

**TWICKENHAM PREPARATORY SCHOOL**  
**(A Company Limited by Guarantee)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Company Number: 3475951**  
**Registered Charity Number: 1067572**

**TWICKENHAM PREPARATORY SCHOOL**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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# **TWICKENHAM PREPARATORY SCHOOL**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The Directors present their annual report for the year ended 31 August 2020 under the Companies Act 2006 and the Charities Act 1993, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association, the Charities Act 2011 and the Charities SORP (FRS 102).

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

### **DIRECTORS**

The Directors of the Company, who are also the charity trustees and the Governors of the School, who served during the year and subsequently were:

Mr Harry Bates	(Chairman)
Mr Michael J Fisher	(Deputy Chairman)
Mr Gavin J Donaldson	
Mrs Elizabeth M Ferguson	
Miss Barbara A Flight	
Mr Brian M Jones	
Mrs Ruby Jones	
Mr Mike Michael	
Mr Andrew J Murray	
Mr Thomas JJ Owens	
Mr Nigel G Rickard	

## **KEY MANAGEMENT PERSONNEL AND PROFESSIONAL ADVISERS**

### **HEADMASTER**

Mr David Malam	(Resigned 31 August 2020)
Mr Oliver Barrett	(Appointed 1 September 2020)

### **KEY MANAGEMENT PERSONNEL**

Key management personnel includes the Headmaster, four members of the Senior Leadership Team and two others.

### **BANKERS**

Barclays Bank plc  
Onslow Hall  
Little Green  
Richmond  
Surrey  
TW9 1QS

### **AUDITORS**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

### **SOLICITORS**

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

## **TWICKENHAM PREPARATORY SCHOOL**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Twickenham Preparatory School (TPS) was founded in 1969. The School is incorporated as a Company Limited by Guarantee and is a registered charity, number 1067572. Its registered company number is 3475951. The Registered Office and address of the school is at 43 High Street, Hampton, Middlesex, TW12 2SA.

At the start of the year, the Company was governed by its Memorandum and Articles of Association, last amended on 24 November 2009. These were replaced by Articles of Association adopted on 7 November 2019 which are modernised to reflect changes in legislation, best practice in the charities and independent school sectors, and the manner in which the charity is governed and operates in practice.

The Directors are elected at a full Directors' Meeting on the basis of their eligibility, personal competence, specialist skills and local availability. New Governors are inducted into the workings of the School, and also of the Company as a registered Charity. All Governors are encouraged to attend relevant Trustee training opportunities.

The Directors meet as a Board at least three times a year to determine the general policy of the charitable company and to review its overall management and control, for which they are legally responsible. Sub-committees of the Board comprising Directors, together with some key management personnel representation, also meet at least three times a year or as required to undertake more detailed reviews of operational management; these committees report directly to the Board and make recommendations for Board approval. Currently, there are four sub-committees of the Board: Education and Strategic Planning, Finance, Risk and Premises. The welfare and safety of the School community is of paramount importance and a school Health and Safety committee, comprising employees and with Director representation, reports to the Risk Committee.

The day-to-day running of the School is delegated to the Headmaster supported by the Senior Leadership Team and two others and together this group are the key management personnel. Remuneration is set by the Board, with the policy objective of ensuring appropriate incentives to encourage enhanced performance and rewarding individual contributions to the School's success. The appropriateness and relevance of the pay policy is reviewed annually including reference to comparisons with other independent schools to ensure that we remain sensitive to the broader issues of pay and employment conditions within the sector. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel; staff costs are the largest single element of our charitable expenditure.

### **OUR AIMS**

The objects, as set out in the Articles of Association adopted on 7 November 2019, are to advance education including (but not limited to) the provision of a school or schools in Great Britain. These updated objects clarify the charitable purpose and will allow the charity to further its purposes for the public benefit in a broader manner.

Our mission statement is:

*"To be the Preparatory School of choice providing an excellent, innovative and inspiring education where personal success is achieved through our nurturing and caring ethos".*

The key elements of this statement underlie all our strategic decision making.

We aim to provide a first class education within a structured environment that develops our pupils' capabilities, competences and skills enabling them to fulfil their potential. We promote the academic, moral and physical development of our pupils through our academic curriculum, pastoral care, sporting and other activities. We actively seek to build pupils' self-confidence and resilience and to inculcate in them a desire to contribute to the wider community. In so doing, we aim to prepare our pupils for the opportunities, responsibilities and experience of later life.

### **OUR OBJECTIVES**

Our objectives are set to reflect the educational aims and ethos of the School.

In setting our objectives and planning our activities, the Directors have given careful consideration to the Charity Commission's public benefit guidance.

## **TWICKENHAM PREPARATORY SCHOOL**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **OUR OBJECTIVES (continued)**

Key objectives for the year were:

- To continue to raise the School's already high standards of academic performance and sporting, artistic and musical achievements; and, in advancement of this objective, to complete the School self-evaluation, to increase staff online training and to retain and recruit high calibre teaching staff, reviewing remuneration including pension arrangements;
- To enhance further the curriculum including further enhancement of the Enrichment and Personal, Social and Health Education (PSHE) programmes, promotion of STEM activities and review of curriculum for Years 7 and 8;
- To continue refurbishment of the School and upgrading of equipment including major refurbishment of the recently acquired premises at 51 High Street;
- To enhance our service to current and prospective parents; and, particularly, to highlight and market our key positive outcomes for pupils of all ages, including Years 7 and 8;
- To celebrate the 50<sup>th</sup> anniversary of the School's foundation in 1969 including a commemorative service and alumni function and cross curricular activities to appreciate the key historic events and culture of the past five decades;
- To continue to offer scholarships and means-tested bursaries to widen public access to the School; and
- To continue to develop the principle of 'involvement for all' and involvement of the local community, including further collaboration and shared use of facilities, particularly with our partnership school.

#### **REVIEW OF ACTIVITIES AND ACHIEVEMENTS**

##### **Landmark events in the School's history**

The whole School community joined together throughout the Autumn Term to celebrate the 50<sup>th</sup> anniversary of the School's foundation in 1969. Highlights included a commemorative service led by the Bishop of Kensington and a successful alumni function, attended by former pupils, their parents and former staff. A collaborative art collage 'Silver Birch Triptych' was created to mark the 50<sup>th</sup> birthday using recycled materials donated by parents and friends of the School. The pupils also created a fantastic mural depicting key historic events and culture of the past five decades with archive material illustrating the development of the School during the period. A series of year group assemblies informed pupils of key events in each decade and the houses were renamed in recognition of 1969 inventions: Apollo, Concorde, Firebird and Harrier. The events provided a wonderful celebration of the life of the School and all it has achieved since its formation in 1969.

