

BADMINTON SCHOOL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Company Number: 257012
Charity Number: 311738

BADMINTON SCHOOL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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MESSAGE FROM THE CHAIR

The academic year 2019-20 presented all at Badminton and elsewhere with unprecedented challenges. This report shows how we were able to meet and overcome those challenges in terms of both maintaining the quality of our educational provision and minimising the financial impact of the pandemic in order to move forward with purpose and optimism.

On the announcement of the UK-wide lockdown on 23 March 2020 we rapidly put in place a technological solution to provide an excellent remote learning provision to all our pupils for the whole of the Summer Term and for some boarders into the Autumn Term. For that, and for the way that we also kept pastoral care front and centre, I would like to pay tribute to the dedication and professionalism of all of our teaching and support staff.

Academically, Badminton continues to go from strength to strength. And, whilst it is true that the reality of centre assessed grades means that the results for 2020 on page 3 should be read in that context (and hence we have provided two years of comparative data), our comparative results with very best independent schools in the South West and nationally continue to show an upward trend. In the Sunday Times "Parent Power" survey published in November 2020, based on blended A Level and GCSE results, we rose from 104th to 75th place nationally and were placed 3rd in the South West (and top amongst all independent Bristol schools).

Operationally, we reacted swiftly in March and beyond with a range of cost saving measures and efficiencies. Whilst significant, these savings did not in themselves compensate for the reduced fee income, the largest segment of which was overseas boarding during the Summer term. For that reason, the financial results for the year show a deficit. In cash terms, however, we generated a surplus, did not require a further drawdown on our revolving credit facility with Barclays and met our banking covenants. Further, although we had already paused all major capital expenditure prior to the full impact of the pandemic becoming clear, we continued to maintain the estate and were very pleased with the refurbishment of the Casson Library, at the heart of the school, assisted by a valuable and much appreciated level of donations from parents and alumnae.

We also conducted a successful and collaborative consultation exercise with the teaching staff with regard to an exit from the Teacher Pension Scheme and its replacement with membership of the APTIS scheme run by Aviva and again I would like to pay tribute to all the teaching staff for the professional and extremely constructive way in which they engaged in this process.

The pandemic will continue to represent a key operational, financial and educational challenge for Badminton in the near term but at time of writing there is a strong ray of light at the end of the tunnel as we welcome all our pupils back as part of the phased roadmap of lifting of restrictions.

The significant achievements of the school in this academic year is a testament to the strength of community of staff, students and governors and in particular, the leadership of the Head. The expected student roll for September 2021 is another record and all connected with Badminton and can look forward with excitement and optimism to the opportunities that lie ahead.

I.E.G. (Bill) Ray
Chair of Governors

26 March 2021

The Governing Board ("Board") of Badminton School ("the School") presents its annual report under the Companies Act 2006 and the Charities Act 2011 together with the audited accounts for the year ended 31 August 2020.

OBJECTS, AIMS AND OBJECTIVES

Charitable Objects

The principal charitable objective of the School is the management and organisation of a girls' senior and junior boarding and day school at its site in Westbury-on-Trym, Bristol. The formal Objects of the Charity include the creation and administration of bursaries and scholarships for the encouragement of study and learning.

Vision, Aims and Objectives

Within these Charitable Objects, the Board has developed a vision for Badminton School, which encapsulates the aspiration that "Badminton provides the best preparation for girls living and working in a global society".

The School's aims are:

- To provide an education, which nurtures intellectual curiosity, is challenging and fun, balancing academic excellence with fulfilment of individual potential in the arts, sport and extra-curricular activities.
- To provide pastoral care which teaches respect and tolerance for the whole community and requires each girl to take responsibility for herself and others.
- To create opportunities for every girl to contribute to the well-being of the School and genuine mutual support.
- The international mind-set of the School aims to create an awareness of the needs and concerns of society at local, national and global levels.
- Badmintonians leave the School as curious, confident and courteous individuals who will thrive in a competitive, global society.
- Badminton respects the past and looks to the future, ensuring good stewardship of the Badminton name, the campus and the School's world-class reputation.

The Governing Board is committed to maintaining and enhancing the academic success of the School within the context of the aims set out above. In reviewing the aims and objectives of the School, the Board has given careful consideration to the Charity Commission's general guidance on public benefit and its supplementary guidance on advancing education and on fee charging. In particular, the Board has considered how planned activities will contribute to the School's aims and objectives.

The Governing Board sets fees at a level that will ensure the financial viability of the School and which is consistent with the Board's aim that the School should be a recognised leader in girls' education.

PERFORMANCE

School Roll

The average number of pupils on roll during 2019-20 was 496 (2018/19: 477). At September 2020 the School roll number was 505. The Executive Leadership Team are confident about recruitment and interest in the School remains strong. In the year under review, over one quarter of the pupils in the School benefited from financial support and an increasing percentage of this support is subject to means-testing.

Academic Excellence

Academic excellence is achieved through a holistic approach to teaching and learning, which encourages methods that are challenging and fun. The great resources and passion of the staff, coupled with their knowledge of each pupil, allows each girl to thrive academically and socially.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

The emphasis is on the development of skills to support independent learning and encouragement for girls to take a lead with new approaches. Sports and creative skills are integral to the curriculum, giving girls a broad outlook and skill set.

Due to the pandemic, all examination results in England over Summer 2020 were generated as Centre Assessed Grades. This meant that they were produced according to guidelines issued by the Department of Education, but generated by prior student classroom and test performances during the year (not external exams) which were then assessed and ranked by teachers, with rigorous methodologies and cross checks applied.

A Level results

	2020	2019	2018
Candidates	50	51	42
Entries	155	160	133
% of candidates with 3+ A*/A grades	50.0%	37.3%	38.1%
% of candidates with AAB or better	58.0%	58.8%	50.0%
Entries graded A*/A	67.1%	55.6%	56.4%
Entries graded A*/C	100.0%	92.5%	88.0%

GCSE Results

	2020	2019	2018
Candidates	44	49	43
Entries	444	499	425
% of candidates with all A*/9-8 grades	31.8%	28.6%	9.3%
% of candidates with all A*/A/9-7 grades	56.8%	46.9%	48.8%
Entries graded A*/9-8	70.3%	63.1%	67.5%
Entries graded A*-C/9-4	100.0%	96.4%	99.3%

These results placed Badminton in 75th place (prior year: 104th) in the prestigious Sunday Times "Parent Power" ranking of top UK Independent Schools, published in November 2020, and in third place overall in the South West Region, a performance of which we are justifiably proud.

Away from the classroom, girls have enjoyed a variety of options and continue to excel in Public Speaking, Creative Writing, Languages, Sport, Music, Art, Debating, Drama and Duke of Edinburgh awards. The School's Science Outreach programme also remains extensive and Badminton also acts as the south-west hub for the Classical Association and hosts their regular lectures.

