

TWICKENHAM PREPARATORY SCHOOL
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

Company Number: 3475951
Registered Charity Number: 1067572

TWICKENHAM PREPARATORY SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

CONTENTS	Page
Directors' report	1
Independent auditors' report	10
Statement of financial activities	13
Balance sheet	14
Cash flow statement	15
Changes in net debt	16
Notes to the financial statements	17 - 27

TWICKENHAM PREPARATORY SCHOOL

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Directors present their annual report for the year ended 31 August 2021 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 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 Philippe L Buron	(Appointed 25 November 2020)
Mr Gavin J Donaldson	
Mrs Elizabeth M Ferguson	
Miss Barbara A Flight	
Mrs Jessica A Harvey	(Appointed 25 November 2020)
Mr Brian M Jones	
Mrs Ruby Jones	
Mr Mike Michael	
Mr Andrew J Murray	
Mr Thomas JJ Owens	
Mr Nigel G Rickard	(Resigned 10 June 2021)

KEY MANAGEMENT PERSONNEL AND PROFESSIONAL ADVISERS

HEADMASTER

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 2021

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.

During the year, the Company was governed by its Articles of Association adopted on 7 November 2019 which were 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 2021

OUR OBJECTIVES (continued)

Key objectives for the year were:

Academic and Pastoral

- To enhance further the curriculum including the development of a strategic plan for ICT;
- 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 (deferred to 2021/22);
- To review and implement the changes associated with the directives on Relationships and Sex Education (RSE), consulting with staff and parents over 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 (deferred to 2021/22);
- To place wellbeing of the staff and pupils as a high priority in all aspects of School decision-making.

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.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Coronavirus pandemic

As with other education establishments, the coronavirus pandemic continued to impact our school life for a second academic year. Whilst pupils were able to attend school in the Autumn, year group 'bubbles' were put in place and additional health and safety measures were continued to protect against any spread of the virus. A second "lockdown" resulted in the School premises being closed in the Spring term from January until the reopening to pupils on 8 March 2021. As in the Summer Term 2020, both teachers and pupils embraced the challenges and we reverted to our remote learning model 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. Children of keyworkers were welcomed into school during this period and the School was pleased to be able to support their parents in this way.

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 them and the ongoing financial health of the School, the Directors decided to award a discount on the Summer term fees, namely a flat 10% of Spring Term net tuition fee for the duration of the period of school closure. 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.

On a practical level, sadly, many of the traditional pupil events could not take place: sporting fixtures, swimming galas and residential trips. Virtual technology was made good use of for events such as parent evenings and Board and staff meetings. Our new social media suite equipment gave us the capability to stream production performances and prize-givings to parents who were grateful for the opportunity to participate, albeit remotely, in these key events. Although this was a stressful year for all, there have been many positive outcomes: new technology platforms embedded in day-to-day operations, the blended learning for pupils, the 'can do' attitude of staff, the resilience of pupils and the supportive community within our TPS family.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS (continued)

Coronavirus pandemic (continued)

Following the return to school, the Directors place wellbeing of the staff and pupils as a high priority in all aspects of School decision-making and seek to establish ways in which they can develop resilience and the skills to manage work expectations. Several staff have trained in mental health first aid in order to offer pastoral support to pupils and colleagues.

Academic achievements

The School achieved excellent results again this year in our girls' and boys' 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 Surbiton High, St Catherine's, Lady Eleanor Holles and Sir William Perkins's schools being the most popular. Year 6 boys' results were also very strong with offers to Hampton, St George's, Reeds, Halliford, RGS Guildford, King's Wimbledon and St James. Scholarships were achieved for academics, sport, music and the arts at a range of destination schools from applications from the Year 6 and Year 8 cohorts.

The Coronavirus pandemic changed the requirements for Common Entrance exams again in the Summer and senior schools were more flexible in their expectations. At TPS the academic staff decided to continue with the programme, with the boys completing the CE syllabus and associated examinations, with a group of boys also completing the scholarship programme in preparation for the assessments in May.

Strategic and curriculum activities and achievements

Mr Barrett has enjoyed a highly successful first year at the School. Despite the additional challenges of the pandemic, he has brought a fresh insight to many areas of the school and has gained a thorough understanding of the school operations. He has worked closely with the Senior Leadership Team to review work previously undertaken on the School self-evaluation to ensure that high standards of education and compliance are being maintained throughout the school. This has informed his vision for the School and will be invaluable in supporting the Directors with their future strategic planning objectives.