In July 2020, the school community united again, albeit remotely, to bid farewell to our much-loved Headmaster, Mr David Malam, who retired after 15 years as Headmaster and a total of 25 years as a teacher at the School. Under his leadership, pupil numbers have grown significantly and pupil achievements, both academic and non-academic, have continued to strengthen such that TPS is well recognised locally for the quality of its overall education. Pastoral care underlies all aspects of school life and Mr Malam's strong Christian faith has underpinned this ethos. The Directors are grateful to him for his dedication and committed stewardship over many years.

We are delighted to have appointed Mr Oliver Barrett as the fifth Headmaster of the School with effect from September 2020. Mr Barrett joins us from St George's Junior School, Weybridge where he was Deputy Head. He brings a wealth of experience to his new role and his values are very much aligned to the School's ethos. The Directors have every confidence that Mr Barrett will continue to shape the School to ensure its continued success and they look forward to supporting him in his vision for the future and his leadership of the School.

##### **Coronavirus pandemic**

As with other education establishments, the coronavirus "lockdown" meant that the School closed a week early in the Spring term and did not reopen to pupils until after the Summer half term. Despite the challenges, for both teachers and pupils, in adapting to a remote learning model, the academic staff displayed resilience and flexibility in embracing the new technology in order to deliver a robust, high quality online curriculum programme to the pupils. The online provision also covered co-curricular activities and pastoral support for the year groups.

## **TWICKENHAM PREPARATORY SCHOOL**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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### **REVIEW OF ACTIVITIES AND ACHIEVEMENTS (continued)**

#### **Coronavirus pandemic (continued)**

Feedback from parents was extremely supportive of the School and this was confirmed by the latest ISC parent survey which reported TPS far outperformed sector average scores. We were delighted to welcome back pupils after half term, some on a full-time basis and some by rotation within year groups. Sadly, many of the traditional events could not take place: sporting fixtures and sports days, swimming galas, residential and day trips, leaver functions and prizegivings.

The unprecedented situation also had implications for the School business operations. We value greatly the relationship with the parental body and with due regard to their comments and the ongoing financial health of the School, the Directors decided to award a discount on the Summer term fees, namely 20% in Prep and 30% in Pre-Prep. In addition, we were able to provide additional short-term financial support to some parents facing real hardship as a result of the "lockdown". The School made cost savings wherever possible, including placing staff on furlough and freezing contractual obligations, and were grateful for government support received under the Job Retention Scheme.

Throughout the Summer the School continued to reformulate risk assessments to ensure as safe an environment as possible for staff and pupils returning to school in September. Although this was a very stressful time for all, the Directors also recognise the many positive outcomes; new technology platforms introduced, blended learning for pupils, 'can do' attitude of staff, resilience of pupils and the supportive community within our TPS family.

#### **Academic achievements**

The School achieved excellent results again this year in our girls' senior school 11+ examinations and boys' 13+ entrance to a variety of secondary schools, some highly academically selective.

There was wide variety in destination schools for our Year 6 girls with Sir William Perkins's and Notre Dame schools being the most popular. Scholarship awards were offered at these schools together with academic scholarships to Lady Eleanor Holles and Claremont Fan Court. Other schools chosen included Kingston Grammar, Cranleigh and local maintained schools. Year 6 boys pre-test results were also very strong with many offers to Hampton, St George's, Reeds and other schools.

Unfortunately, the Coronavirus 'lockdown' prevented our Y8 boys from sitting Common Entrance exams this Summer and the School ran a scaled down internal version instead. Hampton, St George's and St James were the most popular destination schools this year with Epsom, St John's, Halliford and a local maintained school also chosen. Boys performed well once again at Scholarship level with two academic scholarships and a performing arts scholarship awarded to Hampton School and a sports scholarship awarded to Epsom College.

#### **Strategic and curriculum activities and achievements**

In advancement of raising the School's already high standards of achievement, both academic and non-academic, the School has retained the services of an independent education consultant who assists with ongoing reviews of all aspects of our school life. During the year, she undertook a couple of advisory reviews. Her assistance to the Senior Leadership Team enabled them to complete their School self-evaluation to ensure that high standards of educating and compliance are being maintained throughout the school. The findings will also be incorporated into future strategic development discussions with Governing body involvement during the forthcoming year.

The curriculum has been enhanced during the year. In particular, the PSHE programme has been further developed to include revised sex education in line with national guidelines. We continue to enhance our STEM offering, running a number of workshops including link activities with BP and several other specialist third party Science workshops with cross-curricular PSHE and career focus. The proposed review of curriculum for Years 7 and 8 was deferred to academic year 2020/21.

Art enrichment classes continue to be especially beneficial to those pupils preparing a portfolio for Art Scholarship awards to senior schools. A Watersports Club has also continued successfully this year. For younger pupils, the outdoor learning experience remains very popular and continues to be extended by our trained Forest Schools leader. In the area of PSHE, we continued to develop our programme of pupil and parent workshops and also offered parents the opportunity for individual sessions with our consultant child psychologist.

## **TWICKENHAM PREPARATORY SCHOOL**

### **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **REVIEW OF ACTIVITIES AND ACHIEVEMENTS (continued)**

##### **Co-curricular activities and achievements**

The School continues to embrace Think Tank MindLab, a thinking skills programme taught throughout the School which promotes different methods and techniques for dealing with problem solving activities and enhances the academic curriculum. Unfortunately, the Coronavirus lockdown meant that the MindLab National Olympics, which TPS has won convincingly for the past seven consecutive years, could not take place this year.

Pupils also performed well in both the national Junior Maths Challenge and Primary Maths Challenge and a Year 5 team came third in the Maths Wizards challenge organised by Hampton School. Our girls gave a strong performance at the Epsom College Public Speaking Competition. For the first time, two teams of Year 7 & 8 boys participated in the DaVinci Decathlon at Ampleforth College, a series of higher order thinking challenges; the boys enjoyed sampling boarding school life and one team came second overall. We were one of 3000 schools whose Year 3 pupils were photographed for inclusion in the Steve McQueen Project at Tate Britain.

