

COMPANY REGISTRATION NUMBER: 962198
CHARITY REGISTRATION NUMBER: 529584

The Belmont-Birklands School Trust Limited
Company Limited by Guarantee
Financial Statements
31 August 2020

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2020

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The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2020

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2020.

Reference and administrative details

Registered charity name The Belmont-Birklands School Trust Limited

Charity registration number 529584

Company registration number 962198

Principal office and registered office Swarcliffe Hall
Birstwith
Harrogate
HG3 2JS

The trustees

Mr G Milne
Mrs F E Trowell
Dr B J Whitehead
Mrs VJD Grafton (Resigned 4 September 2020)
Ms K E L Standen
Mr G W Lowde

Company secretary Mrs H Kernaghan

Auditor Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Bankers Bank of Scotland
Quay West
Quay Parade
Swansea
SA1 8AB

The Belmont-Birklands School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2020

Structure, governance and management

The Governors of Belmont Birklands School Trust Ltd present their annual report and audited accounts for the year ended 31st August 2020 and confirm they comply with the requirements of the Charities Act 2011, The Memorandum and Articles of Association and the Charities SORP (FRS102).

The school is a company limited by guarantee, with no share capital, and is a registered charity (registration no. 529584). The charitable company's Memorandum and Articles of Association are the primary governing documents of the school.

Belmont Birklands School Trust Ltd operates Belmont Grosvenor School (BGS), which is a mainstream independent school for pupils aged from 3 months - 11 years, located in rural Nidderdale, North Yorkshire, just 9 miles from the spa town of Harrogate.

The school is housed in a Grade II Listed Gothic building set in impressive grounds extending to some 20 acres. The building and gardens themselves are a significant educational resource and provide a perfect environment for 'Learning Outside the Classroom', and Forest School activities for our younger pupils. When the pupils returned to school after the first lockdown in June 2020 it was decided that Forest School activities would be extended to all year groups (Pre-Reception – Y6) to enhance the children's health and well-being.

Belmont Grosvenor School is the only school in the region to have been recognised by the Learning Outside the Classroom (LOtC) Council and presented with a Silver Award for using its outdoor space, buildings and environment so well.

TRUSTEES

The Governors act as trustees of Belmont Birklands School Trust Ltd and constitute the Governing Body of the school. They are responsible for the strategic direction of the school and the overall management of Belmont Birklands School Trust Ltd.

The day-to-day management of the school is the responsibility of the Headteacher. The Head has responsibility for setting and maintaining the academic standards of the school, recruitment and retention of pupils, staff recruitment and development, and for ensuring adherence to financial budgets. The Head is supported by an experienced Senior Management Team.

Trustees are selected in accordance with the requirements of the school. As a board, the trustees need relevant skills and experience to enable them to advise on the educational progression of the school, the financial management of the school, and the wellbeing of all stakeholders at the school. Individually, a trustee should possess skills and experience enabling them to advise on all aspects of business. The school is open to anybody being a trustee regardless of age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, and pregnancy and maternity.

The trustees meet at least six times per year with additional meetings, as required, to discuss any major issues as they arise. Beyond these meetings, trustees play an active part in school life, from attending key events in the school calendar, to joining pupils and staff at celebration Golden Table lunches, to participating in staff INSET days, and undertaking Learning Walks in school pertinent to their individual areas of responsibility. Sub-committees are set up to review areas and issues as the need arises.

All trustees are volunteers and give their time freely. All trustees undertake training on Safeguarding. A named trustee is responsible for this area and undergoes additional training and also attends Safeguarding meetings at the school.

Trustee members

The trustees who held office during the year and to the date of this report were as follows:

- Mr G Milne, Chair of Governors (Retired Headteacher): Education, Recruitment, SEND
- Mrs F Trowell (Lawyer): Legal Matters, Charity and Public Benefit
- Dr B Whitehead (Scientist): Child Protection, Marketing
- Mrs V Grafton (Retail): EYFS (retired September 2020)
- Ms K Standen (Communications): Marketing and Communications
- Mr G Lowde (Chartered Accountant): Finance
- Mrs C Brooksbank (Chartered Physiotherapist) (Joined February 2021)
- Mrs C Beeley (Accountant) (Joined February 2021)

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

PROFESSIONAL RELATIONSHIPS

The Head, Mrs Sophia Ashworth Jones, who took up her post on 1st September 2018 is a member of IAPS.

Chair of Governors, Mr Gordon Milne, is a Governor at a state school in Bardsey and is Chairman of the Chatsworth Schools Group governing body.

The school is a member of The Independent Schools Bursars Association (ISBA) and The Association of Governing Bodies of Independent Schools (AGBIS).

The Governors complete their AGBIS Governors' Compliance Checklist document during monitoring visits, ensuring the school stays compliant in all statutory areas.

OUR AIMS

The primary object of the charity, as set out in its Memorandum and Articles of Association, is for the advancement of education.