Pastoral care

The size of the School coupled with emphasis on excellent pastoral care creates a supportive environment in which each girl has the confidence to develop into the person that she wants to be. There is no scope for anonymity and the respectful relationships ensure not only that the girls are mutually supportive, but also that staff and girls work collaboratively to tackle issues. The combination of small form groups and boarding in a progression of age group areas coupled with the mixed age competitive Houses allows strong friendship within and across year groups. During the School day, there is no differentiation between day and boarding pupils.

The PSHCE and tutor programmes are designed to enable the girls to develop the skills to manage their own physical and emotional wellbeing effectively, as well as building wider life skills.

There is an induction programme at the start of each Year to integrate new girls with existing ones and an 'outduction' programme in the Upper Sixth covering topics such as managing student finance, how to register with a GP, basic car and home maintenance.

After school care for day pupils is provided free of charge, and they are able to stay for supper with the Boarders for a nominal charge. Occasional and flexi boarding are also options for day pupils and the School acts as a supportive extension of their family home.

The School has continued to develop a series of "strands" inextricably linking the Junior and Senior Schools. Strong academic links now exist in the Spanish, German and French Departments and Music and PE. These links have been forged not only through shared teaching staff which means that academic expertise is enjoyed by pupils across the School, but more coherent schemes of work have also been fostered as there is a greater appreciation of what is studied at the different ages. In addition, the Languages department have done work in the Junior School where pupils there have been able to enjoy access to Language Clubs and this has further developed work done to forge closer relationships between the Junior and Senior Schools.

Developing the School

The Casson Library was subject to a successful refurbishment project in the Summer of 2020. Planning consent was received in May 2019 for "The Hub" project and in March 2020 for the refurbishment of the Lodge which will serve as the main entrance and reception for the School. The intention is that the "Hub", which will be located next to the astro pitch to the right of the main drive, will serve as a café and innovation centre for sixth form pupils and as a valuable resource for parents and other visitors to the site.

Public Benefit

Bursaries

The Board has confirmed its commitment to the provision of continued means-tested bursary funding for pupils who would otherwise find the cost of an independent school education unaffordable.

Bursaries are awarded on the basis of a family's financial circumstances. The School has limited resources from which it can offer bursaries. Nevertheless, a range of factors is considered in making the awards and the School does not apply a simple family income threshold to determine whether an award may be made. In considering the financial need of an applicant, the size of family and the level of income and capital are taken into account, as a result the number and size of bursaries can vary considerably. In all cases the level of a bursary is determined by the extent of financial need and therefore applicants are required to complete an application form, which provides details of their income and capital. Annual reassessments are made with an updated statement of financial circumstances submitted in all cases. Parents who consider that they may need to apply for bursary support are encouraged to discuss the matter at an early stage, as bursary funds are limited.

In 2019-20 more pupils than ever were given means tested bursary support, with additional awards made in the Summer Term 2020 as a result of Covid-related financial difficulties experienced by some parents. In total 63 girls benefited financially from a total of £437k of means-tested bursary awards (2019: £386k). This represented 4.6% of total gross fees in the year (2019: 3.7%).

Grant-Making and Social Investment Policy

Badminton School is proud to accept pupils with a wide range of academic ability and from a variety of social backgrounds. Although the School is not highly selective, admission from 11+ will require pupils to sit an academic examination to ensure that the pupil has the potential to benefit from a Badminton education. Children wishing to enter the Junior School will spend a day with their peer group to assess their potential.

These measures help to ensure that the School will be able to educate and develop a prospective pupil to the best of that pupil's potential and in line with the general standards achieved by her peers. They help the School to satisfy itself, and parents, that a potential pupil will cope with the pace of learning and benefit fully from the education that the School provides. The School's Admissions Policy sets out its admissions procedure in detail and is supported by its policy on bursaries and scholarships. An individual's economic status, ethnicity, race, religion or disability is not relevant to the School's admissions procedures.

Access to Facilities

Notwithstanding the impact of the pandemic, the School, via its commercial subsidiary, was able to facilitate public access to its leisure facilities. The swimming pool was used by eight local swim schools. Prior to the lockdown in March our facilities had been used by a wider range of local clubs and organisations than ever, including Mavericks Netball Club, Redland Ladies Hockey Club, Clifton Robinsons Hockey Club and England Hockey. Whilst use of the facilities was curtailed in the summer, we hope to restore the breadth and range of our community use as soon as lockdown restrictions are lifted.

Charities (UK and Overseas)

Pupils take an active involvement in charitable fundraising activities, which is regarded as a fundamental part of School life and include participation in a number of national fundraising days and international initiatives. During 2019-20 donations to charities nominated by the School amounted to £7,081 [2018-19: £7,114].

FINANCIAL REVIEW

Financial Results and Position

The operating loss for the year to 31 August 2020, being net income before investment gains less income from donations and legacies and related fundraising costs, was £(660)k (2019: surplus of £50k). The School offered Covid-related fee discounts in the Summer Term of £1.4 million, this figure partially offset by Job Retention Scheme income of £511k.

After donations and legacies and investment losses, the retained loss for the year was £(598)k (2019: surplus of £211k) and this amount will be transferred from (to) Reserves. Notwithstanding the operating loss, the School generated a net cash inflow from operations of £964k (2019: £560k), this figure helped by a net movement in fee deposits in the year of £556k (2019: £63k). Even after capital expenditure of £421k (2019: £682k) and bank loan repayments of £184k (2019: £169k), the School generated a net increase in cash and cash equivalents of £262k (2019: 120k). The Board therefore considers the financial affairs of the School to be satisfactory and that this will continue in the foreseeable future.

Financial support

In the year ended 31 August 2020, means-tested awards with a value of £437k (2019: £386k) (including awards of £113k (2019: £103k) from restricted funds) were made. A total of 63 (2019: 56) pupils benefited from these awards. These awards helped to widen access to the School. The Governors intend to continue to allocate a significant budget to the provision of means-tested bursary support available to prospective applicants to the School. The financial support available ranges from 5% of fees to, in exceptional circumstances, 100% of fees, depending on need.

Reserves Policy

The School's total unrestricted reserves as at 31 August 2020 amounted to £5.787m (2019: £6.257m), which the School considers sufficient to meet its day-to-day requirements and to support its future capital plans. Restricted reserves at 31 August 2020 (excluding the Endowment Fund, unchanged at £30k) amounted to £1.033m (2019: £1.161m) and includes restricted fixed assets of £766k (2019: £794k), with the remainder providing funds principally for bursary and prize funds as set out in the note to the accounts.

The Governors' Reserves Policy is to produce sufficient surpluses of unrestricted funds each year to maintain and replace its fixed assets and to improve continually the facilities provided by the School to its pupils. To ensure an annual surplus (subject to exceptional losses such as those caused by Covid-19) the School prepares a detailed income and expenditure budget including contingencies for the risk of lost income or additional expenditure that have been identified. Termly accounts are prepared and SLT, F&GP and the Board monitor results closely. External borrowing is used as and when necessary to assist in funding developments. Restricted funds are to be held in cash or investments. In implementing this policy, it is the Governors' intention to hold such reserves to enable the School's day-to-day working capital requirements to be met by the careful management of its short-term liquid resources. In practice this is likely to require the holding of additional reserves to fund future capital expenditure to the extent it is not funded by bank borrowings.

