

Report and Financial Statements

2019-20



UNITED WESTMINSTER &
GREY COAT FOUNDATION

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Trustees

Ex officio Trustees

F R Abbott BA
(resigned 1 September 2019)

Revd Canon A J Ball MA
(nominative Trustee from
23 November 2020)

R D Clark

**The Very Revd Dr J R Hall BA HonDD
HonDTh HonDLitt FSA FRSA FCT**
(resigned 1 November 2019)

M Jaigirder MA FRGS

J M Noakes MA

The Lady Vallance JP PhD
(deceased 9 July 2020)

W A Wells MA MBA
(appointed 23 November 2020)

Nominative Trustee

Alderman R P S Howard MA MSc

Co-optative Trustees

Mrs F A F Brocklesby BA
(appointed 16 September 2020)

Mrs J M Clarke MA
(resigned 31 December 2019)

Mrs L M Cooper MChem MBA
(appointed 16 September 2020)

T J Douglas-Home BA

Vice Admiral P A Dunt CB DL
(chairman until 12 October 2020,
deceased 13 October 2020)

M A Ibitoye BA
(appointed 16 September 2020)

Mrs S M Lowson MSc RSCN RGN DMS

T J Mullins BA MBA
(appointed 31 July 2020,
elected chairman 12 October 2020)

J O Nesbitt ARICS

M Ojja
(appointed 16 September 2020)

Mrs M J Richards MA

Mrs P M Sales JP BA MSc FCollP HonFCollT
(resigned 31 August 2020)

Mrs D G Swaine BSc MEd
(and *ex-officio* from 9 July 2020)

Mrs A I Uritescu BA MA MCIPD
(appointed 16 September 2020)

C J Vyse
(resigned 8 April 2020)

Charity registration number
1181012

Company registration number
11464504

Chief Executive Officer & Clerk
R W Blackwell MA
(resigned 31 December 2019)
Dr G A Carver MA MFA DFA FRSA
(appointed 1 January 2020)

Finance Director
M J Bithell MA

Principal office
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Winckworth Sherwood LLP
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Farrer and Co
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Pension Fund Administrators
TPT Retirement Solutions
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Chartered Surveyors
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Auditors
Haysmacintyre LLP
10 Queen Street Place
London, EC4R 1AG

The United Westminster & Grey Coat Foundation (the 'Foundation') presents its report for the year ended 31 August 2020 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and Strategic Report under the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities, Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) – Second Edition, effective for accounting periods commencing 1 January 2019.

2019-20

Trustees' Report

About Us

The Foundation has roots formed in the 1570s when certain families within London and Kent decided to start schools for "the poor of the parish." There have been many different configurations of our schools over the past centuries, but the Foundation currently seeks to carry out its core mission by:

Delivering excellent education

2,662

We educate 2,662 students in our three independent schools:



Emanuel School

Emanuel School
an independent day school in Wandsworth for 1,008 boys and girls aged 10 to 19



Queen Anne's
CAVERSHAM

Queen Anne's School
an independent boarding and day school near Reading in Berkshire for 456 girls aged 11 to 19



Sutton Valence School
an independent boarding and day school near Maidstone in Kent, for 798 boys and girls, aged 3 to 19

1,908

We also provide the land and buildings, governance oversight, and financial assistance for two single academy trusts delivering state education to a further 1,908 students:



The Grey Coat Hospital
a Church of England comprehensive academy for 1,106 girls aged 11 to 19 (with boys in the sixth form)



Westminster City School
a five form comprehensive academy for 802 boys aged 11 to 19 (with girls in the sixth form).

Championing social mobility

Each year the Foundation disburses £1m across our five schools to support our two Academies, to provide bursaries for widening student access at our three independent schools, and to promote cultural activities across our school network, in order for all students, particularly disadvantaged students, to benefit.

In addition, each school pursues its own localised outreach activities, which enhance the work of local partner charities, whilst promoting amongst each student body the value of giving back.

£1m

Each year the Foundation disburses £1m across our five schools.

Below Students at Westminster City School



Chairman's Message

With three independent schools and two state academies in our portfolio, the United Westminster & Grey Coat Foundation has the opportunity to advance social mobility, diversity and to increase public benefit. Trustees continue to look for ways in which our schools can combine and interact to provide transformational opportunities for all. The launch of Covid Catapult, and the enthusiasm with which it has been received in the schools, is an indication of a possible direction for the future.

Although this is a report on the schools, in this difficult year, it is appropriate here to thank our CEO Gordon Carver, and his team in the office, for all their hard work over the last twelve months. I must also pay tribute to Vice-Admiral Peter Dunt who died last month. He was Chair of Governors at Queen Anne's School, the force behind the merger of the two former trusts and a hugely respected and admired Chairman of the new UWGC Foundation. He will be greatly missed.

"The launch of Covid Catapult, and the enthusiasm with which it has been received in the schools, is an indication of a possible direction for the future."



Toby Mullins

Toby Mullins BA, MBA
Chair of Trustees

Chief Executive's Review

I join the United Westminster & Grey Coat Foundation at a moment of significant change: we have had over this past year six new Trustees join our Board (including a new Chair of Trustees), several new governors join school boards, a new Headteacher join Grey Coat Hospital, and all the disruptions that have ensued following a mid-year coronavirus pandemic, which forced schools physically to close in the spring term and move learning online.

Inevitably, the coronavirus pandemic has dominated the year and you can read in more detail (see page 18) how swiftly and creatively our family of five schools reacted to the situation, rapidly scaling up their technology adoption to deliver outstanding remote learning for our students, whilst keeping pastoral care for students, staff and parents front and centre. It is of course helpful to have our £47m endowment for peace of mind in times like these, and the situation has proven the benefits of belonging to a wider group, and in sharing ideas across our schools in real time. Fortunately, as we close out the year, our financial position across the group looks strong, and the endowment has continued to grow, for the benefit of many future generations of students.

The pandemic will continue to represent a key operational, financial and educational risk for our group over the coming year, but let me take this opportunity to recognise the diligence and professionalism of all school colleagues across our five schools, and thank them for their extraordinary efforts over what has been a challenging year. I am fully confident that whatever twists and turns the pandemic may yet take, our schools will continue to deliver an exceptional education experience to our learners.

One aspect which the pandemic has highlighted is how the inequities for disadvantaged students and low-income households are widening under the conditions of lockdown. This is something we are acutely aware of as a mixed group of independent and maintained sector schools, and as a direct response we have launched the 'Covid Catapult Fund' (see page 18). This new fund is intended specifically to provide additional resources targeted at disadvantaged students within our schools, for the purpose of helping them catch up lost learning and thriving under the new learning conditions the pandemic imposes. Covid Catapult projects will continue over at least the next two years, and will become a key feature of the ongoing public benefit the Foundation delivers through our schools. Sharpening our public benefit strategy will remain a focus over the year ahead, but you will see more details of the excellent public benefit projects already underway in the case studies throughout the report (pages 12, 15 and 17).

Finally, let me pay tribute here to the late Vice-Admiral Peter Dunt and the late Lady Elizabeth Vallance, both Trustees we have sadly lost over these last months. Peter and Elizabeth both did so much in bringing the Foundation into its current strategic configuration, strengthening the governance across all our schools, and raising the ambitions for what our family of schools can achieve together. I am proud to be part of a charity delivering such outstanding educational opportunities to our students, and I am excited to help drive forwards, along with colleagues, the vision which Peter and Elizabeth helped establish.

"I am fully confident that whatever twists and turns the pandemic may yet take, our schools will continue to deliver an exceptional education experience to our learners."



Gordon Carver

Dr. Gordon Carver
CEO

Our year in numbers

Endowment

£47m

Means-tested bursaries

£2,077,761

Spend on means-tested bursaries for students at our three independent schools.

Staff

947

Number of staff across the Foundation and family of five schools.

Students

4,170

Number of students educated at our schools.

Grants

£543,351

Grants spend supporting our two Academies.

Co-curricular activities

£63,017

Spend on co-curricular activities and other special projects supporting our five schools.



Objectives and activities

Principal aims and intended impact

The Foundation's aim is to provide a broadly based education, both in the state and independent sector, within the framework of a Christian ethos. This educational offering embraces high academic standards with a rich and varied programme of extra-curricular activities, allied to many opportunities to undertake school visits and trips. The Foundation is proud of its historic heritage which forms a background to its desire to equip its schools with the latest technology and resources to enable the students to fulfil their potential and to become valuable and valued members of the wider community.

Objectives and principal activities for the year

The following key objectives were identified for the year:

Supporting our Foundation schools:

- The Foundation's schools have continued to thrive and as, the table below demonstrates, our two Academies and three independent schools have achieved very strong A-level and GCSE results this year.
- It is worth noting that due to the pandemic, all examination results given over summer 2020 were generated as Centre Assessed Grades. This meant they were produced according to guidelines issued by the Department of Education, but generated by student prior classroom and test performances during the year (not external exams), which were then assessed and ranked by teachers within each school, with rigorous methodologies and cross-checks applied. The 2020 results are not therefore strictly comparable to the 2019 external exam results.

Our *2020 results

	*2020	2019	*2020	2019	*2020	2019	*2020
A-level results							
	A*/A grades	A*/A grades	A*/B grades	A*/B grades	A*-C	A*-C	Overall Pass Rate
Emanuel School	51%	49%	83%	82%	98%	96%	100%
Queen Anne's School	59%	44%	78%	68%	92%	87%	100%
Sutton Valence School	46%	32%	70%	62%	93%	87%	100%
Grey Coat Hospital	50%	36%	76%	64%	95%	85%	100%
Westminster City School	31%	15%	49%	30%	73%	55%	100%
GCSE results							
	A*/9/8 grades	A*/9/8 grades	A*/A/9/8/7 grades	A*/A/9/8/7 grades	A*-C/9-4 grades	A*-C/9-4 grades	Overall Pass Rate
Emanuel School	49%	44%	76%	72%	100%	99%	100%
Queen Anne's School	50%	35%	75%	60%	100%	97%	100%
Sutton Valence School	27%	10%	47%	41%	100%	97%	100%
Grey Coat Hospital	35%	28%	58%	46%	91%	94%	100%
Westminster City School	21%	10%	34%	19%	83%	70%	99%

*all examination results given over summer 2020 were generated as Centre Assessed Grades



Left Students gather at Grey Coat Hospital
Below A student at Queen Anne's playing lacrosse

- The Foundation has continued to plan for long-term capital development and estates management across all five of our schools. Over the year it has commissioned property valuation reports, in order to prepare for medium term developments and better understand the estates maintenance cycle.
- The Foundation introduced a new governing body communications and compliance software across all six Boards in December 2019, which has allowed more efficient and timely governance communications, as well as considerably more inter-school communication for major events and sector-wide information. This proved effective as meetings became paperless and virtual during late March 2019, due to coronavirus.
- The Foundation introduced a group-wide legal helpline service, available to all governors and senior school leaders across our five schools. The service allows any issue to be raised for free legal advice up to 30 minutes, and is proving useful as a layer of reassurance and risk mitigation.
- The Foundation has continued to enhance its recruitment of Trustees and Governors for all our schools, introducing additional governor and Trustee training (including subscribing to the National Governance Association e-learning link for all school governors), as well as organising termly external experts to deliver specific technical trainings (Trustee induction, OFSTED inspection training, Student exclusions).
- The Foundation has recognised that as a unitary employer of over 600 employees, there are increasing complexities a large employer needs to navigate, as well as significant potential future enhancements employees could benefit from across our schools. For that reason, it has created and hired a new Human Resources Director within the Foundation Executive. The position was filled, starting October 2020.

At a glance



Trustees have also asked the fund manager to perform an Environmental, Social and Governance (ESG) screening of all equity stocks within the endowment, and are satisfied that the majority of the endowment stocks are rated 'good' or above.



Free 30 minute legal advice sessions are now available for all our schools to access.



A new Human Resources Director role within the Foundation Executive was filled in October 2020.

Enhancing the co-operation between our schools

- Emanuel and Westminster City School constructed a project proposal based on Emanuel's 'Primary Ambitions' outreach model (see page 17), which involves the replication of the outreach to local primary schools around the Borough of Westminster. An application to the Department of Education's Cross-Sector Partnerships Fund was submitted, along with match-funding committed by the Foundation. The proposal did not receive additional DfE funding, but has formed the basis for Emanuel and Westminster City School to proceed with the project nonetheless, which will commence in its first phase from January 2021 onwards (albeit with certain operational pandemic-related adjustments).
- Grey Coat Hospital received, over the past year, a Statutory Inspection of Anglican and Methodist Schools (SIAMS), which is an inspection intended to focus on the impact of a Church school's Christian vision on pupils and adults. Grey Coat Hospital received an 'outstanding' grade across all seven strands of the SIAMS. Westminster City School, whilst not a full Church of England school, decided to pursue a SIAMS inspection of their own, and have benefitted from collaboration with colleagues at Grey Coat Hospital who undertook the SIAMS process.

- In October 2019 Queen Anne's School became recognised as a Microsoft Showcase School Award, acknowledging the extensive digital teaching and learning that has become integral to the school's approach. The school is one of just 24 schools in the UK and 460 worldwide to be recognised by Microsoft as leaders in digital learning. Colleagues from Queen Anne's met with counterparts from Sutton Valence School in early 2020, to help plan the latter school's technology transformation to a 'bring-your-own-device' digital learning environment.
- Emanuel and Westminster City School both have put out public statements following the events in June 2020, surrounding the killing of George Floyd and the rise of the Black Lives Matter movement. Both schools have formed an Advisory Group of staff, pupils, alumni and parents, which will start the necessary dialogue within each school and between Foundation schools to tackle the complex but vital task of eliminating racism and increasing diversity and inclusion at all levels. This will be an area where the Foundation seeks to amplify its efforts, provide external expertise to the group, and continue to prompt each governing board to hold our schools accountable.
- Headteachers, Deputy Headteachers, and Bursars from all five schools meet in their counterpart groups at least 2-3 times per year, in order to discuss collaboration issues and public benefit opportunities. The HR Directors from all three independent schools have continued to convene regularly throughout the pandemic, and have benefitted from discussing the increasingly complicated employee health and safety regulations, as well as staff furlough issues. Over the next year each school's ICT Director and Network Managers will convene regularly, to collaborate on school technology developments, many of which have evolved significantly following the switch to daily remote learning and online curricula.
- Foundation-wide cultural events for our schools have continued this past year, with the Foundation Art Exhibition, Foundation Music Concert, and Foundation Essay Prize for students all occurring in late 2019. Further inter-school events such as the United Model Nations and Student Debating events have been postponed due to the pandemic, but are hoped to resume once restrictions are lifted.

Targeting Foundation funding to enhance our public benefit

Over the course of the year the Foundation's own budget has been balanced and redistributed, particularly with a view to enhancing public benefit activities, specifically with the introduction of the 'Covid Catapult Fund' (see page 18).

A critical feature of the merger in March 2019 was the change of fund manager to manage the multi-million pound equity endowment. Trustees are pleased to note that regular reviews of the fund manager performance over the year have shown excellent return on investment to date, and stewardship of the endowment for the longer term. Trustees have also asked the fund manager to perform an Environmental, Social and Governance (ESG) screening of all equity stocks within the endowment, and are satisfied that the majority of the endowment stocks are rated 'good' or above. Moreover, the fund manager is actively engaged with major public businesses in monitoring and enhancing their ESG performance each year.



Public benefit

In setting the objectives and planning the activities of the Foundation, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Foundation provides strong public benefit by providing a broadly based education, within and across both in the state and independent sectors.

The Foundation's public benefit activities fall within three major areas:

1. Support to our two Academies

In the state sector, the Foundation assists The Grey Coat Hospital and Westminster City School by providing free land and buildings, and a £160,000 unrestricted revenue grant annually to each Academy.

It also provides various services, such as legal and financial advice, payroll, and a clerking secretariat for the governing body free of charge. It also assists with capital works to enhance the facilities for the students. It administers a number of trust funds which assist students in areas such as foreign travel and university entrance.