The school aims to provide a rich, diverse, happy and supportive learning environment, fostering children's intellectual, creative, and sporting development in an environment which celebrates roundedness, balanced along with spiritual and emotional wellness. The school views and appreciates each child both as an individual and as a valued member of the school community, offering them a range of educational opportunities to fulfil their aspirations and potential.

It is our expectation and goal that Belmont Grosvenor School pupils come to enjoy and pursue learning. Whilst their wellbeing is safeguarded and cherished and their resilience is nurtured and encouraged, they will develop as effective communicators and as independent critical thinkers and decision makers; accept challenges; appreciate and respect differences, and live as informed, concerned and responsible members of a global society.

- We encourage children to enter into a wise and creative exploration of life, to develop the resourcefulness, resilience and self-confidence that will help them find solutions to problems and make a positive contribution to society
- We ensure our pupils acquire the necessary firm foundations in literacy and numeracy and we enhance their skills and performance in imaginative, creative and physical activities both in and beyond the classroom
- We stimulate their investigative minds and encourage them to develop a creative and analytical approach to learning
- We advance our pupils' scientific and technical knowledge to enable them to be original and diverse thinkers
- We nurture their physical and social development, enabling them to handle both success and disappointment in a dignified and balanced way
- We encourage children to value service and giving by allowing them leadership opportunities and enabling them to take part in charitable work and outreach activities
- We foster mutual respect and compassion for each other, the wider community and the world
- We seek to achieve these aims in a supportive, inclusive atmosphere.

PUBLIC BENEFIT

The trustees give careful consideration to the Charity Commission's general guidance on public benefit and confirm that they give due regard to this guidance in setting the school's strategic plan.

Belmont Grosvenor School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Its broad range of activities and the depth of involvement in the local community are hopefully a clear demonstration of its commitment in this regard.

However, in a year which has been severely disrupted by the Covid-19 pandemic with restrictions placed on staff, pupils and parents, some outreach activities have been curtailed and the extent to which we can share school resources, staff and facilities with the wider community has been limited.

The Belmont-Birklands School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

Fees

The fees are set at a level to ensure the financial viability of the school and at a level that is consistent with our aim of providing education for the preparation of children for Senior School and subsequently, University and the workplace.

Bursaries and other financial assistance

Belmont Grosvenor School operates a means-tested bursary scheme which is open to existing pupils and to external applicants to promote the inclusion of less financially advantaged pupils. Applications in all cases are assessed by the trustees. A full financial review is carried out annually for successful recipients to ensure the financial assistance is offered to those who need it most. Further details of our bursary policy and how to apply are available on the school website.

A Hardship Fund is also available for existing parents/pupils of the school who are experiencing short-term financial difficulties. The school provides such financial assistance out of fee income only, so the extent of help available is limited, dependent upon pupil numbers and fee levels.

We understand the need for financial planning and stability within each family, therefore a school fees plan is available to all parents. Within the nursery, parents are welcome to use Employer Childcare Vouchers to fund nursery fees.

The trustees continue to consult with North Yorkshire County Council and other professional bodies regarding the potential impact upon the business of the introduction of 30-hours funding for three- and four-year-old children. At this time, the school continues to offer the Universal Funding of 15 hours. Three- and four-year-old children in receipt of Universal Early Years Funding are able to access the expertise and facilities of the school without having to commit to their ongoing compulsory education at Belmont Grosvenor.

Belmont Grosvenor School aims to attract and retain high calibre staff. We offer a generous discount scheme to all staff members who choose Belmont Grosvenor as the childcare provider or school for their child.

Relationships and the community

Community events: The school continues to enjoy a strong relationship with the local community who are encouraged to take part in school events, where possible, such as the annual Bonfire Night celebration and the Christmas Fayre.

School visitors: We have regular visits from the local vicar, fire service and police to support the school's academic and PSHE curriculum, as well as visits from touring theatre groups, sports people and authors who run workshops with our pupils. Such visits and activities were limited in the latter half of the year due to Covid restrictions.

Sports facilities: Our swimming pool is rented out to local groups at advantageous rates, ensuring that many children within the community have access to swimming lessons, reducing pressure on council-run facilities. We share the grounds maintenance of our sports fields with the local junior cricket club for the mutual benefit of our pupils and club members. Covid restrictions meant these activities were halted through the spring and summer terms.

Charity support: We have continued to work alongside Harrogate-based charity, Horticap, on hugely popular wreath making workshops for pupils and parents. Our music department goes out into the local community at Christmas and performs at care homes and charity events.

Sadly, this year our Year 6 pupils were not able to undertake the annual charity fundraising bag pack in local supermarkets as part of their Year 6 BGS Award, due to Covid restrictions. However, with the support of the PTA, school charity efforts during the period of this report raised £586.

Local Primary School support: The local primary school has use of our school minibuses and driver.

We are a centre for LAMDA exams and welcome external candidates to join our pupils when it's possible for them to do so.

Menwith Hill relationship: We continue to foster a positive relationship with the local United States Air Force base at Menwith Hill and attract a number of families who choose BGS as the childcare and school provider for their children. The presence of a number of American children adds to the cultural richness of the school.