The School does not have any free reserves. This is attributable to the definition of free reserves by the Charities SORP specifically excluding fixed assets that are financed by long-term liabilities due to the assets being required by the charity in order to deliver its aims. The Governors' policy is to invest to keep the School at the forefront of the independent school sector. This is partly financed by current borrowing, which is the most cost-effective method of funding fixed assets consistent with the School's cash flow profile. The Governors are satisfied the current level of reserves meets the School's requirements and Reserves Policy.

Principal Financial Management Policies

The following is a summary of the principal financial management policies:

- The Board of Governors delegates overseeing the management of the business and financial affairs of the School to the Finance and General Purposes Committee (F&GP).
- F&GP is therefore responsible for financial matters including budgets, cash flows and management accounts, credit control, recommendations on fee levels and fee discounts and management of Capital Expenditure. F&GP also has a remit for matters, which require legal advice, human resources issues, insurance arrangements, investment policy, remuneration, estate management and banking and borrowing arrangements.
- Within the School, the DFO is responsible for the School's finances. Departmental budgets are formally delegated in writing to Heads of Department.

Impact of Charitable Status on Finances

Parents of pupils at the School have an assurance, as the School is a registered charity, that all the income of the School must be applied for educational purposes. The Board of Governors remains confident that the School brings substantial benefits to its pupils and to the local and wider community through the education that it offers.

Fundraising Practices

The Governors are aware of the Charities (Protection and Social Investment) Act 2016 and recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The School has signed up to the fundraising code of practice and has voluntarily registered with the Fundraising Preference Service (FPS). The School only raises funds from Old Badmintonians, parents, staff and those with a personal connection to the School and does not undertake fundraising campaigns to the public. The origin of unsolicited donations and legacies would be considered. No complaints were received in the year relating to the School's fundraising activities.

Investment Policy

The Governors' investment powers are governed by the Memorandum and Articles of Association which requires all investments to be held in such funds as the Governors see fit, in accordance with English law. The investment objectives are to maintain a steady income stream from the investment assets, which were valued at £184k at the balance sheet date, to contribute towards bursaries. Governors are satisfied that the investments have performed in line with expectations in 2019-20, taking into account market conditions.

Freehold Land and Buildings

The movements in fixed assets are shown in Note 8 to the Accounts.

CONNECTED AND RELATED CHARITIES

The following related entities have not been incorporated in these financial statements as their activities are not under the control of the Governors of Badminton School:

- Old Badmintonians Association
- Badminton School Parents Association ("Involved")

PLANS FOR FUTURE PERIODS

The Board of Governors intends to continue its current strategy of maintaining the School's position in a highly competitive marketplace by investing to provide a high quality education for the School's pupils. The Board's detailed direction to the Executive Leadership Team for the next academic year remains essentially unchanged.

The exceptional academic success enjoyed during 2019-20 and prior years is evidence of the value added by a Badminton education. This continued success in the classroom, balanced by fine extracurricular activities, remains a high priority. Badminton continues to look for opportunities to enrich the educational experience and to future proof the school as a business. Exploratory conversations around several educational partnerships in UK and overseas are in progress.

The School plans to continue its initiatives to widen accessibility. The policy on bursaries and scholarships is a central plank of this policy. The importance of the letting of the School's first-class facilities to other schools as well as community groups, clubs and other charities remains of immense importance in the School's aspirations to demonstrate real public benefit.

The Board acknowledges the importance of providing sufficient resources for the continuing routine reactive and preventative maintenance of the buildings, fixtures, fittings and grounds of Badminton School including the Grade II Listed Northcote House. During the coming five years this will remain a high priority. Badminton has never constructed new buildings unless there is a strong educational justification. The plans for the Hub and the Lodge have been re-invigorated further to a Covid-related delay and are projects which will bring real improvements to the facilities available to pupils and to the wider community.

The Board of Governors systematically review the School's Risk Register annually, both in the sub-committees and at Full Board level. The risks, divided into six categories according to the committee which oversees them (Strategic, Other Board Level Risks, Finance & General Purposes, Education & Welfare, Risk, Regulation & Compliance and Property) are therefore reviewed in detail by the committees in the Autumn Term and the Board every Spring. The School's Senior Leadership review the risks prior to presentation to committees.

The ongoing risks and uncertainties presented by the Covid pandemic have formed a particular focus of this risk-based approach and the Board has worked closely with the School's leadership team on mitigation measures where possible and in fostering a culture of transparency and regular communications with pupils, parents, staff and all other stakeholders.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks identified, which face the School, include the following:

EXTERNAL UNCERTAINTIES

- Global pandemic such as Covid-19
- Impact of Charity Law and application by the Charity Commission on the future of independent education

Mitigating strategies

- Regular engagement with sector groups such as the ISC and ISBA to remain up to date with sector developments
- Short, medium and longer term strategic planning encapsulating the impact of external risks to provide opportunity to take mitigating actions

FINANCIAL RISKS

- The range and quality of independent school places in Bristol creates a highly competitive environment, and the Board is aware of the need to ensure that the education offered by the School remains attractive.
- Costs of necessary improvements to the fabric of the school become unaffordable

Mitigating strategies:

- Comprehensive strategic planning, budgeting and management accounting, with formal delegation of budgets to ensure fees are set at the correct level and that costs are controlled to minimise fee increases.
- Strong marketing activity to keep the School at the forefront of the minds of prospective local, national and international parents.
- Maintaining a reputation for academic excellence and outstanding pastoral care by recruiting and retaining the most able staff and through continual investment in facilities.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School operates through a limited company (No. 257012) with an authorised share capital of fifty £1.00 shares of which 26 have been issued. All 26 shares are held by Badminton Trust. None of the Governors had any interest in the shares.

Governing Document

The School's governing document is its Memorandum and Articles of Association dated 10 June 1931, as amended by Special Resolution passed on 6 April 1949.

Recruitment and appointment of Trustees and governors' interests

The Board of Governors is self-appointing and service on the Board is for a set term. Governors are required to retire by rotation on a three-year cycle. Governors may be re-elected on completion of their term to provide continuity. The Trustees are constantly seeking to recruit and appoint high calibre volunteer Trustees to provide a broad spectrum of experience and skills. The Board seeks to have representation from professions such as the law, finance and construction, from a general business or commercial background, from former pupils and parents as well as the education sector.

The Board of Governors have carried out a detailed skills audit and self-evaluation and identified areas of need for targeted recruitment of new governors. New Governors are formally inducted into their role, including Board Policy and Procedures through a series of formal briefings by the Chair of Governors, Heads of the Senior and Junior Schools and the Clerk to the Governors. All Governors are encouraged to attend AGBIS seminars and other appropriate events throughout the year to maintain an up-to-date knowledge of their role.