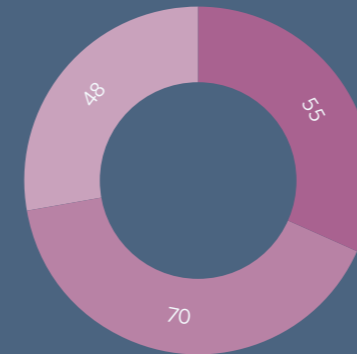
2. Independent school bursaries

In the independent sector the Trustees have agreed bursaries policies, which are publicly available. Bursaries are available to all who meet the entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would be at risk. Bursary awards provide support for up to 110% of school fees to ensure that children from families who would otherwise not be able to afford the fees can access the education we offer.

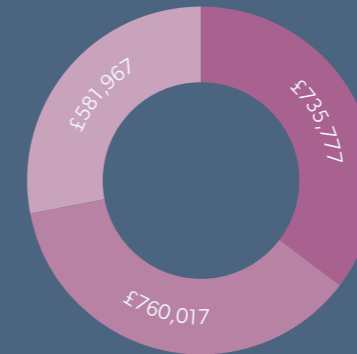
As the table on the right shows, there were 173 students across our three independent schools, with over £2m of bursary fee assistance provided in total. Further case studies about the bursary students at Queen Anne's is shown below and for Emanuel on page 15.

Our means-tested bursaries

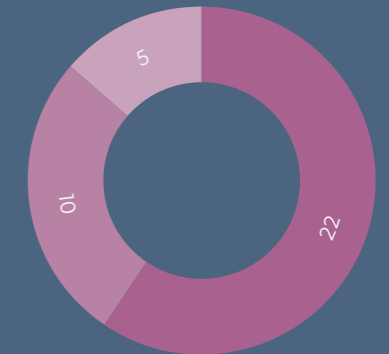
Number of pupils



Value £



Number of pupils 100% bursaries



Totals

173

£2,077,761

37

Emanuel School	55	£735,777 (3.98%*)	22
Queen Anne's School	70	£760,017 (5.55%*)	10
Sutton Valence School	48	£581,967 (4.24%*)	5

*% tuition fees. Total 4.6%

Queen Anne's introduce the Red Cloak fund

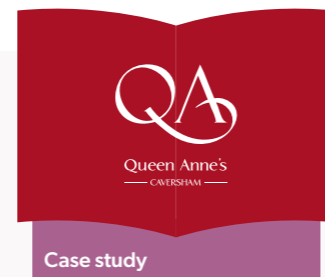
For many years, Queen Anne's has looked to welcome pupils, whose parents could not afford fees, to benefit from its educational offer by awarding bursaries of up to 100% of fees. Seventy girls benefited from a means tested bursary during the year, of which 10 were on full fee remission whether through bursaries alone, or a combination of bursaries and scholarships. A further 10 were on fee remission of 90% or more.

During the year, a new fund was established, called the Red Cloak Fund, to provide further support to new entrants through the provision of bursaries which also funded extras up to 10% of day fees annually. This fund has been generously supported by a combination of former pupils, parents and others connected with Queen Anne's. Bursaries from this fund are targeted towards local Reading girls as a matter of preference.

The Red Cloak Fund made its first award for September 2020 to a new entrant in Year 7. The father of the recipient said: "Going to Queen Anne's to me is one of those very special opportunities because with that base in education she is bound to do very well." Her previous Headmistress said: "She is always bright with a sense of fun and a smile, it's a great opportunity to have an amazing education which will challenge her in an environment where she can really thrive. I'm really hoping that this award will inspire girls at our school and other local schools to see the opportunities".

"Going to Queen Anne's to me is one of those very special opportunities because with that base in education she is bound to do very well."

Parent



At a glance

70

girls benefited from the fund.

10

girls benefited from 100% support.





Case study

Emanuel School launches the Battersea Rise Trust to provide Transformative Free Places

In December 2019, Emanuel School launched their rebranded charitable trust, the Battersea Rise Trust¹. This trust is the central organisation for the school's charitable mission which centres on our desire to ensure all aspirational and talented girls and boys have an opportunity to learn and grow at Emanuel, regardless of financial circumstance.

With the school's 430th anniversary being celebrated in 2024 we wanted to make a significant impact on the goals of the Battersea Rise Trust and particularly our desire to increase social mobility and transform our students' futures. We have set ourselves the ambitious goal of welcoming 43 children on a fully funded place by 2024. It is our belief that these transformative bursaries have the biggest impact, ensuring we are offering children, who would otherwise never be able to attend Emanuel, the chance of a life-changing education.

From September 2020, we are able to welcome 26 children to Emanuel on a free place. These places mean so much, both to the students and their families, but also to the whole Emanuel community. This year alone, we have seen 83% of our staff personally donate to free places while our students continue to select our bursaries and outreach work as their charity of choice. Our free places positively impact every pupil at the school, make an enormous contribution to school life and are evidence of our shared commitment to social mobility through education.

At a glance

26

From September 2020, we are able to welcome 26 children to Emanuel on a free place.

83%

This year alone, we have seen 83% of our staff personally donate to free places.

¹ www.emanuel.org.uk/support-us/battersea-rise-trust/

3. Community outreach and local charitable contributions

Each school drives its own public benefit activities to enhance its own local community, and all three independent schools have strong links with nearby local state schools to enable them to make use of the schools' facilities.

At Emanuel School, for example, this includes use of the school facilities without charge by a local primary school, and provision of enrichment courses run in a series on Saturdays. The school also provides tuition in areas such as mathematics at a local primary school. Emanuel is involved with more than 15 local state primary schools and supports a school in India.

At Sutton Valence, there is a great deal of co-operation between the prep school and the local state primary school. Links have also been established with schools abroad, including, in the case of Sutton Valence, helping to build a school in Nepal. Sutton Valence has recently appointed a Community Engagement Coordinator, who will be working to forge a new partnership with a nearby multi-academy trust.

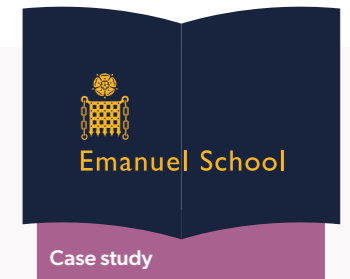
Queen Anne's has formed strong links with local state secondary schools as well as with a Pupil Referral Unit. State primary schools are able to use the school's facilities, as can local community groups. Queen Anne's is launching the Queen Anne's Music Academy, to run high quality Saturday music tuition and ensemble provision, and will be offering free bursary places to disadvantaged students from nearby state schools.

All schools

The schools and the Foundation all have active outreach programmes involving students as well as supporting numerous charitable causes. Grey Coat Hospital include annual fundraising events for their Year 9 students, as well as having students and staff 'Sponsoring a Child' abroad each year. They are very much part of their communities and have developed strong links with other schools in their areas and welcomed the use of their premises by local community groups and students from nearby primary schools.

Below A student musician practising at Queen Anne's

Right Primary students from nearby schools participating in Emanuel's Primary Ambitions outreach project



Primary Ambitions Outreach Project

In September 2019, Emanuel School launched an ambitious community partnership programme. Children from 16 neighbouring primary schools travelled to Emanuel School every Friday afternoon to attend classes taught by Emanuel's Lower Sixth pupils. Topics included Filmmaking, Robotics, Creative Writing, Mathematics, Science, Politics, Classics, Latin and Modern Languages. The ratio of Lower Sixth students to primary school pupils was typically 1:3 which enabled the Emanuel pupils to work closely with the primary children and form positive relationships straight away.

Feedback from the programme has been hugely positive. Children have learned new concepts and skills, gained confidence and developed new relationships. Examples of feedback from our primary school partners' teachers include: 'EAL children have grown massively in confidence throughout the sessions' and 'It is an excellent experience for our Year 6 pupils. The Emanuel pupils have been very encouraging and have built a fantastic relationship with the children. We would love more opportunities like Primary Ambitions'.

The experience has been equally positive for Emanuel's Lower Sixth pupils. Many felt that the experience had made them feel more connected to the community and had improved their confidence, team working, leadership and presentation skills. Nearly every pupil stated that the experience had improved their resilience and enhanced their sense of empathy.

Through the Primary Ambitions programme, 250 pupils visited Emanuel each week and we spent over 1,350 hours working with schools in our community. Before lockdown we had hoped to expand the programme further with more modules and involving even more of our partner schools. Given the current restrictions, we are now developing 'lessons-in-a-box', including detailed lesson plans, presentation materials, videos and resources, for our primary school partners to deliver on their sites. We are looking forward to hosting pupils at Emanuel at the earliest opportunity.

At a glance

16
neighbouring primary schools.

250
pupils visited each week.

1,350
we spent over 1350 hours working with schools in our community.

"It is an excellent experience for our Year 6 pupils. The Emanuel pupils have been very encouraging and have built a fantastic relationship with the children. We would love more opportunities like Primary Ambitions"

Teacher
Participating school



Covid-19

The Covid-19 virus and the ensuing government national lockdown regulations forced all schools across the UK to close physical classrooms from 23 March 2020 throughout the remainder of the summer term. Student and staff health and safety was naturally a priority at all schools.

In the case of all five Foundation schools this meant a rapid redeployment of technology hardware, and further staff training, in order that remote learning for students now at home could continue. The three independent schools were able to move to real-time live lessons (see the case study explaining Sutton Valence's 'Virtual Journey' for further details), which were received highly positively by parents and students alike and meant that, in the main, the entire academic timetable was replicated for students and minimal learning time was lost.

In the case of our two Academies, the operational challenges to move rapidly to remote learning were significant, but effectively overcome. Grey Coat Hospital managed to introduce virtual learning platforms and homework assessment software for staff and students for the first time within an impressive three-week period. Westminster City School discovered at the start of lockdown that approximately 100 students out of the 800-student population had no access to laptops or tablets within their home environment, and consequently would struggle to pursue any learning at all in the absence of that hardware. The school's governors successfully and rapidly ran a fundraising effort which raised £30,000 of donations that enabled the immediate purchase of additional school laptops. Furthermore, this IT hardware need was recognised by Emanuel School, who organised the donation and delivery of 39 refurbished laptops in June 2020 for Westminster City School students, in an act of generosity and as another example of public benefit activity between Foundation schools². Both Academies continued to deliver effective remote learning throughout the summer term, whilst also providing on-site schooling to the children of key workers and the vulnerable students.

COVID-19's impact on our Public Benefit activities

There was naturally some impact to certain Foundation annual public benefit events, some of which had to be postponed in the light of the pandemic. The Foundation-wide Art Exhibition did take place in December 2019, as did the annual student essay prize, but the Foundation Music Concert had to be cancelled, and currently plans for the United Model Nations and Foundation Student Debating Prize will move to virtual events, as will next year's Foundation Art Exhibition (with the unexpected benefit that more students will be able to participate).

The Executive recommended to Trustees that this pandemic required a new time-critical type of support for our schools, and in recognition of the widening inequalities that lockdown was causing for disadvantaged students Trustees agreed to create a new £50,000 fund entitled the **COVID Catapult Fund** (see more online here³). The purpose of this fund was to solicit from any staff across our five schools proposals for projects which will specifically tackle the issue of lost student learning amongst disadvantaged students. The themes that were identified for project proposals were mental resilience, teacher training and the use of technology. By November 2020 the initial four Covid Catapult projects will be selected by a panel of Trustees, and the intention is that the grant award will fund these projects for at least two full years of implementation, with both qualitative and quantitative impact metrics being collected and reported back at least every six months. As these projects begin to demonstrate student and staff impact over time, there will be the opportunity for further grant extensions, and new projects may be proposed and awarded grants each year. This portfolio of projects will become a key driver of the Foundation's public benefit focus, and a mechanism for reporting a range of learning and wellbeing impact results, which represents a new rigour the Foundation has started to apply for its public benefit grant making.

Achievement



39

Emanuel School has delivered 39 refurbished laptops to disadvantaged pupils without access to devices to enable them to continue their learning online.

Learn more [here](#)²

2. www.emmanuel.org.uk/supporting-wcs-pupils-to-get-online-laptops-delivered/
3. www.covidcatapult.org.uk



Sutton Valence School's Remote Learning: Virtual Journeys

With the closure of schools coming just days before the end of the Lent Term, the staff body worked tirelessly over the Easter Holidays to create opportunities for pupils to continue to learn and make progress and provide them with access to the support and guidance of their teachers via Microsoft Teams and Zoom video sessions. Pupils were trained in the days before the end of term and more extensive staff training and network preparation took place remotely over the holidays as teachers and ICT staff gave generously of their time to ensure the school was ready for the start of the Summer Term. The School's provision was entitled 'Virtual Journeys' in line with the four 'journeys' that pupils undertake. Comprehensive guides were produced for pupils and parents that outlined plans for the continuation of their education from the start of the Summer Term. As well as enabling pupils to follow their usual timetable via live lessons on Zoom and resources, prep and all work available on Microsoft

Teams, the School worked hard to ensure that opportunities for moral, spiritual and personal development were also available. Virtual chapel services, weekly Headmaster's Assemblies, live tutor time each day via Zoom, PSHE and live House meetings enabled the supportive, caring and nurturing environment associated with the School to continue to be available to all. Co-curricular and enrichment opportunities were available each week that helped pupils to gain balance and promote well-being whilst working in unfamiliar conditions – Games and PE continued via the 'SVS I-Fit' programme, weekly virtual fixtures against other schools in the South-East and wider enrichment opportunities were made available for pupils ranging from the School's Junior Leadership course, 'Zoomposiums' for Scholars, preparation for life beyond school courses for Sixth Form and links for online co-curricular courses were just a few examples of the provision provided to the pupils.

The 'Virtual Journeys' programme was a resounding success, with parents providing a constant stream of positive feedback and overwhelming support. So much so, that when year 10 and 12 parents were surveyed about returning to school after the change in guidance from the Government in June, the majority voted to continue with the online provision from home and take advantage of three days in school during the last week of term to launch the UCAS process and provide year 10 pupils with face-to-face academic and pastoral guidance.

The Virtual Journeys reaffirmed what we have always known – that the care, commitment and sense of community amongst everyone at Sutton Valence meant that one of the greatest challenges the School has faced in recent times became a positive opportunity and huge success.

...when year 10 and 12 parents were surveyed about returning to school after the change in guidance from the Government in June, the majority voted to continue with the online provision from home...



2. www.emmanuel.org.uk/supporting-wcs-pupils-to-get-online-laptops-delivered/
3. www.covidcatapult.org.uk

Financial impact of COVID-19

When the school closures were enforced, Trustees called an emergency Board meeting and discussed the likely short and medium term risks, and considered a range of medium and worst case scenarios. A key financial risk for the three independent schools was the loss of student fee income which would put pressure on cashflows, and because that was so immediate all three governing bodies opted to cease capital project works, and postpone them for at least 12 months, pending further review.

Another measure taken by all three independent schools was to freeze fee rises for at least a term (with regular reviews by the governing bodies), which have been delayed in light of the affordability concerns for parents, as the wider economic recession takes hold. The risk of student withdrawals in light of the ongoing economic conditions was identified, particularly for the two boarding schools dependent on international boarding students from Hong Kong and Mainland China, or other markets where quarantine travel restrictions were severe. In the case of Queen Anne's, Caversham there has been a reduction in student numbers, but not for Sutton Valence or Emanuel, where in fact enrolment for September 2020 has surpassed forecasts. In the case of the two Academies, the loss of lettings income was identified as a key financial risk, which did indeed come to pass. The Academies also had significant unexpected Covid-related operational costs (ICT hardware, substitute teacher costs, Personal Protective Equipment costs to make the schools Covid-secure), some of which government funding has subsequently come into place to cover, and some of which was required to come from the existing core school budgets.

Trustees communicated in April 2020 to all three independent schools that cash conservation in order to balance school budgets was the core expectation, and governing bodies responded accordingly by finding immediate summer term operational cost savings, and in particular taking advantage of the government's employee furlough scheme. Of the 721 employees working at the three independent schools, 200 were put on furlough at some point, which by 31 August 2020 had saved a total of £1,215,000. Other operational cost savings were made on utilities, supplies and consumables included re-negotiating responsibly with some suppliers to share the effects. The independent schools anticipated that fee collection from parents might be delayed or worse debtor lists would increase, but that particular risk has so far proven to be minimal, with only a few parents requesting restructured fee payment schedules. The independent schools also put aside contingency budget lines to amplify the school bursary budgets in anticipation of more hardship fee requests, but so far those provisions have not yet been significantly called upon. Trustees have continued to convene the Finance & Property Committee regularly (at least every 2 months) to monitor the group cashflow position, as well as the financial and operational risks occurring at all three independent schools.

