

Registered number: 589055  
Charity number: 307331

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
**(A company limited by guarantee)**

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**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Governors**

Ms M B Lund, Chairman<sup>1</sup>  
D E Armstrong<sup>1</sup>  
Mrs A J Block  
R M Curling<sup>1</sup>  
S H Dalrymple  
I E Fraser  
M A Grenier  
S L Hayes  
Mrs L C Lee<sup>2</sup>  
A W R Mitchell (resigned 11 November 2019)  
A F J Roe<sup>1,3</sup>  
E G Woods<sup>2</sup>

<sup>1</sup> Member of the Finance and Estates Committee

<sup>2</sup> Current Parent

<sup>3</sup> Old Boy

**Company registered number**

589055

**Charity registered number**

307331

**Registered office**

Horris Hill  
Newtown  
Newbury  
Berkshire  
RG20 9DJ

**Headmaster**

G F Tollit

**Bursar & Clerk to the Governors**

D T Palmer

**Independent auditors**

James Cowper Kreston  
Chartered Accountants  
2 Communications Road  
Greenham Business Park  
Greenham  
Newbury  
Berkshire  
RG19 6AB

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Bankers**

National Westminster Bank Plc  
105 High Street  
Winchester  
Hampshire  
SO23 9AW

**Solicitors**

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

Horsey Lightly Solicitors  
2 West Mills  
Newbury  
Berkshire  
RG14 5HG

Coffin Mew LLP  
Rivergate House  
Newbury Business Park  
London Road  
Newbury  
RG14 2PZ

**Insurance Brokers**

Zurich Municipal Insurance plc  
Zurich House  
3000 Parkway  
Fareham  
Hampshire  
PO15 7JZ



**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Horris Hill Preparatory School Trust Limited (the School) for the year ended 31 August 2020. The Governors confirm that the Annual report and financial statements of the company comply with the Charities Act 2011, the Companies Act 2006, the requirements of the governing documents and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) (effective 1 January 2015).

**REFERENCE AND ADMINISTRATIVE INFORMATION**

The School was founded in 1888 and in 1956 became a Charitable Trust (charity registration number 307331 and company registration number 589055) with the liability of its members limited to £1 each by guarantee. Details of the Governors, executive officers, professional advisors and the Registered Office are listed on pages 1 and 2.

The Charity is governed by its Memorandum and Articles of Association, last amended in 2003.

**AIMS**

The Object of the Charity, in accordance with its Memorandum of Association, is the education of boys aged between 4 and 13, both boarders and day pupils. The School seeks to provide a structured educational environment that develops its pupils' capabilities, competences and skills. It promotes the academic, moral and physical development of its pupils through the academic curriculum, pastoral care, sporting and other activities. It also provides an educational environment where each student can develop and fulfil his potential, building self-confidence and inculcating a desire to contribute to the wider community. By so doing, pupils are prepared for the opportunities, responsibilities and experience of the next stage in their education and their later life.

**OBJECTIVES**

The objectives are set to reflect the educational aims and ethos of the School, as well as to maintain and enhance its academic success; this latter objective is, however, placed in the context of the broader goals set for the School and its pupils. In setting objectives and planning activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The key objectives for the school are as follows:

- maintain and enhance academic excellence within the school;
- enhance and improve the co curricular provision for pupils;
- continue to ensure first class pastoral care for pupils;
- expand pupil numbers to the betterment of the school;
- provide continuing support for pupils already in receipt of fee assistance through bursaries;
- contribute to the life of the local community through community access and service programmes.

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

**CHARITABLE OBJECTS**

**Strategy**

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of that strategy is on the development of pupils, their continued high levels of academic and co-curricular achievement and a further widening of access to the education which the School provides. In taking forward the strategy, the Governors and the Headmaster:

- review and benchmark the School's academic syllabus, teaching practices and examination results;
- ensure that the range of co curricular activities available to pupils is stimulating and challenging;
- invest in technology and the infrastructure of the School;
- co operate and share resources with local schools; and
- continue to review and develop the methods for awarding bursaries to ensure wider access to pupils from all backgrounds.

**Ethos**

As a Charitable Trust, the School seeks to benefit the public through the pursuit of its stated aims. Fees are set at a level to ensure the financial viability of the School and one that is consistent with the aim of providing a first class education to boys from all backgrounds. The School needs to be satisfied that it will be able to educate and develop its prospective pupils to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy staff and parents that potential pupils can cope with the pace of learning and benefit from the education provided. An individual's economic status, ethnicity, race, religion or disability do not form part of the assessment processes. The School is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination. The School will make reasonable adjustments to meet the needs of staff or pupils who are, or become, disabled. It is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. In the last Independent Schools' Inspectorate report in February 2018 the school was found to be fully compliant with the Independent School Standards Regulations and the National Minimum Standards for Boarding. Parents are given regular information about their children's social and academic progress through parent evenings, in addition to the traditional end of term and year reports. Regular contact is maintained with parents throughout the year through informal contacts and through the newsletter and website. All pupils have a designated academic tutor responsible for pastoral care and academic development; boarders' care is augmented by the houseparents.

**Access**

It is important that access to the education on offer is not restricted to those who can afford the fees. The School believes that pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences, which helps pupils to develop an understanding of the perspectives of other people that will be vital in their adult lives. The School's bursary policy contributes to a widening of access to the education and the facilities on offer.