The School continues to seek new initiatives to enhance the curriculum further for the benefit of our pupils. During the year a strategic plan was launched for the development of ICT throughout the school. We aim to increase flexibility for staff and pupils in accessing learning resources whilst also improving efficiency and the sharing of information through the systems used. The first phase of the plan has been implemented with a rolling programme of providing both staff and pupils with Microsoft Surface devices. The ICT curriculum has also been enhanced further and now includes the teaching of a range of programming languages, including Scratch, Python and HTML, with senior pupils also learning how to develop website content.

The PSHE programme has been further developed to include revised Relationships and Sex Education (RSE) and Health Education in line with statutory guidance and will be launched in the new academic year. During the year, preparations were made to launch a new Maths programme and an English reading initiative which will enhance individual pupils' reading experience and comprehension; both these exciting developments will also be introduced in the new academic year. We continue to enhance our STEM offering with specialist third party Science workshops, with cross-curricular PSHE and career focus, and the introduction of a Science club which has proved very popular with pupils. During the year, art enrichment classes were further enhanced with the introduction of an Art Scholarship club, especially beneficial to those pupils preparing a portfolio for awards to senior schools. 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.

The proposed review of curriculum for Years 7 and 8 was deferred to academic year 2021/22. However, changes in the Common Entrance curriculum across key academic subjects will be fully adopted from September 2021. The provision for our senior cohort and their personal development is being considered carefully and we aim to maximise their beneficial use of the new facility at the Hub@51.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS (continued)

Co-curricular activities and achievements

The School continues to place great importance on opportunities for the children beyond the curriculum in order to broaden their learning experiences and range of skills. Following a parental consultation, the co-curricular provision was enhanced to offer sports camps within the holiday periods through an association with Premier Education, with the first activities offered in the summer holidays. Extra-curricular clubs continue to thrive and there was a flurry of educational trips, once permitted, organised for pupils throughout the School. In addition, after school sports provision was enhanced for the younger pupils and a wider range of language options, including a Spanish Club, were introduced. Further plans were made to offer dance and drama activities in association with Little Voices in the next academic year. Senior pupils are encouraged to assume positions of responsibility, with all of the girls in Year 6 and boys in Year 8 taking on roles, following a formal appointment process.

The sporting programme was very significantly affected by the Coronavirus pandemic with fixtures against other schools suspended for the majority of the year. In response, the Sports Department arranged a number of internal events and initiatives to encourage physical activity and competition, whilst retaining the need to keep children in distinct 'bubbles.' Many of the children and staff very much enjoyed taking part in the 'Travel to Toyko' competition to log activities in celebration of the Olympics. In the second half of the Summer Term, the children were able to take part in cricket fixtures and cross country events, and the School hosted 3 Sports Day events at Kempton Cricket Club with limited numbers of parents in attendance to enjoy the events.

Other activities and achievements to support the School

The Hub@51 was opened in November 2020 providing 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. The previous art room has been refurbished to become a well-appointed general classroom. In addition, three Pre-Prep classrooms have been refurbished and enhancements have been made to the Pre-Prep garden. The School's ongoing upgrade of IT equipment continued as did the rolling decoration and refurbishment programme. A digital media suite was created which has enabled more professional virtual presentations to parents and prospective parents and streaming of school events and productions. The popular Audio Visual club, comprising Year 7 boys, is being trained as crew to assist with filming of events and subsequent editing of recordings.

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% (2020: 4.7%) of gross tuition fee income in the academic year 2020/21.

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.

TWICKENHAM PREPARATORY SCHOOL

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

PUBLIC BENEFIT (continued)

Fostering links with the local community

The School actively seeks to foster links with the local community. Unfortunately, the Coronavirus pandemic prevented many events involving participants from local schools from taking place but we look forward to resuming our contacts in the new academic year. Likewise, we were unable to make use of the local sporting facilities of Colets and Powerleague Feltham but were grateful that pupils could enjoy sporting activities at The Lensbury and Kempton Cricket Club.

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, with our after-school care now outsourced to a specialist provider. 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.