The School continues to give opportunity to all of its pupils to be involved in sports and chess matches, concerts and productions. All year groups from Reception to Year 7 participated in a variety of productions throughout the year and all classes contributed to music concerts. Our new Head of Music introduced several orchestral clubs and peripatetic Drum lessons proved a popular new music option. We also held an inaugural House Music Competition which showcased some amazing musical talent. 'B' team sports fixtures were held for boys and girls to ensure that all pupils were able to represent school teams. Our U13 football team was highly successful this year, winning the TPS tournament and the 1<sup>st</sup> XI team were unbeaten all season. The U8 team also performed extremely well losing only one match. Likewise, our 1<sup>st</sup> XV rugby team had an excellent season and were unbeaten. The U8A netball team also had a good season and were undefeated. The TPS cross country teams were strong competitors at the Richmond Schools' Cross Country event and at other senior school events. Our boys had swimming successes with the 3x medley relay team making it to the Richmond Borough final, as well as three individual boy finalists in freestyle, backstroke and breaststroke. It was another successful year for our chess players but sadly the School was unable to host the IAPS National Championships in April or participate in this Summer's national EPSCA chess tournament due to the Coronavirus lockdown, although three teams did qualify for the EPSCA national semi-finals.

Educational trips were organised for pupils throughout the School and extra-curricular clubs continue to develop and thrive. Senior pupils are encouraged to assume positions of responsibility, with many being school and house monitors and the introduction of form captain appointments this year. All our senior pupils are involved in showing prospective parents around the School.

Outside school, pupils excelled in a wide variety of activities. Many were involved with rugby, football, netball, hockey and swimming clubs. Pupils represented the county at cricket and hockey and Richmond in cross-country running. Tennis, cycling, karate and martial arts, equestrian pursuits and gymnastics were also undertaken with various successes.

##### **Other activities and achievements to support the School**

During the year, the School embarked on the major refurbishment of our property at 51 High Street, Hampton purchased in April 2019, now named the Hub@51. The building work suffered minor delays during lockdown but it is hoped that fitting out will be completed in November 2020. The Hub@51 provides a bespoke Art and Design Technology facility, classrooms and office space and is a great enhancement to our existing facilities. We are extremely proud of the vibrant and creative teaching space that has been achieved for our pupils to enhance their learning experience.

Further upgrade of the School's facilities continued during the year with the refurbishment of several classrooms and the playground sports surface. The School's ongoing upgrade of IT equipment continued as did the rolling decoration and refurbishment programme and air conditioning was installed in several classrooms. In advancement of our communication strategy, the School portal launched last Summer is now fully operational providing improved information access for parents with electronic pupil reports and tracking/assessment together with general parent communications. Remote learning requirements also gave us the opportunity to embrace virtual communication platforms; their future use is assured as an appropriate modus operandi for many aspects of school life.



## **TWICKENHAM PREPARATORY SCHOOL**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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### **REVIEW OF ACTIVITIES AND ACHIEVEMENTS (continued)**

#### **Other activities and achievements to support the School (continued)**

During the year, a visitor management system was introduced with a number of key benefits: not only recording visitors to our premises but also ensuring safeguarding standards are upheld and staff and pupil registers are accurately maintained in real time. The Covid related messaging and pre-recording of visitor details have proved an effective aide in performing our “track and trace” duties. The phone system was also upgraded to a VoIP infrastructure. Both these initiatives will ensure the smooth integration of the Hub@51 into our existing office services.

#### **PUBLIC BENEFIT**

The Directors confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charitable company.

The School is registered with Schools Together, a website forum maintained by the Independent Schools Council in collaboration with the Department for Education to highlight the projects and partnerships which currently exist between our school and maintained schools or community groups.

#### **Widening public access to the School**

The School grants scholarships and means-tested bursaries into Year 7 and 8 to widen public access to the School within the constraints of available funding and as appropriate to a school of its type and size. We currently support some younger children and hope to widen such access in the future. In funding our awards, we are mindful that we must ensure equity between fee paying parents, many of whom make considerable personal sacrifices to fund their child(ren)'s education, and those benefiting from the awards. We are also responsible for ensuring the ongoing financial sustainability of the School and the development of our facilities to remain attractive in a competitive market. Within these constraints, funding for bursaries and allowances represented 4.7% (2019: 4.9%) of gross tuition fee income in the academic year 2019/20.

In conjunction with the London Borough of Richmond upon Thames, the School also operates the Early Education Funding initiative for eligible pupils in their Reception year.

#### **Fostering links with the local community**

The School actively seeks to foster links with the local community. It has created links with a local home schooling group who have had use of the Science and ICT facilities on a number of Saturdays through the year. Richmond Chess Club runs rent-free weekly sessions at the School jointly for TPS pupils and some other junior players in the Borough. Pupils from local state schools have also joined our after-school chess club. Unfortunately, the Coronavirus pandemic prevented other Chess and MindLab events, involving many participants from local schools, from taking place. In addition, the School continues to welcome visits from other schools interested in our innovative Think Tank programme. There has been a continuing close link between the School and St. Mary's Church in Hampton. The School was delighted to invite local residents to tour our new premises at 51 High Street and explain our plans for refurbishment which were warmly received.

The School continues to use sporting facilities in the area such as those of Colets, Powerleague Feltham, The Lensbury and Kempton Cricket Club. Our annual football tournament once again attracted about 180 pupils from schools in the local area and the South of England. In addition, use of a school minibus is provided at no charge to local Scouts, a church community youth group and to St Mary's Hampton Church of England Primary School. Members of the public are also invited to attend school fairs and other events. Several pupils from local secondary schools have been accepted for work experience and Duke of Edinburgh Award placements, together with mature individuals considering a career in education /welfare. The School is committed to continuing and furthering these links with the local community.

A variety of out-of-hours school clubs and activities are offered to our pupils, many at no additional charge, including a Breakfast Club. Services to parents have been enhanced with extended hours of wrap-around care providing cover from 7.30am to 6.30pm on weekdays. These initiatives benefit working parents in the provision of wrap-around childcare. A home to school minibus service is operated to benefit parents and the School Travel Plan was updated.



## **TWICKENHAM PREPARATORY SCHOOL**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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### **PUBLIC BENEFIT (continued)**

#### **Partnership opportunities**

Whilst partnership opportunities are limited for a school of our size and profile, we are delighted to have agreed an informal partnership with St Mary's Hampton CE Primary School. During the year, we have assisted them with minibuss transport, provided support to the Head and assisted with some extra-curricular activities. We hope to introduce some sporting fixtures and art and music activities with pupils from both schools. We are excited at this opportunity which we hope will enrich the outcomes for all pupils involved.

#### **Charity support**

Pupils actively assist local and national charities by undertaking a number of fundraising initiatives. This year, efforts were restricted by the pandemic; £817 from Autumn Term activities was donated to African Vision Malawi (for Songwe School) together with other local and national charities. The School also sponsors a child living in Uganda through the Compassion UK charity, and pupils correspond with our beneficiary and send gifts. We are also forging new links with pupils from Songwe School and corresponding with pupils there. For Harvest thanksgiving, provisions were donated to the food bank at the White House, Hampton. The choir were once again delighted to perform at the Royal Albert Hall as part of the Barnardo's Young Supporters Concert in aid of the charity.