The Belmont-Birklands School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

Holiday provision

BGS offers a holiday camp during the school holidays for BGS children. We are the only school in the area to offer an all-year-round provision. In summer 2020 we modified our holiday provision to incorporate some academic learning to help children catch up after a period of home learning.

Contribution to the local economy

Significant local employer: The school contributes to the local economy through the employment of staff. 83% of the staff on roll live within the HG postcode area.

Work experience opportunities: We continue to offer work experience opportunities for local young people from both state and independent schools in both the school and Magic Tree Nursery. A plan had been in place to allow work experience students to attend, but this was restricted by the DfE, and secondary schools were not permitted to send pupils out due to Covid risks. This work experience programme will resume as soon as restrictions are lifted.

FINANCIAL PERFORMANCE

The principal source of income is school fees.

Having run at a surplus for a number of years, this year the school has made a deficit of £82,444, mainly driven by actions taken on fees during the beginning of the Covid pandemic. This deficit was a reduction of £111,829 compared to the previous year.

Total income reduced by 19.5% (£306,471). In response to the Covid-19 pandemic the trustees took the decision to reduce the summer term fees by 50%, totalling £198,000. Invoicing was also restricted to the basic education fee which explains a further £39,000 of the reduction. During the year the school did receive Covid-19 related Government grants totalling £92,503.

Overheads reduced by 12.6% (£194,642) which were principally staff costs of £52,485 and reduced repair and maintenance costs of £83,539.

The Magic Tree Nursery secured the highest possible ISI inspection rating of outstanding in every category in late 2017, for the second inspection in a row. It continues to prosper under the leadership of Nursery Manager, Jo Henderson, who took up the post on 1st September 2019. Demand for places, often with government funding, remains very strong although parental financial constraints mean this does not always convert into main school admissions.

During the summer holiday 2020 a building project was undertaken in the Early Years Department, knocking through two classrooms to provide free flow between the Reception classroom and the library.

The refurbished lodge continues to be an asset to the school, visually enhancing its surroundings and earning rental income of approximately £10,000 per annum.

As a charity, the parents of our pupils have the assurance that all the income of the school must be applied for educational purposes. As an educational charity we enjoy tax exemption on charitable income and expenditure. We are also entitled to a reduction on our business rates on the property we occupy for charitable purposes. However, as an educational charity we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the National Insurance contributions we make.

In addition to the very substantial benefits our school brings to our pupils, stakeholders and the wider community through the education we offer, we create a social asset without cost to the Exchequer.

The Belmont-Birklands School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

RESERVES POLICY

The reserves policy is to maintain a minimum level of reserves to ensure the school can continue its current level of services having regard to possible future fluctuations in income and expenditure. At 31st August 2020 the unrestricted income funds, excluding the revaluation reserve, showed a deficit of £590,741. (2019: £508,297).

RISK MANAGEMENT

The trustees are responsible for, and actively review on a regular basis, the major risks which the charitable company faces. Risks are identified, assessed and managed throughout the year. The trustees believe that appropriate controls are in place to manage risks successfully. The key controls are:

- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal agendas and minutes of Governors' meetings
- Formal written policies
- Comprehensive insurance policies
- Formal risk assessments undertaken
- Clear authorisation and approval levels
- Safeguarding procedures as required by law for the protection of children.

During this reporting period, the advent of the Covid-19 pandemic presented the school, its leadership team, and the trustees with additional risks to consider and manage, including, but not limited to:

- Infection risk among staff and pupils which could impact on the school's ability to fulfil its aims, even if only temporarily
- Risk of falling revenue if pupils withdrew from school due to financial hardship brought on by the pandemic
- Potential safeguarding risks associated with the use of new online learning platforms.

At the end of this report, we have included a section titled Covid Response which provides more detail on the steps taken by the school to ensure we continued to deliver a high-quality learning experience both when school was ordered to close and when it welcomed pupils back to the classroom.

It also details some of the steps taken to ensure the safety of both pupils and staff. A detailed Covid-specific Risk Assessment was undertaken when the first school closure was announced and plans for Covid infection risk mitigation were implemented, both during the period of remote learning and when the children returned to school. This Risk Assessment is a 'live' document which has been continually monitored and updated as different restrictions have been imposed or eased, and is accessible to parents via the school website.

PLANS FOR FUTURE PERIOD

Recruitment

A number of pupils were recruited as the year progressed which ended with higher numbers than had been expected. Recruitment remains a top priority at all times throughout the year and our adaptable, inclusive and open-door approach to those interested in a place continues to yield pleasing conversion rates. However, Covid restrictions and the absence of pupils for periods of time have limited our ability to showcase the full Belmont Grosvenor experience to prospective pupils and parents.

The Magic Tree Nursery continues to be successful and the challenge continues to be retention of more of these pupils as they reach school age.

The school will seek to increase pupil numbers across all year groups using strategic marketing and advertising and working closely with existing families. The focus is to retain pupils as they approach the end of Early Years. We continually monitor pupil numbers and should it be necessary, will adjust our cost base accordingly.

