

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

England & Wales · Charity number 310637

Details

Status Registered

Legal form Charitable company

Company number 00068471

Registered 1963-10-02

Register [View on the Charity Commission register](#)

Contact

Address Godstowe Preparatory School
Shrubbery Road
High Wycombe
HP13 6PR

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Website www.godstowe.org

Activities

Objects: THE OBJECTS OF THE CHARITY (OBJECTS) ARE TO ADVANCE THE EDUCATION OF GIRLS AND BOYS INCLUDING BUT NOT LIMITED TO THE PROVISION OF ONE OR MORE SCHOOLS AND NURSERIES.

Activities: The Provision of educational services for children from the age of 3 years to 13 years.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Buckinghamshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£8,347,291	£8,710,346	£9,856,897	128
2023-08-31	£8,210,018	£8,195,715	£10,219,952	127
2022-08-31	£7,852,667	£7,645,616	£10,205,649	122
2021-08-31	£6,972,041	£6,908,634	£9,998,598	126
2020-08-31	£6,543,432	£6,587,600	£9,935,191	126

Trustees

Name	Role	Appointed
Tara Leaver	Chair	2015-11-24
Andrew Logan		2020-11-24
David James Flower		2024-11-28
Emma Perkins		2022-03-15
Geoffrey Parkin		2023-03-21
Jack Murray		2022-11-29
Janine Kochman		2023-11-28
Jeremy Banks		2024-11-28
Kathryn Berens		2024-11-28
Modupe Omonijo		2023-03-21
Nigel Garrett		2023-03-21
Stuart Nicholls		2020-08-26

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

England & Wales - Charity number 310637

Accounts

Charity registration number 310637

Company registration number 00068471 (England and Wales)

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Tara Leaver (Chair) Mr Jeremy Banks Mrs Kathryn Berens Mr David Flower Mr Nigel Garrett Mrs Janine Kochman Mr Andrew Logan Mr Jack Murray Mr Stuart Nicholls Mrs Modupe Omonijo Mr Geoffrey Parkin Mrs Emma Perkins	
Charity number	310637	
Company number	00068471	
Registered office	Godstowe Preparatory School Shrubbery Road High Wycombe Buckinghamshire United Kingdom HP13 6PR	
Auditor	Azets Audit Services Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ	
Bankers	National Westminster Bank Plc Svenska Handelsbanken AB Barclays Bank Plc	
Key executives	Headmistress Director of Finance & Operations Clerk to the Governors	Ms Kate Bailey M.A. (Hons) PGCE Mrs Samantha North Ms Hannah Miles
Website	www.godstowe.org	

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

CONTENTS

	Page
Trustees' report	1 - 7
Statement of Trustees' responsibilities	8
Independent auditor's report	9 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 27

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees, who are also Directors for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Company's governing document, the Companies Act 2006 and "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).

Constitution and Objects

The Godstowe Preparatory School Company Limited (the 'Company') was incorporated in 1900 as a company limited by shares, as defined by the Companies Act 2006, is registered in England and is also registered with the Charity Commission. The Company is governed by its Articles of Association.

The Company's objects, as set out in its Articles of Association, are to advance the education of young girls and boys by the provision of schooling (including nursery schooling). In pursuance of these objects for the public benefit, the Company's sole business is the operation of Godstowe Preparatory School (the 'School'), incorporating a nursery, 'pre-prep' department and main school, and it has established and administers bursaries, scholarships and other benefactions and acts as trustee and manager of property and gifts given in pursuance of these objects.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Company should undertake.

School Objectives and Activities

The School was established in 1900 with the principal objective of providing systematic education and training for young girls and boys so as to prepare them for subsequent education in public or other senior schools. The School operates with boarding houses and a nursery as envisaged in the original objects. The School also holds lectures, exhibitions, public meetings and classes calculated to advance the cause of education, which is also in accordance with the objects of the School.

The School aims to provide a first-class education to girls from age 3 to 13 and boys from age 3 to 7. It seeks to provide a structured educational environment that develops pupils' capabilities, competences and skills and gives them the confidence to go on to senior schools and succeed. The School promotes the academic, moral and physical development of its pupils through the academic curriculum, pastoral care, sport and other activities. The School provides an educational environment where each student can develop and fulfil their potential, building their self-confidence and instilling a desire to contribute to the wider community.

The School is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Appropriate policies and procedures are in place to support this aim and all activities across the School are judged against this objective.

Mission Statement

The School's mission is to provide the necessary education and environment where the School values of kindness, respect, integrity and balance are embedded, to enable pupils to develop through a journey of self-assurance and personal achievement to ensure they become confident, happy and successful.

In doing so, the School aims to promote the best opportunities for pupils by providing a challenging curriculum and a wide range of extra-curricular activities, together with a stimulating and enjoyable boarding experience.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Structure, Governance and Management

The Board of Governors, or 'Council', is responsible for the overall management and control of the Company and the School. All members of Council are Trustees of the Charity, Directors of the Company and Governors of the School. Council meets at least three times per year. Currently Council has a Finance sub-committee which also meets three times a year and reports to Council. The purpose of this committee is to oversee all financial aspects of the School, working alongside the Director of Finance & Operations to ensure the School's short-term and long-term viability. Further sub-committees have been established - an Estates sub-committee to consider investment proposals in all their details, from financial through health and safety to logistics, an Education sub-committee to ensure that the School's curriculum, systems and activities deliver the best outcomes for pupils and a Revenue and Remuneration sub-committee to provide recommendations to Council on the annual review of staff remuneration and School fees. These sub-committees meet as and when appropriate. In addition, Governors are also assigned to oversee specific areas of the School's operations, for example, safeguarding and boarding.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs Tara Leaver (Chair)	
Mrs Kathryn Allner	(Resigned 19 March 2024)
Mr Jeremy Banks	(Appointed 28 November 2024)
Mrs Kathryn Berens	(Appointed 28 November 2024)
Mr David Flower	(Appointed 28 November 2024)
Mr Nigel Garrett	
Mrs Janine Kochman	(Appointed 28 November 2023)
Mr Andrew Logan	
Mr Jack Murray	
Dr Fiona Neale	(Resigned 31 August 2024)
Mr Stuart Nicholls	
Mrs Modupe Omonijo	
Mr Geoffrey Parkin	
Mrs Emma Perkins	
Mr Thomas Richardson-Bunbury	(Resigned 31 August 2024)
Mrs Geraldine Rogers	(Resigned 31 August 2024)
Mrs Sarah Stokes	(Resigned 31 August 2024)

None of the Trustees has any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Organisational Management

The day-to-day management of the School is delegated to the Headmistress, who is supported by the Director of Finance & Operations and other members of the senior leadership team. The Headmistress, the Director of Finance & Operations and the Clerk to the Governors attend Council and Finance sub-committee meetings. Other sub-committees will be attended by either the Headmistress or the Director of Finance and Operations and Governors nominated as members. Other members of School staff also attend meetings on occasion, according to their responsibilities.

Recruitment and Training of Governors

Governors are appointed by agreement at a full Council meeting. Suitable candidates for new governors are identified by existing Governors or key executives of the School followed by a formal recruitment process, with a recommendation presented to Council. New Governors are introduced to the workings of the School through an induction programme. Council has periodic training up-date events.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Employment Policy

The Company is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees takes place at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the Company.

Public Benefit

In setting objectives and planning, the Governors give careful consideration to the Charity Commission's guidance on public benefit.

The Company is a charity which 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 at a level that is consistent with Council's aim of providing a first-class education for the School's pupils. In setting the fees the Governors take into account future plans for the School, the current economic and political climate and the ability of parents to meet their financial commitments.

The School welcomes pupils from all backgrounds. The School is non-selective but aims to ensure that pupils can cope with the pace of learning and thus benefit from the education provided. An individual's economic status, ethnicity, race, religion or disability does not form part of the School's assessment process.

The Governors are committed to their policy with regard to allowing those who cannot afford the current fees to gain access to the first-class education provided by the School. Council is determined not to dilute the quality of the education currently provided while still offering assisted places in defined circumstances. With this in mind, Council has put in place the provision of means tested bursaries (assisted places) for able children from families who are less well-off, and the bursaries granted in the current year were worth £279,266 (2023: £208,552).

The School does not have endowments and, in funding bursary awards, the Governors are mindful that a balance must be struck between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards. The Governors seek to maximise the number of bursaries awarded each year whilst remaining within the constraints both of the foregoing and being able to identify suitable beneficiaries.

Social Investments

The School is part of the wider local community and the Governors are keen that staff and pupils participate in that community.

During the year, pupils raised thousands of pounds for various children's charities under the direction of a charity officer. The School regularly meets with the local church in High Wycombe to coordinate services held in town and at the School. The Governors have allowed the School to be used as an examination centre at no cost and the local community is allowed to use the School's facilities where appropriate. Wycombe District Swim Club uses the School's swimming pool complex when not in use by the School at a discount to commercial rates. Hamilton Road Primary School pupils use the pool regularly without charge. The neighbourhood watch and local residents' association both use the School's premises on a regular basis at no charge. The School continues to co-operate with the local fire brigade by allowing an annual fire drill to be carried out in one of the boarding houses.

Council is very aware that the security of pupils is of primary importance and thus the School is always careful to vet fully any outside use of the School's facilities but, subject to this consideration, is keen to build further partnerships with the local community.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Strategy

The Governors are responsible for setting a strategy for achieving the School's objectives. The focus of the strategy is the development of the pupils and their continued high level of academic achievement, whilst supporting them pastorally, covering a range of pupil ability and enabling each child to fulfil their potential. In taking forward the strategy, the Governors:

- Review and benchmark the School's academic syllabus, teaching practices and academic results;
- Ensure that the range of co- and extra-curricular activities available to pupils is stimulating and challenging;
- Ensure that the school fosters a culture of acceptance and understanding, so all girls and staff feel valued, welcome and secure;
- Ensure high standards of safeguarding, pastoral care and wellbeing;
- Invest in technology and the infrastructure of the School;
- Co-operate and share resources with local schools; and
- Continue to review and develop methods for awarding bursaries and scholarships to ensure wider access to pupils from all backgrounds.