**Shared Resources**

The School continues to seek ways in which it might further engage with the wider local community. A partnership has already been established with the Watermill Theatre for the teaching of drama and Horris Hill boys have performed in community events organised by the Greenham Common Trust. The School actively engages with the local community with residents being invited to school events and the school hosting their events where possible. The School has completed construction of the David Brownlow Theatre on the school estate to be a focus for cultural, artistic and community events. The new building is multi-functional and is, as donors intended, to be offered as a superb stand-alone venue for a wide variety of local schools, charities and theatre groups in the West Berkshire area.

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

**Bursaries**

The Governors are of the view that bursary awards are an essential means of ensuring that children from families who would otherwise not be able to afford the fees can access the education on offer. Bursary awards are available to all who meet the general entry requirements and are made solely on the basis of parental means, or to relieve hardship where a pupil's education and future prospects would otherwise be at risk: for example, in the event of redundancy. In assessing means, a number of factors are taken into consideration, including family income, investments and savings, as well as family circumstances, such as the number of dependent relatives and siblings. However, the School does not have a large endowment and in funding awards it has to be mindful that it must ensure a balance between fee paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Information about fee assistance through bursaries is provided to all applying to the School. This year the value of bursaries (including Armed Forces and Staff discounts) totalled £221,375 and represented 8.3% of gross fee income. Assistance was given to 31 pupils.

**Financial Planning Policy**

Timely financial planning is often the key for many parents who are hoping to send their children to the School and a school fees plan is available to help those who wish to fund educational costs through regular contributions.

**Fees in Advance**

The School offers a fees in advance scheme which enables some parents to pay all or a proportion of fees depending on their financial circumstances.

**Armed Forces Discounts**

The School offers a minimum 15% discount to boys of serving military personnel. This recognizes that parents may not have sufficient personal means to afford fees and extras, even though they may be in receipt of a Continuity of Education Allowance.

**Assistance for Teaching Staff**

As part of the emphasis on attracting and retaining high calibre staff, a discount scheme is offered whereby staff members may choose to educate their children at the School.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**Pupil Numbers and Fees**

Between 114 and 130 boys were on the school roll during 2019/20 with the larger number being present during the summer term, of whom 90 were boarders and 40 were day pupils. Increases in boarding and day fees for 2019/20 were limited by the Governors to 4.4% or less. Termly fees for the current year were:

Full Boarding	9,550
Weekly Boarding	9,150
Transition Boarding	8,300
Day (Years 6 to 8)	6,800
Day (Years 4 and 5)	5,800
Day (Year 3)	4,800
Day (Reception to Year 2)	3,800

Fees for the Summer term were reduced to 90% of the applicable day fee as the school was forced to operate in remote mode due to Government restrictions associated with the Coronavirus pandemic.



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

**Academic**

Every care is taken in the assessment process to ensure that boys who come to Horris Hill will thrive academically. All the academic subjects examined by the ISEB are taught; Music, Art, PE, DT and ICT are also taught. The boys go on to top independent schools and Horris Hill is proud of the standards achieved by the boys in their final exams. In 2020 from a leaving group of 24 boys the destination schools were: Winchester (5), Marlborough (3), Sherborne (2), Oundle (2), Rugby (2), Eton (1), Charterhouse (1), Cheltenham (1), Harrow (1), Westminster (1), St Edward's (1), Bedales (1), Pangbourne (1), Malvern (1), Stowe (1).

The staff and boys deserve great credit for the positive way in which they quickly adapted to remote learning in the summer term. Parents praised the comprehensive provision that included an engaging range of academic and extra-curricular activities alongside strong pastoral support.

**Extra-Curricular**

A huge variety of activities are available to encourage the boys to broaden their outlook and interests, and on most evenings a specific time is set aside for this. There are facilities and teaching available in, amongst others, chess, board games, journalism, model making, photography and pottery. Boys are also able to have expert coaching in golf, judo, fencing, tennis and drama. In addition, the wonderful grounds and woodland at Horris Hill give scope for cycling, camping and bush craft. Regular trips - cultural, active, creative and social - are made at the weekends for the boys, making the most of the central location of the school in a beautiful part of the UK with easy access to London, Oxford and Winchester. Trips are also organised further afield, including outward bound to the Lake District, skiing in Italy, surfing in Cornwall and to a residential language school in France.

**Music**

Music lessons are taught throughout the school, with the majority of pupils receiving two timetabled lessons each week. About 80% of the boys learn at least one instrument and there are 12 visiting instrumental teachers.

**Drama**

Drama, since offered, has been enthusiastically taken up. Horris Hill believes experience in the dramatic arts is a key element in the development of a child. The whole school comes together often and 'taking part' is a critical expression of the school ethos. The school has developed a teaching association with The Watermill Theatre and many pupils take LAMDA exams each year. Each year the School presents a junior and senior play and there is a middle school dramatic or musical production in alternate years. Unfortunately all our major productions in the 2019/20 school year were cancelled due to the coronavirus restrictions. For the new academic year, we are able to use our recently completed performing arts venue situated in the heart of the school: The David Brownlow Theatre. All boys now have drama classes as part of the curriculum, additional speech and drama coaching is available and the Theatre is fully equipped for drama productions, lectures and debating.