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 maintained contact and hope to resume some extra-curricular activities with pupils from both schools in the new academic year. 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, donations totalling £2,846 were made to various local and national charities with a further £564 donated to African Vision Malawi (for Songwe School). 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.

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 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 £113,339 which have been added to reserves. The Directors consider this a positive outcome, given the Summer Term discount awarded on tuition fees which totalled £78,680. They also recognise the financial support provided by the government's Job Retention Scheme.

Net incoming resources included restricted donations of £1,588: £356 via the online Just Giving platform towards equipment for our new digital media suite and three donations from parents totalling £1,232 for the Coronavirus Hardship fund. Both these donations were fully utilised during the year. In total, £52,702 was transferred from restricted to unrestricted reserves during the year. This was attributable to donations totalling £35,850 towards the purchase of equipment for the Hub@51, £20,800 from the Parents' Committee and £15,050 from two other donors; £4,286 from the Parents' Committee for the minibus lease funding; and £12,210 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 2021, the School had reserves of £3,030,034 of which £6,637 are restricted funds relating to the bursary fund balance described above. The unrestricted funds of £3,023,397 are all invested, together with bank borrowings, in the fixed assets of £3,544,179. 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.

TWICKENHAM PREPARATORY SCHOOL

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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 focused attention on 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 periods and transition back to school. All aspects of the quality of educational provision and the health and well-being of both staff and pupils have been given careful consideration to ensure compliance with government guidelines. The Finance Committee also held numerous meetings throughout the year 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.

TWICKENHAM PREPARATORY SCHOOL

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

RISK MANAGEMENT (continued)

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.

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 2021/22, 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.

Key objectives for the next academic year include:

Academic and Pastoral

- To enhance further the curriculum including the introduction of a new whole school Maths scheme and a reading programme to foster a love of reading whilst at the same time enabling teachers the opportunity to manage and monitor reading practice;
- To enhance further the co-curricular activities including increased use of specialist sports and after school club teachers and the launch of a school radio station;
- 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 review the curriculum taught in Year 7 and Year 8 in line with national expectations and through feedback from local senior schools;
- To introduce a more effective staff performance appraisal process with individual objectives aligned to the strategic plan objectives; and
- To review remuneration of staff, including flexible benefits and pension provision.

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; and
- 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 commission of a thermal study, aligned with the architectural masterplan, to reduce carbon emissions towards net-zero.

TWICKENHAM PREPARATORY SCHOOL

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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; and
- 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 17 November 2021 and signed on its behalf by:


.....
Harry Bates
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TWICKENHAM PREPARATORY SCHOOL

Opinion

We have audited the financial statements of Twickenham Preparatory School for the year ended 31 August 2021 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 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees 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 (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Directors Report have been prepared in accordance with applicable legal requirements.

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

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 (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, the Independent Schools Inspectorate (ISI) and the statutory safeguarding and child protection guidance issued by the Department for Education (DfE) and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings in the year
- Identifying and testing journals, in particular journal entries with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

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

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.



Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
22 November 2021

10 Queen Street Place
London
EC4R 1AG

TWICKENHAM PREPARATORY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
INCOME FROM:					
Charitable activities					
School fees receivable	2	3,190,986	(1,232)	3,189,754	3,006,149
Other educational income	3	87,356	-	87,356	79,117
Catering and Welfare income		146,145	-	146,145	146,219
Other income	4	32,446	-	32,446	27,230
Donations and Legacies					
Donations and grant income	5	42,964	1,588	44,552	135,749
Investments					
Interest receivable		459	-	459	5,549
TOTAL INCOME		<u>3,500,356</u>	<u>356</u>	<u>3,500,712</u>	<u>3,400,013</u>
EXPENDITURE ON:					
	6				
Charitable activities:					
	7				
School operating costs					
- Teaching costs		2,333,933	-	2,333,933	2,330,145
- Welfare costs		172,119	-	172,119	184,852
- Premises costs		499,037	-	499,037	356,028
- Support costs of schooling		360,142	-	360,142	424,460
		<u>3,365,231</u>	<u>-</u>	<u>3,365,231</u>	<u>3,295,485</u>
Raising funds					
Finance costs	9	22,142	-	22,142	20,096
TOTAL EXPENDITURE		<u>3,387,373</u>	<u>-</u>	<u>3,387,373</u>	<u>3,315,581</u>
NET INCOME		112,983	356	113,339	84,432
TRANSFERS					
Gross transfers between funds		<u>52,702</u>	<u>(52,702)</u>	<u>-</u>	<u>-</u>
NET INCOME FOR THE YEAR		165,685	(52,346)	113,339	84,432
Funds brought forward at 1 September 2020		<u>2,857,712</u>	<u>58,983</u>	<u>2,916,695</u>	<u>2,832,263</u>
Funds carried forward at 31 August 2021		<u>£3,023,397</u>	<u>£6,637</u>	<u>£3,030,034</u>	<u>£2,916,695</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 2021