Principal Risks and Uncertainties and Risk Management

Risk Management

Council keeps the School's activities under regular review and closely monitors risks that arise from time to time and the effectiveness of the controls and other means by which those risks are mitigated. The key controls include:

- Formal agendas for all Council and sub-committee meetings, together with detailed terms of reference for all such committees;
- Clear responsibilities and duties defined for Governors overseeing a particular aspect of the School's operations;
- Comprehensive strategic planning, budgeting and management accounting, together with frequent review of performance against those plans and budgets;
- Established organisational structures, lines of reporting and internal controls, including specified levels of authorisation and approval;
- The maintenance of a detailed strategic risk register;
- Formal written policies; and
- Vetting procedures for the protection of children.

In addition, the Governors can establish additional sub-committees to deal with specific risks as they arise.

Principal Risks and Mitigation

The two principal risks for UK independent schools are:

- A reduction in demand for pupil places; and
- Significant increases in the cost of school operations.

These risks are created or exacerbated by the following factors or a combination of them:

- **UK political factors** – the threatened loss of the existing VAT exemption on school fees and the charitable relief on business rates for independent schools crystallised following the UK general election in July 2024 and the ensuing budget in October 2024. At the same time significant increases in employment costs were introduced. The effects these factors will have on the UK independent school sector in terms of demand for school places and the costs of school operations are expected to be substantial but will not be fully understood or felt for some time.
- **Geopolitical and economic uncertainty** – threatened and actual global conflicts together with political developments and, previously, the Covid pandemic have created widespread economic disruption, leading to a range of inflationary factors, loss of consumer confidence and reductions in disposable income. As a result, there has been, and remains, substantial upward pressure on school fees and parental concerns over their affordability.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Council has placed significant focus on these risks over the past year and continues to do so. Mitigating actions have included:

- Ensuring the quality of the education services provided to pupils remains at a very high standard, thereby maintaining the attractiveness and competitive position of the School;
- Applying rigorous financial discipline to the School's operations to minimise the cost of delivering those services without any impact on their quality. This has included a restructuring of the staff resources of the School and additional caution in committing to capital projects; and
- Reviewing and augmenting the marketing operations of the School to ensure maximum appropriate geographical coverage and awareness of the School's services.

Through the risk management processes and controls established for the School, the Governors are satisfied that all major risks, including those relating to health and safety, have been identified and are being adequately managed. It is recognised, however, that such processes and controls can only provide reasonable but not absolute assurance that major risks have been adequately mitigated.

Future Plans

The main focus for the future continues to be the regular review and updating of Council's strategic plan to ensure it remains the school of choice for those seeking single sex prep-school education, with the option for boarding, up to the age of 13. This plan considers the academic, extra-curricular, pastoral and boarding elements of the School's offering and the facilities required to support this.

The plan also covers the School's IT provision. Having delivered greater integration of IT on a day-to-day basis into the classroom during the Covid pandemic, the benefits that technology can deliver are well understood and, accordingly, the Governors recognise the importance of keeping the School's IT provision up-to-date and fit for purpose for both the delivery of high quality and progressive education together with the support functions necessary to achieve this. However, it is also recognised that the costs related to these improvements need to be carefully managed.

Review of Achievements and Performance for the Year

The educational performance of the School during the year continues to deliver results that allow leavers to be offered places at their first choice of senior school. Furthermore, 23 scholarships, awards and distinctions were offered to pupils for their next schools. The senior leadership team continues to provide clear and enthusiastic direction for the School in challenging times and has received strong supportive feedback from parents.

The success of the School has been recognised in the year by the School having been nominated for and achieved the following awards:

- Awarded Boarding School Association's "Supporting Junior Boarders" Award
- Listed in the top 10 Prep Schools in the UK in the Carfax Education Index
- Finalist for Talk Education's "Creative and Performing Arts" category
- Finalist for Talk Education's "Environmental Achievement" category
- Finalist in Education Choices Magazine's "Inclusive Opportunities in Art and Music" category
- School's Early Years Team finalists in the "Most Creative Learning Through Play" category of Muddy Stiletto's Best Schools Awards
- School Nursing Team awarded the BSA Seacole Standard 2024
- First place in Local Senior School STEAM challenge for pupils, with Godstowe being the only girls prep school taking part

Pupil numbers were 397 compared with 433 the year before. Whilst these numbers are lower than the school would have preferred, given the uncertainty created by the economic and political situation, this was not unexpected. As a result, strategies are being implemented to improve pupil numbers through increased recruitment of new pupils as well as retention of existing pupils.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Once again, the efforts of all the staff across the School has been well received by the parents and the Governors appreciate the dedication and commitment of the whole school team.

Due to the uncertainty created by the current economic climate and in particular some significant increases in costs, particularly in catering, Council remains cautious when determining capital expenditure plans. Accordingly, there have been no major projects carried out during the year, although several more minor replacements and repairs have been completed. The wider investment plan for the future is being kept under review and decisions will be made dependent on needs and the financial strength of the School.

Financial Review

Results for the Year

The net deficit for the year was £363,055 compared with net income of £14,303 in the previous year. The current economic climate continues to create challenges for the School in both managing its costs and protecting its income, as parents' personal finances are also under challenge. This situation has been exacerbated by the threat of removal of VAT exemptions on school fees. In response, as noted in Principal Risks and Mitigation (above), the School has scaled back its commitment to capital projects and carefully reviewed the level of all its costs, including a restructuring of its staff resources, the cost of which was borne during the year.

Despite the impact of the net deficit for the year, cash generated from operations has remained healthy at £727,235 compared to £931,035 in the previous year, driven primarily by an increased level of fees paid in advance. This, together with continued prudent management of capital expenditure, resulted in cash balances at the end of the year improving to £4,336,986 (2023: £3,650,226).

Fundraising

Donations during the year amounted to £7,145 (2023: £29,802). Although there were no formal fund-raising campaigns carried out by the School during the year, 'Friends of Godstowe' (the parental charitable organisation) continued to play an invaluable role in raising funds for the School and the Governors are extremely appreciative of their efforts and the generosity of everyone who has contributed. These donations allow the School to bring forward plans and complete them earlier than would otherwise have been possible, or provide 'icing on the cake' items that are not considered essential but further enhance the pupil's experiences.

Investment Policies

The School does not have any external investments, but in line with our policy of diversifying financial risk the School divides its short-term cash deposits between its principal bankers. The Governors continue to keep this policy under careful review.

Reserve Levels and Policy

The Governors are mindful that the School does not have endowments and that the current economic climate makes the future somewhat uncertain.

The running costs of the School continue to rise, due to a number of inflationary factors. In addition, the financial dynamics of its operations make the School heavily dependent on pupil numbers and fee levels. With this in mind, the Governors need to ensure that the level of reserves is adequate to meet the running expenses of the School and to allow for future capital projects.

At the end of the year, the Company had total reserves of £9,856,897 (2023: £10,219,952) and unrestricted reserves of £9,174,381 (2023: £9,561,820). After adjusting for unrestricted functional fixed assets for the Company's own use, free reserves improved further to £224,310 (2023: £102,915) reflecting the continued careful prioritisation of capital expenditure. It remains the intention of the Governors to continue to improve the free reserves position as soon as possible. It is, however, recognised that, with the continuing uncertainty created by the risks faced by the School, this may not be achievable in the short term.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

It is the policy of the Company that its cash balances and access to additional liquidity should be maintained at a level equivalent to between three and six month's expenditure and significant management attention is given to forecasting and monitoring cash levels for this purpose. The Governors consider that maintaining cash reserves at this level will ensure that, in the event of a significant drop in cash generation from operations, they will be able to continue the School's current activities while consideration is given to ways in which additional funds may be raised or costs further reduced. This level of cash reserves has been maintained throughout the year.

Auditor

In accordance with the Company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the Company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



.....
Mrs Tara Leaver (Chair)

Date: 28/11/2024
.....

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees, who are also the Directors of The Godstowe Preparatory School Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	-	7,145	7,145	-	29,802	29,802
Charitable activities	4	8,236,893	-	8,236,893	8,143,877	-	8,143,877
Investments	5	103,253	-	103,253	36,339	-	36,339
Total income		8,340,146	7,145	8,347,291	8,180,216	29,802	8,210,018
Expenditure on:							
Charitable activities	6	8,682,585	27,761	8,710,346	8,163,617	32,098	8,195,715
Net (expenditure)/income for the year/ Net movement in funds		(342,439)	(20,616)	(363,055)	16,599	(2,296)	14,303
Fund balances at 1 September 2023		9,516,820	703,132	10,219,952	9,500,221	705,428	10,205,649
Fund balances at 31 August 2024		9,174,381	682,516	9,856,897	9,516,820	703,132	10,219,952

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	10		9,627,700		10,114,150
Investments	11		4		4
			<u>9,627,704</u>		<u>10,114,154</u>
Current assets					
Debtors	12	1,789,538		1,884,863	
Cash at bank and in hand		4,336,986		3,650,226	
		<u>6,126,524</u>		<u>5,535,089</u>	
Creditors: amounts falling due within one year	13	<u>(4,562,748)</u>		<u>(3,902,642)</u>	
Net current assets			<u>1,563,776</u>		<u>1,632,447</u>
Total assets less current liabilities			<u>11,191,480</u>		<u>11,746,601</u>
Creditors: amounts falling due after more than one year	14		<u>(1,334,583)</u>		<u>(1,526,649)</u>
Net assets			<u><u>9,856,897</u></u>		<u><u>10,219,952</u></u>
Income funds					
Restricted funds	18		682,516		703,132
Unrestricted funds:					
General unrestricted funds		9,174,366		9,516,805	
Share capital		15		15	
		<u>9,174,381</u>		<u>9,516,820</u>	
			<u><u>9,856,897</u></u>		<u><u>10,219,952</u></u>