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Year ended 31 August 2020

Marketing

Our marketing activities, led by a professional PR consultant, continue to reap rewards. Recruitment is a key focus of our marketing efforts and we promote our Open Morning events through a range of channels. Attendance at these events was good in the first half of the year and conversion rates from EYFS into school have remained positive. We continually explore new channels and media opportunities for marketing in the local area and analyse their effectiveness to ensure the marketing budget is used effectively.

In the spring and summer term, school introduced virtual tours of the school premises and grounds and, depending upon the prevailing DfE guidance, a combination of virtual and physical tours were used at various times during the pandemic. Staff, pupil and visitor safety was paramount, so where possible, physical tours were held 'after hours' when the majority of children had left the site.

The school website www.belmontgrosvenor.co.uk continues to generate interest in the school both in the UK and from the USA, and its content is refreshed regularly. Plans for a photographic shoot in the school buildings and grounds to create fresh content for the website and wider marketing activities had to be put on hold due to Covid restrictions in the summer term, but this will be rescheduled when restrictions are lifted.

The school maintains a high profile on social media, celebrating the achievements of our pupils both in and out of school and showcasing our unique setting.

New branding has been introduced this year to refresh our appearance and has begun to be rolled out around the school, starting with new signage across the school campus and some minor website updates, and will roll out across branded uniform items in the coming year.

ISI Inspection outcomes

The school has continued to publicise and celebrate the November 2017 findings of the Independent Schools Inspectorate. They found Belmont Grosvenor School to be Fully Compliant with the regulatory standard for schools, Outstanding in our provision for under 2s and in our provision for 3 – 11-year-olds we were judged to be Excellent.

Outstanding and Excellent are the highest grades that can be awarded and are testament to the dedication and commitment of our staff to the education and wellbeing of our pupils and fulfilment of our aims as a charitable trust.

As we approach our next inspection, the school is prepared and ready with teaching and learning and resources in place. Staff remain fully updated in training expectations, and school continues to be up to date in all compliance and policy.

Strategic direction

The trustees intend to continue their current strategies of maintaining the school's position in the area in a competitive market by investing to provide high quality education for our pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

The Head and senior teaching staff continue to review the curriculum to ensure that the education remains appropriate for our pupils' development.

We continue to invest in the training and development of our staff in support of Our Aims. Given the increased recognition over recent years of the impact of social and emotional aspects of learning on academic attainment in school, we have a member of staff qualified as an Emotional Literacy Support Assistant (ELSA), to offer support to our pupils in this regard. The trustees have enjoyed working with the new Headmistress for two years now, Mrs Ashworth Jones having joined the school in September 2018, and continue working alongside her and her SLT in reviewing the rolling three-year school development plan and refining the strategic direction of the school for the future.

Investment plans

Our future plans are financed primarily from fee income. We continue to invest in improvement of our grounds and facilities as funds permit, but no major premises expenditure is currently planned. We continue to respond to the challenges of the Grade II listing, as required.

The Belmont-Birklands School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

Teachers' Pension Scheme

We continue to monitor the situation with regard to changes to the Teachers' Pension Scheme (TPS) and will need to review pension provision for our teaching staff in view of the increased burden placed on the school's finances by the significant increase in employers' and employees' contributions to TPS. At the time of writing, we await further guidance from ISBA before taking specialist professional advice to help us determine the best course of action for the school and its staff.

The impact of Covid-19 on Belmont Grosvenor School

The global Covid-19 pandemic has impacted Belmont Grosvenor School through the latter half of this reporting period and continues to impact the school as we finalise the 2019-2020 Trustees Report.

The arrival of the Covid-19 pandemic has had a significant impact on operations at Belmont Grosvenor School since late March 2020, but the whole school rose to meet the challenges presented and finds itself today in a reassuringly positive position as the restrictions begin to ease.

On Government advice, the school closed on Friday 20th March 2020 and within days implemented a comprehensive programme of remote learning to meet the age-appropriate needs of all pupils. Teaching and support staff were trained in the use of new online platforms and adjusted their lesson planning to make use of tools such as Microsoft Teams, Google Classroom and Zoom. For pupils with restricted access to online platforms, paper-based workbooks were provided, ensuring all pupils could engage successfully with remote learning. All work was marked and feedback given in a timely manner, whether completed online or paper-based.

Immediately following closure, support staff were redeployed and a comprehensive cleaning programme was undertaken throughout the school, with unused classrooms locked down to await the return of pupils once it was declared safe to do so. Once pupils were back in school, a rolling cleaning programme and rotation of classrooms was implemented.

The school and nursery remained open throughout the period of closure to any children of key workers (KWC) who required such provision, including those of some of our teaching staff and members of the senior leadership team. Uptake of this provision was at low levels initially, but grew through the second and third lockdowns, as more teaching staff were required in school to meet the needs of the growing number of KWC, and to comply with staff-pupil ratios and class bubble arrangements. In order to ensure as common an experience for all BGS pupils, any KWC from Year 1 and above who were in school accessed their learning online.