Decision making

The Board of Governors will routinely discuss and agree issues without a vote but in the case of financial or contentious issues the Chair will call for a vote with the resolution being carried by a simple majority. Within the School the Head has executive authority although the Director of Finance and Operations (DFO), in respect of financial matters, remains answerable to the Finance and General Purposes Committee, acting on behalf of the Full Board.

Organisational structure of the Charity

The Trustees, also known as the Board of Governors, provide strategic leadership to the School. They formally meet three times a year with the Head and the DFO in attendance. The School's DFO also serves as the Clerk to the Governors. The Main Board is supported by a series of sub-committees, which also generally meet three times a year providing written reports to the Board.

The day-to-day running of the School is delegated to the Executive Leadership Team (ELT), made up of the Head and the DFO. The ELT utilises a Senior Leadership Team (SLT), made up of two Deputy Heads and two Assistant Heads to assist in the leadership of the School. The DFO has the additional responsibility of acting as the finance director responsible to the Board through the Finance and General Purposes Committee.

The work of the Board of Governors is carried out via subcommittees, which are Education & Welfare, Finance & General Purposes, Risk, Regulatory & Compliance, Property and Staff Council. The Board also carries out work via the Development Committee and the Health and Safety Committee. As well as the SLT, the Headmistress appoints Middle Leaders and Heads of Department throughout the school structure to assist in the running of the organisation. Wherever sensible and appropriate and in order to encourage financial ownership and responsibility, Heads of Department manage their own budgets which are formally delegated by the Headmistress through the DFO. All other staff members report to the relevant member of the SMT, or a relevant Middle Leader who sits under a senior manager as part of the organisational structure.

Relationship to Other Charities

Badminton School actively supports the attainment of the highest standards in the independent schools sector through membership of organisations such as the Boarding Schools' Association (BSA), the Girls' School Association (GSA), the Independent Association of Prep Schools (IAPS), the Association of Governing Bodies of Independent Schools (AGBIS) and the Independent Schools Bursars' Association (ISBA). The School cooperates with many local charities in their ongoing endeavours to widen public access to the environment and facilities of the School.

Remuneration of Key Management Personnel

The Governors consider that they, together with the Executive Leadership Team, comprise the Key Management Personnel. All Trustees give of their time freely and no remuneration was paid in the year.

The pay and remuneration of the Head of the Junior School, the DFO and the Senior Leadership Team is set by the Head, in consultation with the Chair and Vice-Chair of Governors and the Chair of F&GP, whilst the remuneration of the Head is set by the Chair and Vice-Chair of Governors and kept under annual review.

Criteria are used in setting pay are:

- nature of the role and responsibilities
- competitor salaries in the region
- the sector average salary for comparable positions
- trends in pay

The Board intends to be in the upper quartile for pay for senior roles in the independent school sector. The Governors have given delegated authority to the Headmistress to pay higher salaries for exceptional candidates where this is in the interest of the School.

Volunteers

Badminton School benefits from the assistance of volunteer parents who provide social and informational support for each other and the wider Badminton Community. This voluntary organisation known as “*Involved*” fulfils the role of a Parent Teacher Association found in many other schools. There are other volunteers such as leaders of Duke of Edinburgh expeditions and confirmation classes who are willingly give up their expert time. The Board thanks these volunteers for their invaluable support and hard work.

Subsidiary Entities

The School has two fully owned trading subsidiaries. Badminton Enterprises Limited was incorporated on 16 December 2015 as a company limited by share capital registered in England and Wales, company number 09919323, and is established to generate income from the letting of School facilities. The Company pays all of its profits to Badminton School Limited under the gift aid scheme for reinvestment in the School. This includes the letting of the Sports facilities, swimming pool, the all-weather pitch and the School’s facilities for holiday sports camps and holiday language schools for overseas students.

Badminton School International Limited was incorporated on 8 May 2019 as a company limited by share capital registered in England and Wales, company number 11985814, with the intention to develop new revenue streams through partnerships overseas.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of Charity	Badminton School Limited
Trading Name	Badminton School
The Trustees/Board of Governors	<p>Mr I Ray BSc (Hons), LLd (Hons), Barrister at Law – Chairman (ew) (fgp) (p) (sc) (d)</p> <p>Ms H Wheelhouse ACA (fgp) (rrc)</p> <p>Mr J Chippendale BSc (Joint Hons) (ew)</p> <p>Mrs A Webb (ew) (d)</p> <p>Mr A Couper BSc, FIA (fgp)</p> <p>Mr J D Lewis MDA BSc MInstRE (p)</p> <p>Ms S Mumford LLB (Hons) (rrc)</p> <p>Mrs L Thomas LLB (Hons) (p)</p> <p>Mrs A Joseph LLB (rrc) (d)</p> <p>Miss A Wallace MA, MPhil (Cantab), PGCE (Oxon)</p> <p>Dr S Otton MA MBBChir FRCP FRCPath (ew)</p> <p>Ms A Jarratt BA (Hons) FCA (fgp) (p)</p> <p>Miss H Jackson (rrc)</p> <p>Dr J Daley PhD (resigned 19 January 2020)</p> <p>Dr M Chamberlain BA (Hons), MA, PhD (fgp) (sc) (d)</p> <p>Mr D Thomas (ew)</p> <p>(ew) Education & Welfare Committee</p> <p>(fgp) Finance & General Purposes Committee</p> <p>(p) Property Committee</p> <p>(rrc) Risk, Regulatory & Compliance</p> <p>(d) Development Committee</p> <p>(sc) Staff Council</p>
Head	Mrs R Tear BSc Hons, MA PGCE, PGDip
Director of Finance and Operations (Interim)	Mr JRC Sharp MA (Cantab) ACA
Charity Registration Number	311738
Company Registration Number	257012
Registered Office	<p>Badminton School</p> <p>Westbury-on-Trym</p> <p>Bristol BS9 3BA</p>

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Independent Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays 4 Queen Street Bath BA1 1HE
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA
Insurance Brokers	Gallagher 6 th Floor Temple Circus House Temple Way Bristol BS1 6HG

BADMINTON SCHOOL LIMITED
GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020
STATEMENT OF GOVERNORS' RESPONSIBILITIES

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 School and of the surplus or deficit of the School for that period. In preparing those financial statements, the Governors are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable 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 assume that the charitable company will continue in operation

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

This report has been prepared in accordance with the governing document, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the 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.

The Governors confirm that the Accounts comply with relevant requirements of the Governing Document and with current statutory requirements. The Governors confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regards to the Charity Commission's general guidance on public benefit.

PROVISION OF INFORMATION TO AUDITORS

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all of the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution proposing the appointment of auditors will be tabled at the Annual General Meeting.

In approving the Governors' Report, the Governors also approve the Strategic Report in their capacity as company directors.

On behalf of the Board

Ian Ray

I.E.G. (Bill) Ray
Chair of Governors
26 March 2021

Opinion

We have audited the financial statements of Badminton School Limited for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2020 and of the group'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 Governors for the financial statements

As explained more fully in the Statement of Governors' Responsibilities on page 16, the Governors (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 Governors 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 Governors are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BADMINTON SCHOOL LIMITED

Other information

The Governors 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.