The financial statements were approved by the Trustees on 28/11/2024

Tara Leaver

Mrs Tara Leaver (Chair)
Trustee

Company registration number 00068471

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	21		727,235		931,035
Investing activities					
Purchase of tangible fixed assets		(137,447)		(241,607)	
Investment income received		103,253		36,339	
Net cash used in investing activities			(34,194)		(205,268)
Financing activities					
Repayment of bank loans		(57,642)		(66,110)	
Deposits		51,361		111,551	
Net cash (used in)/generated from financing activities			(6,281)		45,441
Net increase in cash and cash equivalents			686,760		771,208
Cash and cash equivalents at beginning of year			3,650,226		2,879,018
Cash and cash equivalents at end of year			<u>4,336,986</u>		<u>3,650,226</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Company information

The Godstowe Preparatory School Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Godstowe Preparatory School, Shrubbery Road, High Wycombe, Buckinghamshire, HP13 6PR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Company's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Company to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is provided on all fixed assets other than freehold land and is recognised so as to write off the cost of the fixed assets less their residual values on a straight line basis using the following estimated useful economic lives:

Freehold land and buildings	10 - 50 years
Fixtures and fittings	5 - 33 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. In the prior year the Company also contributed to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Company by the Scheme Administrator. The scheme is a multi-employer pension scheme, and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Company. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. The company withdrew from the Teachers' Pension Scheme on 31 March 2023.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

3 Donations and legacies

	Restricted funds	Restricted funds
	2024	2023
	£	£
Donations and gifts	7,145	29,802

4 Charitable activities

	Charitable Income	Charitable Income
	2024	2023
	£	£
Fees receivable from tuition and boarding	8,135,485	8,068,936
Charitable rental income	101,408	74,941
	<u>8,236,893</u>	<u>8,143,877</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Deposit account interest	103,253	36,339

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

6 Charitable activities

	Charitable Expenditure 2024 £	Charitable Expenditure 2023 £
Staff costs	5,323,555	4,862,387
Depreciation and impairment	623,897	683,849
Teaching costs	336,698	326,809
Support service costs	1,798,031	1,799,750
Management and admin costs	548,573	440,366
Bank charges and interest	68,910	51,398
Bad debt expense	10,682	31,156
	<u>8,710,346</u>	<u>8,195,715</u>
Analysis by fund		
Unrestricted funds	8,682,585	8,163,617
Restricted funds	27,761	32,098
	<u>8,710,346</u>	<u>8,195,715</u>

7 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Teachers - Full time	41	40
Teachers - Part time	14	12
Admin - Full time	45	49
Admin - Part time	28	26
	<u>128</u>	<u>127</u>

Employment costs

	2024 £	2023 £
Wages and salaries	4,394,867	3,929,637
Social security costs	386,679	367,711
Other pension costs	542,009	565,039
	<u>5,323,555</u>	<u>4,862,387</u>

Included within the above costs are redundancy payments amounting to £109,066 which were paid as part of the staff restructuring during the year.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	1

8 Trustees and key management personnel

No Trustees received remuneration or other benefits paid for by the Company for the year ended 31 August 2024 nor for the year ended 31 August 2023.

During the year there were no trustee expenses paid in relation to travel and subsistence nor for the year ended 31 August 2023.

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2024 £	2023 £
Aggregate compensation	647,374	618,163

9 Taxation

The Company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

10 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2023	12,986,325	4,556,953	30,711	17,573,989
Additions	66,770	51,927	18,750	137,447
Disposals	-	-	(4,000)	(4,000)
At 31 August 2024	13,053,095	4,608,880	45,461	17,707,436
Depreciation and impairment				
At 1 September 2023	4,749,773	2,679,355	30,711	7,459,839
Depreciation charged in the year	397,282	224,115	2,500	623,897
Eliminated in respect of disposals	-	-	(4,000)	(4,000)
At 31 August 2024	5,147,055	2,903,470	29,211	8,079,736
Carrying amount				
At 31 August 2024	7,906,040	1,705,410	16,250	9,627,700
At 31 August 2023	8,236,552	1,877,598	-	10,114,150

During the year ended 31st August 2022, the Company entered into a contract with its caterers for the provision of catering services for a term of seven years. As part of this agreement, the caterers assisted in the refurbishment of the School's kitchen and dining facilities by funding a proportion of the refurbishment cost and providing a loan on favourable terms for the remainder. Under the terms of the agreement, the benefit of the funding accrues evenly over the term of the contract and the loan is repayable over the same period. The cost of the refurbishment has been capitalised and is being depreciated over its estimated useful life in accordance with the Company's depreciation policy. At the end of the year, the outstanding balance of the loan and the unamortised amount of the funding benefit are included under Bank and other loans and Deferred income respectively, within creditors.

11 Fixed asset investments

	Other investments
Cost or valuation	
At 1 September 2023 & 31 August 2024	4
Carrying amount	
At 31 August 2024	4
At 31 August 2023	4

Fixed asset investments at the balance sheet date comprise the entire ordinary share capital of the Company's two UK registered dormant subsidiaries, High Wycombe Music Activities Limited and Godstowe Developments Limited.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

12 Debtors	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	1,514,270	1,685,584
Other debtors	41,494	4,747
Prepayments and accrued income	233,774	194,532
	<u>1,789,538</u>	<u>1,884,863</u>

13 Creditors: amounts falling due within one year	2024	2023
Notes	£	£
Bank and other loans	16 69,892	69,016
Other taxation and social security	111,347	91,512
Deferred income	15 2,365,718	2,666,474
Trade creditors	133,207	54,301
Fees received in advance	1,450,727	668,691
Deposits	217,722	60,500
Other creditors	148,990	197,544
Accruals	65,145	94,604
	<u>4,562,748</u>	<u>3,902,642</u>

14 Creditors: amounts falling due after more than one year	2024	2023
Notes	£	£
Bank loans and other loans	16 785,044	843,562
Deferred income	15 83,059	110,746
Deposits	466,480	572,341
	<u>1,334,583</u>	<u>1,526,649</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

15 Deferred income

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	2,365,718	2,666,474
Non-current liabilities	83,059	110,746
	<u>2,448,777</u>	<u>2,777,220</u>
Movements in the year:		
Deferred income at 1 September 2023	2,777,220	2,795,513
Released from previous periods	(2,666,474)	(2,657,081)
Resources deferred in the year	2,338,031	2,638,788
	<u>2,448,777</u>	<u>2,777,220</u>
Deferred income at 31 August 2024	<u>2,448,777</u>	<u>2,777,220</u>

Deferred income represents invoices issued before the year end for school fees in the following year and the unamortised funding benefit arising from the Company's catering contract (see Note 10).

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

16 Loans and deposits

	2024 £	2023 £
Bank and other loans - due in 1 year	69,892	69,016
Bank and other loans - 1-2 years	70,785	69,892
Bank and other loans - 2-5 years	192,260	215,108
Bank and other loans - over 5 years	521,999	558,562
	<u>854,936</u>	<u>912,578</u>
Deposits - due in 1 year	217,722	60,500
Deposits - 1-2 years	154,050	166,073
Deposits - 2-5 years	192,250	229,253
Deposits - over 5 years	120,180	177,015
	<u>684,202</u>	<u>632,841</u>
Bank and other loans	854,936	912,578
Deposits	684,202	632,841
	<u>1,539,138</u>	<u>1,545,419</u>
Payable within one year	287,614	129,516
Payable after one year	1,251,524	1,415,903
	<u>1,539,138</u>	<u>1,545,419</u>

Secured debts

On 8 August 2018, the Company entered into a 20 year term loan with National Westminster Bank Plc which is secured by a charge on certain freehold land and buildings. At 31 August 2024, £752,388 was still outstanding on this loan (2023: £784,393).

17 Share capital

	2024 £	2023 £
Ordinary share capital		
Issued and fully paid		
15 Ordinary B of £1 each	15	15
	<u>15</u>	<u>15</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Restricted funds

The income funds of the Company include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 August 2024
	Balance at 1 September 2023	Incoming resources	Resources expended / depreciation charged	Transfers	
	£	£	£	£	£
Fixed assets funded from donations	700,245	-	(27,761)	5,145	677,629
Donations	2,887	7,145	-	(5,145)	4,887
	<u>703,132</u>	<u>7,145</u>	<u>(27,761)</u>	<u>-</u>	<u>682,516</u>

	Movement in funds				Balance at 1 September 2023
	Balance at 1 September 2022	Incoming resources	Resources expended / depreciation charged	Transfers	
	£	£	£	£	£
Fixed assets funded from donations	699,925	-	(29,795)	30,115	700,245
Donations	5,503	29,802	(2,303)	(30,115)	2,887
	<u>705,428</u>	<u>29,802</u>	<u>(32,098)</u>	<u>-</u>	<u>703,132</u>

19 Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total Unrestricted funds 2024	Restricted funds 2023	Total 2023
	£	£	£	£	£
Fund balances at 31 August 2024 are represented by:					
Tangible assets	8,950,071	677,629	9,627,700	9,413,905	10,114,150
Investments	4	-	4	4	4
Current assets/(liabilities)	1,558,889	4,887	1,563,776	1,629,560	1,632,447
Long term liabilities	(1,334,583)	-	(1,334,583)	(1,526,649)	(1,526,649)
	<u>9,174,381</u>	<u>682,516</u>	<u>9,856,897</u>	<u>703,132</u>	<u>10,219,952</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	19,597	23,951
Between two and five years	43,076	23,064
	<u>62,673</u>	<u>47,015</u>

21 Cash generated from operations

	2024 £	2023 £
(Deficit)/surplus for the year	(363,055)	14,303
Adjustments for:		
Investment income recognised in statement of financial activities	(103,253)	(36,339)
Other income	(27,686)	(27,686)
Depreciation and impairment of tangible fixed assets	623,897	683,849
Movements in working capital:		
Decrease/(increase) in debtors	95,325	(48,834)
Increase in creditors	502,007	345,742
Cash generated from operations	<u><u>727,235</u></u>	<u><u>931,035</u></u>

22 Analysis of changes in net funds

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	3,650,226	686,760	4,336,986
Bank and other loans	(912,578)	57,642	(854,936)
	<u>2,737,648</u>	<u>744,402</u>	<u>3,482,050</u>

23 Related party transactions

There were no related party transactions during the current year (2023: None).