**Sport**

Horris Hill has a strong tradition of excellence at sport, notably football, rugby and cricket. Other sports such as hockey, squash, cross country, golf, tennis, athletics, swimming, judo and orienteering also form part of the sporting calendar. Matches are arranged at all levels. All sport is under the direction of a fully qualified and experienced Director of Sport and external coaching in the major sports is provided.

**Links to Other Schools**

Sports facilities are used by local children and local school children have also used the school's grounds for nature study. A Beavers group has been established that is also open to other children.

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

**Community Service**

Each year the School is involved with a range of charities with funds being raised through the use of its facilities or through the efforts of the pupils and parents. This year 'Place2Be' benefitted from funds raised through various initiatives and the annual carol services. The School is located on a Bronze Age archaeological site and Reading University visits regularly to excavate. As Christmas approaches pupils are involved in carol singing around the local community.

**The Environment**

The School has been audited by the Carbon Trust and each year examines the feasibility of energy saving and recycling initiatives. It is hoped that by setting a good example as an institution, the expectations and behaviour of pupils as future citizens and leaders can be positively influenced.

**Community Access**

The School sees itself as part of a wider community and is delighted to assist the community within the constraints of its curricular and extra-curricular timetable. Local residents are invited to the annual Fireworks event and the Summer Fete.

**Horris Hill Society**

This organisation provides a network to bring together Old Boys, Parents past and present, former and current Staff, and Friends of the School. Members are kept up to date with school activities and the Society helps them to keep in touch with each other and with the School through reunion events, sports and other social activities.

**Horris Hill Foundation**

The Foundation has as its main objectives the raising of funds to support capital campaigns to enable specific building projects such as the Theatre to be realised as well as to provide for bursaries.

**FUTURE PLANS**

**Strategy**

To meet the objective of expanding pupil numbers for the betterment of the School, the School extended its age range to enable boys to start at 4 rather than 7 from September 2019. The fee structure has been enhanced to provide a broader range of options to appeal to day and boarding families and routines have also been adapted to provide for the needs of different families.

The School emphasises the benefits of a boys' only education as a key point of distinction.

The Governors intend to continue their current strategy of maintaining the School's position in a competitive market by investing to provide high quality education for the pupils. Achieving a high standard of academic results is a constant aim, whilst maintaining the breadth and depth of the education provided. The Headmaster and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for pupils' development. All future plans are financed primarily from fee income and from reserves, supplemented by fund raising for major capital projects. The Governors seek to maintain an equitable balance so as to ensure that current pupils benefit, whilst, at the same time, providing a sound infrastructure and financial base to enable the next generation of pupils to take advantage in the same way as current pupils from the investment made in the past.

**Development Plan**

Maintaining and, where necessary, developing the fabric and facilities of the School are central to the School's strategy. Future capital projects include the redevelopment of the sports hall and enhancement of the teaching facilities.



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

**Environment**

Implementing the environmental recommendations by the Carbon Trust is a priority with an emphasis on improving energy monitoring through boiler management systems; replacing inefficient lighting; a long term programme of double glazing, cavity wall insulation and improved loft insulation within the school and staff houses.

**FINANCIAL REVIEW**

The financial statements show net income for the year of £1,006,221 (2019: £754,670). School fees are the principal source of revenue, accounting for 54.9% (2019: 71.4%) of total income.

Fee income for the summer term was adversely affected by the reduced level of fees, though this was partly offset by grant receipts under the Government's Coronavirus Job Retention Scheme and efforts to reduce costs while operating in remote mode.

The Governors are continuing with their strategy of deploying all net incoming resources towards investment in the educational purposes and fabric of the School. As a charity the parents of pupils have the assurance that all the income of the School must be applied for educational purposes. As an educational charity it enjoys tax exemption on educational activities and on investment income and capital gains, provided that these are applied for charitable purposes. The School is also entitled to a reduction of 80% in business rates on qualifying properties. The financial benefits received from these tax exemptions are all applied for educational purposes and indirectly help to maintain the bursary policies. However, as an educational charity, it is not possible to reclaim more than a small proportion of VAT input tax on costs, as the School's main incomes are exempt for VAT purposes, and it also pays tax as an employer through national insurance contributions.

**Developments and Maintenance**

Significant projects completed during the year included the new theatre, which has been a tremendous addition to the school.

**Financial Health**

The Governors regularly review budgets, forecasts of income and expenditure and other relevant schedules, together with a monthly cash flow analysis, as part of the effective stewardship of the School. The School has adapted its short-term financial plans as a prudent response to the current economic downturn and it continues to monitor the national and international situation closely. The Governors will however re-embark on a programme of refurbishment, development and investment in order to maintain excellent teaching facilities for the pupils once it is appropriate to do so.

**Reserves Policy**

The Governors have in recent years considered that it was not necessary to build up a free reserve due to the strength of the School's balance sheet, the stable cash flow and the available banking facility that could be called upon if the need arose. As at 31 August 2020 a calculation of a free reserve would show a deficit of £1,457,787. The majority of that deficit does however relate to creditors due in more than one year (£940,880), the tangible fixed assets include properties that could be disposed of if necessary and arrangements are in place with the School's bankers to provide an adequate 'safety net' should it be required, so the Governors believe that the School will continue to be able to meet liabilities as they fall due for the foreseeable future. It is however the Governors' policy to reduce the deficit on the free reserve by implementing strategies to generate a surplus on charitable activities, for instance by expanding pupil numbers.