Our pupils have also done charitable works outside school hours, raising money for worthy causes. Members of staff held a coffee morning in aid of Macmillan Cancer Support and a netball challenge in aid of Sport Relief; they are also involved in local church communities and Forest School courses for youth carers in the Richmond Borough.

### **FINANCIAL REVIEW**

The School had net incoming resources for the year of £84,432 which have been added to reserves. The Directors consider this a positive outturn, given the Summer Term discount awarded on tuition fees which totalled £259,521 and increased contributions to Teachers' Pensions of £97,702. They also recognise the considerable financial support provided by the government's Job Retention Scheme which benefitted the School by £109,404.

Net incoming resources included restricted donations of £25,986: £24,686 from the Parents' Committee (£20,400 pledged towards equipment for our new premises at 51 High Street and £4,286 for lease costs of a minibus) and a further donation of £50 for 51 High Street. A donation received of £1,250 for a Coronavirus Hardship fund was fully utilised during the year. In addition, £15,267 was transferred from restricted to unrestricted reserves during the year: as well as the Parents' Committee donation for the minibus lease funding, £10,989 of £50,000 received from a benefactor in 2017 was utilised to fund a place at the School for an academically able child who would not otherwise be able to afford the fees. The School is extremely appreciative of this additional financial support.

At 31 August 2020, the School had reserves of £2,916,695 of which £58,983 are restricted funds, comprising £18,847 bursary fund balance described above, £4,286 designated for minibus lease commitment and various pledges and receipts totalling £35,850 for equipment for the Hub@51, to be expended shortly. The unrestricted funds of £2,857,712 are all invested, together with bank borrowings, in the fixed assets of £3,499,085. The net assets are sufficient to meet the Company's obligations.

The School is in sound financial health, with secure financial management and healthy registration numbers for future years. The Directors have regularly reviewed the financial performance throughout the year and continue to monitor closely the current economic climate and impact of the pandemic.

### **RESERVES POLICY**

The Directors regularly review the level and nature of the reserves of the School, and the reserves policy is reviewed annually.

The Directors aim to maintain an annual operating surplus to finance capital expenditure on improving buildings, equipment and other facilities and to create a small Charity reserve. This enables the Charity to provide a consistently high quality of education to the public and to meet contingencies. The Directors recognise that the level of free reserves (as defined by the Charity Commission) fluctuates with investment and building activities.

## **RISK MANAGEMENT**

The Board continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time, and to monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which the risks identified by the Directors can best be mitigated. A Risk Committee, comprising Directors and staff and reporting directly to the Board, monitors risk and compliance and a Human Resources and Compliance Officer supports further this role.

Risk assessments are in place and are being maintained for all aspects of the School's activities and operations. Detailed consideration of risk is delegated to other committees as appropriate and includes review of reports from senior management and independent professional advisors. A review of risk management processes is undertaken by the Board.

The ISI Regulatory Compliance inspection in June 2017 was a detailed review of all aspects of Regulation and Compliance and confirmed that the School met the regulatory standards in all areas.

Key areas of risk are seen to exist in the following areas, common to all independent schools:

- Governance including compliance with applicable regulations and legislation;
- Financial control;
- Disaster planning;
- Loss of reputation;
- Health and safety; and
- Recruitment and retention of pupils given economic conditions.

The current Coronavirus pandemic has triggered many of these key risk areas. In particular, the serious nature of the Coronavirus pandemic has resulted in detailed risk mitigation planning by Directors and staff at all the various stages of the lockdown period: initially the transfer to remote learning, then partial return to school in June with blended learning and full return to school from September. All aspects of the quality of educational provision and the health and well-being of both staff and pupils have been given very careful consideration to ensure compliance with government guidelines. The Finance Committee also held numerous meetings throughout the Summer to stay abreast of the impact of the pandemic on the school finances with regular reforecasting and contingency planning. The Committee continues to monitor the situation closely in order to take decisive action if required. At the time of writing there is no indication as to when the virus may be curbed and the leadership of the School remains ever vigilant and adheres strictly to the procedures to protect the community as far as is possible.

In assessing risks, the Board has in place key controls that include:

- Formal mechanisms for the operation of the Board of Governors;
- Terms of reference for all committees;
- Close personal involvement of the Directors in the activities of the School;
- Comprehensive strategic planning, budgeting and accounting procedures;
- Formal written policies and procedures;
- Review and development of the curriculum and extra-curricular activities; and
- Early identification of staffing needs and professional development opportunities.

Through the strategic planning process, specific risks (other than Coronavirus) facing the School have been identified as:

- Potential restructuring of senior school admissions;
- Potential preference for deferred entry to independent school education;
- Significant number of schools in the area; and
- The affordability of fees given economic conditions.

These specific risks are being addressed through investment in the Pre-Prep department and targeted marketing, emphasising the many benefits of an independent school education and in particular the key points of difference offered by a Twickenham Prep schooling. We seek to strengthen our admission lists further, particularly for entry to Reception and Year 3, by offering an excellent "value-added" service at a fair price making us a destination school of choice.

## **TWICKENHAM PREPARATORY SCHOOL**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **RISK MANAGEMENT (continued)**

Through the risk management processes established, the Directors are satisfied that the major risks have been identified and appropriately mitigated. However, it is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

#### **PLANS FOR FUTURE PERIODS**

The School is committed to maintaining high standards in all areas of school life. During the academic year 2020/21, the Directors together with the Headmaster and other senior leaders and stakeholders will collaborate to advance the School's vision and strategic plan for the medium term. This will incorporate development areas identified by the School self-evaluation carried out during 2019/20.

Key objectives for the next academic year include:

##### **Academic and Pastoral**

- To enhance further the curriculum including the development of a strategic plan for ICT which will consider the longer-term objectives for staff and pupils. This will encompass increased flexibility for staff and pupils in accessing learning resources and a review of devices used across the School, whilst also improving efficiency and the sharing of information through the systems used;
- To deliver ICT provision in the Hub@51 which will see staff use a mobile device solution, both in classrooms and the shared workspaces;
- To review the curriculum taught in Year 7 and Year 8 in line with national expectations and through feedback from local senior schools;
- To review and implement the changes associated with the directives on Relationships and Sex Education (RSE), consulting with staff and informing parents of the nature of the changes;
- To improve the provision for our more able pupils through establishing staff specifically responsible for Gifted and Talented provision across the Prep and Pre-Prep;
- To place wellbeing of the staff and pupils as a high priority in all aspects of School decision-making and to establish ways in which they can develop resilience and the skills to manage work expectations, given the current challenges.