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

24 Pension commitments

With effect from 1 April 2023, the Company contributes to a defined contribution scheme for the benefit of all its eligible and opted-in staff, run by The Royal London Mutual Insurance Society Limited ("Royal London"). Previously the Company participated in the Teachers' Pension Scheme ("TPS") for its teaching staff and contributed to the National Employment Savings Trust ("NEST") in respect of its eligible and opted-in non-teaching staff. The assets of all three schemes are held separately from those of the Company in independently administered funds.

The pension cost charge for the current year represents contributions payable by the Company to Royal London amounting to £542,009 (2023: £565,039, Royal London, TPS and NEST). At the year-end £77,440 was accrued in respect of contributions to Royal London (2023: £63,815).

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Opinion

We have audited the financial statements of The Godstowe Preparatory School Company Limited (the 'Company') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 Company's affairs as at 31 August 2024 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the Directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the Directors of the Company for the purpose 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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



Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

28/11/24

Chartered Accountants
Statutory Auditor

Westpoint
Lynch Wood
Peterborough
Cambridgeshire
United Kingdom
PE2 6FZ

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

England & Wales - Charity number 310637

Accounts

Charity registration number 310637

Company registration number 00068471 (England and Wales)

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

CONTENTS

	Page
Trustees' report	1 - 7
Statement of Trustees' responsibilities	8
Independent auditor's report	9 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 25

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Governing Body

The Board of Governors, or 'Council', is responsible for the overall management and control of the Company and the School. All members of Council are both Trustees of the Charity, Directors of the Company and Governors of the School. Council meets at least three times per year. Currently Council has a Finance sub-committee which also meets three times a year and reports to Council. The purpose of this committee is to oversee all financial aspects of the School, working alongside the Director of Finance & Operations to ensure the School's short term and long-term viability. Further sub-committees have been established - an Estates sub-committee to consider investment proposals in all their details, from financial through health and safety to logistics, an Education sub-committee to ensure that the School's curriculum, systems and activities deliver the best outcomes for pupils and a Revenue and Remuneration sub-committee to provide recommendations to Council on the annual review of staff remuneration and School fees. These sub-committees meet as and when appropriate.

The Trustees, who are also the directors of the Company for the purposes of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs T Leaver (Chair)
Mrs K A Allner
Mr T Bunbury
Mr N Garrett (appointed 21 March 2023)
Mrs J Kochman (appointed 28 November 2023)
Mr A Logan
Mr J Murray (appointed 29 November 2022)
Dr F R Neale
Mr S R Nicholls
Ms M Omonijo (appointed 21 March 2023)
Mr G Parkin (appointed 21 March 2023)
Mrs E Perkins
Mrs G Rogers
Mrs S Stokes

None of the Trustees has any beneficial interest in the Company. All the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Organisational Management

The day-to-day management of the School is delegated to the Headmistress, who is supported by the Director of Finance & Operations and other members of the senior management team. The Headmistress, the Director of Finance & Operations and the Clerk to the Governors attend Council and Finance sub-committee meetings. Other sub-committees are attended by either the Headmistress or the Director of Finance & Operations and Governors nominated as members. Other members of School staff also attend according to their responsibilities.

Recruitment and Training of Governors

Governors are appointed by agreement at a full Council meeting. Suitable candidates for new governors are identified by existing Governors or key executives of the School followed by a formal recruitment process, with a recommendation presented to Council. New Governors are introduced to the workings of the School through an induction programme. The Council has periodic training up-date events.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategy

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of the strategy is the development of the pupils and their continued high level of academic achievement. In taking forward the strategy, the Governors:

- Review and benchmark the School's academic syllabus, teaching practices and academic results;
- Ensure that the range of co- and extra-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 methods for awarding bursaries and scholarships to ensure wider access to pupils from all backgrounds.

Principal Risks and Uncertainties and Risk Management

The conflicts in Ukraine and latterly the Middle East, and the cost of living pressure create continued economic uncertainty and financial challenges for both the School and parents. The School remains sensitive to the impact this can have on family finances and seeks to provide short term support where possible and appropriate, subject to the School's own financial position. The Governors also continue to monitor the economic and political situation from a wider perspective to ensure that the School responds proactively to challenges when they arise and that it remains financially viable. This is particularly the case in relation to the forthcoming general election in the UK and the potential for this to result in changes to the VAT regime and other elements of the economic framework within which the School operates.

Fluctuations in pupil numbers will always be a major risk to any school, particularly when there has been a change in leadership of the School. In the circumstances, pupil numbers have held up reasonably well and there are waiting lists in some classes and boarding demand remains strong. The Governors and senior management are, however, aware that this situation can change quickly, particularly in the current economic situation and therefore continue to explore new opportunities for pupil recruitment. In order to mitigate the risk of reduced School roll, the School continues to investigate and take advantage of rental opportunities for the School's facilities, with consideration given to the need to safeguard both the pupils and the School's assets. The Governors and senior management constantly strive to improve performance and facilities and with our five-year rolling development plan, is continuing to plan the future path of the School.

Health and safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks, most notably when away from School on trips and expeditions. The risks associated with all activities are minimised by thorough planning and risk assessments. The School has an annual health and safety audit carried out by the School's independent expert accompanied by a Governor responsible for reporting to the Board on health and safety matters. Also, an annual fire risk assessment is carried out by the School's professional fire advisers.

Council keeps the School's activities under review and monitors risks that arise from time to time. The key controls include:

- formal agendas for all Council and sub-committee meetings;
- comprehensive strategic planning, budgeting and management accounting;
- an established organisational structure and lines of reporting;
- the maintenance of a detailed strategic risk register;
- formal written policies; and
- vetting procedures for the protection of children.

In addition, the Governors can establish additional sub-committees to deal with specific risks as they arise.

Through the risk management processes and controls established for the School, the Governors are satisfied that all major risks identified have been adequately managed. It is recognised, however, that such processes and controls can only provide reasonable but not absolute assurance that major risks have been adequately mitigated.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

Donations during the year amounted to £29,802 (2022: £nil). There were no formal fund-raising campaigns carried out by the School but 'Friends of Godstowe' (the parental charitable organisation) continued to play an invaluable role in raising funds for the School and the Governors are extremely appreciative of their efforts and the generosity of everyone who has contributed. These donations allow the School to bring forward plans and complete them earlier than would otherwise have been possible, or provide 'icing on the cake' items that are not considered essential but further enhance the children's experiences.

Investment Policies

The School does not have any external investments, but in line with our policy of diversifying financial risk the School divides its cash deposits between its principal bankers. The Governors continue to keep this policy under careful review.

Reserve Levels and Policy

The Governors are mindful that the School does not have endowments and that the current economic climate makes the future somewhat uncertain.

The running costs of the School continue to rise, particularly as a result of significant increases in energy and catering costs and the general effect of cost inflation. In addition, the financial dynamics of its operations make the School heavily dependent on pupil numbers and fee levels. With this in mind, the Governors need to ensure that the level of reserves is adequate to maintain the running expenses of the School and to allow for future capital projects.

At the end of the year, the School had total reserves of £10,219,952 (2022: £10,205,649) and unrestricted reserves of £9,516,820 (2022: £9,500,221). After adjusting for unrestricted functional fixed assets for the Company's own use, free reserves improved to £102,915 (2022: £nil), reflecting continued careful prioritisation of capital expenditure this year. It remains the intention of the Governors to continue to improve the free reserves position as soon as possible. It is, however, recognised that, with the continuing uncertainty created by the current economic conditions and the incidence of unavoidable estate management projects, this may not be achievable in the short term.

It is the policy of the Company that its cash balances and access to additional liquidity should be maintained at a level equivalent to between three and six month's expenditure and significant management attention is given to forecasting and monitoring cash levels for this purpose. The Governors consider that maintaining cash reserves at this level will ensure that, in the event of a significant drop in cash generation from operations, they will be able to continue the School's current activities while consideration is given to ways in which additional funds may be raised or costs reduced. This level of cash reserves has been maintained throughout the year with no requirement to call on the Company's overdraft facility with its bankers. This facility has been renewed for the year ended 31 August 2024.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees, who are also the directors of The Godstowe Preparatory School Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the Company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Company for the purpose 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, they are responsible for assessing the 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 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income from:</u>							
Donations and legacies	3	-	29,802	29,802	-	-	-
Charitable activities income	4	8,143,877	-	8,143,877	7,850,422	-	7,850,422
Investments	5	36,339	-	36,339	2,245	-	2,245
Total income		8,180,216	29,802	8,210,018	7,852,667	-	7,852,667
<u>Expenditure on:</u>							
Charitable activities expenditure	6	8,163,617	32,098	8,195,715	7,603,069	42,547	7,645,616
Net income/(expenditure) for the year/ Net movement in funds		16,599	(2,296)	14,303	249,598	(42,547)	207,051
Fund balances at 1 September 2022		9,500,221	705,428	10,205,649	9,250,623	747,975	9,998,598
Fund balances at 31 August 2023		9,516,820	703,132	10,219,952	9,500,221	705,428	10,205,649

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	19		931,035		900,619
Investing activities					
Purchase of tangible fixed assets		(241,607)		(173,251)	
Investment income received		36,339		2,245	
Net cash used in investing activities			(205,268)		(171,006)
Financing activities					
Repayment of bank loans		(66,110)		(71,344)	
Movement in deposits		111,551		79,564	
Net cash generated from financing activities			45,441		8,220
Net increase in cash and cash equivalents			771,208		737,833
Cash and cash equivalents at beginning of year			2,879,018		2,141,185
Cash and cash equivalents at end of year			<u>3,650,226</u>		<u>2,879,018</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided on all fixed assets other than freehold land and is recognised so as to write off the cost of the fixed assets less their residual values on a straight line basis using the following estimated useful economic lives:

Freehold buildings	10 - 50 years
Fixtures and fittings	5 - 33 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Charitable activities income

	Charitable Income 2023 £	Charitable Income 2022 £
Fees receivable from tuition and boarding	8,068,936	7,775,581
Charitable rental income	74,941	74,841
	<u>8,143,877</u>	<u>7,850,422</u>

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Deposit account interest	36,339	2,245
	<u>36,339</u>	<u>2,245</u>

6 Charitable activities expenditure

	Charitable Expenditure 2023 £	Charitable Expenditure 2022 £
Wages and salaries	4,862,387	4,691,051
Teaching costs	326,809	330,877
Support service costs	1,799,750	1,548,303
Management and admin costs	440,366	334,849
Depreciation and impairment	683,849	674,055
Bank charges and interest	51,398	29,863
Bad debt expense	31,156	36,618
	<u>8,195,715</u>	<u>7,645,616</u>
Analysis by fund		
Unrestricted funds	8,163,617	7,603,069
Restricted funds	32,098	42,547
	<u>8,195,715</u>	<u>7,645,616</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Trustees' remuneration and benefits

In the prior year the Company paid £23,062 to Mr Nicholls which related to the provision of financial management services to the School in an executive capacity for part of the period during the year in which the position of Director of Finance & Operations was vacant. There were no payments of this nature during the current financial year.