Governance and risk assessment during the pandemic

The start of the pandemic put a significant emphasis on proactive governance to identify key health and safety risks, and assisting each of the school's executive leadership teams with understanding the rapidly changing government guidelines and managing the crisis accordingly. The Trustee Board and all five school governing boards met independently and frequently via remote online meetings throughout the lockdown period, to examine each respective school's Risk Assessment Plans, budgets, safeguarding policies and practices, employee welfare matters, and ongoing Health and Safety planning. In many cases, schools set up governor working groups who had particular oversight of critical aspects of school planning or operations, and through these mechanisms were able to help school leaders react in a time-critical manner to the ongoing crisis, whilst providing further line of sight to the full governing board. In several cases, some of the short-term governance responses created out of necessity (remote online meetings, paperless meetings) have become habits for the longer term that are likely to persist going forwards.

Medium term planning following COVID-19

Following Trustees' Finance & Property Committee meetings and the consideration of multiple pandemic scenarios, it was decided that a prudent measure would be to take advantage of the government-backed loan scheme, and as a result the Foundation arranged a £5m CLBILS three year loan, which it has not yet had recourse to use. That loan gives peace of mind that group-wide working capital across all three independent schools will remain sufficient, even in the event of a heavily prolonged lockdown period, or significant pressures on fee-paying parents. Each of the schools are currently stress-testing their 10 year business plans, capital development projects, and cost assumptions in light of the pandemic, taking into account structural adjustments to the international boarding market and domestic parental demand patterns. The recent announcement of a coronavirus vaccine clearly brings some relief to the extreme downside planning scenarios. The continuation of schooling throughout lockdown has so far shown that the vast majority of fee-paying parents are delighted with the service they are paying for, and in some cases waiting lists have grown for our independent schools, as new sources of demand are emerging from certain categories of parents who are choosing to switch their children's schooling out of the maintained sector and into the independent sector.

Strategic Priorities for 2020 to 2021

The Foundation is in a new phase of its development, and as a result Trustees seek to focus on the following five areas:

1

Develop a medium-term strategic plan

The Foundation has a new Chair of Trustees and a new Executive team, and will seek to develop and articulate a set of core strategic priorities to aim towards for the medium term.

3

Develop leadership and employee training opportunities across our schools

The Trustees wish to recognise the value of supporting professional development initiatives for all staff at our five schools, which directly drives educational improvements for the benefit of our pupils. The next year will provide pilot opportunities for such staff developments.

2

Continue to enhance collaboration between our schools

The Trustees wish to build upon the existing cooperation between our five Foundation schools in areas of education in order to improve the delivery of benefits to our pupils and parents, especially for disadvantaged students.

4

Undertake a review of our governance

The Foundation will seek to understand our current governance structure and seek consultation from all stakeholders for areas where it can be improved.

5

Establish long-term financial security for the group

The Trustees wish to secure long-term financing for the group, especially to provide the necessary capital developments required at our three independent schools.



Governance, Structure and Management

Organisational structure

The Foundation is a company limited by guarantee, and a registered charity, being the product of the merger of the United Westminster Foundation and Grey Coat Hospital Foundation on 31 March 2019. The Foundation holds on trust the permanent endowments of these two predecessor charities.

Corporate Structure

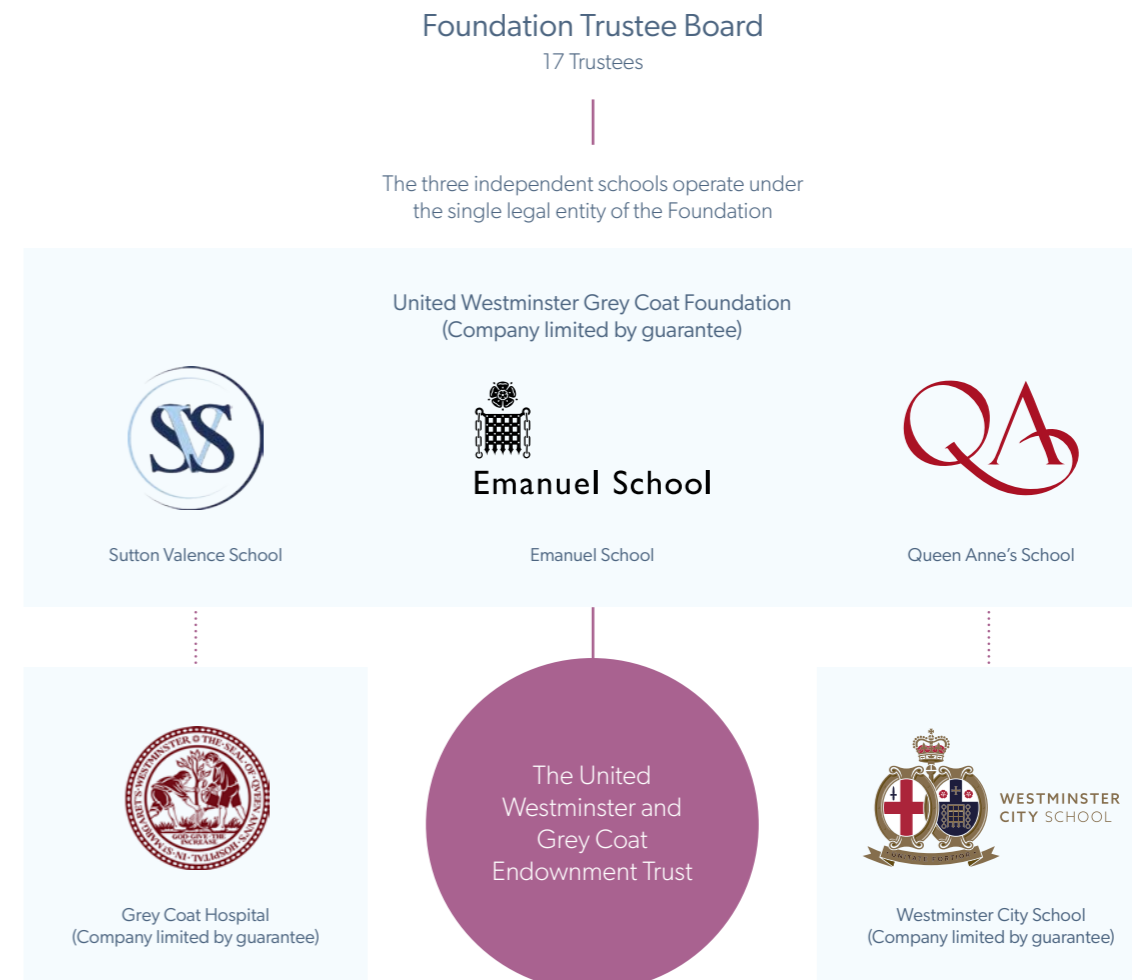
The Foundation has a Board of up to seventeen Trustees (also directors and members of the company) which meets at least three times annually to review and assess developments of the Foundation and its activities and to make important decisions. The work of monitoring the performance of the Foundation's investments is carried out by the Finance and Property Committee, which also has oversight of all Foundation office activities and its financial performance, and oversight of each schools' financial performance, including scrutiny over buildings and any new projects. When necessary the

Trustees seek advice from their professional advisers, being accountants, solicitors, property consultants and insurers or from specialist consultants. In addition, the Board have a Remuneration Committee to discuss and decide upon Foundation staff remuneration issues, as well as a Nominations Committee which is actively seeking to ensure Board diversity and best practice succession planning, where required.

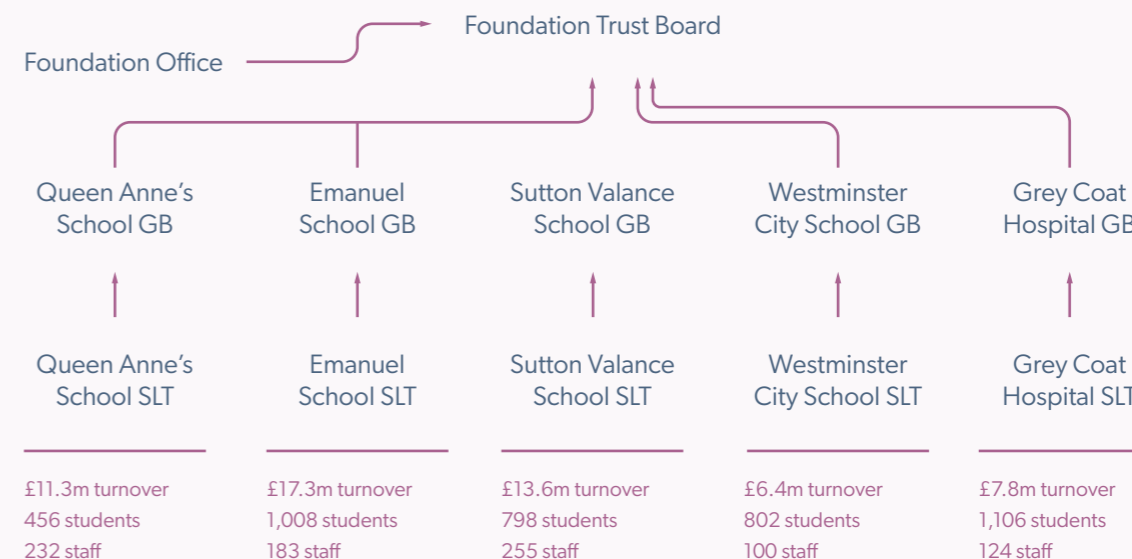
The day to day management of the Foundation's activities and the implementation of policies are delegated to the Foundation Executive Team (CEO/Clerk, Finance Director, HR Director).

The activities of the five schools are overseen by their own Boards of Governors, appointed by the Trustees of the Foundation, which meet each term (at least three times per year). The implementation of certain policies at the schools is monitored by the Standing Committees which meet before each meeting of the full Board of Governors. The Standing Committees of each school work under the chairmanship of one of the governors of that school. The day to day running of each school is delegated to a head teacher.

Below Sutton Valence students participating in team coaching



The two Single Academy Trusts are separate legal entities and charities in their own right but have majority governance control appointed by the Foundation





Recruitment, induction and training of Trustees and governors

The Foundation has created a Nominations Committee to recommend to the board of Trustees any candidates considered suitable to join the board. A pro-forma to assist in a skills audit of Trustees has been developed, helping the board to ascertain where its strengths and weaknesses lie, and to assist with succession planning. Once a “skills profile” has been agreed, Trustees are encouraged to put forward suitable names on the clear understanding that names put forward are not automatically elected onto the board. Anyone to be considered will be discussed by the Nominations Committee who will then present a list of recommended candidates to the board. It is then a majority decision as to whether someone is appointed. The successful candidate then receives various compliance checks, induction training, and an enhanced Disclosure and Barring Service check is carried out.

This process also applies to the appointment of governors for the individual schools, with the additional step of arranging a visit to the school to look around and meet with the relevant Head and Chair of Governors.

The Foundation has links with various organisations such as the Association of Governing Bodies of Independent Schools (AGBIS), the Confederation of School Trusts, the Independent Schools Bursars Association (ISBA), the London Diocesan Board for Schools (LDBS), the Headmasters’ and Headmistresses’ Conference, and Local Authorities, which arrange training for governors and Trustees. Details are circulated on a regular basis and people are encouraged to attend. Expenses are met by the Foundation. The Foundation also undertakes “in house” training. It is also part of the role of the Foundation

office to include on agendas (with supporting papers) items concerned with legislation that will affect the work of Trustees. The Foundation is also starting to form more active links with several Livery Companies across London, many of whom operate or sponsor like-minded secondary schools and with whom strategic initiatives and partnerships can be struck.

Key management personnel

The Foundation is led by the Trustees of the Foundation and the governing bodies of the five schools. Since Westminster City School and The Grey Coat Hospital are constituted as academies, for reporting purposes the ‘key management personnel’ are considered to be the Foundation Trustees, the governing bodies and headteachers of Emanuel, Queen Anne’s and Sutton Valence Schools, and the Foundation CEO/Clerk.

All key management personnel at the Foundation Office and at the schools are subject to annual review and assessment. This is carried out by the respective Remuneration Committees who usually meet once a year. In the case of the independent schools, pay scales have been created and national benchmark studies used to help determine levels of pay. In the case of the state academies, the Teachers Pay and Condition Regulations are used to help determine levels of pay. In the case of the Foundation, the Committee has commissioned independent benchmarking surveys, alongside its long established benchmark, to help with its determination of levels of pay. In both schools and Foundation Office, each person is set performance objectives for the year and his/her performance is judged against them when considering pay.

Risk management

The Trustees have conducted a formal risk management review and have developed systems to identify, monitor and control risks and to mitigate any impact they may have on the Foundation in the future. The key risks for the Foundation and each of our schools will remain under review, and have been regularly updated and reviewed at the current time in light of the COVID-19 pandemic, especially with regards to employee health & safety, wellbeing, safeguarding under remote learning conditions, and cashflow sustainability.

The Foundation has produced, in consultation with its schools, a risk management document which is completed by the schools and the Foundation office every year. A particular risk for the small Foundation office team this year has been around business continuity for payroll during the remote working phase, which was mitigated by upgrading our ICT equipment and putting in place different contingencies for

data storage and backup software solutions. The risks for staff Health and Safety have been monitored closely, and in line with changing government guidance. The Foundation office was made COVID-secure and staff have been regularly informed about the preventative measures put in place during the pandemic. The completed risk management document is then considered by the board and comments made. Documents may be amended in the light of this discussion and the agreed papers are presented to the individual governing bodies in the Spring term every year. In addition, the Foundation office regularly informs the board of Trustees and individual governing bodies about changes to legislation and regulation which will affect them and the risk created by such changes.

Risks for the independent schools

The key risks for Emanuel, Queen Anne’s and Sutton Valence Schools are summarised in the table below:

Risks	Mitigation actions
Reduction in international boarding market	Queen Anne’s and Sutton Valence schools are both dependent on international boarders for their fee income, and have dependencies on the Chinese and Hong Kong markets. Both schools have put extra communication efforts and marketing efforts in place with parents from those markets to reassure those existing parents, whilst also seeking to diversify intake from other international markets and increase the share of domestic day and boarding students.
Increasing costs associated with continued funding of the employer contributions of the Teacher Pension Scheme (TPS) for staff	All three schools have absorbed the increase in TPS employer contributions from September 2019, but have modelled alternative business plan assumptions to consider, in anticipation of the next valuation of the fund. Personnel Committees at each of the schools are taking legal and actuarial professional advice to understand the complexities and implications of conducting staff consultations. The Foundation Executive provide additional governor advice and Trustee reports on this important risk.
Loss of business rate relief	All three schools have anticipated this politically driven tax change, and have incorporated it into their 10 year business planning assumptions. The additional cost, if it comes, will be unavoidable, but will partly be mitigated by raising fee levels, and partly by anticipating the change and tapering in cost reductions in the intervening years before the change occurs.
Introduction of VAT on school fees following Brexit	This risk seems more likely now, given the UK’s departure from the EU. All three schools are modelling it into their long term business planning assumptions. Some but not all of the additional costs will be passed on to parents in fees, but some of the VAT costs can be recovered against future capital development investments.
School fees’ affordability	Given the pandemic and severe economic disruption, including significant job losses, it seems likely that a period of economic recession could emerge. In this fiscal climate, certain categories of parents may no longer be able to continue paying independent school fees, and other parents who may have considered the independent school sector may no longer be able to afford to do so. All three schools have reviewed their fee positions and immediately instituted fee freezes for at least one term, and will be reviewing longer term assumptions about future fee increases in light of the new economic conditions. All three schools have also reviewed their bursary hardship funds as a contingency against parents who have temporary fee payment challenges. All three schools are also actively reviewing their fee debtor positions and taking pro-active measures to ensure termly fees are paid on time.