##### **Community**

- To continue to develop the principle of 'involvement for all' and engagement with the local community, including further collaboration and shared use of facilities, particularly with our partnership school;
- To ensure that the School has a stronger presence locally and regionally through initiatives which see the establishment of links with the local community and associations, whilst using marketing in a targeted manner to share news about School's partnerships and charitable work.

##### **Infrastructure**

- To continue refurbishment of the School and upgrading of equipment including completion of the refurbishment of our premises at the Hub@51 and use of the building through the remainder of the school year, with specific focus on the older boys in the Prep School.

# **TWICKENHAM PREPARATORY SCHOOL**

## **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the result of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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


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

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

### **AUDITORS**

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the appointment of Haysmacintyre LLP as auditors of the Company will be put to the Annual General Meeting.

Approved by the Board of Directors at its meeting on 24 November 2020 and signed on its behalf by:

  
Harry Bates  
Chairman



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TWICKENHAM PREPARATORY SCHOOL

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### Opinion

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

### Basis for opinion

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

### Responsibilities of directors for the financial statements

As explained more fully in the statement of directors' responsibilities, the directors 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 directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TWICKENHAM PREPARATORY SCHOOL (continued)

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



*Richard Weaver (Senior statutory auditor)  
for and on behalf of Haysmacintyre LLP, Statutory Auditors*

..... 09 December 2020

*10 Queen Street Place  
London  
EC4R 1AG*

**TWICKENHAM PREPARATORY SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
School fees receivable	2	3,007,399	(1,250)	3,006,149	3,116,282
Other educational income	3	79,117	-	79,117	193,194
Catering and Welfare income		146,219	-	146,219	211,340
Other income	4	27,230	-	27,230	35,192
<b>Donations and Legacies</b>					
Donations and grant income	5	109,763	25,986	135,749	23,776
<b>Investments</b>					
Interest receivable		5,549	-	5,549	10,198
<b>TOTAL INCOME</b>		<u>3,375,277</u>	<u>24,736</u>	<u>3,400,013</u>	<u>3,589,982</u>
<b>EXPENDITURE ON:</b>					
	6				
<b>Charitable activities:</b>					
School operating costs	7				
- Teaching costs		2,330,145	-	2,330,145	2,323,745
- Welfare costs		184,852	-	184,852	209,856
- Premises costs		356,028	-	356,028	402,962
- Support costs of schooling		424,460	-	424,460	372,758
		<u>3,295,485</u>	<u>-</u>	<u>3,295,485</u>	<u>3,309,321</u>
<b>Raising funds</b>					
Finance costs	9	20,096	-	20,096	20,997
<b>TOTAL EXPENDITURE</b>		<u>3,315,581</u>	<u>-</u>	<u>3,315,581</u>	<u>3,330,318</u>
<b>NET INCOME</b>		59,696	24,736	84,432	259,664
<b>TRANSFERS</b>					
Gross transfers between funds		15,267	(15,267)	-	-
<b>NET INCOME FOR THE YEAR</b>		<u>74,963</u>	<u>9,469</u>	<u>84,432</u>	<u>259,664</u>
Funds brought forward at 1 September 2019		<u>2,782,749</u>	<u>49,514</u>	<u>2,832,263</u>	<u>2,572,599</u>
<b>Funds carried forward at 31 August 2020</b>		<u>£2,857,712</u>	<u>£58,983</u>	<u>£2,916,695</u>	<u>£2,832,263</u>

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities.

The notes on pages 17 to 27 form part of these accounts.



## BALANCE SHEET

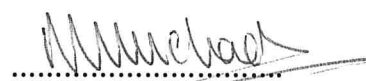
AT 31 AUGUST 2020

	Notes	£	2020	£	£	2019	£
<b>FIXED ASSETS</b>							
Tangible fixed assets	11			3,499,085			3,051,854
<b>CURRENT ASSETS</b>							
Stocks		5,755			5,487		
Debtors	12	162,020			148,364		
Cash at bank and in hand		854,071			1,175,719		
			1,021,846		1,329,570		
<b>CREDITORS: amounts falling due within one year</b>	13	(742,716)			(652,728)		
				279,130			676,842
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				3,778,215			3,728,696
<b>CREDITORS: amounts falling due after more than one year</b>	14			(861,520)			(896,433)
				£2,916,695			£2,832,263
<b>FUNDS</b>	15						
Unrestricted funds				2,857,712			2,782,749
Restricted funds				58,983			49,514
<b>TOTAL</b>				£2,916,695			£2,832,263

The notes on pages 17 to 27 form part of these accounts.

The financial statements were approved and authorised for issue by the Board of Directors on 24 November 2020 and were signed below on its behalf by:

  
 .....  
 Harry Bates

  
 .....  
 Mike Michael

**TWICKENHAM PREPARATORY SCHOOL**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

	2020	2019
	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net movement in funds for the reporting period (as per the statement of financial activities)	84,432	259,664
<b>Adjustments for:</b>		
Depreciation charges	105,983	145,983
Investment income	(5,549)	(10,198)
Financing costs	15,727	7,648
(Increase)/decrease in debtors	(13,656)	10,081
Increase/(decrease) in creditors (excluding fees in advance and bank loans)	55,361	(36,671)
(Increase) in stock	(268)	(368)
Increase in fees in advance	17,954	93,075
	<u>175,552</u>	<u>209,550</u>
<b>Net cash provided by operating activities</b>	<u>259,984</u>	<u>469,214</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	5,549	10,198
Payments for tangible fixed assets	(553,214)	(1,271,809)
<b>Net cash used in investing activities</b>	<u>(547,665)</u>	<u>(1,261,611)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflow from borrowing	-	703,500
Financing costs	(15,727)	(7,648)
Capital repayment of loans	(18,240)	(8,956)
<b>Net cash provided by financing activities</b>	<u>(33,967)</u>	<u>686,896</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>	<u>(321,648)</u>	<u>(105,501)</u>
<b>Cash and cash equivalents at beginning of the reporting period</b>	<u>1,175,719</u>	<u>1,281,220</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>£854,071</u></u>	<u><u>£1,175,719</u></u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
	<b>2020</b>	<b>2019</b>
	£	£
Cash at bank and in hand	854,071	275,719
Cash on deposit	-	900,000
<b>Total cash and cash equivalents</b>	<u><u>£854,071</u></u>	<u><u>£1,175,719</u></u>

The notes on pages 17 to 27 form part of these accounts.