No other Trustees received remuneration or other benefits paid for by the Company for the year ended 31 August 2023 nor for the year ended 31 August 2022.

During the year there were no trustee expenses paid (2022: £12,757 in relation to travel and subsistence expenses were reimbursed by the Company to two Trustees).

10 Tangible fixed assets

	Freehold buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2022	12,897,051	4,404,620	30,711	17,332,382
Additions	89,274	152,333	-	241,607
	<u>12,986,325</u>	<u>4,556,953</u>	<u>30,711</u>	<u>17,573,989</u>
At 31 August 2023				
	<u>12,986,325</u>	<u>4,556,953</u>	<u>30,711</u>	<u>17,573,989</u>
Depreciation and impairment				
At 1 September 2022	4,355,844	2,389,435	30,711	6,775,990
Depreciation charged in the year	393,929	289,920	-	683,849
	<u>4,749,773</u>	<u>2,679,355</u>	<u>30,711</u>	<u>7,459,839</u>
At 31 August 2023				
	<u>4,749,773</u>	<u>2,679,355</u>	<u>30,711</u>	<u>7,459,839</u>
Carrying amount				
At 31 August 2023	<u>8,236,552</u>	<u>1,877,598</u>	<u>-</u>	<u>10,114,150</u>
At 31 August 2022	<u>8,541,207</u>	<u>2,015,185</u>	<u>-</u>	<u>10,556,392</u>

During the year ended 31st August 2022, the Company entered into a contract with its caterers for the provision of catering services for a term of seven years. As part of this agreement, the caterers assisted in the refurbishment of the School's kitchen and dining facilities by funding a proportion of the refurbishment cost and providing a loan on favourable terms for the remainder. Under the terms of the agreement, the benefit of the funding accrues evenly over the term of the contract and the loan is repayable over the same period. The cost of the refurbishment has been capitalised and is being depreciated over its estimated useful life in accordance with the Company's depreciation policy. At the end of the year, the outstanding balance of the loan and the unamortised amount of the funding benefit are included under Bank and other loans and Deferred income respectively, within creditors.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Loans and deposits

	2023 £	2022 £
Bank and other loans - due in 1 year	69,016	68,158
Bank and other loans - 1-2 years	69,892	69,016
Bank and other loans - 2-5 years	215,108	212,374
Bank and other loans - over 5 years	558,562	629,140
	<u>912,578</u>	<u>978,688</u>
Deposits - due in 1 year	60,500	50,486
Deposits - 1-2 years	166,073	121,736
Deposits - 2-5 years	229,253	200,244
Deposits - over 5 years	177,015	148,825
	<u>632,841</u>	<u>521,291</u>
Bank and other loans	912,578	978,688
Deposits	632,841	521,291
	<u>1,545,419</u>	<u>1,499,979</u>
Payable within one year	129,516	118,644
Payable after one year	1,415,903	1,381,335
	<u>1,545,419</u>	<u>1,499,979</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Analysis of net assets between funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Total 2022 £
Fund balances at 31 August 2023 are represented by:				
Tangible assets	9,413,905	700,245	10,114,150	10,556,392
Investments	4	-	4	4
Net current assets	1,629,560	2,887	1,632,447	1,169,019
Long term liabilities	(1,526,649)	-	(1,526,649)	(1,519,766)
	9,516,820	703,132	10,219,952	10,205,649

Restricted Funds represent donations received for, and invested in, specific tangible fixed assets less accumulated depreciation in respect of those fixed assets, together with unexpended donations received for specific future capital and non-capital expenditure.

17 Related party transactions

In addition to transactions with the trustees disclosed in note 9 the following related party transactions occurred during the current and prior years.

There were no related party transactions during the current year (2022: two related parties were paid a total of £1,270 for services provided to the Company).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	554,400	512,952

18 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	23,951	19,211
Between two and five years	23,064	25,685
	47,015	44,896

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

England & Wales - Charity number 310637

Accounts

Charity registration number 310637

Company registration number 00068471 (England and Wales)

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs T Leaver (Chair) Mrs K A Allner Mr T Bunbury Mr A Logan Dr F R Neale Mr S R Nicholls Mrs E Perkins Mrs G Rogers Mrs S Stokes	
Charity number	310637	
Company number	00068471	
Registered office	Shrubbery Road High Wycombe Buckinghamshire United Kingdom HP13 6PR	
Auditor	Azets Audit Services Suites B & D Burnham Yard Beaconsfield Buckinghamshire HP9 2JH	
Bankers	National Westminster Bank Plc Svenska Handelsbanken AB Barclays Bank Plc	
Key executives	Headmistress Director of Finance & Operations Clerk to the Governors	Ms Kate Bailey M.A. (Hons) PGCE Mrs Samantha North Mrs Gundula Ackermann
Website	www.godstowe.org	

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

CONTENTS

	Page
Trustees' report	1 - 7
Statement of Trustees' responsibilities	8
Independent auditor's report	9 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 26

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Company's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Structure, Governance and Management

Constitution and Objects

The Godstowe Preparatory School Company Limited (the 'Company') was incorporated in 1900 as a company limited by shares, as defined by the Companies Act 2006, is registered in England and is registered with the Charity Commission. The Company is governed by its Articles of Association.

The Company's objects, as set out in its Articles of Association, are to advance the education of young girls and boys by the provision of schooling (including nursery schooling). In pursuance of these objects for the public benefit, the Company's sole business is the operation of Godstowe Preparatory School (the 'School'), incorporating a nursery, 'pre-prep' department and main school, and it has established and administers bursaries, scholarships and other benefactions and acts as trustee and manager of property and gifts given in pursuance of these objects.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Company should undertake.

School Objectives and Activities

The School was established in 1900 with the principal objective of providing systematic education and training for young girls and boys so as to prepare them for subsequent education in public or other large schools. The School operates with boarding houses and a nursery as envisaged in the original objects. The School also holds lectures, exhibitions, public meetings and classes calculated to advance the cause of education, which is also in accordance with the objects of the School.

The School aims to provide a first-class education to girls from age 3 to 13 and boys from age 3 to 7. It seeks to provide a structured educational environment that develops pupils' capabilities, competences and skills and gives them the confidence to go on to senior schools and succeed. The School promotes the academic, moral and physical development of its pupils through the academic curriculum, pastoral care, sport and other activities. The School provides an educational environment where each student can develop and fulfil their potential, building their self-confidence and instilling a desire to contribute to the wider community.

The School is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Appropriate policies and procedures are in place to support this aim and all activities across the School are judged against this objective.

Mission Statement

The School's mission is to provide the necessary education and training to enable pupils to be confident, happy and successful with a love of learning, in an environment where they feel valued as they are prepared for the demands of the modern world. In doing so, the School aims to promote the best opportunities for pupils by providing a challenging curriculum and a wide range of extra-curricular activities, together with a stimulating and enjoyable boarding experience.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Governing Body

The Board of Governors, or 'Council', is responsible for the overall management and control of the Company and the School. All members of Council are Trustees of the Charity, Directors of the Company and Governors of the School. Council meets at least three times per year. Currently Council has a General Purposes sub-committee which also meets three times a year and reports to Council. The purpose of this committee is to oversee all financial aspects of the School, working alongside the Director of Finance & Operations to ensure the School's short term and long-term viability. Further sub-committees are established when considered appropriate, for example, an Estates committee to consider investment proposals in all their details, from financial through health and safety to logistics and a Revenue and Remuneration Committee to provide recommendations to Council on the annual review of staff remuneration and School fees.

The Trustees, who are also the directors of the Company for the purposes of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs T Leaver (Chair)
Mrs K A Allner
Mr T Bunbury
Mr A Logan
Dr F R Neale
Mr S R Nicholls
Mrs E Perkins (appointed 15 March 2022)
Mrs L A Poore (resigned 6 September 2021)
Mrs G Rogers (appointed 23 November 2021)
Mrs S Stokes
Mr A Wilkinson (resigned 14 June 2022)
Mrs S Young (resigned 7 February 2022)

None of the Trustees has any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Organisational Management

The day-to-day management of the School is delegated to the Headmistress, who is supported by the Director of Finance & Operations and other members of the senior management team. The Headmistress, the Director of Finance & Operations and the Clerk to the Governors attend Council and General Purposes sub-committee meetings and members of the senior management team attend other sub-committee meetings as appropriate.

In August 2022, Sophie Green retired as Headmistress. The Governors are extremely grateful for her dedication and commitment to the School over the last five years. Under her leadership the School has continued to thrive and her guidance of the staff and pupils through the significant challenges resulting from the pandemic was exemplary. The Governors would like to thank her for all she has done for the School.

The Governors were delighted to appoint Ms Kate Bailey as the new Headmistress and are confident that she will uphold the values of the School and ensure that it continues to deliver a first-class education for the pupils.

Recruitment and Training of Governors

Governors are appointed by agreement at a full Council meeting. Suitable candidates for new governors are identified by existing Governors or key executives of the School followed by a formal recruitment process, with a recommendation presented to Council. New Governors are introduced to the workings of the School through an induction programme. The Council has periodic training up-date events.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Employment Policy

The Company is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the Company.