**Investment Policy and Performance**

The School has limited investments in low risk Charity Funds which provide through dividends a contribution to the provision of bursaries. These are monitored by the Bursar on behalf of the Governors. The long-term investment target is to preserve the real value of investments against inflation. Current year performance reflected downward market movements during the year due to the impact of the global Coronavirus pandemic.

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

**Fundraising Policy**

It is the School's policy to be fully compliant with the Code of Fundraising Practice (overseen by The Fundraising Regulator) to ensure that the conduct of the School's fundraising activities is legal, open, honest and respectful. Employees of the School and any person acting on its behalf are expected to operate in accordance with the Code. The Governors are not aware of any failure to comply with the Code. The School has established the Horris Hill Foundation to support the School's fundraising efforts. The Chairman and members of the Foundation are drawn from Old Boys and current parents. There is a Governor with responsibility for oversight of the Foundation on behalf of the Governing body and both he and the Headmaster attend all meetings of the Foundation. A Development Director was appointed in September 2018 and her work is overseen by the Headmaster and the Governing Body. Where other groups are formed to raise funds on behalf of the School, the Headmaster and other members of the School's management are closely involved in and oversee the activities of the group. The School has not used a professional fundraiser or commercial participator to carry on any fundraising activities on its behalf during the year. No complaints have been received by the School or any person acting on its behalf about fundraising activities carried out by the School or someone on behalf of the School. The School's fundraising efforts are focused on engaging with members of the School community, e.g. Old Boys and current and former parents and staff, plus charitable trusts and businesses, rather than directly engaging with the wider public. All those involved in fundraising for the school are aware that they must not exploit vulnerable circumstances of any donor.

**Senior Salaries**

Senior salaries are reviewed annually by Governors taking into account available comparative data and levels of responsibility. Senior staff are generally awarded the same increase as all other staff, unless there are particular reasons to increase senior salaries by a greater amount, for example, recruitment or retention.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Governors, who are also the charity trustees, are responsible for the overall management and control of the School and meet three times a year. The Governors are responsible for all policies which represent the framework within which the school is managed. Implementing these policies is the work of School management and staff. The Finance and Estates Committee works under the chairmanship of a Governor appointed at the first Governors' meeting each calendar year. The Bursar acts as Clerk to the Governors and the Finance and Estates Committee and prepares papers and the management accounts and is concerned with matters arising. The Education Committee, the Policies Audit Committee and the Health, Safety and Security Committee also meet termly under the leadership of a Governor. All trustees give of their time freely and no remuneration or expenses were paid in the year. No Governor or person connected with a Governor received any benefit from either means tested bursaries or scholarships awarded to pupils.

**Organisational Management**

The Governors determine the strategy of the School with its implementation delegated to the Headmaster, supported by senior staff. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The Head of Pastoral Care is the Designated Safeguarding Lead. The day to day administration of the School is undertaken within the policies and procedures approved by the Governors. Financial matters are managed by the Bursar and considered within the Governor F&E meetings termly although only the more significant expenditure decisions and major capital projects are referred to the Governors for prior approval. The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority the Bursar oversees the recruitment of administrative and non-teaching support staff. The Headmaster and Bursar are invited to attend Governors' meetings.

**Other Relationships**

The Headmaster is a member of the Independent Association of Preparatory Schools and the Boarding Schools Association, which provide an opportunity to share expertise, knowledge and experience across the independent schools sector. The School is also a member of the Independent Schools' Bursars Association.



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

**Risk Management**

The Governors are responsible for the management of the risks faced by the School, but detailed considerations of risk are delegated to Senior Management. Risks are identified and assessed throughout the year, with proper controls being established and regularly reviewed. A formal review of the Charity's risk management processes is undertaken by the Governors on an annual basis. Risk is managed under the headings of strategic risk, operational risk, financial risk and compliance risk. Given the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Three specific risks are Demand, Cash Flow and Legislative Change. As a preparatory school for boys with extensive boarding facilities, the demand for independent education is increasingly challenging as many schools change from single sex to co-educational and spread the age groups. The ongoing Coronavirus pandemic has heightened the demand risk as recruitment activities have had to be curtailed, international travel is subject to restrictions and the economic outlook, both in the UK and internationally, is less positive. Horris Hill School actively markets its increasingly rare position in the independent education sector at home and abroad while maintaining a balance across cultures and meeting the expectations of parents for an increasingly distinctive type of independent education. The extension of the age range, enhancements to the fee structure and adaptations of routines are all intended to broaden the appeal of the school and provide for the needs of different day and boarding families. A small school charity must pay particular attention to its cash flow to ensure continuing viability. Risks to cash flow are mitigated by careful control and monitoring of expenditure by school officers, governors, auditors and the school's bankers. The School also sold 2 surplus staff properties during the year to provide additional liquidity. Charities are facing a number of legislative changes and associated with this is the possibility of significant fines and damage to reputation. The School's Policy Audit Committee keeps abreast of such legislative changes and monitors the School's actions to ensure compliance.