All three independent schools have a localised risk register, which is monitored by governors each term. Mitigation plans for risks are devised by the Schools' leadership teams, with oversight and sign off on these plans exercised by governors' sub committees. The key actions in place are that academic monitoring is carried out on an individual basis for pupils through a well-established tracking and monitoring system; pastoral care is carried out through a defined system of houses and tutors, with individual follow up and plans where required; and a frequent review of trips and activities is carried out at leadership team level. These strategies are underpinned by a robust recruitment process which seeks to continually improve the quality of staff at both independent schools. For the political and financial risks identified, all three independent schools have modelled long term financial plans and run sensitivity analyses for different types of regulatory scenarios, with a view to understanding how affordability and student enrolment would be affected. In all three schools, active steps are being taken to control costs and to plan for different contingencies over the medium term. Each of these school financial plans are also vetted by the Trustees of the Foundation Board at least once per year.

The principal income sensitivity is the number of pupils in the Schools. Budgets for income and costs are set annually and actual results are monitored against budget, with corrective actions identified where necessary. Leading indicators of pupil numbers are tracked and assessed for use in subsequent annual budgets.

The ability to continue to attract pupils is a key driver of the Schools' success. Marketing and Admissions Offices' activities are focused towards this aim, and in each case governors oversee both of these departments. Affordability is a key issue. The schools remain open to the risk of late withdrawal of pupils but have taken safeguards against this through its contract with parents.

The independent schools' strategies are regularly reviewed by governors. They have endorsed a continuing strategy of maintaining a boarding and day school at Queen Anne's and Sutton Valence and day school at Emanuel, with excellent academic, pastoral and extra-curricular provision. Strong Sixth Forms remains an integral part of the plans, underlined by building programmes to develop and enhance their facilities.

Risks for the Academy schools

The key risks for both Westminster City School and Grey Coat Hospital School include coping with a reduced budget allocation year on year at a time when all other costs have risen substantially. In this current year, both Academies have also experienced additional COVID-19 related costs and lost income, particularly lettings income, which has added to the financial pressures on the schools. Both Academies also seek to maximise their student enrolment, particularly in their respective co-educational 6th form provision. In the case of Grey Coat Hospital staffing reductions have been made wherever possible and having increased numbers of students in recent years the Academy has no further capacity to increase income or reduce fixed operating costs. This ongoing risk remains a continuous challenge for Governors and the Leadership Team of the Academy, although the school has now launched a Development Committee, with a part-time Development officer who is driving a multi-year fundraising strategy to raise philanthropic income for the school, which will supplement its core funding. Equally, there are risks about attracting and retaining strong staff talent in both Academies, against a competitive schools market and the increasing cost-of-living which is involved working and living around Central London. Governors at both schools take this into account and are developing talent retention strategies alongside the respective Senior Leadership Teams within each school to pro-actively manage this particular risk.

Changes in regulation (which has been frequent and varied over the coronavirus pandemic) affecting education and charities requires constant vigilance and the costs of compliance adds a further financial burden to our academies.

The governors in both Academies conduct formal risk assessments and have developed a system to identify, monitor and control risks and to mitigate any impact they may have on the Academy in the future. The governors and Trustees have produced, in consultation with the Foundation, a risk register which is reviewed and updated. The completed register is then considered by the respective boards and comments made. The risk register may be amended in the light of discussions and then presented to the governing body during the year. Governors are also informed of changes to legislation and regulation which will affect them and the risk created by such changes. In addition, members of the Governors' Finance and Buildings Committee undertake a further risk management assessment to ensure all members of the Committee are engaged with both the internal and the external risks which may face their respective Academy.



Left Young scientist in the lab at Westminster City School



Right Foundation Art Exhibition 2020
Overall Winner:
Sophia E, Queen Anne's

Investment policy and performance

The Trustees manage the Foundation's investments on a total return basis, following the practice of both predecessor charities since 2006. The policy aims to 'preserve the real value of the endowment held in investments, whilst maximising the amount available to meet the needs of each generation of beneficiaries'.

Note 11 to the financial statements gives details of the investment holdings, movements and returns. The Trustees have delegated management of the listed securities portfolio to Sarasin & Partners LLP. Investment properties are managed by Cluttons LLP and Savills LLP.

With advice from Sarasin listed investment holdings have been allocated across a range of asset types and sectors to balance risk and return. This is expected to give reasonable long term performance at lower volatility. The Trustees extract income at the rate of 4% per annum on a rolling five-year basis.

The Trustees, primarily through the Finance and Property Committee, regularly monitor the mix of holdings and extraction rate to ensure that total returns are being optimised and the extraction rate is sustainable having regard to what is reasonable to the circumstances of the Foundation.

During the year to 31 August 2020, the return on the Foundation's listed investment portfolio was positive 2.9%. However, this performance was against a target of 4.5%, being RPI + 4%.

The Trustees manage their interest in the Foundation's unquoted holdings by holding directorships in the companies, and these companies obtain independent professional advice and management where appropriate.

Fundraising policies

The Development offices of Emanuel, Queen Anne's, and Sutton Valence Schools exist to foster and maintain good relationships with alumni, parents and other interested individuals, as well as to raise funds for the schools in order to help achieve their strategic priorities.

All three schools ensure that all external providers contracted for fundraising purposes enter into suitable contracts with the school in order to protect the privacy and interests of all related constituents. Similarly, they ensure that all constituents have frequent and appropriate options to opt out of communications and fundraising activity. All three schools provide a clear objective standard against which external regulatory bodies can judge the actions of the Foundation if required. For major gifts or legacies, the schools usually document the commitment of both parties in a Gift Agreement Letter that sets out the purpose, terms and valued recognition of that gift. The schools take care not to accept support or enter into a partnership where the source of the gift is not known, or considered inappropriate. Any complaints relating to fundraising or any external relations are always responded to in a prompt and considered manner, following sector best practice. No complaints were received in the period, or previously.

Trustees' responsibilities statement

The Trustees of the charitable company 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable company and group 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 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 charitable company will continue in business.

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

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

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

Promoting success under required regulations

The Foundation Trustees, as company directors, confirm that they have had regard to their duty under section 172 of the Companies Act 2006 and the Companies (Miscellaneous Reporting) Regulations 2018. This duty is to act to promote the success of the schools whilst having regard to:

- the long term consequences of decisions;
- the interests of the Foundation's employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of the Foundation's operations on the community and the environment;
- the desirability of the Foundation maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Foundation.

The Foundation continues to promote the success of the schools by acting in good faith to assist them to meet their aims and objectives. Further detail on this can be found in the 'Objectives to Achieve the Aims for the Year' section of this report on pages 9 to 11.

Attracting and developing excellent teachers remains a priority. To support engagement with the profession four of the schools recruit and train graduates in a formalised programme and some integrate this with a professional development programme for teaching staff to support their progression to middle and senior leadership positions: we share a commitment to supporting the development of outstanding teaching and leaders within the profession.

Employees are involved in, and consulted about, a variety of workplace issues through a range of mechanisms. A range of detailed HR policies, which are reviewed annually, support the charitable and business objectives and ensure compliance with employment legislation, and all schools provide support mechanisms to promote the wellbeing of staff. The Foundation has developed remuneration policies and monitors differentials between roles and groups of staff, including between women and men: it publishes annually a report on the gender pay gap across the independent schools.

In accordance with the Equal Opportunities Policies, the Foundation seeks to treat all staff, other members of the school communities, and any person visiting equally, regardless of their disability. The Foundation expects all employees and all other members of the school communities to comply with those policies, and if an employee is disabled or becomes disabled during the course of employment, the Foundation will endeavour to support the employee to as great an extent as possible.

Especially this year, the Foundation has worked collaboratively with its suppliers, from caterers to transport companies: contracts have been varied to suit the change in demand, to minimise waste and accommodate staff sickness or needs for precautionary self-isolation. Unrelated to the pandemic, but as a large employer, the Foundation has this year introduced a process for checking key suppliers have policies to eliminate modern-day slavery, and then to monitor this going forward. We have also introduced a system to monitor payment terms across the Foundation: pleasingly the longest average time between invoice date and payment is eighteen days, the lowest is nine, and the average is fourteen (two weeks).

Work to reduce the impact of the Foundation's activities on the environment has some way to go, and progress is partly constrained by the number and age of the schools' heritage buildings. The significant change this year is better monitoring, under the government's new streamlined energy and carbon reporting regime ('SECR'). All schools now capture usage data for fossil fuels across a range of activities, from heating to transport, whether directly (such as burning gas) or indirectly (electricity, use of staff cars). The raw data are captured and recorded for future monitoring and (it is planned) reduction or alternative provision.

The overall consumption of fossil fuels, direct and indirect, can be summarised as equivalent to production of an amount of carbon dioxide ('CO₂e'), measured in kilogrammes. To do so we have used HM Government's environmental reporting guidelines, the GHG Reporting Protocol and HM Government's 2020 conversion factors for company reporting, and then expressed the CO₂e per pupil. The results are dispiriting: across the group the schools consumed an average of 350 kg CO₂e/pupil. And this was a year of reduced consumption with schools largely closed for the summer term. We plan to do better, starting with individual actions of each school governing body, and reporting progress of the group in future published reports.



Financial review for the year

The financial objectives of the Trustees are to ensure assets under their control are well managed and to provide a secure financial environment to allow the schools to develop and improve. The schools' financial activities are monitored to ensure they are reasonable, performance is acceptable, future developments appropriate and the charity remains viable. The individual schools' incomes are restricted to use by the school. The unrestricted revenue funds are used to cover administration of the charity, provide central services for the schools and to provide grants to the schools, with priority being given to the academies. The Trustees also provided and supported loans to develop the independent schools.

Net income for the year after transfers between the Foundation's funds but before actuarial losses, was as follows:

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Foundation Capital (including prize funds)	1,625	(2,442)
Emanuel School	1,852	1,186
Sutton Valence School	(73)	769
Queen Anne's School	(809)	236
Westminster City School	(122)	(292)
Grey Coat Hospital	(158)	(230)
Foundation Revenue	(273)	(536)
Total	2,042	(1,309)

The net income/ (expenditure) for the period ended 31 August 2020 amounted to a surplus £2,042,000 (2019 - deficit £1,309,000).

Foundation Capital

This fund represents the permanent endowment fixed assets and investments, within which the movements are: the depreciation charge on functional fixed assets; investment income received; investment management fees and income extraction under the total return policy. Some deficit is expected each year due to the steady diminution in holding value of the school properties with the effect of depreciation.

However, in other respects the fund is intended to hold its value in real terms (i.e. increase in value with inflation) over a full economic cycle. This has not always been achieved, notably due to exceptional extractions in 2014 and 2015, but it was in 2020 due primarily to large investment gains at this point in the economic cycle, of £3.8m.

Emanuel School

The operational surplus for the year was £1.9m (2019 £1.2m), which reflected another year of strong and growing pupil numbers at the School. Learning continued to be delivered during the summer term, but to reflect some operational savings made and grant receipts under HM Government's job retention ('furlough') scheme a rebate was offered to parents on the summer term tuition fees: more detail in the notes to the accounts.

Throughout the year, the School continued to develop our partnerships with 25 local primary schools, offering swimming lessons, free books and laptops, as well supporting a local disability football foundation. The School was also very active in supporting the local community during the Covid-19 crisis. This included providing 5,520 hot meals for vulnerable families, £3,000 being raised for local food banks, 4,000 face masks being donated to local partner organisations and engineering 500 visors for the NHS.

Sutton Valence School

The operating deficit for the year was £73,000, compared with a surplus of £769,000 for 2019. The notes to the accounts explain the reduction in revenue from closure of the boarding house for the summer term, and a rebate to parents for tuition fees to reflect the savings made – all of course due to Covid-19.

The School delivered a full academic program on line that was extremely well received by parents. This has further helped the School's wider reputation which has been reflected in better than expected pupil numbers for the next academic year. The work on the masterplan to renovate the boys' boarding houses was paused while the impact of the pandemic was understood: it is anticipated that this work will resume next year. The School continues to work with HIKSVS International School in China and work is now well underway to develop a secondary School in Tianjin in 2021-22. The income generated by this project will continue to help fund the School's steadily increasing provision of means-tested bursaries.

Queen Anne's School

There was a significant deficit for the year of £809,000 compared with £236,000 surplus for the previous year. Fee income has increased in line with fee increases, but this was offset by a number of other factors, principally incremental increases in teaching salaries, additional supply costs and the additional costs, not recouped, from the pandemic.

Westminster City School

The total income for the period was £6,384,000 (2019 - £6,198,000) including the General Annual Grant. The excess of income over expenditure for the year excluding fixed asset and pension transactions was £82,000 (2019 - £114,000).

At the year-end, the School had negative fund balances of £1,127,000 (2019 - £1,297,000). These comprised £813,000 of unrestricted funds, a deficit of £1,274,000 on restricted general funds which includes the pension deficit of £2,004,000, and a balance of £147,000 on the restricted fixed asset fund.

Grey Coat Hospital

There was an operating deficit of £158,000 for the year (2019 - £292,000). The School is funded at a lower rate per pupil than most other split site academies of a comparable size in Inner London, and this is set to continue under the DfE's forthcoming national funding formula from 2022, so financial pressures remain. The governing body has begun raising funds from external sources to support excellent education provided and this is due to launch in 2021.

Schools' resourcing

It will be noted that the resources available per school differ markedly, due primarily to the different funding models, as summarised below:

	Westminster City School £	Grey Coat Hospital £	Queen Anne's School £	Emanuel School £	Sutton Valence School £	Unrestricted Fund £
Revenue per pupil	7,960	7,066	24,774	17,166	17,046	428

Other restricted funds

Other restricted funds are made up of schools capital funds and school funds under the Foundation's stewardship, being various prizes and scholarships with minimal annual surpluses or deficits. A summary of other restricted funds is shown in note 17.

Foundation Revenue

There was a deficit of £277,000 on the Foundation Revenue fund for the year (2019- £536,000).

The Revenue account receives an annual extraction from the permanent endowment investments (2020: £1.68m) which is expended on the cost of running the Foundation office, grants to the five schools (in cash and in kind), providing joint-school activities, managing some central projects and the non-cash adjustment for the support staff historic pension deficit. The Trustees also continue to provide loans to develop the independent schools.

The Foundation's direct grants to its beneficiary schools and some of the expenses borne on their behalf were as shown. It should be noted that this excludes the cost of providing payroll, clerking, other central services and arranging projects and joint activities with schools. It is also the case that the schools do not bear any capital charge reflecting the value of the operational land and buildings employed.

	Westminster City School £	Grey Coat Hospital £	Queen Anne's School £	Emanuel School £	Sutton Valence School £	Year to 31 August 2020 £	Year to 31 August 2019 £
Support of education	128,494	128,861	3,458	17,328	3,032	281,172	324,325
Administration (mainly legal and professional)	120,311	67,562	7,000	29,933	34,950	264,650	215,555
Means-tested Bursaries	n/a	n/a	295,000	-	-	295,000	285,000
Salaries	33,997	64,127	-	-	-	98,124	56,750
Total cash grants	282,802	260,549	310,352	47,261	37,982	938,946	881,631
Depreciation borne by Unrest'd Fund	45,561	168,428	-	-	-	213,989	230,243
Depreciation borne by Perm Endow. Fund	446,641	527,499	114,664	92,086	120,354	1,301,244	1,301,244
Total Grant	775,004	956,475	425,016	139,347	158,336	2,454,178	2,413,118

Related parties

The Foundation has seven wholly owned subsidiaries, BrainCanDo, Dacre Activities Limited, Emanuel International Schools Limited, Lambe Education Limited, QAS Enterprises Limited, Townright Property Management Limited and Westminster Grey Coat Property Company Limited, in addition to controlling two academies, Grey Coat Hospital and Westminster City School. Consolidated accounts are prepared including the academies and Westminster Grey Coat Property Company Limited but not for the other subsidiaries on the basis that they would not be materially different from those of the charity.

Reserves policy

The Trustees' policy is to manage the funds and reserves, together with the cash flows, of the Foundation to provide for the immediate and long term needs of the schools.

The Trustees and governors manage the unrestricted and restricted reserves, in addition to the cash flow requirements of the Foundation and schools, having regard to the uneven nature of cash receipts, the varying cash requirements for the schools' development plans, the need to maintain an amount for contingencies and the repayment terms of the loans (note 15).