Public Benefit

In setting objectives and planning, the Governors give careful consideration to the Charity Commission's guidance on public benefit.

The Company is a charity which 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 at a level that is consistent with Council's aim of providing a first-class education for the School's pupils. In setting the fees the Governors take into account future plans for the School, the current economic climate and the ability of parents to meet their financial commitments.

The School welcomes pupils from all backgrounds. The School is non-selective but aims to ensure that pupils can cope with the pace of learning and thus benefit from the education provided. An individual's economic status, ethnicity, race, religion or disability does not form part of the School's assessment process.

The Governors are committed to their policy, with regard to allowing those who cannot afford the current fees, to gain access to the first-class education provided by the School. Council is determined not to dilute the quality of the education currently provided while still offering assisted places in defined circumstances. With this in mind, Council has put in place the provision of means tested bursaries (assisted places) for able children from families who are less well-off, and the bursaries granted in the current year were worth £181,483 (2021: £139,460). Further bursaries will be awarded for the academic year 2022/23.

The School does not have endowments and in funding bursary awards the Governors are mindful that a balance must be struck between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards. The Governors seek to maximise the number of bursaries awarded each year whilst remaining within the constraints both of the foregoing and being able to identify suitable beneficiaries.

Social Investments

The School is part of the wider local community, and the Governors are keen that staff and pupils participate in that community.

During the year, pupils raised thousands of pounds for various children's charities under the direction of a charity officer. The School regularly meets with the local church in High Wycombe to coordinate services held in town and at the School. The Governors have allowed the School to be used as an examination centre at no cost and the local community is allowed to use the School's facilities where appropriate. Wycombe District Swim Club and Hamilton Academy have the use of the School's swimming pool complex when not in use by the School. The neighbourhood watch and local residents' association both use the School's premises on a regular basis at no charge. The School continues to co-operate with the local fire brigade by each year allowing a fire drill to be carried out by the fire brigade in one of the boarding houses.

Council is very aware that the security of pupils is of primary importance and thus the School is always careful fully to vet any outside use of the School's facilities.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategy

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of the strategy is the development of the pupils and their continued high level of academic achievement. In taking forward the strategy, the Governors:

- Review and benchmark the School's academic syllabus, teaching practices and academic results;
- Ensure that the range of co-curricular activities available to our 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 methods for awarding bursaries and scholarships to ensure wider access to pupils from all backgrounds.

Principal Risks and Uncertainties and Risk Management

The impact of the COVID pandemic has started to ease but there remains economic uncertainty, both domestic and internationally due to the consequences of the pandemic and with additional new challenges resulting from the war in Ukraine and significant increases in the cost of living. The School is sensitive to how this may affect our parents and seeks to provide appropriate support in these circumstances, where possible. The Governors also continue to monitor the economic and political situation from a wider perspective to ensure that the School responds to challenges when they arise and that it remains financially viable.

Fluctuations in pupil numbers will always be a major risk to any school, particularly when there is a change in leadership of the School. In the circumstances, pupil numbers have held up well and there are waiting lists in some classes, but the Governors and senior management are aware that this situation can change quickly, particularly in the current economic situation and therefore continue to explore new opportunities for pupil recruitment. In order to mitigate the risk of reduced School roll, the School continues to investigate and take advantage of rental opportunities for the School's facilities, with consideration given to the need to safeguard both the pupils and the School's assets. The Governors and senior management constantly strive to improve performance and facilities and with our five-year rolling development plan, is continuing to plan the future path of the School.

Health and safety is always a significant area for risk management. The risks range from those relating to fire and infrastructure to personal risks, most notably when away from School on trips and expeditions. The risks associated with all activities are minimised by thorough planning and risk assessments. The School has an annual health and safety audit carried out by the School's independent expert accompanied by a Governor responsible for reporting to the Board on health and safety matters. Also, an annual fire risk assessment is carried out by the School's professional fire advisers.

Council keeps the School's activities under review and monitors risks that arise from time to time. The key controls include:

- formal agendas for all Council and sub-committee meetings;
- comprehensive strategic planning, budgeting and management accounting;
- an established organisational structure and lines of reporting;
- formal written policies; and
- vetting procedures for the protection of children.

In addition, the Governors can establish additional sub-committees to deal with specific risks as they arise.

Through the risk management processes and controls established for the School, the Governors are satisfied that all major risks identified have been adequately managed. It is recognised, however, that such processes and controls can only provide reasonable but not absolute assurance that major risks have been adequately mitigated.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Future Plans

The main focus for the future continues to be the regular review and updating of Council's strategic plan to determine the School's future requirements for both education and boarding and therefore a plan for the School estate to ensure all elements of it are fully utilised.

The plan also covers the School's IT provision. The School coped well with the demands placed on its IT infrastructure and capability during the COVID pandemic, particularly the delivery of virtual schooling during periods of School full or partial closure, resulting in more integration of IT on a day-to-day basis into the classroom. Accordingly, the Governors recognise the importance of keeping the School's IT provision up-to-date and fit for purpose, and that further investment could enhance both the quality and progressive nature of the School's education provision in all respects.

Review of Achievements and Performance for the Year

The School has had another very successful year. Pupil numbers were 450 compared with 440 the year before, which given the uncertainty created by the economic situation and the changes in the School's leadership team, was very encouraging. There are waiting lists for a number of classes and interest at open days was very strong.

25 scholarships, awards and distinctions were offered to pupils for their next schools and the School is again pleased to note that every pupil went to the school of their choice.

Once again, the efforts of all the staff across the School has been well received by the parents and the Governors remain very grateful for their dedication and commitment.

Due to the uncertainty created by the current economic climate and in particular the significant increases in energy costs, Council remained cautious when determining capital expenditure plans. Major projects started or completed during the year were the refurbishment of the kitchen and dining facilities and resurfacing of the Louard netball and tennis courts. Additionally, the boarding houses benefited from the start of a refurbishment plan and improvement in the facilities for the boarders. Further funds were used to improve the overall appearance of the School and signage.

The wider investment plan for the future is being kept under review and decisions will be made dependent on needs and the financial strength of the School.

Financial review

Results for the year

The net income for the year was £207,051 compared with £63,407 in the previous year. In the first full year since the beginning of the COVID pandemic unaffected by school closures, the School has recorded increased income and has been able to reduce pandemic-related costs. These improvements have, however, been tempered by a very significant increase in the price paid for the School's energy usage. The School's cash position continued to be strong with cash generation from operations of £900,619 (2021: £666,558) and year-end cash balances improving to £2,879,018 (2021: £2,141,185). This reflects the increased net income and prudent management of capital project expenditure.

The creation of cash surpluses from operating activities are an essential part of the long-term plans for the improvement of the School to ensure it remains the school of first choice in the area. A school of this age will always require continuing maintenance to meet the demands of modern technology and society, and this represents a significant element of School expenditure.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising for the School

During the year there were no formal fund-raising campaigns carried out by the School and no donations were received (2021: £21,920). 'Friends of Godstowe' (the parental charitable organisation) continues to play an invaluable role in raising funds for the School and the Governors are extremely appreciative of their efforts and the generosity of everyone who contributes. These donations flow to the School as and when projects are identified and completed. New projects, and those currently in progress, are expected to be completed in the forthcoming year. Such donations allow the School to bring forward plans and complete them earlier than would otherwise have been possible or provide 'icing on the cake' items that are not considered essential but further enhance the children's experiences.

Investment Policies

The School does not have any external investments, but in line with its policy of diversifying financial risk the School divides its cash deposits between its principal bankers. The Governors continue to keep this policy under careful review.

Reserve Levels and Policy

The Governors are mindful that the School does not have endowments and that the current economic climate makes the future somewhat uncertain. The running costs of the School continue to rise, particularly this year as a result of significant increases in energy costs and the general effect of cost inflation. In addition, the financial dynamics of its operations make the School heavily dependent on pupil numbers and fee levels. With this in mind, the Governors need to ensure that the level of reserves is adequate to maintain the running expenses of the School and to allow for future capital projects.

At the end of the year, the School had total reserves of £10,205,649 (2021: £9,998,598) and unrestricted reserves of £9,500,221 (2021: £9,250,623). After adjusting for unrestricted functional fixed assets for the School's own use, there were no remaining free reserves (2021: £nil). However, as a result of careful prioritisation of capital expenditure this year the extent to which the School's unrestricted functional fixed assets exceed unrestricted reserves has been reduced and it remains the intention of the Governors to continue to improve the free reserves position as soon as possible. It is, however, recognised that, with the continuing uncertainty created by the current economic conditions and the incidence of unavoidable estate management projects, this may not be achievable in the short term.

It is the policy of the School that its cash balances and access to additional liquidity should be maintained at a level equivalent to between three and six month's expenditure and significant management attention is given to forecasting and monitoring cash levels for this purpose. The Governors consider that maintaining cash reserves at this level will ensure that, in the event of a significant drop in cash generation from operations, they will be able to continue the School's current activities while consideration is given to ways in which additional funds may be raised or costs reduced. This level of cash reserves has been maintained throughout the year with no requirement to call on the School's overdraft facility with its bankers. This facility has been renewed for the year ended 31 August 2023.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Auditor

In accordance with the Company's Articles of Association, a resolution proposing that Azets Audit Services be reappointed as auditor of the Company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.

Tara Leaver

.....
Mrs T Leaver (Chair)

Chair of Trustees

Dated: *20.12.2022*
.....