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 incorporates the strategic report and the directors' report) 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 group and the parent 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 parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 26 March 2021

BADMINTON SCHOOL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted Funds £'000	Restricted and Endowment Funds £'000	Total 2020 £'000	Total 2019 £'000
	Notes				
INCOME FROM:					
Charitable activities					
Fees receivable	2	8,524	-	8,524	9,573
Extras – optional subjects		250	-	250	373
Other educational income		124	-	124	63
Other trading activities					
Lettings		95	-	95	355
Investments		1	-	1	3
Donations and legacies		-	85	85	163
Grant income		511	-	511	-
TOTAL INCOME		<u>9,505</u>	<u>85</u>	<u>9,590</u>	<u>10,530</u>
EXPENDITURE ON:					
Raising funds	4	4	-	4	33
Charitable activities					
School operating costs	4	<u>9,971</u>	<u>190</u>	<u>10,161</u>	<u>10,284</u>
TOTAL EXPENDITURE		<u>9,975</u>	<u>190</u>	<u>10,165</u>	<u>10,317</u>
NET (DEFICIT) / INCOME BEFORE INVESTMENT LOSSES		(470)	(105)	(575)	213
Investment losses	9	<u>-</u>	<u>(23)</u>	<u>(23)</u>	<u>(2)</u>
NET (DEFICIT) / INCOME		(470)	(128)	(598)	211
Fund balances brought forward		<u>6,257</u>	<u>1,191</u>	<u>7,448</u>	<u>7,237</u>
FUND BALANCES CARRIED FORWARD	16,17	<u>£5,787</u>	<u>£1,063</u>	<u>£6,850</u>	<u>£7,448</u>

All of the School's activities relate to continuing operations.

There are no other gains or losses other than those set out above.

The notes on pages 19 to 36 form part of these accounts.

Comparative figures for unrestricted and restricted movements are shown in note 22.

BADMINTON SCHOOL LIMITED
CONSOLIDATED AND CHARITY BALANCE SHEETS
AT 31 AUGUST 2020

Company number: 257012

		GROUP		CHARITY	
	Notes	2020 £'000	2019 £'000	2020 £'000	2019 £'000
FIXED ASSETS					
Tangible assets	8	11,985	12,474	11,985	12,474
Investments	9	196	219	196	219
		<hr/>	<hr/>	<hr/>	<hr/>
		12,181	12,693	12,181	12,693
CURRENT ASSETS					
Debtors	10	529	471	538	365
Cash at bank and in hand		2,210	1,948	2,127	1,791
		<hr/>	<hr/>	<hr/>	<hr/>
		2,739	2,419	2,665	2,156
CREDITORS: Amounts falling due within one year	11	(2,932)	(2,843)	(2,929)	(2,838)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT LIABILITIES		(193)	(424)	(264)	(682)
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,988	12,269	11,917	12,011
CREDITORS: Amounts falling due after one year	12	(5,138)	(4,821)	(5,138)	(4,821)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		6,850	£7,448	6,779	£7,190
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
FUNDS AND CAPITAL					
Share capital	15	-	-	-	-
Endowment funds	16,17	30	30	30	30
Restricted funds	16,17	1,033	1,161	1,033	1,161
Unrestricted funds	17	5,787	6,257	5,716	5,999
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS		£6,850	£7,448	£6,779	£7,190
		<hr/>	<hr/>	<hr/>	<hr/>

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

Ian Ray

I.E.G. (Bill) Ray
Chair of Governors

Heather Wheelhouse

Heather Wheelhouse
Governor

The notes on pages 19 to 36 form part of these accounts.

The parent charity's deficit for the year was £(388k) (2019: surplus of £167k).

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

	Note	2020 £'000	2019 £'000
Net cash inflow from operations:			
Net cash provided by operations	A	965	560
Cash flows from investing activities:			
Income from investments		1	2
Interest paid		(98)	(91)
Payments to acquire tangible fixed assets		(422)	(682)
Net cash used in investing activities		(519)	(711)
Cash flows from financing activities:			
New bank loan finance		-	500
Bank loan repayments		(184)	(169)
Net cash provided by financing activities		(184)	331
Change in cash and cash equivalents in the reporting period	B	262	120
Net cash and cash equivalents at beginning of period		1,948	1,827
Net cash and cash equivalents at end of period	B	£2,210	£1,948
A. RECONCILIATION OF NET (DEFICIT) / INCOME TO NET CASH INFLOW FROM OPERATIONS		2020 £'000	2019 £'000
Net (deficit) / income		(598)	211
Interest payable		98	91
Interest receivable		(1)	(3)
Investment losses		23	2
Depreciation of tangible fixed assets		911	887
Increase in debtors		(58)	(21)
Increase / (decrease) in creditors		590	(607)
Net cash inflow from operations		£965	£560
B ANALYSIS OF CHANGES IN DEBT			
	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
GROUP			
Cash at bank and in hand	1,948	262	2,210
Bank loans – current	(184)	-	(184)
Bank loans – repayable after one year	(3,801)	184	(3,617)
	£(2,037)	£446	£(1,591)

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 August 2020 and the comparative information presented in these financial statements for the year ended 31 August 2019. The financial statements are drawn up under the historical cost convention except that investments are carried at market value.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 10 June 1931 (company number: 00257012) and registered as a charity (charity number: 311738).

Preparation of accounts on a going concern basis

The Governors consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Governors confidence the charity remains a going concern for the foreseeable future.

Group financial statements

These financial statements consolidate the results of the School and its wholly-owned subsidiary Badminton Enterprises Limited on a line by line basis. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Badminton School Limited.

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

1. ACCOUNTING POLICIES (continued)

Income recognition

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

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contribution received from restricted funds, are accounted for in the period in which the service is provided.

Income from donations and legacies is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Grant income relates to the Government's Coronavirus Job Retention Grant (CJRG) and is recognised under the accruals basis in line with staff costs.

Investment income is accounted for on an accruals basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is allocated to expense headings on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Expenditure on raising funds consist of interest payable on bank borrowings and discounts under the Fees in Advance Scheme.

All costs associated with the provision of education are allocated to charitable activities.

Governance costs comprise the costs of running the School, including strategic planning for its future development, external audit, and all other costs of complying with constitutional and statutory requirements.

Intra-group sales and charges are excluded from trading income and expenditure.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments, which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Freehold land and buildings, major extensions and improvements are all capitalised. Expenditure relating to other items costing £1,000 or more with a useful life in excess of one year will also be capitalised.

Depreciation is provided on all tangible fixed assets retained for use by the School, other than freehold land, at rates calculated to spread each asset's cost, less its estimated residual value, evenly over its expected useful economic life, which for each class of asset has been agreed as follows:-

Assets in the course of construction	nil
Freehold buildings	50 years
Improvements to property	10 – 20 years
IT infrastructure	8 – 10 years
Furniture and equipment	6 – 10 years
Motor vehicles	8 years
Computers	4 years
All weather pitch	6 – 25 years

Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the charity 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 trade discounts due.