In line with Government guidance, BGS first welcomed back pupils in Nursery, Reception, Year 1 and Year 6 in early June 2020. Uptake was high, but to meet the needs of any family who needed or preferred to keep their child(ren) away from school, the remote learning programme continued in parallel with the return to the classroom.

School has engaged with parents and responded to feedback on the remote learning provision, adjusting the offering accordingly. As we prepare this report, optional 'stretch' activities are now available to those pupils and families that want them.

One of Belmont Grosvenor's greatest assets is its extensive premises, grounds and facilities. This, coupled with relatively small class sizes across the school made it quite straightforward to comply with the Government's social distancing guidelines and to deliver as much learning as possible outside the classroom, once pupils were allowed back into school. BGS's Forest School facilities, outside classroom and amphitheatre have never been better-used! In addition, as soon as restrictions permitted, any KWC were able to access daily swimming lessons in the school pool.

During this period the PTA funded fleece jumpers for every pupil and every member of staff which have kept them warm during outside learning and play. The fleeces proudly showcase the school's new branding.

The success of the return to school for the priority age groups gave the Head and her leadership team confidence that the return to school could be safely rolled out to the remaining year groups, and the Head used the discretion granted her to invite all remaining year groups to return through the second half of June, with all year groups back in school for the final three weeks of term. Uptake was very high with only a few pupils remaining in shielding families. 100% of Year 6 pupils returned to school for the final 6 weeks of term to help best prepare them for the transition to secondary school in September 2020. With the support of the PTA, they were even able to experience some of those celebrations and rites of passage that all Year 6 pupils should enjoy, with a socially distanced celebration morning, outdoor gym display and family picnics in the grounds.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

The trustees were sensitive to the financial pressure the lockdown was placing on families and took the decision to draw on reserves to provide some financial support to parents, waiving fees from the point of closure in March until school could welcome any pupils on site once more. They also deferred a planned fee increase to January 2021. Feedback from parents on this was overwhelmingly positive and it is clear this gesture ensured a significant number of pupils returned to school in the summer term and in September who would otherwise have had to withdraw. When fee invoices were issued after Half Term, payment was almost universally prompt.

The action of the trustees in this regard put the school in as positive a position as possible for September 2020 with pupil numbers in line with expectations before the pandemic struck. Our emphasis remains on pupil recruitment across all year groups. The trustees continued to monitor closely the forecast pupil numbers and the school's cost base and set the fee increase for January 2021 ahead of the new term.

The school took advantage of the Government Furlough Scheme and furloughed between 31% and 65% of staff on rotation between April and August 2020 which impacted staff costs positively at this difficult time. However, use of the scheme has had to be balanced with teaching requirements for both classroom-based and remote learning, and increasing demands from support staff. For this reason, through the second and third lockdowns use of the furlough scheme was reduced to approximately 16%.

Throughout the period of closure and through the return to school, the marketing team has been proactive in showcasing the unique character and features of BGS through a variety of social media channels, to positive effect. Even at such a challenging time, school continues to receive inquiries from prospective pupils, motivated by what they have seen and heard about the way Belmont Grosvenor has risen to meet the challenges of preparatory school teaching in a pandemic.

A virtual tour of the school premises and facilities has been introduced to the school website and a drone tour of the extensive grounds now gives prospective parents and pupils a real flavour of our unique setting.

Pastoral care has been critical at this unsettling time and the school's DSL/ELSA has had regular telephone contact with every pupil and their family throughout the periods of closure, to check on their individual wellbeing and to gauge how they were coping with remote learning – pupils and parents alike! The familial nature of the school has not been lost during lockdown – pupils' achievements, both academic and extra-curricular, have continued to be celebrated while learning from home and have been showcased in highly engaging weekly newsletters and Zoom celebration assemblies.

The entire Belmont Grosvenor community - from Governors and the Senior Leadership Team, to teaching and support staff, to parents and pupils - has shown understanding, flexibility, resilience and positivity in embracing new ways of working, and teaching, and learning at this unprecedented time.

As we start to emerge from the pandemic, the school is in good health spiritually, and the school community is ready to face whatever challenges the next school year may bring, but we recognise there will be a need for very careful financial husbandry in the year ahead.

The Belmont-Birklands School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2020

Financial review *(continued)*

Relationships and the community

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Sagars Accountants Ltd is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on 20th May 2021 and signed on behalf of the board of trustees by:



Mr G W Lowde
Trustee

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Belmont-Birklands School Trust Limited

Year ended 31 August 2020

Opinion

We have audited the financial statements of The Belmont-Birklands School Trust Limited (the 'charity') for the year ended 31 August 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Belmont-Birklands School Trust Limited *(continued)*

Year ended 31 August 2020

Matters on which we are required to report by exception

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Belmont-Birklands School Trust Limited *(continued)*

Year ended 31 August 2020

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Seaman BA, FCA, CIOT (Senior Statutory Auditor)