	Notes	2021	2020
		£	£
FIXED ASSETS			
Tangible fixed assets	11	3,544,179	3,499,085
CURRENT ASSETS			
Stocks		4,319	5,755
Debtors	12	135,351	162,020
Cash at bank and in hand		887,870	854,071
		<u>1,027,540</u>	<u>1,021,846</u>
CREDITORS: amounts falling due within one year	13	<u>(683,072)</u>	<u>(742,716)</u>
		344,468	279,130
TOTAL ASSETS LESS CURRENT LIABILITIES		3,888,647	3,778,215
CREDITORS: amounts falling due after more than one year	14	<u>(858,613)</u>	<u>(861,520)</u>
		<u>£3,030,034</u>	<u>£2,916,695</u>
FUNDS	15		
Unrestricted funds		3,023,397	2,857,712
Restricted funds		6,637	58,983
TOTAL		<u>£3,030,034</u>	<u>£2,916,695</u>

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 17 November 2021 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 2021

	2021		2020	
	£	£	£	£
CASH FLOWS FROM OPERATING ACTIVITIES				
Net movement in funds for the reporting period (as per the statement of financial activities)		113,339		84,432
Adjustments for:				
Depreciation charges	159,782		105,983	
Investment income	(459)		(5,549)	
Financing costs	12,997		15,727	
Decrease/(increase) in debtors	26,669		(13,656)	
Increase in creditors (excluding fees in advance and bank loans)	8,745		55,361	
Decrease/(increase) in stock	1,436		(268)	
(Decrease)/increase in fees in advance	(43,901)		17,954	
		165,269		175,552
Net cash provided by operating activities		278,608		259,984
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	459		5,549	
Payments for tangible fixed assets	(204,876)		(553,214)	
Net cash used in investing activities		(204,417)		(547,665)
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing costs	(12,997)		(15,727)	
Capital repayment of loans	(27,395)		(18,240)	
Net cash provided by financing activities		(40,392)		(33,967)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		33,799		(321,648)
Cash and cash equivalents at beginning of the reporting period		854,071		1,175,719
Cash and cash equivalents at the end of the reporting period		£887,870		£854,071
ANALYSIS OF CASH AND CASH EQUIVALENTS				
		2021		2020
		£		£
Cash at bank and in hand		887,870		854,071
Cash on deposit		-		-
Total cash and cash equivalents		£887,870		£854,071

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 2021

Analysis of changes in net debt

	At start of year	Cash flows	Other movements	At end of year
	£	£	£	£
Cash	854,071	33,799	-	887,870
Loans falling due within one year	(27,034)	(4,012)	-	(31,046)
Loans falling due after one year	(649,270)	31,407	-	(617,863)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>£177,767</u>	<u>£61,194</u>	<u>-</u>	<u>£238,961</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 2021

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the applicable Financial Reporting Standard (FRS102, issued March 2013), the Statement of Recommended Practice for Charities (SORP 2015, second edition effective January 2019) 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 in September 2019 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)

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.

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 2021

2. SCHOOL FEES RECEIVABLE	2021 £	2020 £
Full fees for pupils at the School	3,435,077	3,435,207
Less: Summer Term fee discount	(78,680)	(259,521)
Less: bursaries and allowances	(162,166)	(162,903)
Less: staff salary sacrifice scheme fee adjustment	(4,477)	(6,634)
	<u>£3,189,754</u>	<u>£3,006,149</u>
3. OTHER EDUCATIONAL INCOME	2021 £	2020 £
Private tuition income	43,991	54,321
Registration fees	7,650	3,000
School trips	35,715	21,796
	<u>£87,356</u>	<u>£79,117</u>
4. OTHER INCOME	2021 £	2020 £
School fees protection insurance	7,761	8,016
Book and uniform sales	2,862	3,702
Home to School minibus service	9,765	9,772
Rental income	6,351	173
Other income	5,707	5,567
	<u>£32,446</u>	<u>£27,230</u>
5. DONATIONS	2021 £	2020 £
Unrestricted donations	157	359
Restricted donations	1,588	25,986
Grant income – government grant (Job Retention Scheme)	42,807	109,404
	<u>£44,552</u>	<u>£135,749</u>
6. EXPENDITURE	2021 £	2020 £
Charitable expenditure includes:		
Depreciation	159,782	105,983
Operating leases – other	37,045	36,794
Governance costs includes:		
Auditors' remuneration - for audit	13,224	12,840