**Governor Recruitment and Training**

The Governors are charity trustees, as well as directors and members of the company, and are appointed at the Annual General Meeting. A Nominations Committee considers and recommends new appointments, taking into account the individual's connections with the School, competence, specialist skills and local availability. Service on the Board is for a term of five years, but retiring Governors can be re-elected for a second term. The Governing Body requires breadth and depth of experience to carry out its duties effectively and efficiently. When seeking new members, arguably the most important attribute sought is recognition of the value of the educational experience provided by the School. Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- a Governor with a legal background
- a Governor with a financial/accounting background
- a Governor with education experience
- a Governor with senior managerial or business experience
- a Governor with responsibility for safe guarding, including child protection legislation
- a Governor with experience of property management
- at least one Governor who is a current parent.

(one Governor may have one or more of these skills).



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

**GOVERNORS' RESPONSIBILITIES STATEMENT**

The Governors (who are also directors of Horris Hill Preparatory School Trust Limited for the purposes of company law) are responsible for preparing the Governors' report (including the Strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The Governors are responsible for keeping adequate accounting records which 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 company and charity law. 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.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the School's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the School's auditor in connection with preparing its report and to establish that the School's auditor is aware of that information.

**AUDITOR**

The auditor, James Cowper Kreston, will be proposed for re appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board of Governors of Horris Hill Preparatory School Trust Limited on 9 November 2020 and signed on their behalf by:



M B Lund  
Chairman

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**

**Opinion**

We have audited the financial statements of Horris Hill Preparatory School Trust Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED (CONTINUED)**

**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Governors' Report including the Strategic Report.

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

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



**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED (CONTINUED)**

**Responsibilities of trustees**

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

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the 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.

**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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Michael Farwell MA FCA DChA (Senior statutory auditor)**

for and on behalf of

**James Cowper Kreston**

Chartered Accountants

2 Communications Road

Greenham Business Park

Greenham

Newbury

Berkshire

RG19 6AB

Date:

25/11/2020

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and legacies	3	162,552	833,185	995,737	889,373
Charitable activities	4	2,958,331	-	2,958,331	3,438,827
Investments	5	2,637	9,886	12,523	11,078
Other income	6	880,336	-	880,336	3,583
<b>Total income</b>		<b>4,003,856</b>	<b>843,071</b>	<b>4,846,927</b>	<b>4,342,861</b>
<b>Expenditure on:</b>					
Charitable activities	7	3,801,513	9,886	3,811,399	3,585,439
<b>Total expenditure</b>		<b>3,801,513</b>	<b>9,886</b>	<b>3,811,399</b>	<b>3,585,439</b>
Net losses on investments		-	(29,307)	(29,307)	(2,752)
<b>Net income</b>		<b>202,343</b>	<b>803,878</b>	<b>1,006,221</b>	<b>754,670</b>
Transfers between funds	19	19,298	(19,298)	-	-
<b>Net movement in funds</b>		<b>221,641</b>	<b>784,580</b>	<b>1,006,221</b>	<b>754,670</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,775,691	1,983,338	3,759,029	3,004,359
Net movement in funds		221,641	784,580	1,006,221	754,670
<b>Total funds carried forward</b>		<b>1,997,332</b>	<b>2,767,918</b>	<b>4,765,250</b>	<b>3,759,029</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 36 form part of these financial statements.


**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 589055**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	6,162,707	4,226,352
Investments	14	172,076	201,383
		<u>6,334,783</u>	<u>4,427,735</u>
<b>Current assets</b>			
Stocks	15	10,412	10,412
Debtors	16	716,487	581,859
Cash at bank and in hand		701,796	1,354,219
		<u>1,428,695</u>	<u>1,946,490</u>
Creditors: amounts falling due within one year	17	<u>(2,057,348)</u>	<u>(1,901,836)</u>
<b>Net current liabilities / assets</b>		<u>(628,653)</u>	<u>44,654</u>
<b>Total assets less current liabilities</b>		<u>5,706,130</u>	<u>4,472,389</u>
Creditors: amounts falling due after more than one year	18	<u>(940,880)</u>	<u>(713,360)</u>
<b>Total net assets</b>		<u><u>4,765,250</u></u>	<u><u>3,759,029</u></u>
<b>Charity funds</b>			
Restricted funds	19	2,767,918	1,983,338
Unrestricted funds	19	1,997,332	1,775,691
<b>Total funds</b>		<u><u>4,765,250</u></u>	<u><u>3,759,029</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

  
 .....  
 Ms M B Lund  
 Governor  
 Date: 9/11/2020

  
 .....  
 D E Armstrong  
 Governor

The notes on pages 18 to 36 form part of these financial statements.

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	22	87,950	1,350,679
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		12,523	11,078
Proceeds from the sale of tangible fixed assets		880,336	-
Purchase of tangible fixed assets		(1,869,015)	(579,764)
<b>Net cash used in investing activities</b>		<b>(976,156)</b>	<b>(568,686)</b>
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		250,000	400,000
Repayments of borrowing		(14,217)	(173,394)
<b>Net cash provided by financing activities</b>		<b>235,783</b>	<b>226,606</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(652,423)</b>	<b>1,008,599</b>
Cash and cash equivalents at the beginning of the year		1,354,219	345,620
<b>Cash and cash equivalents at the end of the year</b>	23	<b>701,796</b>	<b>1,354,219</b>

The notes on pages 18 to 36 form part of these financial statements



**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
**(A company limited by guarantee)**

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

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Horris Hill Preparatory School Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Going concern**

The Governors have considered the impact of the global Covid-19 pandemic on the ability of the charity to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements, updating financial projections, review of the tangible fixed assets which includes properties that could be disposed of if necessary and arrangements in place with the charity's bankers. Based on this review and taken together with existing financing facilities the Governors believe that the financial statements have been prepared appropriately on the going concern basis.