Fees in Advance Scheme

The School operates a Fees in Advance Scheme under which parents may pay in advance, in part or in full, for education that is to be provided in future years. Amounts received in advance are shown as liabilities until they are either taken to income in the term to which they are applied or else refunded.

1. ACCOUNTING POLICIES (continued)

Fund accounting

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Taxation

The company is a registered charity and, as such, its charitable income is exempt from tax, so long as its income is applied for charitable purposes only.

Operating lease commitments

Rentals in respect of assets held under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Employee benefits

Short term benefits

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

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pensions

The School was a member of the Teachers' Superannuation Scheme run by Teachers' Pensions for the financial and academic years ended 31 August 2020 and 2019. The scheme is an unfunded, defined benefit scheme. It is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. Accordingly under FRS102 section 28 the scheme is accounted for as if it were a defined contribution scheme.

For non-teaching members of staff, the School operated a group occupational pension scheme until 30 September 2001. After that date the School commenced a group personal pension plan and a stakeholder scheme was also available. The assets of these schemes are held separately from those of the School being invested in insurance companies.

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

2. FEES RECEIVABLE	2020 £'000	2019 £'000
Gross fees receivable	9,440	10,350
Less: Allowances	(345)	(256)
Bursaries	(437)	(386)
Scholarships	(247)	(236)
	<u>8,410</u>	<u>9,470</u>
Add back bursaries and scholarships funded by restricted funds	113	103
	<u><u>£8,524</u></u>	<u><u>£9,573</u></u>

3. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

The Charity owns the whole of the share capital of Badminton Enterprises Limited, a company registered in the United Kingdom with number 9919323, which was incorporated on 16 December 2015. The company's principal activities are the letting of School facilities including the swimming pool, the all-weather hockey pitch and providing the School's facilities for holiday sports camps and holiday language schools for overseas students. The company pays all of its profits to Badminton School Limited under the Gift Aid scheme. The company intends to distribute its profits to the parent charity during the 2020 financial year.

Its trading results for the year, as extracted from the audited accounts, are summarised below:

	2020 £'000	2019 £'000
Turnover	95	355
Cost of Sales	(3)	(10)
	<u>92</u>	<u>345</u>
Gross Profit		
Administrative Expenses	(21)	(87)
	<u>71</u>	<u>258</u>
Net Profit		
Profit on ordinary activities before taxation	71	258
Taxation		
	<u>£71</u>	<u>£258</u>
Profit for the financial period		
Distributions		
Gift Aid to Badminton School	(258)	(214)
Reserves brought forward and carried forward	<u><u>71</u></u>	<u><u>258</u></u>

At 31 August 2020 the company had assets of £102k, liabilities of £31k and share capital of £1.

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

4. ANALYSIS OF EXPENDITURE	Staff Costs 2020 £'000	Depreciation 2020 £'000	Other Costs 2020 £'000	Total 2020 £'000
Raising funds				
Trading costs	-	-	2	2
Fundraising costs	-	-	2	2
Charitable activities				
Finance	-	-	217	217
Marketing	-	-	232	232
Teaching costs	5,283	179	119	5,581
Welfare costs	760	-	114	874
Premises costs	281	700	725	1,706
Grants, awards and prizes	-	29	162	191
Support costs	669	3	660	1,332
Governance costs	-	-	28	28
	<u>£6,993</u>	<u>£911</u>	<u>£2,261</u>	<u>£10,165</u>

Comparative analysis of total expenditure

ANALYSIS OF EXPENDITURE	Staff Costs 2019 £'000	Depreciation 2019 £'000	Other Costs 2019 £'000	Total 2019 £'000
Raising funds				
Trading costs	-	-	31	31
Fundraising costs	-	-	2	2
Charitable activities				
Marketing	-	-	269	269
Teaching costs	4,976	185	298	5,459
Welfare costs	791	-	571	1,362
Premises costs	279	698	806	1,783
Grants, awards and prizes	-	-	113	113
Support costs	685	3	593	1,281
Governance costs	-	-	17	17
	<u>£6,731</u>	<u>£886</u>	<u>£2,700</u>	<u>£10,317</u>

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

4. ANALYSIS OF EXPENDITURE (CONTINUED)

GOVERNANCE COSTS	2020 £'000	2019 £,000
Governance costs include:		
Governors' training and expenses	2	5
Auditors' remuneration – audit	18	12
Auditors' remuneration – other	5	-
Other	3	-
	<u>£28</u>	<u>£17</u>

During the year six Governors received reimbursement for travel expenses totalling £206 (2019: six Governors totalling £3,244), £994 for training and subscriptions (2019: £966) and £313 for accommodation and subsistence (2019: £438).

The company has purchased indemnity insurance on behalf of the Governors. The level of cover received is £5 million. It is not possible to identify the cost of this cover as the premium is not separately analysed by the Company's insurance brokers.

5. STAFF COSTS	2020 £'000	2019 £'000
Salaries and wages	5,574	5,530
Social Security costs	501	495
Pension costs	906	671
Redundancy and termination payments	-	23
Other costs	12	12
	<u>£6,993</u>	<u>£6,731</u>

The cost of contractual termination payments to staff totalled £45,714 (2019: £nil)

The average number of employees during the year was as follows:	2020 Number	2019 Number
Teaching staff	115	109
Support and administration	119	120
	<u>234</u>	<u>229</u>

The number of employees whose emoluments exceeded £60,000 (excluding pensions) are as follows:

	2020 Number	2019 Number
£70,001 - £80,000	1	1
£80,001 - £90,000	0	1
£141,000 - £150,000	1	1

The key management personnel of the School include the Governors who are not remunerated. The total employee benefits of the key management personnel of the School were £375,029 (2019: £353,643).

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

6. INTEREST PAYABLE	2020 £'000	2019 £'000
Revolving credit facility	74	59
Bank loans	22	28
Bank charges	2	4
	<u>98</u>	<u>91</u>

7. SURPLUS ON ORDINARY ACTIVITIES FOR THE YEAR	2020 £'000	2019 £'000
The surplus on ordinary activities for the year is stated after charging:		
Depreciation of owned assets	911	887
Operating lease rentals	19	10
Auditor's remuneration excluding VAT:		
Audit – School	13	13
Audit – trading subsidiary	2	2
Non-audit services	4	1
	<u>949</u>	<u>913</u>

8. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Freehold land and buildings £'000	Assets in the Course of Construction £'000	All weather pitch £'000	Furniture fittings & equipment £'000	Total £'000
Cost					
At 1 September 2019	18,415	-	471	4,927	23,813
Additions	31	176	-	215	422
Transfer	-	-	-	-	-
	<u>18,446</u>	<u>176</u>	<u>471</u>	<u>5,142</u>	<u>24,235</u>
Depreciation					
At 1 September 2019	7,020	-	412	3,907	11,339
Charge	578	-	24	309	911
	<u>7,598</u>	<u>-</u>	<u>436</u>	<u>4,216</u>	<u>12,250</u>
Net Book Value					
At 31 August 2020	<u>£10,848</u>	<u>£176</u>	<u>£35</u>	<u>£926</u>	<u>£11,985</u>
At 31 August 2019	<u>£11,395</u>	<u>£-</u>	<u>£59</u>	<u>£1,020</u>	<u>£12,474</u>

All the above assets are held for direct charitable purposes.