**TWICKENHAM PREPARATORY SCHOOL**

**ANALYSIS OF CHANGES IN NET DEBT**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**Analysis of changes in net debt**

	At start of year	Cash flows	Other movements	At end of year
	£	£	£	£
Cash	1,175,719	(321,648)	-	854,071
Loans falling due within one year	(27,361)	327	-	(27,034)
Loans falling due after one year	(667,183)	17,913	-	(649,270)
<b>Total</b>	<u>£481,175</u>	<u>£(303,408)</u>	<u>-</u>	<u>£177,767</u>

The notes on pages 17 to 27 form part of these accounts.

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

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**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with FRS102 issued March 2013, the applicable financial reporting standard, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in July 2014, and the Companies Act 2006.

**Incoming resources**

School fees comprise charges for the school less bursaries and allowances. Other educational income and catering income is accounted for on a receivable basis.

**Donations**

Donations are recognised in the Statement of Financial Activities when receivable.

**Grant Income**

Grant income, including government grant income, relating to revenue is recognised in the Statement of Financial Activities on an accruals basis in the same period as the related costs for which the grant is intended to compensate provided that there is evidence of entitlement, receipt is probable and the amount can be measured reliably.

**Depreciation**

Depreciation of tangible fixed assets is calculated so as to write off the cost over their estimated useful economic lives. Depreciation rates were reviewed and revised at the start of the year as follows:

Freehold buildings	- on a straight line basis over 50 years
Freehold improvements	- on a straight line basis over 10 years
Fixtures, fittings and furniture	- on a straight line basis over 10 years (previously at 15%)
Electronic equipment	- on a straight line basis over 5 years (previously over 3 years)

No depreciation has been charged against the property purchased at 51 High Street as the building is not yet in use.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Expenditure**

Expenditure is allocated to expense headings on an accruals basis. The irrecoverable VAT element is included with the item of expense to which it relates.

**Governance costs**

Governance costs include the costs of the audit of the statutory accounts and advice on legal, property and other matters.

**Pension contributions**

The Company contributes to the Teachers' Pension Scheme. Payments are made to the Teachers' Pensions Agency in accordance with the Teachers' Superannuation (Consolidation) Regulations 1988, as amended. Contributions payable in respect of the accounting period are charged to direct charitable expenditure.

The Company contributes to a separate defined contribution scheme for non-teaching staff. Contributions payable in respect of the accounting period are charged to direct charitable expenditure.

**Lease transactions**

Rentals under operating leases are charged to the Statement of Financial Activities as they fall due.

**Unrestricted funds**

Unrestricted funds comprise funds not subject to any restrictions regarding their use and are available for any charitable purpose of the Company.

**Restricted funds**

Restricted funds comprise funds donated to the Company to be applied towards specific capital and revenue items.

# **TWICKENHAM PREPARATORY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **Taxation**

The Company is a registered charity. Any surplus is applied solely for the purpose of the charity and is exempt from corporation tax.

##### **Financial Instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. 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. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the view of the Directors there are no areas of material critical accounting judgements or material estimation uncertainty in the accounts.

##### **Going Concern**

The Directors believe that there are no material uncertainties over the School's ability to continue operating as a going concern. In making this assertion the Directors have considered detailed budgets for both the next twelve months and strategic plans for the medium term and are satisfied that the liquidity of the business is sufficient to meet the business requirements including any obligations arising from financial, operating and other conditions.

**TWICKENHAM PREPARATORY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>2. SCHOOL FEES RECEIVABLE</b>	<b>2020 £</b>	<b>2019 £</b>
Full fees for pupils at the School	3,435,207	3,291,474
Less: Summer Term fee discount	(259,521)	-
Less: bursaries and allowances	(162,903)	(160,777)
Less: staff salary sacrifice scheme fee adjustment	(6,634)	(14,415)
	<u>£3,006,149</u>	<u>£3,116,282</u>
<b>3. OTHER EDUCATIONAL INCOME</b>	<b>2020 £</b>	<b>2019 £</b>
Private tuition income	54,321	51,134
Registration fees	3,000	5,250
School trips	21,796	136,810
	<u>£79,117</u>	<u>£193,194</u>
<b>4. OTHER INCOME</b>	<b>2020 £</b>	<b>2019 £</b>
School fees protection insurance	8,016	9,024
Dental protection insurance	-	494
Book and uniform sales	3,702	6,374
Home to School minibus service	9,772	13,489
Other income	5,740	5,811
	<u>£27,230</u>	<u>£35,192</u>
<b>5. DONATIONS</b>	<b>2020 £</b>	<b>2019 £</b>
Unrestricted donations	359	793
Restricted donations	25,986	22,983
Grant income – government grant (Job Retention Scheme)	109,404	-
	<u>£135,749</u>	<u>£23,776</u>
<b>6. EXPENDITURE</b>	<b>2020 £</b>	<b>2019 £</b>
Charitable expenditure includes:		
Depreciation	105,983	145,983
Operating leases – other	36,794	41,045
Governance costs includes:		
Auditors' remuneration - for audit	12,840	11,760

**TWICKENHAM PREPARATORY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>7. CHARITABLE ACTIVITIES</b>	<b>Staff costs (note 8) £</b>	<b>Other £</b>	<b>Depreciation £</b>	<b>Total 2020 £</b>
<b>Charitable activities</b>				
School operating costs				
- Teaching costs	2,099,014	231,131	-	2,330,145
- Welfare costs	134,945	49,907	-	184,852
- Premises	51,668	198,377	105,983	356,028
- Support costs	221,349	203,111	-	424,460
	<u>£2,506,976</u>	<u>£682,526</u>	<u>£105,983</u>	<u>£3,295,485</u>
	<b>Staff costs (note 8) £</b>	<b>Other £</b>	<b>Depreciation £</b>	<b>Total 2019 £</b>
<b>Charitable activities</b>				
School operating costs				
- Teaching costs	1,957,348	366,397	-	2,323,745
- Welfare costs	130,847	79,009	-	209,856
- Premises	50,888	206,091	145,983	402,962
- Support costs	208,058	164,700	-	372,758
	<u>£2,347,141</u>	<u>£816,197</u>	<u>£145,983</u>	<u>£3,309,321</u>

All costs relate to the one activity of operating the School. Included within other support costs are governance costs of £16,172 (2019: £16,260).