The statement of financial activities and the balance sheet together with note 17 to the financial statements show the various funds and reserves by type and also summarise for each of them the year's movement and the assets and liabilities attributable to them.

There is a substantial fixed asset reserve at each of the independent schools, but negative available reserves in each case: it is the Trustees' policy to aim to hold positive free reserves (as a minimum) and governing bodies will endeavour to rebuild these. The academies have modest available reserves, but these have been denuded in recent years and are considered inadequate, given the low level of Education & Skills Funding Agency (ESFA) funding.

The Foundation Revenue fund, including all unrestricted funds, stood at a deficit of £270,000 (2019 - surplus £8,000). It comprises £1,376,000 deployed in tangible fixed assets (net of associated loans) and £432,000 for the historic pension scheme liability. However this leaves a significant deficit in free reserves of £1,214,000 at the year end. The Trustees are taking steps to steadily rebuild these available reserves in the medium term.

Approved by the Board on 14 December 2020. Signed on its behalf by:



Toby Mullins, Chair of Trustees

2019-20

Independent auditor's report

Independent auditor's report

To the members of the United Westminster & Grey Coat Foundation

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and 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 Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 28, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' 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 Trustees' 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

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

Use of our report

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

24 December 2020

Tracey Young (Senior Statutory Auditor)
Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place, London, EC4R 1AG

Financial statements

2019-20

Consolidated statement of financial activities

For the year ended 31 August 2020

	Notes	Permanent	Restricted Funds					Unrestricted	2020	2019	
		Capital	Emanuel School	Queen Anne's School	Sutton Valence School	Prize Funds	Grey Coat Hospital	Westminster City School	Revenue	Total	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	
Income and endowments from											
Charitable activities											
- School fees	2	-	16,810	10,273	12,803	-	-	-	-	39,886	41,923
- Academy grants		-	-	-	-	-	7,364	5,916	-	13,280	12,528
Donations, legacies and grants											
	3	-	257	550	441	1	285	282	-	1,816	721
Other trading activities											
	4	-	181	90	117	-	-	-	15	403	1,016
Investments	5	1,157	-	-	-	30	48	123	88	1,446	1,316
Other income	4	-	55	384	242	-	118	63	-	862	1,091
Total income		1,157	17,303	11,297	13,603	31	7,815	6,384	103	57,693	58,595
Expenditure on											
Raising funds											
	6	356	70	719	157	-	-	2	-	1,304	1,495
Cost of charitable activities											
- Provision of education	7	1,302	15,381	11,682	13,519	30	7,973	6,504	1,782	58,173	58,329
Total expenditure		1,658	15,451	12,401	13,676	30	7,973	6,506	1,782	59,477	59,824
Net (expenditure) / income before investment gains		(501)	1,852	(1,104)	(73)	1	(158)	(122)	(1,679)	(1,784)	(1,229)
Net investment gains	11	3,844	-	-	-	(41)	-	-	23	3,826	(80)
Net income/ (expenditure)		3,343	1,852	(1,104)	(73)	(40)	(158)	(122)	(1,656)	2,042	(1,309)
Transfers between funds											
	9	(1,678)	-	295	-	-	-	-	1,383	-	-
Net income/ (expenditure) after transfers		1,665	1,852	(809)	(73)	(40)	(158)	(122)	(273)	2,042	(1,309)
Other recognised gains and losses											
Actuarial (losses)/ gains	21	-	(7)	(7)	(13)	-	407	292	(4)	668	(1,120)
Net movement in funds		1,665	1,845	(816)	(86)	(40)	249	170	(277)	2,710	(2,429)
Balances brought forward at 1 September 2019		106,282	9,029	5,046	7,948	909	(1,649)	(1,297)	7	126,275	128,704
Balances carried forward at 31 August 2020		107,947	10,874	4,230	7,862	869	(1,400)	(1,127)	(270)	128,985	126,275

All of the Foundation's activities derived from continuing operations during the above two financial years. All gains and losses recognised in the year are included in the statement of financial activities.

Full comparatives for the year ended 31 August 2019 are shown in note 24.

The notes set out on pages 42 to 70 form an integral part of these financial statements.

Consolidated balance sheet

As at 31 August 2020

Company Registration Number: 11464504

	Notes	Permanent		Restricted Funds				Unrestricted Revenue	2020 Total	2019 Total	
		Capital	Emanuel School	Queen Anne's School	Sutton Valence School	Prize Funds	Grey Westminister Coat Hospital School				
		£000	£000	£000	£000	£000	£000	£000	£000	£000	
Fixed assets											
Tangible assets	10	111,537	411	227	750	-	141	-	113,066	114,889	
Investments	11	46,087	-	-	-	869	-	376	47,332	42,717	
Total fixed assets		157,624	411	227	750	869	-	141	376	160,398	157,606
Current assets											
Debtors	12	575	216	366	284	-	124	269	625	2,459	2,744
Cash at bank and in hand		-	36	-	39	-	709	1,118	1,090	2,992	958
Short term deposits		-	-	-	-	-	-	-	-	-	500
Total current assets		575	252	366	323	-	833	1,387	1,715	5,451	4,202
Current liabilities											
Creditors due within one year	13	(2,922)	(2,596)	(3,379)	(2,048)	-	(226)	(651)	(900)	(12,722)	(11,625)
Overdraft		-	-	(78)	-	-	-	-	-	(78)	(1,500)
Net current (liabilities) / assets		(2,922)	(2,596)	(3,457)	(2,048)	-	(226)	(651)	(900)	(12,800)	(13,125)
Inter fund	14										
Current account		(143)	2,217	(3,767)	(863)	-	-	-	2,556	-	-
Loan account		13,272	(4,565)	(5,574)	-	-	-	-	(3,133)	-	-
Fixed assets		(55,598)	21,378	18,243	11,468	-	-	-	4,509	-	-
Total inter fund		(42,469)	19,030	8,902	10,605	-	-	-	3,932	-	-
Total assets less current liabilities		112,808	17,097	6,038	9,630	869	607	877	5,123	153,049	148,683
Creditors											
Due after one year	15	(4,861)	(5,486)	(1,018)	(455)	-	-	-	(4,962)	(16,782)	(14,652)
Provisions for liabilities											
Pension liability	21	-	(737)	(790)	(1,313)	-	(2,007)	(2,004)	(431)	(7,282)	(7,756)
Net assets		107,947	10,874	4,230	7,862	869	(1,400)	(1,127)	(270)	128,985	126,275
Funds											
Original endowment land		13,627	-	-	-	-	-	-	-	13,627	13,627
Original endowment investments		7,268	-	-	-	404	-	-	-	7,672	7,670
Fixed assets and other		50,721	11,050	11,628	11,679	-	-	147	4,508	91,463	82,071
Other funds available		36,330	561	(6,608)	(2,504)	465	607	730	(4,347)	23,505	30,663
Pension reserve		-	(737)	(790)	(1,313)	-	(2,007)	(2,004)	(431)	(7,282)	(7,756)
Total funds		107,947	10,874	4,230	7,862	869	(1,400)	(1,127)	(270)	128,985	126,275

The financial statements were approved and authorised for issue by the Trustees on 14 December 2020 and signed on their behalf by:


Toby Mullins, Chair of Trustees

The notes set out on pages 42 to 70 form an integral part of these financial statements.

Main Charity balance sheet

As at 31 August 2020

Company Registration Number: 11464504

	Notes	Permanent		Restricted Funds				Unrestricted Revenue	2020 Total	2019 Total	
		Capital	Emanuel School	Queen Anne's School	Sutton Valence School	Prize Funds	Revenue				
		£000	£000	£000	£000	£000	£000	£000	£000	£000	
Fixed assets											
Tangible assets	10	111,537	411	227	750	-	-	-	112,925	114,756	
Investments	11	46,087	-	-	-	869	-	376	47,332	42,717	
Total fixed assets		157,624	411	227	750	869	-	376	160,257	157,473	
Current assets											
Debtors	12	575	216	366	284	-	124	269	625	2,066	2,286
Cash at bank and in hand		-	36	-	39	-	709	1,118	1,090	1,165	129
Total current assets		575	252	366	323	-	833	1,387	1,715	3,231	2,415
Current liabilities											
Creditors due within one year	13	(2,922)	(2,596)	(3,379)	(2,048)	-	(226)	(651)	(900)	(11,845)	(11,011)
Overdraft		-	-	(78)	-	-	-	-	-	(78)	(1,500)
Net current (liabilities)/assets		(2,922)	(2,596)	(3,457)	(2,048)	-	(226)	(651)	(900)	(11,923)	(12,511)
Inter fund	14										
Current account		(143)	2,217	(3,767)	(863)	-	-	-	2,556	-	-
Loan account		13,272	(4,565)	(5,574)	-	-	-	-	(3,133)	-	-
Fixed assets		(55,598)	21,378	18,243	11,468	-	-	-	4,509	-	-
Total inter fund		(42,469)	19,030	8,902	10,605	-	-	-	3,932	-	-
Total assets less current liabilities		112,808	17,097	6,038	9,630	869	607	877	5,123	151,565	147,377
Creditors											
Due after one year	15	(4,861)	(5,486)	(1,018)	(455)	-	-	-	(4,962)	(16,782)	(14,652)
Provisions for liabilities											
Pension liability	21	-	(737)	(790)	(1,313)	-	(2,007)	(2,004)	(431)	(3,271)	(3,504)
Net assets		107,947	10,874	4,230	7,862	869	(1,400)	(1,127)	(270)	131,512	129,221
Funds											
Original endowment land		13,627	-	-	-	-	-	-	-	13,627	13,627
Original endowment investment		7,268	-	-	-	404	-	-	-	7,672	7,670
Fixed assets and other		50,721	11,050	11,628	11,679	-	-	147	4,508	81,176	81,926
Other funds available		36,330	561	(6,608)	(2,504)	465	607	730	(4,347)	32,308	29,502
Pension reserve		-	(737)	(790)	(1,313)	-	(2,007)	(2,004)	(431)	(3,271)	(3,504)
Total funds		107,947	10,874	4,230	7,862	869	(1,400)	(1,127)	(270)	131,512	129,221

The financial statements were approved and authorised for issue by the Trustees on 14 December 2020 and signed on their behalf by:


Toby Mullins, Chair of Trustees

The notes set out on pages 42 to 70 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 August 2020

Company Registration Number: 11464504

	Notes	2020 £000	2019 £000
Cash inflow from operating activities			
Net cash (used in)/provided by operating activities	A	(380)	1,502
		(380)	1,502
Cash flows from investing activities			
Investment income		1,446	1,077
Purchase of tangible fixed assets		(2,808)	(4,619)
Proceeds from the disposal of investments		36,732	7,063
Purchase of investments		(37,817)	(3,834)
Net cash (used in) investing activities		(2,447)	(313)
Cash flows from financing activities			
Repayments of External borrowing		(1,374)	(1,230)
Repayments of Internal borrowing		1,438	1,419
Increase in pupil deposits		423	284
Cash inflows from new borrowing		5,000	-
Net cash provided by financing activities		5,487	473
<i>Change in cash and cash equivalents in the year</i>		2,660	1,662
Cash and cash equivalents at 1 September		1,726	64
Cash and cash equivalents at 31 August	B	4,386	1,726

Notes to the cash flow statement

For the year ended 31 August 2020

A. Reconciliation of net income to net cash flow provided by/(used in) operating activities

	2020 £000	2019 £000
Net income (as per the statement of financial activities)	2,710	(2,429)
Adjustments for:		
Depreciation charge	4,631	4,409
(Gains)/Losses on investments	(3,826)	80
Investment income	(1,446)	(1,077)
Decrease in debtors	285	1,879
Increase in creditors	(2,787)	(2,475)
Pension adjustment	53	1,115
Net cash (used in)/provided by operating activities	(380)	1,502

B. Analysis of net debt

	At 1 September 2019 £000	Cashflows £000	At 31 August 2020 £000
Cash at bank and in hand	958	2,034	2,992
Overdraft facility repayable on demand	(1,500)	1,422	(78)
Cash held by investment managers	1,768	(296)	1,472
Short term deposits	500	(500)	-
Total cash and cash equivalents	1,726	2,660	4,386
Bank loans falling due within one year	(1,229)	(1,693)	(2,922)
Bank loans falling due after more than one year	(7,789)	(1,933)	(9,722)
Total	(7,291)	(966)	(8,258)

The accompanying notes form part of these accounts.

Notes to the financial statements

For the year ended 31 August 2020

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 (FRS 102) and 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) – Second Edition. The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments.

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

Having reviewed the funding facilities available to the Foundation together with the expected ongoing demand for places, the impact of Covid-19 and the Foundation's future cash flows, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue its activities for the foreseeable future, particularly during a period where there is much disruption as a result of the international spread of Covid-19, and consider that there were no material uncertainties over the Foundation's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements. The Trustees made such an assessment at the last statutory reporting date, 31 August 2020, and at the date of approval of these accounts continue to be satisfied that the Foundation remains a going concern and will remain a going concern for a period of at least one year from the date of these accounts.

The Foundation is a Public Benefit Entity and is registered as a charity in England and Wales (charity number 1181012). The registered address of the Foundation is 57 Palace Street, London, SW1E 5HJ.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgments, 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.

With regards to the academies the present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Consolidated accounts

The Foundation has seven wholly owned trading subsidiaries, BrainCanDo, Dacre Activities Limited, Emanuel International Schools Limited, Lambe Education Limited, QAS Enterprises Limited, Townright Property Management Limited and Westminster Grey Coat Property Company Limited, in addition to controlling two academies, Grey Coat Hospital and Westminster City School. Consolidated accounts are prepared including the academies but not for the trading subsidiaries on the basis that they would not be materially different from those of the charity save for the investment in Westminster Grey Coat Property Company Limited.

In accordance with Section 408 of the Companies Act 2006 no separate Statement of Financial Activities is presented for the Foundation. The main charity income for the year was £43,495,000 (2019 - £44,814,000) with a surplus of £2,324,000 (2019 - deficit £990,000).

Income

Fees receivable and charges for services and use of the premises are accounted for in the year in which the services are provided. Fees receivable are stated after deducting bursaries, scholarships and other remissions allowed by the School, but include contributions received from restricted bursary funds and third parties. Deposits are included as a liability until refunded or, on ceasing to be refundable, are credited to income. Advance fees are credited to income as and when they fall due.

Academy grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Notes to the financial statements (continued)

1. Accounting Policies (continued)

Income (continued)

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund.

Revenue grants are credited to the Foundation Revenue Fund and capital grants are credited to the Foundation Capital Fund.

Donations received for the general purposes of the schools are credited to 'other restricted funds', to distinguish them from ordinary school income. Donations subject to specific wishes of the donors are credited to relevant restricted funds. Donations are credited to the statement of financial activities when received. Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme (CJRS also known as furlough grant). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

Other income, including investment income, is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. Expenditure comprises the following:

- The costs of raising funds include financing costs, investment managers' fees and costs of trading.
- The cost of charitable activities relates to the provision of education and includes teaching, welfare, premises and marketing costs incurred by schools and in the upkeep of school buildings.
- It also includes support costs which represent school administration costs. In order for the schools to be able to undertake their activities, it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and a suitable working environment.
- Governance costs are also included within cost of charitable activities and these represent the costs incurred by the Foundation's main office in complying with constitutional statutory, accounting and regulatory requirements.

Expenditure has been charged to the activities to which it relates without the need for any significant apportionment.

Tangible fixed assets

All assets with an expected useful life exceeding one year are capitalised. There is no specific minimum amount below which assets are written off. The limit is dependent upon the nature of the asset.

Freehold land and buildings are included in the financial statements at a valuation made at 31 August 1997 by the Trustees, with professional assistance, on the basis of market value for existing use. The valuations were deemed to be cost under the transitional provisions of FRS 102.

Additions to buildings and purchases of fixtures and fittings, equipment and computers are included in the balance sheet at cost.

Depreciation is charged on a straight line basis so that assets are written off over their estimated useful lives. The following rates apply:

- Freehold land Nil
- Functional buildings 2% to 25%
- Equipment and furniture 10% to 33.3%
- Vehicles (including boats) 10% to 25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are being used.