**1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.



**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

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

**1. Accounting policies (continued)**

**1.4 Income**

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**1.6 Bursary awards**

The Headmaster, within limits imposed by the Governors, can grant awards to individual pupils, reducing the level of fees payable. The discount given is partially refunded to the School from the Bursary fund.

**1.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.7 Tangible fixed assets and depreciation (continued)**

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2%, 5% and 10% straight line
Tractors	- 25% straight line
Motor vehicles	- 25% straight line
Furniture, fixtures & equipment	- 10% and 25% straight line
Library furniture	- 10% straight line

**1.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.10 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.11 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.12 Debtors**

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

**1.13 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.14 Liabilities**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.15 Financial instruments**

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties.

**1.16 Pensions**

The Company operates two defined contribution pension schemes and the pension charge represents the amounts payable by the Company to the funds in respect of the year.

**2. Critical accounting estimates and areas of judgment**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Critical accounting estimates and assumptions:

**Tangible fixed assets (see note 13)**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

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

**3. Income from donations and legacies**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	12,276	833,185	845,461	889,373
Government grants	150,276	-	150,276	-
	<u>162,552</u>	<u>833,185</u>	<u>995,737</u>	<u>889,373</u>
Total 2019	<u>26,134</u>	<u>863,239</u>	<u>889,373</u>	

**4. Income from charitable activities**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Gross school fees billed	2,660,084	2,660,084	3,099,410
Other ancillary income	298,247	298,247	339,417
	<u>2,958,331</u>	<u>2,958,331</u>	<u>3,438,827</u>
Total 2019	<u>3,438,827</u>	<u>3,438,827</u>	

**Other ancillary income**

	2020 £	2019 £
Disbursements	164,222	177,155
Registration fees	12,942	11,576
Accommodation income	12,295	17,185
Music department	84,505	103,771
Extra tuition	11,482	21,946
HH Society - Subscriptions	3,801	3,640
HH Society - Events income	-	4,144
Deposit retained	9,000	-
	<u>298,247</u>	<u>339,417</u>

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

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

**5. Investment income**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	2,637	9,886	12,523	11,078
Total 2019	1,322	9,756	11,078	

**6. Other incoming resources**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	-	-	3,583
Property sales	880,336	880,336	-
Total 2019	3,583	3,583	



**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

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

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Teaching	1,475,139	-	1,475,139	1,299,434
Welfare	642,538	-	642,538	717,085
Premises	550,035	-	550,035	630,446
Grants, awards & prizes	211,489	9,886	221,375	213,492
Support costs of schooling	819,102	-	819,102	664,759
Interest	38,117	-	38,117	32,496
Bad debt provision	50,000	-	50,000	15,000
Expenditure on governance	15,093	-	15,093	12,727
	<u>3,801,513</u>	<u>9,886</u>	<u>3,811,399</u>	<u>3,585,439</u>
Total 2019	<u>3,573,408</u>	<u>12,031</u>	<u>3,585,439</u>	

**Summary by expenditure type**

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £	Total funds 2019 £
Teaching	1,377,098	47,862	50,179	1,475,139	1,299,434
Welfare	459,365	29,250	153,923	642,538	717,085
Premises	69,010	100,128	380,897	550,035	630,446
Grants, awards & prizes	-	-	221,375	221,375	213,492
Support costs of schooling	249,715	-	569,387	819,102	664,759
Interest	-	-	38,117	38,117	32,496
Bad debt provision	-	-	50,000	50,000	15,000
Expenditure on governance	-	-	15,093	15,093	12,727
	<u>2,155,188</u>	<u>177,240</u>	<u>1,478,971</u>	<u>3,811,399</u>	<u>3,585,439</u>
Total 2019	<u>1,963,456</u>	<u>162,750</u>	<u>1,459,233</u>	<u>3,585,439</u>	

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

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

**8. Support costs of schooling**

	2020 £	2019 £
Sundry expenses	7,807	6,550
Office expenses	35,993	58,443
Membership & subscriptions	7,161	7,648
IT costs	93,835	60,780
Advertising	65,669	52,159
Website	16,468	883
Professional fees	176,404	31,463
Travel and vehicle expenses	36,574	53,030
Clothing, excursions and activity programmes	123,428	155,361
HH Foundation & HH Society	3,448	29,383
Conference costs	2,600	3,025
Wages & salaries	249,715	206,034
	<u>819,102</u>	<u>664,759</u>

**9. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	11,220	10,890
Fees payable to the Company's auditor in respect of: All non-audit services not included above	<u>3,759</u>	<u>1,102</u>

**10. Staff costs**

	2020 £	2019 £
Wages and salaries	1,781,643	1,642,076
Social security costs	159,826	141,511
Pension costs	213,719	179,869
	<u>2,155,188</u>	<u>1,963,456</u>

**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

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

**10. Staff costs (continued)**

The average number of persons employed by the Company during the year was as follows:

	2020 No.	2019 No.
Teaching staff	40	38
Others	43	44
	<u>83</u>	<u>82</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teaching staff	26	22
Others	26	27
	<u>52</u>	<u>49</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £80,001 - £90,000	2	2

The higher paid employees were accruing pension benefits in both 2020 and 2019. Both employees were under a defined contribution pension scheme into which contributions of £27,882 were made in the period (2019: One was part of a defined benefit pension scheme: £16,090 and one was part of a defined contribution scheme: £12,120).