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are also the directors of The Godstowe Preparatory School Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the Company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Opinion

We have audited the financial statements of The Godstowe Preparatory School Company Limited (the 'Company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Company's affairs as at 31 August 2022 and of its incoming resources and application of resources, 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 Company 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Company for the purpose 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, they are responsible for assessing the 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 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Use of our report

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

Chris Nisbet

**Christopher Nisbet BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

20.12.2022

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**Chartered Accountants
Statutory Auditor**

Suites B & D
Burnham Yard
Beaconsfield
Bucks
HP9 2JH

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	-	-	-	920	21,000	21,920
Charitable activities	4	7,850,422	-	7,850,422	6,900,186	-	6,900,186
Investments	5	2,245	-	2,245	634	-	634
Other income	6	-	-	-	49,301	-	49,301
Total income		7,852,667	-	7,852,667	6,951,041	21,000	6,972,041
<u>Expenditure on:</u>							
Charitable activities	7	7,603,069	42,547	7,645,616	6,881,584	27,050	6,908,634
Net income/(expenditure) for the year/							
Net movement in funds		249,598	(42,547)	207,051	69,457	(6,050)	63,407
Fund balances at 1 September 2021		9,250,623	747,975	9,998,598	9,181,166	754,025	9,935,191
Fund balances at 31 August 2022		9,500,221	705,428	10,205,649	9,250,623	747,975	9,998,598

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	10		10,556,392		10,683,933
Investments	11		4		4
			<u>10,556,396</u>		<u>10,683,937</u>
Current assets					
Debtors	12	1,836,029		1,785,900	
Cash at bank and in hand		2,879,018		2,141,185	
		<u>4,715,047</u>		<u>3,927,085</u>	
Creditors: amounts falling due within one year	14	(3,546,028)		(3,475,603)	
Net current assets			<u>1,169,019</u>		<u>451,482</u>
Total assets less current liabilities			<u>11,725,415</u>		<u>11,135,419</u>
Creditors: amounts falling due after more than one year	15		(1,519,766)		(1,136,821)
Net assets			<u><u>10,205,649</u></u>		<u><u>9,998,598</u></u>
Income funds					
Restricted funds			705,428		747,975
Unrestricted funds			9,500,221		9,250,623
			<u>10,205,649</u>		<u>9,998,598</u>

The financial statements were approved by the Trustees on 20.12.2022

Tara Leaver

Mrs T Leaver (Chair)
Trustee

Company Registration No. 00068471

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	19		900,619		666,558
Investing activities					
Purchase of tangible fixed assets		(173,251)		(302,111)	
Investment income received		2,245		634	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(171,006)		(301,477)
Financing activities					
Repayment of bank and other loans		(71,344)		(43,991)	
Increase in deposits		79,564		36,875	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			8,220		(7,116)
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			737,833		357,965
Cash and cash equivalents at beginning of year			2,141,185		1,783,220
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>2,879,018</u>		<u>2,141,185</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

The Godstowe Preparatory School Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Shrubbery Road, High Wycombe, Buckinghamshire, HP13 6PR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Company's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The Company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Company to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided on all fixed assets other than freehold land and is recognised so as to write off the cost of the fixed assets less their residual values on a straight line basis using the following estimated useful economic lives:

Freehold buildings	50 years
Fixtures and fittings	5 - 20 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The Company also contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Company by the Scheme Administrator. The scheme is a multi-employer pension scheme, and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Company. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	-	-	920	21,000	21,920

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Charitable activities

	Charitable Income 2022 £	Charitable Income 2021 £
Fees receivable from tuition and boarding	7,775,581	6,846,378
Charitable rental income	74,841	53,808
	<u>7,850,422</u>	<u>6,900,186</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Deposit account interest	2,245	634
	<u>2,245</u>	<u>634</u>

6 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Job retention scheme	-	49,301
	<u>-</u>	<u>49,301</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Wages and salaries	4,691,051	4,675,555
Teaching costs	330,877	199,322
Support service costs	1,548,303	1,090,147
Management and admin costs	334,849	247,248
Depreciation and impairment	674,055	626,567
Bank charges and interest	29,863	37,794
Bad debts	36,618	32,001
	<u>7,645,616</u>	<u>6,908,634</u>
Analysis by fund		
Unrestricted funds	7,603,069	6,881,584
Restricted funds	42,547	27,050
	<u>7,645,616</u>	<u>6,908,634</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Teachers - Full time	39	41
Teachers - Part time	11	13
Admin - Full time	44	44
Admin - Part time	28	28
	<u>122</u>	<u>126</u>

Employment costs

	2022 £	2021 £
Wages and salaries	3,720,748	3,710,498
Social security costs	373,257	363,835
Other pension costs	597,046	601,222
	<u>4,691,051</u>	<u>4,675,555</u>

The number of employees whose annual remuneration, excluding social security and pension contributions, was £60,000 or more were:

	2022 Number	2021 Number
£60,000 - £70,000	2	2
£70,001 - £80,000	1	1
£110,001 - £120,000	-	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>4</u>	<u>5</u>

9 Trustees' remuneration and benefits

During the year Mr S Nicholls received remuneration totalling £23,062 (2021: £nil). The amounts paid to Mr Nicholls relate to the provision of financial management services to the School in an executive capacity for part of the period during the year in which the position of Director of Finance & Operations was vacant. During this period, as agreed with the Charities Commission, appropriate measures were taken to ensure that no conflict of interest arose in relation to Mr Nicholls's position as a Trustee.

No other Trustees received remuneration or other benefits paid for by the Company for the year ended 31 August 2022 nor for the year ended 31 August 2021.

During the year, a total of £12,757 (2021: £nil) of travel and subsistence expenses were reimbursed by the Company to two Trustees.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 September 2021	12,694,920	4,060,237	30,711	16,785,868
Additions	202,131	344,383	-	546,514
At 31 August 2022	12,897,051	4,404,620	30,711	17,332,382
Depreciation and impairment				
At 1 September 2021	3,971,969	2,099,255	30,711	6,101,935
Depreciation charged in the year	383,875	290,180	-	674,055
At 31 August 2022	4,355,844	2,389,435	30,711	6,775,990
Carrying amount				
At 31 August 2022	8,541,207	2,015,185	-	10,556,392
At 31 August 2021	8,722,951	1,960,982	-	10,683,933

At the beginning of the year, the Company entered into a contract with its caterers for the provision of catering services for a term of seven years. As part of this agreement, the caterers assisted in the refurbishment of the School's kitchen and dining facilities by funding a proportion of the refurbishment cost and providing a loan on favourable terms for the remainder. Under the terms of the agreement, the benefit of the funding accrues evenly over the term of the contract and the loan is repayable over the same period. The cost of the refurbishment has been capitalised and is being depreciated over its estimated useful life in accordance with the Company's depreciation policy. At the end of the year, the outstanding balance of the loan and the unamortised amount of the funding benefit are included under Bank and other loans and Deferred income respectively, within creditors.

11 Fixed asset investments

	Other investments £
Cost or valuation	
At 1 September 2021 & 31 August 2022	4
Carrying amount	
At 31 August 2022	4
At 31 August 2021	4

Fixed asset investments at the balance sheet date comprise the entire ordinary share capital of the Company's two dormant subsidiaries, High Wycombe Music Activities Limited and Godstowe Developments Limited.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,669,352	1,609,799
Other debtors	8,186	45,815
Prepayments and accrued income	158,491	130,286
	<u>1,836,029</u>	<u>1,785,900</u>

13 Loans and deposits

	2022	2021
	£	£
Bank and other loans - due in 1 year	68,158	44,940
Bank and other loans - 1-2 years	69,016	45,673
Bank and other loans - 2-5 years	212,374	141,542
Bank and other loans - over 5 years	629,140	638,418
	<u>978,688</u>	<u>870,573</u>
Deposits - due in 1 year	50,486	130,539
Deposits - 1-2 years	121,736	39,743
Deposits - 2-5 years	200,244	155,951
Deposits - over 5 years	148,825	115,494
	<u>521,291</u>	<u>441,727</u>
Bank and other loans	978,688	870,573
Deposits	521,291	441,727
	<u>1,499,979</u>	<u>1,312,300</u>
Payable within one year	118,644	175,479
Payable after one year	1,381,335	1,136,821
	<u>1,499,979</u>	<u>1,312,300</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Loans and deposits

(Continued)

Secured debts

On 8 August 2018, the Company entered into a 20 year term loan with National Westminster Bank Plc which is secured by a charge on certain freehold land and buildings. At 31 August 2022, £824,866 was still outstanding on this loan (2021: £870,573).

On 14 September 2021, the Company entered into a £1 million overdraft facility with National Westminster Bank Plc, initially for the period ended 31 August 2022. Prior to the end of the current reporting period, the facility was extended to cover the period to 31 August 2023. The facility is secured by a charge over certain of the Company's freehold land and buildings.

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Trade creditors		91,798	167,818
Bank and other loans	13	68,158	44,940
Other taxation and social security		95,080	92,767
Fees received in advance		370,147	313,005
Deposits	13	50,486	130,539
Other creditors		128,911	81,105
Accruals		84,367	147,130
Deferred income		2,657,081	2,498,299
		<u>3,546,028</u>	<u>3,475,603</u>

Deferred income represents invoices issued before the year end for school fees in the following year and the unamortised funding benefit arising from the Company's catering contract which will be amortised within one year (see Note 10).

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank and other loans	13	910,530	825,633
Deferred income		138,432	-
Deposits	13	470,805	311,188
		<u>1,519,767</u>	<u>1,136,821</u>

Deferred income represents the unamortised funding benefit arising from the Company's catering contract which will be amortised after more than one year one year (see Note 10).

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Analysis of net assets between funds

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:				
Tangible assets	9,856,467	699,925	10,556,392	10,683,933
Investments	4	-	4	4
Net current assets	1,163,516	5,503	1,169,019	451,482
Long term liabilities	(1,519,766)	-	(1,519,766)	(1,136,821)
	<u>9,500,221</u>	<u>705,428</u>	<u>10,205,649</u>	<u>9,998,598</u>

Restricted Funds represent donations received for specific tangible fixed assets less accumulated depreciation in respect of those fixed assets, together with unexpended donations received for specific future capital and non-capital expenditure.

17 Related party transactions

In addition to transactions with the trustees disclosed in note 9 the following related party transactions occurred during the year.

