contribution schemes was	4	4
of which the contributions amounted to	£56,069	£53,001

7. PENSION SCHEME

There are two pension schemes available to certain employees of the School, the Teachers' Pension Scheme and a Group Personal Pension Scheme operated by Legal & General.

7 PENSION SCHEME (continued)

Teachers' Pension Scheme (TPS)

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 £492,399 (2019: £315,458) and at the year-end £Nil (2019 - £Nil) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

PINEWOOD SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

8. TANGIBLE FIXED ASSETS	Land and Buildings £	Under Course of Construction £	Fixtures, Fittings and Equipment £	Computers £	Total £
Cost or valuation					
At 1 September 2019	7,403,912	1,748,103	1,072,977	247,268	10,472,262
Additions	-	1,419,710	43,700	83,609	1,547,019
Disposals	-	-	(53,870)	(48,893)	(102,763)
Transfers	3,027,618	(3,121,817)	56,495	37,703	-
At 31 August 2020	10,431,530	45,996	1,119,302	317,759	11,916,518
Depreciation					
At 1 September 2019	1,607,262	-	402,506	145,115	2,154,883
Charge for the year	167,262	-	72,696	58,962	298,920
Depreciation on disposals			(53,237)	(48,893)	(102,130)
At 31 August 2020	1,774,524	-	421,965	153,256	2,351,673
Net Book Value					
At 31 August 2020	8,657,006	45,996	697,337	164,503	9,564,842
At 31 August 2019	5,796,650	1,748,103	670,471	102,153	8,317,377

Freehold land, valued at £50,000, is included in the cost of land and buildings. The freehold land is not depreciated.

9. DEBTORS	2020 £	2019 £
Amounts falling due within one year		
Fee debtors	2,097	73,064
Other debtors	154,014	158,601
	156,111	231,665
10. CREDITORS	2020 £	2019 £
Amounts falling due within one year		
Bank loans and overdrafts (see note 11)	188,382	85,999
Trade creditors	122,607	130,163
Other taxation & social security	139,127	73,208
Fees received in advance	623,152	773,923
Other creditors and accruals	47,786	305,900
Deposits held	273,400	273,150
	1,394,454	1,642,343

PINEWOOD SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

11. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020 £	2019 £
Bank loans	826,209	492,785
Long term loan obligations are repayable as follows:		
Within one year (see note 10)	188,382	85,999
Between one and two years	194,086	91,366
Between two and five years	576,362	309,759
Over five years	55,761	91,660
	<u>1,014,591</u>	<u>578,784</u>

The bank has a debenture over the School's assets, together with a charge over the premises owned by the School. The loan facility bears interest rate at 0.85% above the Lloyds Bank base rate. The loan is being repaid in 60 quarterly instalments which commenced from June 2010.

12. SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up and unable to pay its debts each member is liable to contribute a sum not exceeding £10.

13a. MOVEMENT IN FUNDS	Balance at 1 September 2019 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 August 2020 £
Unrestricted					
- General fund	9,639,596	5,897,273	(5,588,194)	-	9,948,675
- Public benefit and community fund	89,248	-	-	-	89,248
Restricted					
- Restricted fund	71,171	-	(11,835)	-	59,336
TOTAL FUNDS	<u>9,800,015</u>	<u>5,897,273</u>	<u>(5,600,029)</u>	<u>-</u>	<u>10,097,259</u>

Unrestricted Funds

The Unrestricted General Fund represents the unrestricted funds which the Governors are free to use in accordance with the charitable objects.

Designated Funds:

A designated fund was set up in 2019 and is intended to be used for public benefit and community support. This fund is available should it be required for hardship bursaries due to financial impact on families including COVID-19.

Restricted Funds

The restricted funds are for the development of the school either through benefactor donations in year or for depreciation costs of benefactor purchases in previous years.

13b. COMPARATIVE MOVEMENT IN FUNDS

	Balance at 1 September 2018 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 August 2019 £
Unrestricted					
- General fund	8,849,919	6,325,817	(5,480,892)	(55,248)	9,639,596
-Public benefit and community fund	47,000	-	(13,000)	55,248	89,248
Restricted					
- Restricted fund	83,798	-	(12,627)	-	71,171
TOTAL FUNDS	<u>8,980,717</u>	<u>6,325,817</u>	<u>(5,506,519)</u>	<u>-</u>	<u>9,800,015</u>

14a. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Tangible assets	9,547,596	17,246	9,564,842	8,317,370
Current assets	2,710,990	42,090	2,753,080	3,617,765
Current liabilities	(1,394,454)	-	(1,394,454)	(1,642,343)
Long term liabilities	(826,209)	-	(826,209)	(492,785)
	<u>10,037,923</u>	<u>59,336</u>	<u>10,097,259</u>	<u>9,800,015</u>

The Restricted Fund is to be used for the future development of the school.

14b. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
Tangible assets	8,288,298	29,080	8,317,370	6,769,701
Current assets	3,575,674	42,091	3,617,765	4,134,648
Current liabilities	(1,642,343)	-	(1,642,343)	(1,356,061)
Long term liabilities	(492,785)	-	(492,785)	(567,571)
	<u>9,728,844</u>	<u>71,171</u>	<u>9,800,015</u>	<u>8,980,717</u>

The Restricted Fund is to be used for the future development of the school.

15. OTHER FINANCIAL COMMITMENTS

At 31 August 2019, the School had future minimum lease payments under non-cancellable operating leases as follows:-

	Plant and machinery 2020 £	2019 £
Expiring within one year	20,201	25,806
Expiring between two and five years inclusive	18,915	40,648
Expiring over five years	-	-
	<u>39,116</u>	<u>66,454</u>

16. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 Total £
INCOME FROM:					
Charitable activities:					
School fees	2	5,795,556	-	-	5,795,556
Other income	3	449,897	-	-	449,897
Other trading activities:					
Letting income		19,101	-	-	19,101
Investment income		26,190	-	-	26,190
Voluntary sources:					
Donations and fund raising		35,073	-	-	35,073
TOTAL INCOME		<u>6,325,817</u>	<u>-</u>	<u>-</u>	<u>6,325,817</u>
EXPENDITURE ON:					
Charitable activities:					
Education		<u>5,480,892</u>	<u>13,000</u>	<u>12,627</u>	<u>5,506,519</u>
TOTAL EXPENDITURE	5	<u>5,480,892</u>	<u>13,000</u>	<u>12,627</u>	<u>5,506,519</u>
NET INCOME/(EXPENDITURE)		844,925	(13,000)	(12,627)	819,298
Transfer between funds		(55,248)	55,248	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		789,677	42,248	(12,627)	819,298
Balances brought forward		<u>8,849,919</u>	<u>47,000</u>	<u>83,798</u>	<u>8,980,717</u>
Balances carried forward		<u><u>9,639,596</u></u>	<u><u>89,248</u></u>	<u><u>71,171</u></u>	<u><u>9,800,015</u></u>