The key management personnel of the School comprise Governors and the Senior Management Team. The total employee benefits of the key management personnel were £213,730 (2019: £217,979).

**11. Governors' remuneration and expenses**

During the year, no Governors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Governor expenses have been incurred (2019 - £NIL).



**HORRIS HILL PREPARATORY SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

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

**12. Transfers between funds**

	2020 £	2019 £
Depreciation of the cricket pavilion from restricted funds	1,218	1,187
Depreciation of the portable flood lights from restricted funds	-	2,901
Depreciation of the electronic scoreboard from restricted funds	3,097	3,097
Funds spent on the cricket pavilion	(742)	-
Funds spent on new lower school & design technology projects	15,725	187,815
	<u>19,298</u>	<u>195,000</u>

**13. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 September 2019	5,201,484	69,759	1,035,325	6,306,568
Additions	2,077,913	-	35,683	2,113,596
Disposals	(14,500)	-	(8,437)	(22,937)
At 31 August 2020	<u>7,264,897</u>	<u>69,759</u>	<u>1,062,571</u>	<u>8,397,227</u>
<b>Depreciation</b>				
At 1 September 2019	1,258,541	66,086	755,589	2,080,216
Charge for the year	100,727	2,025	74,488	177,240
On disposals	(14,500)	-	(8,436)	(22,936)
At 31 August 2020	<u>1,344,768</u>	<u>68,111</u>	<u>821,641</u>	<u>2,234,520</u>
<b>Net book value</b>				
At 31 August 2020	<u>5,920,129</u>	<u>1,648</u>	<u>240,930</u>	<u>6,162,707</u>
At 31 August 2019	<u>3,942,943</u>	<u>3,673</u>	<u>279,736</u>	<u>4,226,352</u>

On 20 October 2020 the School sold a peripheral cottage, the net book value of which was £nil.

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**14. Fixed asset investments**

	Listed securities £
Cost or valuation	
At 1 September 2019	201,383
Revaluations	(29,307)
At 31 August 2020	<u>172,076</u>

**Material investments**

	2020 £	2019 £
BlackRock Investments	54,676	56,085
M&G Charifund	114,154	141,439
	<u>168,830</u>	<u>197,524</u>

**15. Stocks**

	2020 £	2019 £
Consumables	<u>10,412</u>	<u>10,412</u>

**16. Debtors**

	2020 £	2019 £
Trade debtors	546,205	458,500
Other debtors	5,289	-
Prepayments and accrued income	164,993	123,359
	<u>716,487</u>	<u>581,859</u>

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**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Bank loans	38,876	51,873
Trade creditors	63,577	193,724
Other taxation and social security	36,603	36,035
Fees in advance	1,247,499	1,196,269
Other creditors	327,483	200,865
Accruals and deferred income	343,310	223,070
	<u>2,057,348</u>	<u>1,901,836</u>
	2020 £	2019 £
Deferred income at 1 September 2019	1,290,856	1,194,665
Resources deferred during the year	1,234,388	1,338,736
Amounts released from previous periods	(1,195,009)	(1,242,545)
	<u>1,330,235</u>	<u>1,290,856</u>

The deferred income relates to income for fees for the 2020/21 academic year, plus trips due to take place in that year.

**18. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Bank loans	913,953	665,173
Fees in advance	26,927	48,187
	<u>940,880</u>	<u>713,360</u>

Included within the above are amounts falling due as follows:

	2020 £	2019 £
<b>Between one and two years</b>		
Bank loans	69,135	51,873
<b>Between two and five years</b>		
Bank loans	633,613	408,727
<b>Over five years</b>		
Bank loans	211,205	204,573

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The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	225,952	204,573
	<u>225,952</u>	<u>204,573</u>

Interest is charged on the business term loans, as follows:

20 year loan with expiry July 2035 - 1.94% over National Westminster Bank plc's base rate.  
5 year loan with expiry November 2023 - 2.25% over National Westminster Bank plc's base rate.  
5 year loan with expiry September 2024 - 2.25% over National Westminster Bank plc's base rate.