For and on behalf of

Sagars Accountants Ltd

Chartered accountant & statutory auditor

Gresham House

5-7 St Paul's Street

Leeds

LS1 2JG

20th May 2021

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2020

		2020		2019
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	—	—	48,000
Charitable activities	6	1,124,976	1,124,976	1,474,577
Other trading activities	7	16,740	16,740	27,400
Investment income	8	11,241	11,241	5,331
Other income	9	111,662	111,662	15,782
Total income		<u>1,264,619</u>	<u>1,264,619</u>	<u>1,571,090</u>
Expenditure				
Expenditure on charitable activities	10,11	1,347,063	1,347,063	1,541,705
Total expenditure		<u>1,347,063</u>	<u>1,347,063</u>	<u>1,541,705</u>
Net (expenditure)/income and net movement in funds		<u>(82,444)</u>	<u>(82,444)</u>	<u>29,385</u>
Reconciliation of funds				
Total funds brought forward		752,319	752,319	722,934
Total funds carried forward		<u>669,875</u>	<u>669,875</u>	<u>752,319</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Statement of Financial Position

31 August 2020

	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible fixed assets	17		2,611,624		2,604,988
Investment Property	18		250,000		250,000
			<u>2,861,624</u>		<u>2,854,988</u>
Current assets					
Debtors	19	74,581		73,718	
Cash at bank and in hand		740,730		788,258	
		<u>815,311</u>		<u>861,976</u>	
Creditors: amounts falling due within one year	20	363,625		321,210	
Net current assets			451,686		540,766
Total assets less current liabilities			3,313,310		3,395,754
Creditors: amounts falling due after more than one year	21		2,643,435		2,643,435
Net assets			<u>669,875</u>		<u>752,319</u>
Funds of the charity					
Unrestricted funds:					
Revaluation reserve		1,260,616		1,260,616	
Other unrestricted income funds		(590,741)		(508,297)	
Total unrestricted funds		669,875		752,319	
Total charity funds	24		<u>669,875</u>		<u>752,319</u>

These financial statements were approved by the board of trustees and authorised for issue on 20th May 2021, and are signed on behalf of the board by:

Geoff Lowde

Mr G Lowde

Trustee

Company registration number: 962198

Charity registration number: 529584

The notes on pages 17 to 26 form part of these financial statements.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2020

	2020 £	2019 £
Cash flows from operating activities		
Net (expenditure)/income	(82,444)	29,385
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	4,078	5,794
Dividends, interest and rents from investments	(10,920)	(5,145)
Other interest receivable and similar income	(321)	(186)
Interest payable and similar charges	2,197	875
<i>Changes in:</i>		
Trade and other debtors	(863)	3,270
Trade and other creditors	42,415	(35,014)
Cash generated from operations	(45,858)	(1,021)
Interest paid	(2,197)	(875)
Interest received	321	186
Net cash used in operating activities	<u>(47,734)</u>	<u>(1,710)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	10,920	5,145
Purchase of tangible assets	(10,714)	(4,259)
Net cash from investing activities	<u>206</u>	<u>886</u>
Net decrease in cash and cash equivalents	(47,528)	(824)
Cash and cash equivalents at beginning of year	<u>788,258</u>	<u>789,082</u>
Cash and cash equivalents at end of year	<u><u>740,730</u></u>	<u><u>788,258</u></u>

The notes on pages 17 to 26 form part of these financial statements.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2020

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Swarcliffe Hall, Birstwith, Harrogate, HG3 2JS. The principal activity is the provision of mainstream independent education for pupils from 3 months to 11 years.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', 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 (FRS102) (Charities SORP 2015 (FRS102)) and the Companies Act 2006.

The Belmont-Birklands School Trust Limited meets the definition of a public benefit entity under FRS102.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on the basis that the charity can continue to operate as a going concern. The School receives financial support from a private individual in the form of a loan that is repayable in January 2024. The loan is secured by a charge on the property.

At 31 August 2020 the Charity has net current assets of £451,686 (2019- £540,766). The management accounts show that the Charity has operated at a surplus in the period from 1 September 2020 to the date of signing the accounts.

The Trustees have produced forecasts that have also been sensitised to reflect plausible downside scenarios as a result of the COVID-19 pandemic and its impact on the economy. These demonstrate the Charity is forecast to generate a surplus and cash in the year ending 31 August 2021. Beyond this, a small but manageable deficit is forecasted for the year ending 31 August 2022, there are sufficient cash reserves to cover this and to enable it to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. As such, the Trustees are satisfied that the Charity has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing these financial statements.

If the company was unable to continue as a going concern, the financial statements would have to be adjusted to write down assets to their recoverable amounts, to provide for any additional losses or liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

Income from charitable trading activities include school fee income due for the year, together with the sale of school meals and other disbursements.

Investment income is recognised in the accounts on a receivable basis.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

3. Accounting policies *(continued)*

Resources expended

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts.

Charitable expenditure enables the charity to meet its charitable aims and objectives.

Each heading of expenditures includes direct and support costs attributable to each activity. Support costs are those costs which enable fund generating and charitable activities to be undertaken. They have been allocated to each activity cost category on a basis consistent with the use of resources.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	20% Straight Line
Equipment	-	33.33% Straight Line

The company's policy is to provide depreciation at 2% on freehold buildings but not to provide depreciation on freehold land. However as the buildings are maintained to a very high standard and revalued regularly their residual value is considered by the governors to be not less than their carrying value and therefore the actual depreciation provided in the financial statements in respect of freehold buildings is nil.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that would qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement date.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

3. Accounting policies *(continued)*

Pension benefits

The school participates in a multi employer defined benefit pension scheme and a defined contribution pension scheme.