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

9. INVESTMENTS

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Listed investments				
At 1 September 2019	219	221	219	221
Unrealised gain/(loss)	(23)	(2)	(23)	(2)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2020	<u>196</u>	<u>£219</u>	<u>196</u>	<u>£219</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Investment in subsidiary	-	-	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2020	<u>£196</u>	<u>£219</u>	<u>£196</u>	<u>£219</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The listed investments consist of common investment funds managed by BlackRock Investment Management (UK) Limited. The historic cost of listed investments is £150k (2019: £150k).

Details of the subsidiary are shown in note 3.

10. DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
School fees	27	58	27	58
Other debtors	33	28	15	15
Amounts owed by subsidiary	-	-	28	40
Prepayments and accrued income	469	385	468	252
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>£529</u>	<u>£471</u>	<u>£538</u>	<u>£365</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The bad debt expense for the period was £73k (2019: £50k).

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

11. CREDITORS: Amounts falling due within one year	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Current instalments due on bank loan (note 12a)	184	183	184	184
Fees in Advance scheme (note 13)	58	237	58	237
Other school fees received in advance	1,726	1,692	1,726	1,692
Other amounts received in advance (note 12b)	194	153	194	153
Accruals	125	73	122	70
Other creditors	161	205	161	205
Other tax and social security	133	138	133	136
Trade creditors	351	162	351	162
	<u>£2,932</u>	<u>£2,843</u>	<u>£2,929</u>	<u>£2,838</u>

12. CREDITORS: Amounts falling due after more than one year - GROUP AND CHARITY	2020 £'000	2019 £'000
Bank loan (note 12a)	3,617	3,801
Fees in Advance scheme (note 13)	-	14
Other amounts received in advance (note 12b)	1,521	1,006
	<u>£5,138</u>	<u>£4,821</u>

(a) The School has entered into three loan agreements with Barclays. The loans are secured against all of the assets of the School, including a first legal charge on the freehold land and building. Interest accrues at 1.94% on the fixed rate loan of £708k, and at LIBOR plus 0.75% on the floating rate loan of £593k. During the 2017 financial the School entered into a revolving credit agreement, with £2.5m repayable in 10 years from the facility agreement date and an interest rate of LIBOR plus 1.55%. A further £1.5m of available facility remains undrawn at the balance sheet date.

The bank loan is due for repayment as follows:	2020 £'000	2019 £'000
Within one to two years	184	184
Within two to five years	933	1,301
Beyond five years	2,500	2,316
	<u>3,617</u>	<u>3,801</u>
Due after one year	184	183
Repayable within one year	<u>£3,801</u>	<u>£3,984</u>

(b) The amount of £194k plus £1,521k due after one year (2019: £153k plus £1,006k) represents deposits for fees paid by parents. The amounts have been allocated between amounts falling due within and over one year based on the dates when the girls are expected to leave the School.

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

13. FEES IN ADVANCE SCHEME – GROUP AND CHARITY

Parents may enter into a contract to pay the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as follows.

	2020 £'000	2019 £'000
Within one to two years	-	14
Within two to five years	-	-
	<hr/>	<hr/>
Due after one year (note 12)	-	14
Within one year (note 11)	58	237
	<hr/>	<hr/>
	£58	£251
	<hr/> <hr/>	<hr/> <hr/>

The balance represents the accrued liability under contracts. The movements during the year were:

	2020 £'000	2019 £'000
Balance at 1 September 2019	251	185
New contracts	-	-
Amounts accrued to contracts	17	233
Amounts returned	(26)	(71)
	<hr/>	<hr/>
	242	347
Amounts utilised in payment of fees	(184)	(96)
	<hr/>	<hr/>
Balance at 31 August 2020	£58	£251
	<hr/> <hr/>	<hr/> <hr/>

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

14. ANALYSIS OF DEFERRED INCOME - GROUP AND CHARITY	2020 £'000	2019 £'000
Fees in advance at 1 September 2019	1,692	1,996
Applied during the year	1,726	1,692
Released during the year	(1,692)	(1,996)
	<hr/>	<hr/>
Fees in advance at 31 August 2020	£1,726	£1,692
	<hr/>	<hr/>
Deposits at 1 September 2019	1,158	1,096
Applied during the year	877	404
Released during the year	(392)	(342)
	<hr/>	<hr/>
Deposits at 31 August 2020	£1,715	£1,158
	<hr/>	<hr/>
15. SHARE CAPITAL – CHARITY	2020 £	2019 £
Authorised		
'A' shares of £1 each	£50	£50
	<hr/>	<hr/>
Allotted, issued and fully paid		
'A' shares of £1 each	£26	£26
	<hr/>	<hr/>

The Company is under the control of Badminton Trust, which owns all the issued shares.

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

16. RESTRICTED AND ENDOWMENT FUNDS

	At 1 September			Unrealise d losses	Transfers	At 31 August
	2019 £'000	Income £'000	Expenditure £'000	£'000	£'000	2020 £'000
<i>Unrestricted Funds</i>						
General Fund	6,257	9,505	(9,975)	-	-	5,787
	<u>6,257</u>	<u>9,505</u>	<u>(9,975)</u>	<u>-</u>	<u>-</u>	<u>5,787</u>
<i>Endowment Funds</i>						
Lady Frank Fund	10	-	-	-	-	10
Mark Richmond Music Award	20	-	-	-	-	20
	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
<i>Restricted Funds</i>						
Mark Richmond Music Award	5	-	-	-	-	5
Ooyevaar Library Fund	7	-	-	-	-	7
Sanderson Bursary Fund	279	7	(74)	(23)	-	189
Urquhart Travel Fund	22	-	-	-	-	22
John James Bursary Fund	30	30	(40)	-	-	20
John James Prizes Fund	16	2	(1)	-	-	17
John James Tools of the Trade Fund	2	2	(1)	-	-	3
Annual Fund	3	-	-	-	-	3
Travel Bursary	1	-	(1)	-	-	-
Barry T Jones Fund	1	-	-	-	-	1
Bookmark her Future	-	44	(44)	-	-	-
Thrive Campaign	794	-	(29)	-	-	765
Other restricted funds <£500	1	-	-	-	-	1
	<u>1,161</u>	<u>85</u>	<u>(190)</u>	<u>(23)</u>	<u>-</u>	<u>1,033</u>
	<u>£7,448</u>	<u>£9,590</u>	<u>£(10,165)</u>	<u>£(23)</u>	<u>£-</u>	<u>£6,850</u>