Fixed assets – fund accounting

Buildings erected on a piece of land belong to the landowner and are not legally separate (unless leased to a tenant, not applicable here). Therefore all buildings constructed on land held as original permanent endowment asset are shown in permanent endowment tangible fixed assets. Where they have been built since 1997 using Restricted or Unrestricted funds, a corresponding permanent endowment inter-fund creditor is shown.

Under the Academies Accounts Direction, all buildings at Grey Coat Hospital School and Westminster City School (for which the Foundation is the Trustee and landowner) are now held in permanent endowment fixed assets.

Notes to the financial statements (continued)

1. Accounting Policies (continued)

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost 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 as 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.

Investments

Unquoted investment

The investment in subsidiaries are included in the balance sheet at the cost of the share capital owned. The investment in Westminster Grey Coat Property Company Limited is held at fair value. Investment properties are included at the fair value to the charity.

Listed investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value where the investment is 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds structure

Permanent fund

The permanent fund comprises assets which are held indefinitely as capital, and includes investments and functional (school) land together with the functional property, whether part of the original gift or subsequently built or acquired. The income extracted from the fund is not restricted.

Restricted funds

The restricted funds relate to funds which have been received, and their use restricted to, a specific purpose, or grants and donations subject to donor-imposed conditions. Restricted funds include the fee income of the three independent schools and the DfE grant revenue received by the two academies which are restricted for use only at the respective school.

There are some revenues received by the independent schools which, albeit not strictly restricted, are designated by Trustees as for use by that school. For simplicity they are presented in this report within restricted funds for the related school.

Unrestricted funds

Unrestricted funds, being general funds, represent those monies which are freely available for application towards achieving any charitable purpose that falls within the objects of the charity.

Taxation

The Foundation is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements (continued)

1. Accounting Policies (continued)

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Pension costs

Retirement benefits for employees are provided by independently administered schemes for teachers and support staff. They are funded by contributions from the employer and employees. Contributions to defined contribution schemes are charged to the statement of financial activities when payable.

The Local Government Pension scheme (LGPS) is a funded scheme and the assets are held separately from those of the academies in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

For the other defined benefit schemes, the charity is unable to identify its share of the underlying assets and liabilities of either scheme on a reasonable and consistent basis. Therefore, in accordance with FRS 102, it has accounted for its normal contributions as if the schemes were defined contribution schemes. Normal contributions are charged to the statement of financial activities when payable.

For the support staff defined benefit scheme the present value of the expected deficit recovery contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability. More detail is provided in note 21.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2. School fees

	Restricted funds	
	2020	2019
	£000	£000
Gross fees receivable	48,399	47,504
Less: total bursaries, grants and allowances	(6,097)	(5,910)
Less: Tuition fee rebate (operational savings from Covid-19 shutdown)	(2,694)	-
	39,608	41,594
Add back: scholarships, grants, etc. paid for by external trust funds	278	329
	39,886	41,923

The schools largely closed for the summer term 2020 as required by the first government 'lockdown' to control the spread of covid-19. Accordingly the governing bodies did not charge for boarding services, lunches or any co-curricular activities not delivered. The amounts not charged, and consequently a reduction in typical turnover, were approximately £441,000 for Sutton Valence School and £1,066,000 for Queen Anne's School. Where invoices had been raised, at Easter 2020, they were credited at the time and are excluded from Fees above.

Tuition fees were levied throughout the year, as usual, albeit teachers delivered learning remotely during the summer term. The schools were able to derive operational savings in that time (reduced food, consumables, utilities, etc), as well as taking advantage of HM government's job retention 'furlough' scheme (grant income, see note 3). Accordingly the governing bodies felt it appropriate to rebate to parents part of the tuition fees as shown above, comprising Queen Anne's School £721,220, Sutton Valence School £1,111,236 and Emanuel School £862,461.

Notes to the financial statements (continued)

3. Donations, legacies and grants

	Restricted funds	
	2020 £000	2019 £000
Donations	601	721
HM government's job retention scheme grant	1,215	-
	1,816	721

4. Other trading activities and other income

Current Year	Restricted £000	Unrestricted £000	Total 2020 £000
Property lettings income	302	15	317
Rental income from employees	53	-	53
Tuck Shop	33	-	33
Total income from other trading activities	388	15	403
Trips, registration fees and sundry income	862	-	862

Prior Year	Restricted £000	Unrestricted £000	Total 2019 £000
Property lettings income	881	18	899
Rental income from employees	45	-	45
Tuck Shop	70	-	70
Back office services	2	-	2
Total income from other trading activities	998	18	1,016
Trips, registration fees and sundry income	1,091	-	1,091

5. Investment income

Current Year	Permanent £000	Restricted £000	Unrestricted £000	Total 2020 £000
Pooled investment funds	1,117	30	-	1,147
Interest receivable	-	-	11	11
Rent from investment properties	40	171	77	288
	1,157	201	88	1,446

Prior Year	Permanent £000	Restricted £000	Unrestricted £000	Total 2019 £000
Pooled investment funds	929	46	-	975
Interest receivable	-	-	1	1
Rent from investment properties	52	236	52	340
	981	282	53	1,316

Notes to the financial statements (continued)

6. Cost of Raising Funds

Current year	Permanent £000	Restricted £000	Unrestricted £000	Total 2020 £000
Investment management fees	356	-	-	356
Financing costs (note 15)	-	520	-	520
Letting and trading costs	-	428	-	428
	356	948	-	1,304

Prior year	Permanent £000	Restricted £000	Unrestricted £000	Total 2019 £000
Investment management fees	360	-	-	360
Financing costs (note 15)	-	486	-	486
Letting and trading costs	-	649	-	649
	360	1,135	-	1,495

7. Provision of education

Current year	Staff costs £000	Depreciation £000	Other costs £000	Total 2020 £000
Teaching	26,130	1,618	2,715	30,463
Welfare	6,331	20	2,940	9,291
Premises	1,265	2,558	4,649	8,472
Marketing	294	-	545	839
Governance costs	150	54	304	508
Support costs	5,761	382	2,457	8,600
	39,931	4,632	13,610	58,173

Prior Year	Staff costs £000	Depreciation £000	Other costs £000	Total 2019 £000
Teaching	24,611	1,688	3,236	29,535
Welfare	6,248	29	3,627	9,904
Premises	1,193	2,271	4,967	8,431
Marketing	341	-	845	1,186
Governance costs	146	58	578	782
Support costs	5,607	397	2,487	8,491
	38,146	4,443	15,740	58,329

Governance costs include auditor's remuneration of £39,992 plus VAT (2019 – £35,900). The auditors also received £6,285 plus VAT in respect of non-audit services (2019 – £4,325).

Notes to the financial statements (continued)

7. Provision of education (continued)

	2020	2019
	£000	£000
Permanent	1,301	1,301
Restricted	55,088	55,023
Unrestricted	1,784	2,005
	58,173	58,329

The Trustees and governors received no remuneration in the year, but travel expenses of £3,032 (2019 – £5,358) were reimbursed to them. During the year the charity paid for indemnity insurance, training, entertainment on behalf of the Trustees and governors costing £32,691 (2019 – £9,656).

8. Staff costs

Staff costs during the year for the provision of education were as follows	2020	2019
	£000	£000
Emanuel School	10,703	9,832
Queen Anne's School	7,480	7,188
Sutton Valence School	9,531	9,362
Grey Coat Hospital	6,418	6,209
Westminster City School	5,200	4,973
Foundation	599	582
	39,931	38,146
Staff costs comprise:		
Wages and salaries	29,268	28,682
Social security costs	2,948	2,947
Pension costs	5,876	4,541
Other staff costs	1,839	1,976
	39,931	38,146

The cost of non-contractual payments to staff leaving totalled £153,992 (2019- £126,530). The number of employees who earned £60,000 or more (including taxable benefits, but excluding pension contribution, any pupil fee discounts and any provision of accommodation) during the year was as follows:

	2020	2019
£60,001 - £70,000	42	41
£70,001 - £80,000	26	17
£80,001 - £90,000	7	8
£90,001 - £100,000	5	1
£100,001 - £110,000	1	2
£110,001 - £120,000	4	1
£120,001 - £130,000	-	1
£140,001 - £150,000	-	1
£150,001 - £160,000	-	2
£160,001 - £170,000	2	1
£190,001 - £200,000	1	-
	88	75

Notes to the financial statements (continued)

8. Staff costs (continued)

	Headcount	Headcount	FTE	FTE
	2020	2019	2020	2019
	947	856	710	763

The key management personnel of the charity comprise the Trustees, governors, the five Headteachers and the Foundation CEO/Clerk.

The remuneration of the key management personnel for the year (including taxable benefits and employer's pension contributions, but excluding expenses claimed and the benefit of any pupil fee discounts and provision of accommodation) was £986,502 (2019 - £920,094).

9. Analysis of transfers between funds

	Permanent	Restricted	Unrestricted
	£000	£000	£000
Current year			
Bursaries and prizes	-	295	(295)
Extraction of investment income from total return on investments (note 11)	(1,678)	-	1,678
	(1,678)	295	1,383
Prior Year			
Bursaries	-	285	(285)
Extraction of investment income from total return on investments (note 11)	(1,653)	-	1,653
	(1,653)	285	1,368

10. Tangible fixed assets

Group	Land and buildings	Vehicles	Equipment and furniture	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 September 2019	160,124	437	5,309	165,870
Additions	2,180	19	609	2,808
Disposal	-	-	(394)	(394)
At 31 August 2020	162,304	456	5,524	168,284
Cost	126,495	456	5,524	132,475
Valuation at 31 August 1997	35,809	-	-	35,809
	162,304	456	5,524	168,284

Depreciation

At 1 September 2019	(46,762)	(382)	(3,837)	(50,981)
Charge for year	(4,005)	(32)	(594)	(4,631)
On disposals	-	-	394	394
At 31 August 2020	(50,767)	(414)	(4,037)	(55,218)
Net book values				
At 31 August 2020	111,537	42	1,487	113,066
At 31 August 2019	113,362	55	1,472	114,889

Notes to the financial statements (continued)

10. Tangible fixed assets (continued)

Main Charity	Land and buildings £000	Vehicles £000	Equipment and furniture £000	Total £000
Cost or valuation				
At 1 September 2019	160,124	437	4,960	165,522
Additions	2,180	19	543	2,742
Disposal	-	-	(394)	(394)
At 31 August 2020	162,304	456	5,109	167,870
Cost	126,495	456	5,109	132,061
Valuation at 31 August 1997	35,809	-	-	35,809
	162,304	456	5,109	167,870
Cost or valuation				
Depreciation				
At 1 September 2019	(46,762)	(382)	(3,622)	(50,766)
Charge for year	(4,005)	(32)	(536)	(4,573)
On disposals	-	-	394	394
At 31 August 2020	(50,767)	(414)	(3,764)	(54,945)
Net book values				
At 31 August 2020	111,537	42	1,346	112,925
At 31 August 2019	113,362	55	1,338	114,756

As permitted under FRS102, the Foundation has opted to adopt a policy of not revaluing its operational fixed assets. The book value of the land and buildings is based on the Trustees' valuation in 1997 with subsequent additions to land and buildings stated at cost. Other fixed assets are stated at cost.

11. Investments

Group	Permanent £000	Restricted £000	Unrestricted £000	Total 2020 £000	Total 2019 £000
Investment properties (i below)	11,087	-	-	11,087	9,390
Unquoted investments (ii)	-	-	-	-	-
Listed investments (iii)	35,000	869	376	36,245	33,327
At 31 August 2020	46,087	869	376	47,332	42,717
At 31 August 2019	41,460	909	348	42,717	

Unquoted investments for the main charity only are £6.3m reflecting the investment in Westminster Grey Coat Property Company Limited.

Notes to the financial statements (continued)

11. Investments (continued)

i. Investment properties (directly held)

There are four investment properties, in Central London, included at an open market valuation at 31 August 2020 as estimated by the Trustees, as follows:

Group	2020 £000	2019 £000
Market value at 1 September 2019	9,390	10,015
Net investment gains	1,697	-
Disposal proceeds	-	(625)
Market value at 31 August 2020	11,087	9,390
Unrealised gains at 1 September	2,940	3,565
Add: net gains arising on revaluation to market value at 31 August	1,697	-
Disposals	-	(625)
Unrealised gains on properties at 31 August	4,637	2,940

ii. Unquoted investments

The main charity holds five unquoted investments:

- Dacre Activities Limited;
- Emanuel International Schools Limited;
- Lambe Limited;
- QAS Enterprises Limited; and
- Westminster Grey Coat Property Company Limited.

The main charity holds a £2 investment in each of the above companies except for Westminster Grey Coat Property Company in which it holds an investment of £6.3m (on consolidation this is recognised as an investment property, (i)). For a summary of the trading subsidiaries' results for the year, see note 22.

iii. Listed investments

Listed investments are mostly directly-held equities, a few pooled investment funds and cash.

Group and Company	Permanent £000	Restricted £000	Unrestricted £000	Total 2020 £000	Total 2019 £000
Market value at 1 September 2019	30,302	909	348	31,559	34,234
Additions at cost	37,811	1	5	37,817	3,834
Disposal proceeds	(36,732)	-	-	(36,732)	(6,438)
Net investment gains	2,147	(41)	23	2,129	(80)
Market value at 31 August 2020	33,528	869	376	34,773	31,589
Cash deposit	1,472	-	-	1,472	1,768
Total at 31 August 2020	35,000	869	376	36,245	33,327
Cost of listed investments at 31 August 2020	29,854	404	141	30,399	

Notes to the financial statements (continued)

11. Investments (continued)

iii. Listed investments (continued)

	2020	2019
	£000	£000
Unrealised gains at 1 September 2019	8,035	9,362
Less: realised in respect of disposals in year (within proceeds above)	(5,789)	(1,247)
Unrealised gains brought forward after adjusting for disposals	2,246	8,115
Add: net gains arising on revaluation to market value at 31 August 2020	2,129	(80)
Unrealised gains on listed investments at 31 August 2020	4,375	8,035

Taken with property (see i above) and unquoted investments the total unrealised gains at 31 August 2020 were £12,661,560 (at 31 August 2019 £14,625,229).

Almost all of the £35m permanent endowment listed investment is held in a single fund at Sarasin. However, there is within this category a private equity fund managed by Cazenove and a separate accumulated trust fund investment held at CCLA:

	2020		2019	
	Capital Sum £000	Market Value £000	Capital Sum £000	Market Value £000
Recoupment of £35,000 for Emmanuel School swimming baths building; capital sum to be held for 60 years from 1974 to 2034	3	391	3	367

Permanent Fund Investments

Since 2004, the Trustees have managed all their investments in the Permanent Fund on a total return basis. This includes all the permanent investments in property, unquoted and listed investments as described above (i, ii & iii) plus the five internal loans.

The Permanent Fund investments and movements in the unapplied total return are set out below.

	"Original Gift"* £000	Unapplied total return £000	Total £000
At 1 September 2019	7,268	41,773	49,041
Add: Total return			
Investment income	-	1,157	1,157
Investment gains on listed investments	-	3,844	3,844
	7,268	5,001	5,001
Less:			
Extraction of income from total return at 4% per annum	-	(1,678)	(1,678)
Investment management fees (equates to an ongoing charges figure of 1.0%, 2019 - 1.18%)	-	(356)	(356)
	-	(2,034)	(2,034)
At 31 August 2020	7,268	44,740	52,008

Notes to the financial statements (continued)

11. Investments (continued)

Permanent Fund Investments (continued)

Represented by:

	2020	2019
	£000	£000
Permanent Fund fixed asset investments	46,087	41,460
Cash in transit, loans and advances to other funds	5,346	7,581
Debtors	575	-
	52,008	49,041

* When adopting total applied return in 2004, in the absence of reliable records of the original donations, the Trustees considered that the market value of the investments as recorded in 1980 (were appropriate) to be considered as the value of the original gifts. Since that figure sets the baseline below which disposals may not be made, taking a higher value than the actual donations was considered to be prudent.