The School contributes to the Teachers' Pension Defined Benefits Scheme (TPS) at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Contribution to both schemes are charged to the statements of Financial Activities in the period to which they relate.

4. Limited by guarantee

The company is limited by guarantee and as such does not have a share capital. The liability of the members is limited to a value not exceeding £1 per member upon the winding up of the company.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Donations	—	—	48,000	48,000

6. Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
School Fees	1,000,561	1,000,561	1,307,896	1,307,896
Dinners and other disbursements	124,415	124,415	166,681	166,681
	<u>1,124,976</u>	<u>1,124,976</u>	<u>1,474,577</u>	<u>1,474,577</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Swimming pool hire	16,740	16,740	27,400	27,400

8. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from investment properties	10,920	10,920	5,145	5,145
Bank Interest receivable	321	321	186	186
	<u>11,241</u>	<u>11,241</u>	<u>5,331</u>	<u>5,331</u>

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

9. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Government grant income	92,503	92,503	—	—
Other income	19,159	19,159	15,782	15,782
	<u>111,662</u>	<u>111,662</u>	<u>15,782</u>	<u>15,782</u>

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Nursery and Preparatory School	1,199,091	1,199,091	1,374,555	1,374,555
Support costs	147,972	147,972	167,150	167,150
	<u>1,347,063</u>	<u>1,347,063</u>	<u>1,541,705</u>	<u>1,541,705</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Nursery and Preparatory School	1,199,091	136,935	1,336,026	1,530,467
Governance costs	—	11,037	11,037	11,238
	<u>1,199,091</u>	<u>147,972</u>	<u>1,347,063</u>	<u>1,541,705</u>

Support costs totalling £147,972 (2019 - £167,150) have been allocated based upon a headcount in these areas. These costs include Salaries, Rent & Rates, Light & Heat, Repairs, Cleaning, Post, Telephone, Stationery, Legal & Professional and Depreciation.

12. Analysis of support costs

	Education £	Total 2020 £	Total 2019 £
Staff costs	104,978	104,978	110,227
Premises	21,316	21,316	30,892
General office	10,641	10,641	14,793
Governance costs	11,037	11,037	11,238
	<u>147,972</u>	<u>147,972</u>	<u>167,150</u>

13. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	4,078	5,794
Operating lease rentals	<u>20,597</u>	<u>20,980</u>

14. Auditors remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>2,950</u>	<u>2,875</u>

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	868,641	950,283
Social security costs	69,952	70,914
Employer contributions to pension plans	111,190	81,071
	<u>1,049,783</u>	<u>1,102,268</u>

The average head count of employees during the year was 42 (2019: 43). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of admin staff	8	8
Number of teaching staff	22	21
	<u>30</u>	<u>29</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2020 No.	2019 No.
£70,000 to £79,999	<u>1</u>	<u>1</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel, being the head teacher and other members of the senior management team, for services provided to the charity was £174,089 (2019: £171,346).

16. Trustee remuneration and expenses

No remuneration of other benefits from employment with the charity or a related entity were received by the trustees.

No trustee expenses have been incurred (2019 - £nil).

17. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 September 2019	2,600,000	90,088	31,714	2,721,802
Additions	—	8,538	2,176	10,714
At 31 August 2020	<u>2,600,000</u>	<u>98,626</u>	<u>33,890</u>	<u>2,732,516</u>
Depreciation				
At 1 September 2019	—	85,100	31,714	116,814
Charge for the year	—	3,353	725	4,078
At 31 August 2020	<u>—</u>	<u>88,453</u>	<u>32,439</u>	<u>120,892</u>
Carrying amount				
At 31 August 2020	<u>2,600,000</u>	<u>10,173</u>	<u>1,451</u>	<u>2,611,624</u>
At 31 August 2019	<u>2,600,000</u>	<u>4,988</u>	<u>—</u>	<u>2,604,988</u>

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

17. Tangible fixed assets *(continued)*

All the fixed assets are held to meet the charity's objectives.

The freehold land and buildings included in the accounts at a value of £2,850,000 (£250,000 classified as investment property, £2,600,000 as freehold property) are subject to a legal charge. At 31 August 2020, £2,624,238 was payable by the charity under the legal charge and is included in note 20 to the financial statements.

Tangible fixed assets held at valuation

The freehold property was formally valued on 19th May 2016 on an open market value basis of £2,850,000 by Mr D Brumfitt MRICS, a representative of Feather Smailes Scales LLP. The Trustees have reviewed the valuation of the property as at 31st August 2020 and have concluded that the valuation reflects the market value of the property at that date.