<b>8. STAFF COSTS</b>	<b>2020 £</b>	<b>2019 £</b>
Salaries and wages	1,950,074	1,895,718
Social security costs	186,717	182,536
Pension costs	370,185	268,887
	<u>£2,506,976</u>	<u>£2,347,141</u>

The total value of all compensation and benefits provided to the key management personnel in the year was £564,147 (2019: £577,299).

There was one termination payment of £2,160 made during the year (2019: £nil).

The average number of employees during the year was made up as follows:

	<b>No.</b>	<b>No.</b>
Teaching		
Full time	17	18
Part time	19	15
Other		
Full time	6	6
Part time	23	22
	<u>65</u>	<u>61</u>



**TWICKENHAM PREPARATORY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**8. STAFF COSTS (continued)**

The number of employees whose emoluments exceeded £60,000 were:

	No.	No.
£90,001 - £100,000	1	1
£60,001 - £70,000	1	1
	<u>      </u>	<u>      </u>

The above employees have retirement benefits accruing under a defined benefits scheme.

**9. FINANCE COSTS**

	2020 £	2019 £
Bank charges	830	4,389
Bank interest on loans repayable within five years	15,727	7,648
Bad and doubtful debts	(657)	3,794
Fees in advance discount	4,196	5,166
	<u>£20,096</u>	<u>£20,997</u>

**10. GOVERNORS' REMUNERATION AND EXPENSES**

No remuneration or benefits were provided to any Governor. No expenses were reimbursed to any Governor during the year (2019: £nil).

Two of the governors during the year (2019: three) had children in the school and paid full fees.

**11. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Freehold improvements £	Fixtures, fittings and furniture £	Electronic equipment £	Total £
<b>Cost</b>					
At 1 September 2019	3,527,168	270,750	420,789	241,335	4,460,042
Additions	508,193	9,397	18,153	17,471	553,214
Disposals	-	-	(3,173)	(8,203)	(11,376)
	<u>4,035,361</u>	<u>280,147</u>	<u>435,769</u>	<u>250,603</u>	<u>5,001,880</u>
<b>Depreciation</b>					
At 1 September 2019	780,966	154,923	269,404	202,895	1,408,188
Charge for the year	46,854	26,537	20,556	12,036	105,983
Disposals	-	-	(3,173)	(8,203)	(11,376)
	<u>827,820</u>	<u>181,460</u>	<u>286,787</u>	<u>206,728</u>	<u>1,502,795</u>
<b>Net Book Value</b>					
At 31 August 2020	<u>£3,207,541</u>	<u>£98,687</u>	<u>£148,982</u>	<u>£43,875</u>	<u>£3,499,085</u>
At 31 August 2019	<u>£2,746,202</u>	<u>£115,827</u>	<u>£151,385</u>	<u>£38,440</u>	<u>£3,051,854</u>

**TWICKENHAM PREPARATORY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>12. DEBTORS</b>	<b>2020 £</b>	<b>2019 £</b>
Fees receivable	8,155	2,665
Other debtors	153,865	145,699
	<u>£162,020</u>	<u>£148,364</u>
<b>13. CREDITORS: amounts falling due within one year</b>	<b>2020 £</b>	<b>2019 £</b>
Bank loans	27,034	27,361
Trade creditors	81,028	63,279
Fees received in advance	424,381	406,427
Social security payable and other taxation	44,210	44,837
Pupil deposits	34,750	26,750
Sundry creditors and accruals	131,313	84,074
	<u>£742,716</u>	<u>£652,728</u>
<b>14. CREDITORS: amounts falling due after one year</b>	<b>2020 £</b>	<b>2019 £</b>
Pupil deposits	212,250	229,250
<b>Bank loans</b>		
Due between one and two years	30,051	28,113
Due between two and five years	619,219	639,070
	<u>649,270</u>	<u>667,183</u>
	<u>£861,520</u>	<u>£896,433</u>

- a) The bank loan facility of £700,000 was drawn down on 3 April 2019. The term of the loan is 5 years with a 20 year amortisation profile. The loan of £676,304 is repayable by 3 April 2024. The repayment is by instalments and the loan bears interest at a floating rate of 1.86% over base rate. An interest only period (capital repayment holiday) was agreed from 3 April 2020 with monthly repayment instalments recommencing on 2 October 2020.
- b) The bank loan is secured by a first legal charge over the freehold property of the School at 43 High Street, Hampton.

**TWICKENHAM PREPARATORY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>15. FUNDS</b>	<b>Balance at 31 August 2019 £</b>	<b>Total income £</b>	<b>Total expenditure £</b>	<b>Transfers between Funds £</b>	<b>Balance at 31 August 2020 £</b>
<b>MOVEMENT IN FUNDS</b>					
The movement in funds during the year was made up as follows:					
Unrestricted funds	2,782,749	3,375,277	(3,315,581)	15,267	2,857,712
Restricted funds					
Parents' Committee	4,678	24,686	-	(4,278)	25,086
Bursary Fund	29,836	-	-	(10,989)	18,847
51 High Street	15,000	50	-	-	15,050
	<u>£2,832,263</u>	<u>£3,400,013</u>	<u>£(3,315,581)</u>	<u>-</u>	<u>£2,916,695</u>

Parents' Committee relates to donations received from the Parents' Committee towards various projects. The opening balance relates to the proposed purchase of a weather station and the funding of a lease of a minibus, acquired in Summer 2018. The Committee has pledged £20,400 towards equipment for the premises at 51 High Street, Hampton and has agreed that the weather station funds will also be reassigned to this project. A further donation of £4,286 was received during the year for the continued funding of the lease of a minibus and £4,278 was transferred to unrestricted funds in respect of the current year minibus lease charge.

Bursary Fund relates to a donation received from a benefactor to fund an academic means tested award for a child(ren) who would not otherwise be able to attend the School. One pupil's fees are currently being met by this Fund.

51 High Street relates to an anonymous donation towards fitting out of the premises at 51 High Street, Hampton. Another donation of £50 was received during the year for this same project. The funds will be utilised in Autumn 2020 to purchase furniture for the refurbished building.

A donation was received from a parent towards the provision of financial assistance to parents facing hardship as a result of the pandemic. £1,250 was received and fully utilised in the year.

<b>ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Fund balances at 31 August 2020 are represented by:			
Fixed assets	3,499,085	-	3,499,085
Net current assets	220,147	58,983	279,130
Long term liabilities	(861,520)	-	(861,520)
	<u>£2,857,712</u>	<u>£58,983</u>	<u>£2,916,695</u>

**16. SHARE CAPITAL**

The Company is limited by guarantee and therefore has no issued share capital. In the event of a winding up each member, currently 13 in total, agrees to contribute £1.