TWICKENHAM PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

7. CHARITABLE ACTIVITIES	Staff costs (note 8) £	Other £	Depreciation £	Total 2021 £
Charitable activities				
School operating costs				
- Teaching costs	2,130,012	203,921	-	2,333,933
- Welfare costs	119,513	52,606	-	172,119
- Premises	75,749	263,506	159,782	499,037
- Support costs	212,883	147,259	-	360,142
	<u>£2,538,157</u>	<u>£667,292</u>	<u>£159,782</u>	<u>£3,365,231</u>
	Staff costs (note 8) £	Other £	Depreciation £	Total 2020 £
Charitable activities				
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>

All costs relate to the one activity of operating the School. Included within other support costs are governance costs of £16,172 (2020: £16,260).

8. STAFF COSTS	2021 £	2020 £
Salaries and wages	1,969,925	1,950,074
Social security costs	192,194	186,717
Pension costs	376,038	370,185
	<u>£2,538,157</u>	<u>£2,506,976</u>

The total value of all compensation and benefits provided to the key management personnel in the year was £573,408 (2020: £564,147).

There were no termination payments made during the year (2020: £2,160).

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

	No.	No.
Teaching		
Full time	17	17
Part time	20	19
Other		
Full time	6	6
Part time	24	23
	<u>67</u>	<u>65</u>

TWICKENHAM PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

8. STAFF COSTS (continued)

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

	No.	No.
£100,001 - £110,000	1	-
£90,001 - £100,000	-	1
£60,001 - £70,000	1	1
	<u>1</u>	<u>1</u>

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

9. FINANCE COSTS

	2021 £	2020 £
Bank charges	689	830
Bank interest on loans repayable within five years	12,997	15,727
Bad and doubtful debts	3,593	(657)
Fees in advance discount	4,863	4,196
	<u>£22,142</u>	<u>£20,096</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 (2020: £nil).

Four of the governors during the year (2020: 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 £
Cost					
At 1 September 2020	4,035,361	280,147	435,769	250,603	5,001,880
Additions	100,213	6,709	53,263	44,691	204,876
Disposals	-	-	-	-	-
	<u>4,135,574</u>	<u>286,856</u>	<u>489,032</u>	<u>295,294</u>	<u>5,206,756</u>
Depreciation					
At 1 September 2020	827,820	181,460	286,787	206,728	1,502,795
Charge for the year	82,712	27,402	26,242	23,426	159,782
Disposals	-	-	-	-	-
	<u>910,532</u>	<u>208,862</u>	<u>313,029</u>	<u>230,154</u>	<u>1,662,577</u>
Net Book Value					
At 31 August 2021	<u>£3,225,042</u>	<u>£77,994</u>	<u>£176,003</u>	<u>£65,140</u>	<u>£3,544,179</u>
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>

TWICKENHAM PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

12. DEBTORS	2021 £	2020 £
Fees receivable	10,887	8,155
Other debtors	124,464	153,865
	<u>£135,351</u>	<u>£162,020</u>
13. CREDITORS: amounts falling due within one year	2021 £	2020 £
Bank loans	31,046	27,034
Trade creditors	72,806	81,028
Fees received in advance	380,480	424,381
Social security payable and other taxation	46,862	44,210
Pupil deposits	28,000	34,750
Sundry creditors and accruals	123,878	131,313
	<u>£683,072</u>	<u>£742,716</u>
14. CREDITORS: amounts falling due after one year	2021 £	2020 £
Pupil deposits	240,750	212,250
Bank loans		
Due between one and two years	31,660	30,051
Due between two and five years	586,203	619,219
	<u>617,863</u>	<u>649,270</u>
	<u>£858,613</u>	<u>£861,520</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 £648,909 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 2021