In respect of tangible fixed assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 31 August 2020	
Aggregate cost	1,610,829
Aggregate depreciation	(624,331)
Carrying value	<u>986,498</u>
At 31 August 2019	
Aggregate cost	1,610,829
Aggregate depreciation	(591,546)
Carrying value	<u>1,019,283</u>

18. Investment property

	Investment properties £
Cost or valuation	
At 1 September 2019 and 31 August 2020	<u>250,000</u>
Impairment	
At 1 September 2019 and 31 August 2020	
Carrying amount	
At 31 August 2020	<u>250,000</u>
At 31 August 2019	<u>250,000</u>

All investments shown above are held at valuation.

Investment properties

The freehold property was formally valued on 19th May 2016 on an open market value basis of £2,850,000 by Mr D Brumfitt MRICS, a representative of Feather Smailes Scales LLP. Of this, £250,000 relates to investment property that is not used in the main course of business. The Trustees have reviewed the valuation of the property as at 31st August 2020 and have concluded that the valuation reflects the market value of the property at that date.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

19. Debtors

	2020 £	2019 £
Trade debtors	11,295	31,318
Prepayments and accrued income	46,131	42,400
Other debtors	17,155	–
	<u>74,581</u>	<u>73,718</u>

20. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	22,888	25,590
Accruals and deferred income	321,805	276,451
Social security and other taxes	18,932	19,169
	<u>363,625</u>	<u>321,210</u>

Deferred Income

	2020 £	2019 £
Deferred income brought forward	248,279	248,055
Deferred income released to Statement of Financial Activities	(248,279)	(248,055)
Deferred income in the year	290,115	248,279
	<u>290,115</u>	<u>248,279</u>

21. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Loan	2,624,238	2,624,238
Other creditors	19,197	19,197
	<u>2,643,435</u>	<u>2,643,435</u>

The loan is secured by a charge on the property. All loans are repayable within 5 years.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

22. Pensions and other post retirement benefits

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 £101,674 (2019: £69,876) and at the year-end £11,642 (2019 - £9,074) 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.

The School also offers a defined contribution scheme. The pension charge for the year included contributions payable in respect of defined contribution pension schemes of £9,516 (2019 - £11,195).

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

23. Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

24. Analysis of charitable funds

Unrestricted funds

	At 1 September 2019 £	Income £	Expenditure £	At 31 August 2020 £
General funds	(563,109)	1,264,619	(1,347,063)	(645,553)
Revaluation reserve	1,260,616	–	–	1,260,616
Designated Funds	54,812	–	–	54,812
	<u>752,319</u>	<u>1,264,619</u>	<u>(1,347,063)</u>	<u>669,875</u>

	At 1 September 2018 £	Income £	Expenditure £	At 31 August 2019 £
General funds	(592,494)	1,571,090	(1,541,705)	(563,109)
Revaluation reserve	1,260,616	–	–	1,260,616
Designated Funds	54,812	–	–	54,812
	<u>722,934</u>	<u>1,571,090</u>	<u>(1,541,705)</u>	<u>752,319</u>

The designated fund has been set aside by the Trustess for the provision of bursaries.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

25. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Tangible fixed assets	2,861,624	2,861,624	2,856,988
Current assets	451,686	451,686	540,766
Creditors greater than 1 year	(2,643,435)	(2,643,435)	(2,643,435)
Net assets	<u>669,875</u>	<u>669,875</u>	<u>752,319</u>

26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than 1 year	<u>13,374</u>	<u>13,374</u>

27. Related parties

There were no transactions with related parties during the current year.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Management Information

Year ended 31 August 2020

The following pages do not form part of the financial statements.

The Belmont-Birklands School Trust Limited

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 August 2020

	2020 £	2019 £
Income and endowments		
Donations and legacies		
Donations	—	48,000
Charitable activities		
School Fees	1,000,561	1,307,896
Dinners and other disbursements	124,415	166,681
	<u>1,124,976</u>	<u>1,474,577</u>
Other trading activities		
Swimming pool hire	16,740	27,400
Investment income		
Income from investment properties	10,920	5,145
Bank Interest receivable	321	186
	<u>11,241</u>	<u>5,331</u>
Other income		
Government grant income	92,503	—
Other income	19,159	15,782
	<u>111,662</u>	<u>15,782</u>
Total income	<u>1,264,619</u>	<u>1,571,090</u>
Expenditure		
Expenditure on charitable activities		
Purchases	73,326	69,107
Wages and salaries	868,641	950,283
Employer's NIC	69,952	70,914
Pension costs	111,190	81,071
Operating leases	20,597	20,980
Rent, rates and insurance	50,764	53,082
Light and heat	63,417	83,978
Repairs and maintenance	38,442	121,981
Cleaning	6,239	4,988
Bad debts	11,847	3,163
Legal and professional fees	12,776	16,181
Telephone	9,287	10,178
Other office costs	28,004	49,130
Depreciation	4,078	5,794
Other interest payable and similar charges	2,197	875
	<u>1,347,063</u>	<u>1,541,705</u>
Total expenditure	<u>1,347,063</u>	<u>1,541,705</u>
Net (expenditure)/income	<u>(82,444)</u>	<u>29,385</u>