**17. PENSION COSTS**

The School participates in the Teachers' Pension Scheme for its teaching staff. The pension charge for the year includes contributions payable of £317,872 (2019: £220,170) and at the year end, £35,640 (2019: £28,698) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme 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 Teachers' Pension Scheme 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 scheme 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 Teachers' Pension Scheme 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 scheme. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The Company contributes to a separate scheme for non-teaching staff under The Independent Association of Prep Schools. This is a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions are paid based on the recommendations of a qualified actuary and are charged to resources expended when they become payable. The pension charge for the year in respect of this scheme was £51,747 (2019: £48,272). At the year end, £4,653 (2019: £Nil) was accrued in respect of contributions to this scheme.

# TWICKENHAM PREPARATORY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 17. PENSION COSTS (continued)

The Company contributes to the NEST pension scheme for non-teaching workers meeting the criteria for auto-enrolment. This is a defined contribution scheme set up by the Government. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions are paid based on the regulatory minimum contributions and are charged to resources expended when they become payable.

The pension charge for the year in respect of this scheme was £566 (2019: £445). No contributions (2019: £Nil) were outstanding at the year end.

#### 18. CAPITAL COMMITMENTS

	2020 £	2019 £
<b>Future capital expenditure</b>		
Authorised and contracted for:	£56,888	-

#### 19. OPERATING LEASE COMMITMENTS

At 31 August 2020 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2020 £	2019 £
Not later than one year	33,507	36,444
Between one and five years	78,032	66,616
Later than five years	-	-
	<u>£111,539</u>	<u>£103,060</u>

#### 20. RELATED PARTY TRANSACTIONS

During the year the School employed the wife of Mike Michael, a Governor of the School, as a part time teaching assistant. Her appointment in December 2014 was carried out in accordance with standard school recruitment procedures under the same conditions as that offered to all other staff members. No Governor was involved in the recruitment process.

During the year the school engaged Brittain Hadley as Chartered Building Surveyors and Property Consultants for professional services. Nigel Rickard, a Governor of the School and a chartered surveyor, is a director of Brittain Hadley. During the year, professional services in respect of a party wall were undertaken by another director of the firm with all costs met by a third party (2019: a full building survey of the premises at 51 High Street was undertaken by Mr Rickard at no charge to the school).

During the year the School employed the son of David Malam, Headmaster of the School, as a part time student assistant and Chess/ Mindsports club organiser. His appointment in September 2019 was carried out in accordance with standard school recruitment procedures under the same conditions as that offered to all other staff members. The Headmaster was not involved in the recruitment process. The cost to the School of employing him this academic year was £10,722.

During the year, the School also employed the daughter of David Malam on an ad hoc supply basis to assist with After School Care and pupil supervision. Her appointment in September 2019 was carried out in accordance with standard school recruitment procedures under the same conditions as that offered to all other staff members. The Headmaster was not involved in the recruitment process. The cost to the School of employing her this academic year was £2,067.

There were no other related party transactions.

**TWICKENHAM PREPARATORY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**21. STATEMENT OF FINANCIAL ACTIVITIES FOR THE PRIOR YEAR**

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>INCOME FROM:</b>				
<b>Charitable activities</b>				
School fees receivable	2	3,116,282	-	3,116,282
Other educational income	3	193,194	-	193,194
Catering and Welfare income		211,340	-	211,340
Other income	4	35,192	-	35,192
<b>Donations and Legacies</b>				
Donations	5	793	22,983	23,776
<b>Investments</b>				
Interest receivable		10,198	-	10,198
<b>TOTAL INCOME</b>		<u>3,566,999</u>	<u>22,983</u>	<u>3,589,982</u>
<b>EXPENDITURE ON:</b>				
	6			
<b>Charitable activities:</b>				
	7			
School operating costs				
- Teaching costs		2,323,745	-	2,323,745
- Welfare costs		209,856	-	209,856
- Premises costs		402,962	-	402,962
- Support costs of schooling		372,758	-	372,758
		<u>3,309,321</u>	<u>-</u>	<u>3,309,321</u>
<b>Raising funds</b>				
Finance costs	9	20,997	-	20,997
<b>TOTAL EXPENDITURE</b>		<u>3,330,318</u>	<u>-</u>	<u>3,330,318</u>
<b>NET INCOME</b>		236,681	22,983	259,664
<b>TRANSFERS</b>				
Gross transfers between funds		20,600	(20,600)	-
<b>NET INCOME FOR THE YEAR</b>		257,281	2,383	259,664
Funds brought forward at 1 September 2018		<u>2,525,468</u>	<u>47,131</u>	<u>2,572,599</u>
<b>Funds carried forward at 31 August 2019</b>		<u>£2,782,749</u>	<u>£49,514</u>	<u>£2,832,263</u>

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities.

**TWICKENHAM PREPARATORY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**22. FUNDS MOVEMENT FOR THE PRIOR YEAR**

<b>FUNDS</b>	<b>Balance at 31 August 2018 £</b>	<b>Total income £</b>	<b>Total expenditure £</b>	<b>Transfers between Funds £</b>	<b>Balance at 31 August 2019 £</b>
<b>MOVEMENT IN FUNDS</b>					
The movement in funds during the year was made up as follows:					
Unrestricted funds	2,525,468	3,566,999	(3,330,318)	20,600	2,782,749
Restricted funds					
Parents' Committee	6,825	7,983	-	(10,130)	4,678
Bursary Fund	40,306	-	-	(10,470)	29,836
51 High Street	-	15,000	-	-	15,000
	<u>£2,572,599</u>	<u>£3,589,982</u>	<u>£(3,330,318)</u>	<u>-</u>	<u>£2,832,263</u>

Parents' Committee relates to donations received from the Parents' Committee towards the capital cost of a new pull-out stage and curtains for the Hall, a 3-D printer for the Art Room, a display monitor for an electronic noticeboard and a weather station. The Parents' Committee also funded the purchase of all the medals for the inaugural Mind Sports Olympiad hosted by the School in February 2019. All capital items were installed during the year with the exception of the weather station and a display monitor which will be purchased during 2018/19.

Bursary Fund relates to a donation received from Mrs EH Jenkinson to fund an academic means tested award for a child(ren) who would not otherwise be able to attend the School.

Other relates to a donation received towards the capital cost of six digital boards which were purchased and installed during the year.

<b>ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Fund balances at 31 August 2019 are represented by:			
Fixed assets	3,051,854	-	3,051,854
Net current assets	627,328	49,514	676,842
Long term liabilities	(896,433)	-	(896,433)
	<u>£2,782,749</u>	<u>£49,514</u>	<u>£2,832,263</u>