15. FUNDS	Balance at 31 August 2020 £	Total income £	Total expenditure £	Transfers between Funds £	Balance at 31 August 2021 £
MOVEMENT IN FUNDS					
The movement in funds during the year was made up as follows:					
Unrestricted funds	2,857,712	3,500,356	(3,387,373)	52,702	3,023,397
Restricted funds					
Parents' Committee	25,086	-	-	(25,086)	-
Bursary Fund	18,847	-	-	(12,210)	6,637
51 High Street	15,050	-	-	(15,050)	-
Digital Media Suite	-	356	-	(356)	-
	<u>£2,916,695</u>	<u>£3,500,712</u>	<u>£(3,387,373)</u>	<u>-</u>	<u>£3,030,034</u>

“Parents’ Committee” relates to donations received from the Parents’ Committee towards various projects. During the year, the fund was fully utilised: £20,800 was assigned towards equipment for the premises at 51 High Street, Hampton and £4,286 expended on the continued funding of the lease of a minibus.

“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. The funds were fully utilised in Autumn 2021 to purchase furniture for the refurbished building.

Donations were received from parents towards the provision of financial assistance to parents facing hardship as a result of the pandemic. £1,232 was received and fully utilised in the year.

ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 August 2021 are represented by:			
Fixed assets	3,544,179	-	3,544,179
Net current assets	337,831	6,637	344,468
Long term liabilities	(858,613)	-	(858,613)
	<u>£3,023,397</u>	<u>£6,637</u>	<u>£3,030,034</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 12 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 £321,451 (2020: £317,872) and at the year end, £37,535 (2020: £35,640) 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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 cost cap mechanism review is 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 £54,587 (2020: £51,747). At the year end, £4,899 (2020: £4,653) was accrued in respect of contributions to this scheme.

TWICKENHAM PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

There was no pension charge for the year in respect of this scheme (2020: £566). No contributions (2020: £Nil) were outstanding at the year end.

18. CAPITAL COMMITMENTS

	2021 £	2020 £
Future capital expenditure		
Authorised and contracted for:	£31,076	£56,888

19. OPERATING LEASE COMMITMENTS

At 31 August 2021 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2021 £	2020 £
Not later than one year	32,207	33,507
Between one and five years	52,023	78,032
Later than five years	-	-
	<u>£84,230</u>	<u>£111,539</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 until June 2021 and a chartered surveyor, is a director of Brittain Hadley. During the year (and also in 2020), professional services in respect of a party wall were undertaken by another director of the firm with all costs met by a third party.

There were no other related party transactions.

TWICKENHAM PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

21. STATEMENT OF FINANCIAL ACTIVITIES FOR THE PRIOR YEAR

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
INCOME FROM:				
Charitable activities				
School fees receivable	2	3,007,399	(1,250)	3,006,149
Other educational income	3	79,117	-	79,117
Catering and Welfare income		146,219	-	146,219
Other income	4	27,230	-	27,230
Donations and Legacies				
Donations and grant income	5	109,763	25,986	135,749
Investments				
Interest receivable		5,549	-	5,549
TOTAL INCOME		3,375,277	24,736	3,400,013
EXPENDITURE ON:				
	6			
Charitable activities:				
School operating costs	7			
- Teaching costs		2,330,145	-	2,330,145
- Welfare costs		184,852	-	184,852
- Premises costs		356,028	-	356,028
- Support costs of schooling		424,460	-	424,460
		3,295,485	-	3,295,485
Raising funds				
Finance costs	9	20,096	-	20,096
TOTAL EXPENDITURE		3,315,581	-	3,315,581
NET INCOME		59,696	24,736	84,432
TRANSFERS				
Gross transfers between funds		15,267	(15,267)	-
NET INCOME FOR THE YEAR		74,963	9,469	84,432
Funds brought forward at 1 September 2019		2,782,749	49,514	2,832,263
Funds carried forward at 31 August 2020		£2,857,712	£58,983	£2,916,695

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 2021

22. FUNDS MOVEMENT FOR THE PRIOR YEAR

FUNDS	Balance at 31 August 2019 £	Total income £	Total expenditure £	Transfers between Funds £	Balance at 31 August 2020 £
MOVEMENT IN FUNDS					
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.

ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
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>