12. Debtors

	Group		Main Charity	
	2020 £000	2019 £000	2020 £000	2019 £000
Fees receivable	154	269	154	269
Other debtors, prepayments and accrued income	2,305	2,473	1,912	2,017
	2,459	2,744	2,066	2,286

13. Creditors: amounts falling due within one year

	Group		Main Charity	
	2020 £000	2019 £000	2020 £000	2019 £000
Fees received in advance	4,963	4,062	4,963	4,062
Pupils' deposits	1,021	864	1,021	864
Trade creditors	768	1,019	248	827
Taxes, social security and pensions	1,019	926	1,019	926
Other creditors and accruals	1,807	3,371	1,450	2,949
Bank loans (note 15)	2,922	1,299	2,922	1,229
Prepaid fees scheme	222	142	222	154
	12,722	11,625	11,845	11,011

Notes to the financial statements (continued)

14. Intra-fund balances

A) 'Loans' from the Permanent Fund

Under the total return policy adopted in 2004 (described further in note 11) Trustees may extract from the permanent endowment although only as far as the 'original gift' amount (actually the 1980 investment market values). Therefore the permanent fund may be used for development of, or repairs to, Foundation property at the Trustees' discretion.

Prior to adoption of the total return policy, when loans were made, the Charity Commission formally required that the amounts be recouped from future unrestricted income or be repaid by capital accumulation, as shown below. Nevertheless, strictly all these sums are within the total return permitted extraction and their future repayment is a trustee policy, no longer an external obligation.

Between Foundation Revenue and Permanent: <i>By annual loan repayment</i>	Balance at 1 September 2019 £000	New/(Repaid) In year £000	Balance at 31 August 2020 £000
Recoupment of £5,617,000 Grey Coat Hospital School: St Michael's acquisition and development over 40 years to 2036	2,588	(171)	2,417
Recoupment of £700,000 Grey Coat Hospital School: Sixth Form Building extension over 25 years to 2041	616	(28)	588
	3,204	(199)	3,005
Between Queen Anne's School and Permanent:	Balance at 1 September 2019 £000	New/(Repaid) In year £000	Balance at 31 August 2020 £000
£500,000 Performing Arts Centre development over 30 years to 2024	67	(17)	50
£2 million Maddock Boarding Accommodation over 30 years to 2043	1,600	(67)	1,533
£3 million Sports Centre development over 30 years to 2030	1,000	(100)	900
	2,667	(184)	2,483
Commercial loans allocated notionally to schools	Balance at 1 September 2019 £000	New/(Repaid) In year £000	Balance at 31 August 2020 £000
Five bank loans forming part of financing new buildings (see note 15)	9,018	(1,234)	7,782
Total loans made from the Permanent fund:	14,889	(1,617)	13,272

B) Fixed assets

All buildings constructed on land held as original permanent endowment asset are shown in permanent endowment tangible fixed assets. Where they have been built since 1997 using Restricted or Unrestricted funds, a corresponding permanent endowment inter-fund creditor is shown.

Amounts owed by the Permanent Endowment to other funds:	Balance at 1 September 2019 £000	Movement in year £000	Balance at 31 August 2020 £000
Between the Permanent Endowment and Emanuel School restricted funds	21,630	(252)	21,378
Between the Permanent Endowment and Queen Anne's School restricted funds	19,089	(846)	18,243
Between the Permanent Endowment and Sutton Valence School restricted funds	10,682	786	11,468
Between the Permanent Endowment and the unrestricted revenue funds	4,723	(214)	4,509
	56,124	(526)	55,598

C) Current Account

The current account reflects working capital for month to month changes to fee balances and salary costs.

Notes to the financial statements (continued)

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

Group and Main Charity	2020 £000	2019 £000
Pupils' deposits	6,428	6,354
Bank loans	9,722	7,789
Former support staff	200	200
Prepaid fees scheme	432	309
	16,782	14,652

At 31 August 2020 the Foundation had the following bank loans which are secured by a charge over its listed investment portfolio:

Group and Main Charity	Balance as at 1 September 2019 £000	Capital borrowing £000	Capital repayments £000	Balance as at 31 August 2020 £000	Of which payments due under one year £000	Memorandum: Interest charged £000
QAS Holmes House Loan	556	-	(278)	278	278	22
QAS Sixth Form Loan 1	2,386	-	(173)	2,213	179	93
QAS Sixth Form Loan 2	700	-	(100)	600	100	17
Emanuel Dacre Loan 1	2,314	-	(336)	1,978	348	69
Emanuel Dacre Loan 2	3,063	-	(349)	2,714	350	67
Coronavirus Large Business Interruption Loan Scheme	-	5,000	(139)	4,861	1,667	7
	9,018	5,000	(1,375)	12,644	2,922	276

- The capital on the £2.5m loan to rebuild QAS Holmes House taken out in 2012 is repayable in twenty-seven instalments of £92,593, ending in May 2021, with interest charged at a fixed rate of 4.8%.
- The capital on the second loan for £3m taken out in November 2015 for the QAS Sixth Form Centre is repayable in forty-eight instalments of £62,500, ending in 2025, with interest charged at a fixed rate of 3.94%.
- The third loan for £1m is at variable rate, presently 2.7%, taken out in August 2016 for the QAS Sixth Form Centre, repayable by 2026, or sooner if Trustees wish.
- The fourth loan forms part of the financing of the Dacre building at Emanuel School. It was drawn for £3.5m in November 2015 and is repayable in forty quarterly instalments of £87,500, ending in 2025, interest payable at a fixed rate of 3.66%.
- The fifth loan for £3.75m is at variable rate, presently 2.6%, taken out in July 2017 for the Dacre building at Emanuel School, repayable by 2027 or sooner if Trustees wish.
- The sixth loan for £5m is from the Coronavirus Large Business Interruption Loan Scheme (CLBILS) repayable over three years to July 2023, at a variable rate of 0.71% over base rate in the first year and 1.21% over base rate in second and third years. Unlike the other loans held by the Permanent Endowment Fund, this loan is held by the Unrestricted Fund.

Notes to the financial statements (continued)

16. Prepaid fees scheme

Parents, guardians or relations may pay a capital sum to the Foundation, which will then give a termly contribution towards fees for up to seven years.

The money may be returned subject to specific conditions. Assuming pupils will remain in the scheme, advance fees will be applied as follows:

Group and Main Charity	31 August 2020	31 August 2019
	£000	£000
Over 5 years	23	45
Between 2 and 5 years	221	145
Between 1 and 2 years	192	119
	436	309
Within 1 year	222	154
Total liabilities	658	463

The movements during the year were:

	£000
Cash held at 1 September 2019	453
Creation of new schemes	347
Interest added	5
Payment of school fees	(164)
Cash held 31 August 2020 (year end creditor)	641
Liability covered by future interest	17
Total future liabilities	658

17. Prizes fund

	At 1 September 2019	Income	Expenditure and transfers	Investment Gains	At 31 August 2020
	£000	£000	£000	£000	£000
Prizes and scholarship funds					
Westminster City School (misc)	211	7	(7)	8	219
Westminster City School: Hammond Trust	415	16	(16)	(57)	358
Sutton Valence School	72	2	(1)	2	75
Emanuel School	33	1	(1)	1	34
Grey Coat Hospital School	133	4	(4)	4	137
Queen Anne's School	45	1	(1)	1	46
Total prizes fund	909	31	(30)	(41)	869

Notes to the financial statements (continued)

17. Prizes fund (continued)

	At 1 September 2018	Income	Expenditure	Investment Gains	At 31 August 2019
	£000	£000	£000	£000	£000
Prior year					
Westminster City School (misc)	199	6	(6)	12	211
Westminster City School: Hammond Trust	442	22	(22)	(27)	415
Sutton Valence School	68	2	(2)	4	72
Emanuel School	31	2	(2)	2	33
Grey Coat Hospital School	126	6	(6)	7	133
Queen Anne's School	43	1	(1)	2	45
Total prizes fund	909	39	(39)	-	909

The prizes and scholarship funds are for specific awards payable at the discretion of the Head of the school concerned, subject to the approval of the Trustees.

18. Capital commitments

	2020	2019
	£000	£000
Authorised and contracted for	-	439
Authorised and not contracted for	314	259

19. Leasing commitments

	2020	2019
	£000	£000
At 31 August the charity had total commitments under non-cancellable operating leases as follows:		
Within one year	114	341
Within two to five years	161	279

20. Post balance sheet events

There are no material or relevant post balance sheet events to report.

Notes to the financial statements (continued)

21. Pension commitments

Retirement benefits for employees are provided as below:

- Teachers' Pension Scheme for teaching staff;
- Four defined contribution (DC) schemes for the independent schools and Foundation Office, with The Pensions Trust ('TPT Retirement Solutions') open to all support staff;
- One defined benefit (DB) scheme for a chaplain with the Church of England Pensions Board;
- Two open DB schemes with TPT Retirement Solutions for thirty support staff at QAS and six closed DB schemes with TPT Retirement Solutions for support staff now closed to future accrual;
- Two other smaller DB schemes closed to new joiners and to further accrual by current staff; and
- the DB scheme open to all academy support staff ('LGPS').

All schemes are funded by contributions from the employer and employees.

The employer's pension charge for the year for all schools in the group, excluding pension enhancements and deficit recovery contributions was:

	2020	2019
	£000	£000
Teachers' Pension Scheme	4,493	3,145
Non-teaching pension schemes	609	866
	5,102	4,011

a) Teachers

The Schools participate in the Teachers' Pension Scheme ('the TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £4,393k (2019- £3,145k) and at the year-end £536k (2019 - £417k) 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.

Notes to the financial statements (continued)

21. Pension commitments (continued)

b) Support staff DC schemes

At the independent schools and Foundation Office all staff (bar 30 individuals) are offered, and where they wish enrolled, in defined contribution (DC) schemes provided by TPT Retirement Solutions.

The number of current active and contributing members is as follows:

• Queen Anne's School	42 people (see also section (d) for 28 people in DB scheme)
• Emanuel School	78 people
• Sutton Valence School	84 people
• Foundation office	6 people

Where support staff belong to a defined contribution scheme the employer payments are charged to the statement of financial activities, when payable. There is no liability attaching for the Charity.

c) Chaplain DB scheme

For the chaplain at Queen Anne's School a DB scheme is provided the Church of England Funded Pensions Scheme for stipendiary clergy. It is only provided to one member of staff. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2018 and 2019 - £3,000), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total credit of £7,000 in 2019 (2018 charge £5,000).

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends. The legal structure of the scheme is such that if another Responsible Body fails, Queen Anne's School (Caversham) could become responsible for paying a share of that Responsible Body's pension liabilities.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

An investment strategy of:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability is set out in the table below.

	2019	2018
Balance sheet liability at 1 January	19,000	24,000
Deficit contribution paid	(3,000)	(3,000)
Remaining change to the balance sheet liability* (recognised in SoFA)	10,000	(2,000)
Balance sheet liability at 31 December	6,000	19,000

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

Notes to the financial statements (continued)

21. Pension commitments (continued)

c) Chaplain DB scheme (continued)

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2019	December 2018	December 2017
Discount rate	1.1% pa	2.1% pa	1.4% pa
Price inflation	2.8% pa	3.1% pa	3.0% pa
Increase to total pensionable payroll	1.3% pa	1.6% pa	1.5% pa

d) Support staff DB schemes

There are two DB schemes at Queen Anne's School open to future accrual of benefits: a career average revalued earnings ('CARE') DB pension with 11 active members and a final salary pension with 17 active members operated by TPT Retirement Solutions. There are also a number of closed DB schemes with TPT Retirement Solutions to which support staff had made contributions in the past, which are now deferred, but with an historic employer liability.

TPT Retirement Solutions provides benefits to some 66 non-associated employers. The Foundation is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the Foundation has taken advantage of the exemption in FRS 102 and has accounted for its normal pension contributions to the schemes as if they were defined contribution schemes.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m.

The financial assumptions underlying the valuation were as follows:

Latest actuarial valuation	30 September 2017
Actuarial method	Projected unit
Investment return pre-retirement	Gilt curve + 2.4%
Investment return post retirement	Gilt curve + 0.45%
Inflation rate (RPI)	RPI inflation curve
Inflation rate (CPI)	RPI less 0.9%
Rate of pension increase (5% cap)	In line with RPI / CPI Inflation assumption
Rate of pension increase (2.5% cap)	In line with RPI / CPI Inflation assumption
Salary scale increases per annum	CPI

The accumulated assets of the Scheme were assumed to earn the same return as if they had been invested in a portfolio comprising 100% UK equities for non-pensioner liabilities and 25% UK equities/75% gilts for pensioner liabilities.

The valuation revealed a shortfall of assets compared with the value of liabilities of some £38.2 million (equivalent to a past service funding level of 80%).

Notes to the financial statements (continued)

21. Pension commitments (continued)

Deficit contributions

To eliminate this historic funding shortfall, the pension Trustee has asked the participating employers to pay revised additional contributions to the scheme. The Foundation has entered into an agreement with the Pensions Trust to make additional payments of:

- £70,000 per year in respect of Emanuel School;
- £75,000 per year in respect of Queen Anne's School.
- £125,000 per year in respect of Sutton Valence School; and
- £41,000 per year in respect of Foundation Office staff.

Under FRS 102 the Foundation recognises a liability for the funding arrangement, calculated as the net present value of the deficit reduction contributions payable, discounted at 0.9% at 31 August 2020. The unwinding of the discount rate is then recognised as a finance cost.

Details of the liability and movements in the year are set out below:

	Restricted £000	Unrestricted £000	2020 £000	2019 £000
Balance sheet liability at 1 September	3,043	462	3,505	3,543
Deficit contribution paid	(262)	(40)	(302)	(308)
Interest cost (recognised in SoFA)	31	5	36	67
Remaining change to the balance sheet liability*	28	4	32	203
Balance sheet liability at 31 August	2,840	431	3,271	3,505

* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

This liability represents the present value of the liability agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	At 31 August 2020	At 31 August 2019
Discount rate	0.9%	1.1%

e) Other support staff closed DB schemes

Two other smaller historic schemes were referred to in the introduction to this note, which are now described in greater detail.

TPT Retirement Solutions operated a scheme some years ago to collect additional voluntary contributions, known as 'Growth Plan' which provided employees with some DB protections. However, the Foundation paid the shortfall owed and withdrew from the scheme during the year ended 30 June 2018. There is no ongoing or other liability.

The Foundation also has a DB pension scheme for six former members of support staff operated by London Pension Funds Authority (LPFA), again closed to future accrual and new joiners. A cessation valuation prepared in April 2016 showed a deficit of £200,000. During the year ended 31 August 2019 a bank bond was provided to LPFA for the full potential liability.

Notes to the financial statements (continued)

21. Pension commitments (continued)

f) Local government pension scheme

The LGPS is a funded defined benefit pension scheme in relation to the two academies controlled by the Foundation, Grey Coat Hospital and Westminster City School, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £444,000 (2019- £764,000), of which employers' contributions totalled £332,000 (2019- £328,000) and employees' contributions totalled £112,000 (2019- £98,000). The agreed contribution rates for future years are 17% for employers plus an annual lump sum, currently £16,000. Employee contributions are from 5.5% to 12.5% depending upon gross pay.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions	2020	2019
Rate of increase in salaries	3.3%	3.7%
Rate of increase for pensions in payment/inflation	2.3%	2.2%
Discount rate for scheme liabilities	1.6%	1.9%
Inflation assumption (CPI)	2.3%	2.2%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2020	2019
Retiring today		
Males	21.8	23.4
Females	24.4	24.8
Retiring in 20 years		
Males	23.2	25.1
Females	25.9	26.6

Below sets out the impact on the present value of defined benefit obligations of changes in key assumptions.

Sensitivity analysis	2020 £000	2019 £000
Discount rate +0.1%	11,906	11,010
Discount rate -0.1%	12,499	11,558
Mortality assumption – 1 year increase	12,690	11,702
Mortality assumption – 1 year decrease	11,727	10,876

The two academy trusts' share of the assets in the scheme were:

	Fair value 2020 £000	Fair value 2019 £000
Equities	6,153	5,236
Corporate bonds	1,217	1,069
Property	769	720
Cash and other liquid assets	49	4
Total market value of assets	8,188	7,029

The actual return on scheme assets was £752,000 (2019 £371,000).