All of the bank loans are secured on specific properties owned by the School and included within fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Designated property	922,751	-	(50,895)	15,725	-	887,581
<b>General funds</b>						
General fund	852,940	4,003,856	(3,750,618)	3,573	-	1,109,751
<b>Total Unrestricted funds</b>	<b>1,775,691</b>	<b>4,003,856</b>	<b>(3,801,513)</b>	<b>19,298</b>	<b>-</b>	<b>1,997,332</b>
<b>Restricted funds</b>						
Bursary	201,383	31,979	(9,886)	-	(29,307)	194,169
Presentation	60,791	3,330	-	(3,573)	-	60,548
Development	91,328	58,005	-	(15,725)	-	133,608
Theatre	1,629,836	749,757	-	-	-	2,379,593
	1,983,338	843,071	(9,886)	(19,298)	(29,307)	2,767,918
<b>Total of funds</b>	<b>3,759,029</b>	<b>4,846,927</b>	<b>(3,811,399)</b>	<b>-</b>	<b>(29,307)</b>	<b>4,765,250</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Designated property	778,481	-	(43,545)	187,815	-	922,751
<b>General funds</b>						
General fund	908,027	3,469,866	(3,532,138)	7,185	-	852,940
<b>Total Unrestricted funds</b>	<b>1,686,508</b>	<b>3,469,866</b>	<b>(3,575,683)</b>	<b>195,000</b>	<b>-</b>	<b>1,775,691</b>
<b>Restricted funds</b>						
Bursary	204,135	9,756	(9,756)	-	(2,752)	201,383
Presentation	67,976	-	-	(7,185)	-	60,791
Development	210,629	68,514	-	(187,815)	-	91,328
Theatre	835,111	794,725	-	-	-	1,629,836
	<b>1,317,851</b>	<b>872,995</b>	<b>(9,756)</b>	<b>(195,000)</b>	<b>(2,752)</b>	<b>1,983,338</b>
<b>Total of funds</b>	<b>3,004,359</b>	<b>4,342,861</b>	<b>(3,585,439)</b>	<b>-</b>	<b>(2,752)</b>	<b>3,759,029</b>

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**19. Statement of funds (continued)**

These funds have been established for the following purposes:

**Designated Property**

Represents property developments completed in current and previous years, less related depreciation.

**Bursary**

To provide bursaries to pupils. This is funded by donations and income from investments.

**Presentation**

To assist with the education and welfare of pupils. This is funded by donations from boys leaving the school. The transfers comprise depreciation charged on assets purchased with the funds.

**Development**

To assist with the future development of the School. This is funded by donations from parents.

**Theatre**

To assist with the development of a new theatre. This is funded by restricted donations.

**20. Summary of funds**

**Summary of funds - current year**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Designated funds	922,751	-	(50,895)	15,725	-	887,581
General funds	852,940	4,003,856	(3,750,618)	3,573	-	1,109,751
Restricted funds	1,983,338	843,071	(9,886)	(19,298)	(29,307)	2,767,918
	<u>3,759,029</u>	<u>4,846,927</u>	<u>(3,811,399)</u>	<u>-</u>	<u>(29,307)</u>	<u>4,765,250</u>

**Summary of funds - prior year**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Designated funds	778,481	-	(43,545)	187,815	-	922,751
General funds	908,027	3,469,866	(3,532,138)	7,185	-	852,940
Restricted funds	1,317,851	872,995	(9,756)	(195,000)	(2,752)	1,983,338
	<u>3,004,359</u>	<u>4,342,861</u>	<u>(3,585,439)</u>	<u>-</u>	<u>(2,752)</u>	<u>3,759,029</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,452,119	2,710,588	6,162,707
Fixed asset investments	-	172,076	172,076
Current assets	1,298,860	129,835	1,428,695
Creditors due within one year	(1,812,767)	(244,581)	(2,057,348)
Creditors due in more than one year	(940,880)	-	(940,880)
<b>Total</b>	<b>1,997,332</b>	<b>2,767,918</b>	<b>4,765,250</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,555,483	670,869	4,226,352
Fixed asset investments	-	201,383	201,383
Current assets	835,404	1,111,086	1,946,490
Creditors due within one year	(1,901,836)	-	(1,901,836)
Creditors due in more than one year	(713,360)	-	(713,360)
<b>Total</b>	<b>1,775,691</b>	<b>1,983,338</b>	<b>3,759,029</b>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Reconciliation of net movement in funds to net cash flow from operating activities**

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	1,006,221	754,670
<b>Adjustments for:</b>		
Depreciation charges	177,240	162,750
Loss on investments	29,307	2,752
Dividends, interests and rents from investments	(12,523)	(11,078)
Loss/(profit) on the sale of fixed assets	(880,336)	1,525
Decrease/(increase) in debtors	(134,628)	60,683
Increase/(decrease) in creditors	(97,331)	379,377
<b>Net cash provided by operating activities</b>	<b>87,950</b>	<b>1,350,679</b>

**23. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	701,796	1,354,219
<b>Total cash and cash equivalents</b>	<b>701,796</b>	<b>1,354,219</b>

**24. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,354,219	(652,423)	701,796
Debt due within 1 year	(51,873)	12,997	(38,876)
Debt due after 1 year	(665,173)	(248,780)	(913,953)
	<b>637,173</b>	<b>(888,206)</b>	<b>(251,033)</b>

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**25. Pension commitments**

This year the School operated two defined contribution pension schemes, however last year it operated a defined benefit scheme and a defined contribution scheme. The defined contribution scheme was the Teachers Pension Scheme, which it left on 31 August 2019.

The assets of the schemes are held separately from those of the School in independently administered funds. The pension cost charge represents contributions payable by the School to the funds and amounts of £27,154 (2019: £24,347) were payable to the funds at the balance sheet date and are included in creditors.

**26. Operating lease commitments**

At 31 August 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	64,374	72,166
Later than 1 year and not later than 5 years	126,802	168,907
Later than 5 years	-	11,101
	<u>191,176</u>	<u>252,174</u>

**27. Related party transactions**

Two (2019: two) Governors had children who attended the School. All transactions are carried out at arms length.

During the year Governors provided donations totalling £111,940 (2019: £98,620).

**28. Controlling party**

Horris Hill Preparatory School Trust Limited is controlled by its Board of Governors. Accordingly, there is no single individual that can, or does, exert control over the charity.