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

16. RESTRICTED AND ENDOWMENT FUNDS (continued)

Comparative fund movements in year

	At 1 September 2018 £'000	Income £'000	Expenditure £'000	Unrealised losses £'000	Transfers £'000	At 31 August 2019 £'000
Unrestricted Funds						
General Fund	6,066	10,366	(10,175)	-	-	6,257
	6,066	10,366	(10,175)	-	-	6,257
Endowment Funds						
Lady Frank Fund	10	-	-	-	-	10
Mark Richmond Music Award	20	-	-	-	-	20
	30	-	-	-	-	30
Restricted Funds						
Mark Richmond Music Award	5	-	-	-	-	5
Ooyevaar Library Fund	7	-	-	-	-	7
Sanderson Bursary Fund	296	47	(62)	(2)	-	279
Urquhart Fund	22	-	-	-	-	22
John James Bursary Fund	41	30	(41)	-	-	30
John James Prizes Fund	14	2	-	-	-	16
John James Tools of the Trade Fund	2	-	-	-	-	2
Annual Fund	3	-	-	-	-	3
Travel Bursary	1	-	-	-	-	1
Barry T Jones Fund	1	10	(10)	-	-	1
Thrive Campaign	748	75	(29)	-	-	794
Other restricted funds <£500	1	-	-	-	-	1
	1,141	164	(142)	(2)	-	1,161
	£7,237	£10,530	£(10,317)	£(2)	£-	£7,448

16. RESTRICTED AND ENDOWMENT FUNDS (continued)

Endowment Funds

The 'Lady Frank Fund' is an expendable endowment fund which has been established for educational expenditure in respect of the arts.

The 'Mark Richmond Music Award' is an expendable endowment fund which has been established for the support of music at the School.

The capital element of each of these funds is being retained. The balances are treated as restricted.

Restricted Funds

The 'Ooyevaar Library Fund' is a fund which is to be expended on books for the library.

The 'Sanderson Bursary Fund' is a fund which provides support for parents in financial difficulties.

The 'Urquhart Fund' is a fund which has been established for supporting student travel.

The 'John James Bursary Fund' has been established in respect of expenditure relating to bursaries.

The 'John James Prizes and Awards Fund' has been established for expenditure on general prizes and awards.

The 'John James Tools of the Trade Fund' provides one Sixth Form pupil a grant for resources to enhance their chosen studies.

The 'Boynton Science Award Fund' was set up to recognise girls with a particular interest in science.

The 'Annual Fund' was set up for making purchases of resources that are over and above "the norm" to enhance the lives of the girls and to provide the best education and pastoral experiences.

The 'Travel Bursary Fund' provides pupils bursaries towards the cost of school trips.

The 'Bookmark her Future' provided contributions to the 2020 refurbishment of the Casson library.

The 'Thrive Campaign' was set up to receive donations for the purpose of improving sports facilities at Badminton School. These were fully spent in the year and depreciation of £29,188 has been allocated against the fund.

Designated funds

The 'Building Fund' designated fund has been set up to receive donations which the School wishes to hold for future capital projects. The balance of the fund has been transferred to the General fund as the fund was expended on the Sports Centre building during the year.

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

**17. ANALYSIS OF NET ASSETS
BETWEEN FUNDS**

	Fixed assets	Investments	Cash And cash equivalents	Other assets/ (liabilities)	Total 2020
	£'000	£'000	£'000	£'000	£'000
GROUP					
Endowment fund	-	-	30	-	30
Restricted funds	766	-	267	-	1,033
Unrestricted funds	11,219	196	1,913	(7,541)	5,787
	<u>£11,985</u>	<u>£196</u>	<u>£2,210</u>	<u>£(7,541)</u>	<u>£6,850</u>
CHARITY					
Endowment fund	-	-	30	-	30
Restricted funds	766	-	267	-	1,033
Unrestricted funds	11,219	196	1,830	(7,529)	5,716
	<u>£11,985</u>	<u>£196</u>	<u>£2,127</u>	<u>£(7,529)</u>	<u>£6,779</u>

Comparative split of net assets between funds

	Fixed assets	Investments	Cash And cash equivalents	Other assets/ (liabilities)	Total 2019
	£'000	£'000	£'000	£'000	£'000
GROUP					
Endowment fund	-	-	30	-	30
Restricted funds	794	-	367	-	1,161
Unrestricted funds	11,680	219	1,552	(7,193)	6,257
	<u>£12,474</u>	<u>£219</u>	<u>£1,948</u>	<u>£(7,193)</u>	<u>£7,448</u>
CHARITY					
Endowment fund	-	-	30	-	30
Restricted funds	794	-	367	-	1,161
Unrestricted funds	11,680	219	1,394	(7,294)	5,999
	<u>£12,474</u>	<u>£219</u>	<u>£1,791</u>	<u>£(7,294)</u>	<u>£7,190</u>

18. PENSION COSTS

Teachers' Pension Scheme

The School participated in the year in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £746k (2019: £522k) and at the year-end £86k (2019: £64k) was accrued in respect of contributions to this scheme. The School left the scheme with effect from 31 August 2020.

Badminton School Group Personal Pension Scheme

Certain non-teaching staff can participate in the above pension scheme, which is a defined contribution scheme.

During the year, the School contributed £159k (2019: £150k) to the scheme.

19. CAPITAL COMMITMENTS

At the year end the company had capital commitments of £102k (2019: £73k).

20. OPERATING LEASE COMMITMENTS – GROUP AND CHARITY

At 31 August 2020, the School had commitments under non-cancellable operating leases as follows:

	Plant and machinery	
	2020	2019
		Restated
	£'000	£'000
Within one year	7	12
Within two to five years	13	19
	<hr/>	<hr/>
	£20	£31
	<hr/>	<hr/>

21. RELATED PARTY TRANSACTIONS

Mr B Ray, Ms H Wheelhouse, Mr A Couper and Ms S Mumford were trustees of the Badminton Trust during the year, which controls the company as disclosed.

Governors with children at the school pay school fees at normal rates.

Aggregate donations from Governors amounted to £1,150 (2019: £15,100) in the year.

BADMINTON SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £'000	Restricted and Endowment Funds £'000	Total 2019 £'000
INCOME FROM:				
Charitable activities				
Fees receivable	2	9,573	-	9,573
Extras – optional subjects		373	-	373
Other educational income		63	-	63
Other trading activities				
Lettings		355	-	355
Investments		2	1	3
Donations and legacies		-	163	163
TOTAL INCOME		10,366	164	10,530
EXPENDITURE ON:				
Raising funds	4	33	-	33
Charitable activities				
School operating costs	4	10,142	142	10,284
TOTAL EXPENDITURE		10,175	142	10,317
NET INCOME BEFORE INVESTMENT GAINS		191	22	213
Investment gains / (losses)	9	-	(2)	(2)
NET INCOME		191	20	211
Fund balances brought forward		6,066	1,171	7,237
FUND BALANCES CARRIED FORWARD	16,17	£6,257	£1,191	£7,448