Notes to the financial statements (continued)

21. Pension commitments (continued)

f) Local government pension scheme (continued)

Amount recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost (net of employee contributions)	703	689
Net interest cost	76	71
Admin expenses	6	4
Total amount recognised in the SoFA	785	764

Changes in the present value of defined benefit obligations were as follows:

	2020 £000	2019 £000
At 1 September	11,281	9,170
Current service cost	703	633
Past service cost	-	56
Interest cost	212	243
Employee contributions	112	98
Actuarial (gain)/loss	(40)	1,724
Change in demographic and financial assumptions	(10)	(601)
Benefits paid	(59)	(42)
At 31 August	12,199	11,281

Changes in the fair value of the two academies' share of scheme assets:

	2020 £000	2019 £000
At 1 September	7,029	6,278
Interest income	136	170
Return on assets less interest	286	-
Admin expenses	(6)	(2)
Actuarial gain/(loss)	358	199
Employer contributions	332	328
Employee contributions	112	98
Benefits paid	(59)	(42)
At 31 August	8,188	7,029

Notes to the financial statements (continued)

22. Subsidiary companies

QAS Enterprises Limited

The Foundation wholly owns QAS Enterprises Limited (Company Number: 04065863), which manages the non-school trading and letting activities for Queen Anne's School. The company has two £1 ordinary shares, and its trading results for the year ended 30 June 2020, as extracted from the audited financial statements, are summarised below:

	2020	2019
	£000	£000
Turnover	117	187
Cost of sales	(63)	(72)
Gross profit	54	115
Administrative expenses	(6)	(6)
Profit on ordinary activities before taxation and Gift Aid	48	109
Taxation	-	-
Gift Aid donation to the Foundation	(48)	(109)
Retained (loss) profit for the year	-	-

The assets and liabilities of the subsidiary at 30 June 2019 were:

	2020	2019
	£000	£000
Current assets	109	191
Creditors: amounts falling due within one year	(109)	(191)
	-	-

Dacre Activities Limited

The Foundation owns the whole of the ordinary share capital, consisting of two ordinary shares of £1 each, of Dacre Activities Limited (Company Number: 06990593), which manages the non-school trading and letting activities for Emanuel School and Sutton Valence School. Its trading results for the financial year to 31 August 2020, as extracted from the audited financial statements, are summarised below:

	Year ended 31 August 2020	Period ended 31 August 2019
	£000	£000
Turnover	231	318
Cost of sales	(60)	(112)
Administrative expenses	(9)	(9)
Profit on ordinary activities before Gift Aid	162	197
Gift Aid	(162)	(197)
Retained profit	-	-

The assets and liabilities of the subsidiary were:

	31 August 2020	31 August 2019
	£000	£000
Current assets	30	69
Creditors falling due within one year	(30)	(69)
	-	-

Notes to the financial statements (continued)

22. Subsidiary companies (continued)

Lambe Education Limited

The Foundation also owns the whole of the ordinary share capital, consisting of two ordinary shares of £1 each, of Lambe Education Limited (Company Number: 10234041), to manage certain trading activities related to Sutton Valence School. Its trading results for the financial year to 31 August 2020, as extracted from the audited financial statements, are summarised below:

	Year ended 31 August 2020	Period ended 31 August 2019
	£000	£000
Turnover	315	404
Administrative expenses	(115)	(73)
Profit on ordinary activities before Gift Aid	200	331
Gift Aid	(200)	(331)
Retained profit	-	-
	31 August 2020	31 August 2019
	£000	£000
Current assets	327	106
Creditors falling due within one year	(327)	(106)
	-	-

BrainCanDo

The Foundation is the sole member of BrainCanDo, a charitable company limited by guarantee, set up to manage classroom research and implement educational findings concerning teenage neuroplasticity. The results of BrainCanDo are not consolidated with those of the Foundation on the basis that it is immaterial to the main charity.

	Year ended 31 August 2020	Period ended 31 August 2019
	£000	£000
Income	86	31
Expenditure	(138)	(69)
Net expenditure	(52)	(196)
Total reserves	1	53

All of the charitable company's income and expenditure during the year was unrestricted.

Notes to the financial statements (continued)

22. Subsidiary companies (continued)

Westminster Grey Coat Property Company Limited

The Foundation owns Westminster Grey Coat Property Company Limited which owns and manages the freehold of an investment property in Westminster. Income and expenditure of the Westminster Grey Coat Property Company Limited are not consolidated with those of the Foundation, on the basis that it is immaterial to the main charity. The investment within the property is consolidated (see note 11). Its trading results for the financial year to 31 August 2020, as extracted from the audited financial statements, are summarised below:

	Year ended 31 August 2020	Period ended 31 August 2019
	£000	£000
Turnover	236	97
Administrative expenses	120	(163)
Profit on ordinary activities before Gift Aid	116	(65)
Gift Aid	-	-
	116	(65)
Called up share capital	2,650	2,650
Revaluation reserve	3,614	3,614
Retained profit	116	(1)
	6,380	6,263
	31 August 2020	31 August 2019
	£000	£000
Investments	6,938	6,938
Current assets	32	78
Creditors falling due within one year	(590)	(753)
	6,380	6,263

Emanuel International Schools Limited

The Foundation also owns the whole of the ordinary share capital, consisting of two ordinary shares of £1 each, of Emanuel International Schools Limited (Company Number: 10295169), set up to initiate trading activities related to Emanuel School. Its trading results for the financial period to 31 August 2020, as extracted from the audited financial statements, are summarised below:

	Period ended 31 August 2020	Year ended 30 June 2019
	£000	£000
Turnover	100	-
Administrative expenses	(56)	-
Profit on ordinary activities before Gift Aid	44	-
Gift Aid	(31)	-
Retained profit	13	-
Profit and loss account brought forward	(14)	(14)
Shareholders' funds	(1)	(14)
	31 August 2020	30 June 2019
	£000	£000
Current assets	40	-
Creditors falling due within one year	(41)	(14)
	(1)	(14)

Notes to the financial statements (continued)

23. Related Parties

Townright Property Management Limited

The Foundation is the sole member of Townright Property Company (Company Limited by Guarantee Number: 02567216), which owns an operational property. The building was in use but the company was dormant during the year.

The Emanuel School General Charitable Trust

The charity was created in 1972 and its registered number is 2962743. The charity's object is the furtherance of any charitable purpose connected with Emanuel School. The net assets of the trust at 30 June 2020 were £3,753,864 (2019 - £3,507,193) and a sum of £125,000 was spent on Emanuel School in 2020 (2019 - £125,000).

The Grey Coat Hospital Adventure Trust

This trust was created in 1974 and its registered number is 325088. Its object is to provide grants to develop the character of pupils of Grey Coat Hospital. The market value of the investments in the trust at 31 August 2020 was £117,272 (2019 - £113,637) and grants totalling £nil were paid in 2020 (2019 - £750).

The Queen Anne's School General Charitable Trust

This trust was created in 1983 and its registered number is 296618. The charity's main object is the furtherance of any charitable purpose connected with Queen Anne's School. The net assets of the fund at 30 June 2020 were £2,525,189 (2019 - £2,479,731) and during the year the trust provided bursaries of £80,247 (2019 - £83,225) for children at Queen Anne's School whose parents otherwise could not have found the fees.

The Sutton Valence School General Charitable Trust

The charity was created in 1971 and its registered number is 284569. The charity's object is the furtherance of any charitable purpose connected with Sutton Valence School. The net assets of the Trust at 30 June 2020 were £2,415,275 (2019 - £2,138,631).

The Westminster City School General Charitable Trust

The charity was created in 1982 and its registered number is 284569. The charity's object is the furtherance of any charitable purpose connected with the Westminster City School. The net assets of the Trust at 30 June 2020 were £23,533 (2019 - £22,712).

The Westminster Technical Fund

This charity was created in 1887 by the amalgamation of two older endowments, and its registered number is 312517. The charity assists former pupils of Westminster City School and Grey Coat Hospital engaged in further technical education. The net assets of the fund at 31 August 2020 was £78,518 (2019 - £76,717) and a sum of £3,000 was awarded in 2020 (2019 - £3,000).

Other connected entities

The Foundation, its schools and alumni are fortunate enough to have the support of several other groups and charities. The following are independent of the Foundation and there were no transactions required to be reported:

Sutton Valence Preparatory School Parents' Association (registered charity number 1126537); Emanuel School Parents' Association (charitable incorporated organisation number 1152873); The Old Emanuel Bursary Trust (registered charity number 1104829); The Old Westminster Citizens' Association & Trust Fund (Trust Fund 309267-5); Westminster City Lodge Benevolent Fund registered charity 260099; and Queen Anne's Society Scholarship Fund (registered charity 277587);

The Old Emanuel Association; Queen Anne's Parents & Friends Association; The Queen Anne's Society Old Girl's Society; The Old Grey's Association; and Grey Coat Hospital School Parents' Guild (all unincorporated); and

Emanuel Hospital (registered charity number 206952) shares its origins in 1594 with the Foundation; however this charity today provides relief of poverty whilst the Foundation continues separately the original bequest's educational objects.

Notes to the financial statements (continued)

24. Comparative group statement of financial activities (year ended 31 August 2019)

	Permanent Restricted Funds							Unrestricted	2019
	Capital	Emanuel School	Queen Anne's School	Sutton Valence School	Prize Funds	Grey Coat Hospital	Westminster City School		
	£000	£000	£000	£000	£000	£000	£000	Revenue	Total
Income and endowments from									
Charitable activities									
- School fees	-	16,196	11,561	14,166	-	-	-	-	41,923
- Academy grants	-	-	-	-	-	6,965	5,563	-	12,528
Donations and legacies	-	5	1	5	-	309	401	-	721
Other trading activities	-	235	613	150	-	-	-	18	1,016
Investments	981	-	-	-	39	91	152	53	1,316
Other income	-	37	483	270	-	218	82	1	1,091
Total income	981	16,473	12,658	14,591	39	7,583	6,198	72	58,595
Expenditure on									
Raising funds	360	196	673	255	-	-	11	-	1,495
Cost of charitable activities									
- Provision of education	1,301	15,090	12,035	13,567	39	7,875	6,417	2,005	58,329
Total expenditure	1,661	15,286	12,708	13,822	39	7,875	6,428	2,005	59,824
Net (expenditure)/income before investment gains	(680)	1,187	(50)	769	-	(292)	(230)	(1,933)	(1,229)
Net investment gains	(109)	-	-	-	-	-	-	29	(80)
Net (expenditure)/income	(789)	1,187	(50)	769	-	(292)	(230)	(1,904)	(1,309)
Transfers between funds	(1,653)	-	285	-	-	-	-	1,368	-
Net (expenditure)/income after transfers	(2,442)	1,187	235	769	-	(292)	(230)	(536)	(1,309)
Other recognised gains and losses									
Actuarial (losses)/gains	-	(10)	(51)	(129)	-	(421)	(496)	(13)	(1,120)
Net movement in funds	(2,442)	1,177	184	640	-	(713)	(726)	(549)	(2,429)
Balances brought forward at 1 September 2018	108,724	7,852	4,862	7,308	909	(936)	(571)	556	128,704
Balances carried forward at 31 August 2019	106,282	9,029	5,046	7,948	909	(1,649)	(1,297)	7	126,275

Notes to the financial statements (continued)

24. Comparative Group balance sheet (at 31 August 2019)

	Permanent Restricted Funds							Unrestricted	2019
	Capital	Emanuel School	Queen Anne's School	Sutton Valence School	Prize Funds	Grey Coat Hospital	Westminster City School		
	£000	£000	£000	£000	£000	£000	£000	Revenue	Total
Fixed assets									
Tangible assets	113,363	442	313	638	-	-	133	-	114,889
Investments	41,460	-	-	-	909	-	-	348	42,717
Total fixed assets	154,823	442	313	638	909	-	133	348	157,606
Current assets									
Debtors	-	41	723	256	-	281	177	1,266	2,744
Cash at bank and in hand	-	-	63	66	-	428	401	-	958
Short term deposits	-	-	-	-	-	-	500	-	500
Total current assets	-	41	786	322	-	709	1,078	1,266	4,202
Current liabilities									
Creditors due within one year	(1,229)	(2,081)	(4,190)	(2,080)	-	(194)	(420)	(1,431)	(11,625)
Overdraft	-	(146)	-	-	-	-	-	(1,354)	(1,500)
	(1,229)	(2,227)	(4,190)	(2,080)	-	(194)	(420)	(2,785)	(13,125)
Net current (liabilities)/assets	(1,229)	(2,186)	(3,404)	(1,758)	-	515	658	(1,519)	(8,923)
Inter fund									
Current account	1,711	410	(2,906)	456	-	-	-	329	-
Loan account	14,783	(5,270)	(6,309)	-	-	-	-	(3,204)	-
Fixed assets	(56,124)	21,630	19,089	10,682	-	-	-	4,723	-
Total inter fund	(39,630)	16,770	9,874	11,138	-	-	-	1,848	-
Total assets less current liabilities	113,964	15,026	6,783	10,018	909	515	791	677	148,683
Creditors									
Due after one year	(7,682)	(5,208)	(890)	(664)	-	-	-	(208)	(14,652)
Provisions for liabilities									
Pension liability	-	(789)	(847)	(1,406)	-	(2,164)	(2,088)	(462)	(7,756)
Net assets	106,282	9,029	5,046	7,948	909	(1,649)	(1,297)	7	126,275
Funds									
Original endowment land	13,627	-	-	-	-	-	-	-	13,627
Original endowment investments	7,268	-	-	-	402	-	-	-	7,670
Fixed assets and other	43,612	11,077	11,947	10,568	-	-	145	4,722	82,071
Other funds available	41,775	(1,259)	(6,054)	(1,214)	507	515	646	(4,253)	30,663
Pension reserve	-	(789)	(847)	(1,406)	-	(2,164)	(2,088)	(462)	(7,756)
Total funds	106,282	9,029	5,046	7,948	909	(1,649)	(1,297)	7	126,275

Notes to the financial statements (continued)

24. Comparative main Charity balance sheet (at 31 August 2019)

	Permanent	Restricted Funds			Unrestricted		2019
	Capital	Emanuel School	Queen Anne's School	Sutton Valence School	Prize Funds	Revenue	Total
	£000	£000	£000	£000	£000	£000	£000
Fixed assets							
Tangible assets	113,363	442	313	638	-	-	114,756
Investments	41,460	-	-	-	909	348	42,717
Total fixed assets	154,823	442	313	638	909	348	157,473
Current assets							
Debtors	-	41	723	256	-	1,266	2,286
Cash at bank and in hand	-	-	63	66	-	-	129
Total current assets	-	41	786	322	-	1,266	2,415
Current liabilities							
Creditors due within one year	(1,229)	(2,081)	(4,190)	(2,080)	-	(1,431)	(11,011)
Overdraft	-	(146)	-	-	-	(1,354)	(1,500)
	(1,229)	(2,227)	(4,190)	(2,080)	-	(2,785)	(12,511)
Net current (liabilities)	(1,229)	(2,186)	(3,404)	(1,758)	-	(1,519)	(10,096)
Inter fund							
Current account	1,711	410	(2,906)	456	-	329	-
Loan account	14,783	(5,270)	(6,309)	-	-	(3,204)	-
Fixed assets	(56,124)	21,630	19,089	10,682	-	4,723	-
Total inter fund	(39,630)	16,770	9,875	11,138	-	1,848	-
Total assets less current liabilities	113,964	15,026	6,783	10,018	909	677	147,377
Creditors							
Due after one year	(7,682)	(5,208)	(890)	(664)	-	(208)	(14,652)
Provisions for liabilities							
Pension liability	-	(789)	(847)	(1,406)	-	(462)	(3,504)
Net assets	106,282	9,029	5,046	7,948	909	7	129,221
Funds							
Original endowment land	13,627	-	-	-	-	-	13,627
Original endowment investment	7,268	-	-	-	402	-	7,670
Fixed assets and other	43,612	11,077	11,947	10,567	-	4,722	81,926
Other funds available	41,775	(1,259)	(6,054)	(1,214)	507	(4,253)	29,502
Pension reserve	-	(789)	(847)	(1,406)	-	(462)	(3,504)
Total funds	106,282	9,029	5,046	7,948	909	7	129,221





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