During the year ended 31 August 2022, the following payments were made for services provided to the Company:

- £nil (2021: £1,105) to Mr D Ellis, son of Ms L Ellis, previous Finance Director
- £nil (2021: £795) to Mr J Stobbs, son of Ms S Green, previous Headmistress
- £1,050 (2021: 588) to Mr T Nicholls, son of Mr S Nicholls, Trustee
- £220 (2021:£nil) to Mr H North, son of Mrs S North, Director of Finance & Operations

All these transactions were approved by the Trustees and were conducted at market rates.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>512,952</u>	<u>584,794</u>

18 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	19,211	27,027
Between two and five years	25,685	49,902
	<u>44,896</u>	<u>76,929</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Cash generated from operations

	2022 £	2021 £
Surplus for the year	207,051	63,407
Adjustments for:		
Investment income recognised in statement of financial activities	(2,245)	(634)
Other income	(27,686)	-
Depreciation and impairment of tangible fixed assets	674,055	626,567
Movements in working capital:		
(Increase) in debtors	(50,129)	(1,614,186)
Increase in creditors	99,573	1,591,404
Cash generated from operations	<u>900,619</u>	<u>666,558</u>

20 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Non-cash movements £	At 31 August 2022 £
Cash at bank and in hand	2,141,185	737,833	-	2,879,018
Bank and other loans	(870,573)	71,344	(179,459)	(978,688)
	<u>1,270,612</u>	<u>809,177</u>	<u>(179,459)</u>	<u>1,900,330</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension commitments

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff and contributes to defined contribution schemes for certain employees, including a stakeholder pension scheme.

The pension cost charge represents contributions payable to the TPS and defined contribution schemes and amounted to £526,793 (2021: £534,794) for the TPS and £70,252 (2021: £66,428) for defined contribution schemes. At the year-end £74,434 (2021: £72,889) was accrued in respect of contributions to the schemes.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed an employer contribution rate for the TPS of 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 required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including Teachers' Pensions.

On 27 June 2019, the Supreme Court denied the government permission to appeal the Court of Appeal's judgement 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 TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

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 that actuarial valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal, it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

England & Wales - Charity number 310637

Accounts

Charity Registration No. 310637

Company Registration No. 00068471 (England and Wales)

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs T Leaver (Chair) Mrs K A Allner Mr T Bunbury Mr A Logan Dr F R Neale Mr S R Nicholls Mrs E Perkins Mrs G Rogers Mrs S Stokes Mr A Wilkinson	
Charity number	310637	
Company number	00068471	
Registered office	Shrubbery Road High Wycombe Buckinghamshire United Kingdom HP13 6PR	
Auditor	Azets Audit Services Suites B & D Burnham Yard Beaconsfield Buckinghamshire HP9 2JH	
Bankers	National Westminster Bank Plc Svenska Handelsbanken AB Barclays Bank Plc	
Key executives	Headmistress Director of Finance & Operations Clerk to the Governors	Ms Sophie Green BSc Econ (Hons), PGCE Mrs S North Mrs Gundula Ackermann
Website	www.godstowe.org	

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

CONTENTS

	Page
Trustees' report	1 - 7
Statement of Trustees' responsibilities	8
Independent auditor's report	9 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 26

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Company's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Structure, Governance and Management

Constitution and Objects

The Godstowe Preparatory School Company Limited (the 'Company') was incorporated in 1900 as a company limited by shares, as defined by the Companies Act 2006, is registered in England and is registered with the Charity Commission. The Company is governed by its Articles of Association.

The Company's objects, as set out in its Articles of Association, are to advance the education of young girls and boys by the provision of schooling (including nursery schooling). In pursuance of these objects for the public benefit, the Company's sole business is the operation of Godstowe Preparatory School (the 'School'), incorporating a nursery, 'pre-prep' department and main school, and it has established and administers bursaries, scholarships and other benefactions and acts as trustee and manager of property and gifts given in pursuance of these objects.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Company should undertake.

School Objectives and Activities

The School was established in 1900 with the principal objective of providing systematic education and training for young girls and boys so as to prepare them for subsequent education in public or other large schools. The School operates with boarding houses and a nursery as envisaged in the original objects. The School also holds lectures, exhibitions, public meetings and classes calculated to advance the cause of education, which is also in accordance with the objects of the School.

The School aims to provide a first-class education to girls from age 3 to 13 and boys from age 3 to 7. It seeks to provide a structured educational environment that develops pupils' capabilities, competences and skills and gives them the confidence to go on to senior schools and succeed. The School promotes the academic, moral and physical development of its pupils through the academic curriculum, pastoral care, sport and other activities. The School provides an educational environment where each student can develop and fulfil their potential, building their self-confidence and instilling a desire to contribute to the wider community.

The School is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Appropriate policies and procedures are in place to support this aim and all activities across the School are judged against this objective.

Mission Statement

The School's mission is to provide the necessary education and training to enable pupils to be confident, happy and successful with a love of learning, in an environment where they feel valued as they are prepared for the demands of the modern world. In doing so the School aims to promote the best opportunities for pupils by providing a challenging curriculum and a wide range of extra-curricular activities, together with a stimulating and enjoyable boarding experience.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Governing Body

The Board of Governors, or 'Council', is responsible for the overall management and control of the Company and the School. All members of Council are Trustees of the Charity, Directors of the Company and Governors of the School. Council meets at least three times per year. Currently Council has a General Purposes sub-committee which also meets three times a year and reports to Council. The purpose of this committee is to oversee all financial aspects of the School, working alongside the Director of Finance & Operations to ensure the School's short-term and long-term viability. Further committees are established when considered appropriate, for example, an Estates Committee to consider investment proposals in all their details, from financial through health and safety to logistics and a Revenue and Remuneration Committee to provide recommendations to Council on the annual review of staff remuneration and school fees.

The Trustees, who are also the Directors of the Company for the purposes of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs T Leaver (Chair)	
Mrs K A Allner	
Mr T Bunbury	
Mr A Logan	(appointed 24 November 2020)
Dr F R Neale	
Mr S R Nicholls	
Mrs E Perkins	(appointed 15 March 2022)
Mrs L A Poore	(resigned 6 September 2021)
Mrs G Rogers	(appointed 23 November 2021)
Mrs S Stokes	(appointed 24 November 2020)
Mr M J Tebbot	(resigned 24 November 2020)
Mr A Wilkinson	
Mrs S Young	(resigned 7 February 2022)

None of the Trustees has any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Organisational Management

The day-to-day management of the School is delegated to the Headmistress, who is supported by the Director of Finance & Operations and other members of the senior management team. The Headmistress, the Director of Finance & Operations and the Clerk to the Governors attend Council and General Purposes sub-committee meetings.

Recruitment and Training of Governors

Governors are appointed by agreement at a full Council meeting. Suitable candidates for new governors are identified by existing Governors or key executives of the School followed by a formal recruitment process, with a recommendation presented to Council. New Governors are introduced to the workings of the School through an induction programme. The Council has periodic training up-date events.

Employment Policy

The Company is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the Company.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Public Benefit

In setting objectives and planning, the Governors give careful consideration to the Charity Commission's guidance on public benefit.

The Company is a charity which 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 at a level that is consistent with Council's aim of providing a first-class education for the School's pupils. In setting the fees the Governors take into account future plans for the School, the current economic climate and the ability of parents to meet their financial commitments.

The School welcomes pupils from all backgrounds. The School is non-selective but aims to ensure that pupils can cope with the pace of learning and thus benefit from the education provided. An individual's economic status, ethnicity, race, religion or disability does not form part of the School's assessment process.

The Governors are committed to their policy with regard to allowing those who cannot afford the current fees, to gain access to the first-class education provided by the School. Council is determined not to dilute the quality of the education currently provided while still offering assisted places in defined circumstances. With this in mind, Council has put in place the provision of means tested bursaries (assisted places) for able children from families who are less well-off, and the bursaries granted in the current year were worth £139,460 (2020: £131,605). Further bursaries will be awarded for the academic year 2021/2022.

The School does not have endowments and in funding bursary awards the Governors are mindful that a balance must be struck between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards. The Governors seek to maximise the number of bursaries awarded each year whilst remaining within the constraints both of the foregoing and being able to identify suitable beneficiaries.

Social Investments

The School is part of the wider local community and the Governors are keen that staff and pupils participate in that community.

During the year, pupils raised thousands of pounds for various children's charities under the direction of a Charity Officer. The School regularly meets with the local church in High Wycombe to coordinate services held in town and at the School. The Governors have allowed the School to be used as an examination centre at no cost and the local community is allowed to use the School's facilities where appropriate. Wycombe District Swim Club have the use of the School's recently completed swimming pool complex when not in use by the School and the School is in discussion with local schools to determine whether the facilities can also be made available to them. The neighbourhood watch and local residents' association both use the School's premises on a regular basis at no charge. The School continues to co-operate with the local fire brigade by each year allowing a fire drill to be carried out by the fire brigade in one of the boarding houses.

Council is very aware that the security of pupils is of primary importance and thus the School is always careful fully to vet any outside use of the School's facilities.

Unfortunately, the ongoing impact of the COVID pandemic continued to limit the opportunities to make the School's facilities available to all these parties during the year, but these arrangements are being reinstated as Government guidance allows.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategy

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of the strategy is the development of the pupils and their continued high level of academic achievement. In taking forward the strategy, the Governors:

- review and benchmark the School's academic syllabus, teaching practices and academic results;
- ensure that the range of co-curricular activities available to our 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 methods for awarding bursaries and scholarships to ensure wider access to pupils from all backgrounds.

Principal Risks and Uncertainties and Risk Management

The COVID pandemic continues to create unprecedented economic uncertainty, both domestically and internationally. The School is sensitive to how this may affect our parents and has put in place measures to assist them in these circumstances. Developments in the pandemic and its impact on the School are kept under constant review and the Headmistress, together with other members of the Executive Leadership Team, liaise with key Governors to ensure compliance with Government guidelines and appropriate responses to the challenges faced. The Governors also continue to monitor the situation from a wider perspective to ensure that the School responds to challenges when they arise and that it remains financially viable.

Fluctuations in pupil numbers will always be a major risk to any school. Although pupil numbers are currently buoyant and there are waiting lists in some classes, the Governors and senior management are aware that this situation can change quickly, particularly in the current situation. In order to mitigate this risk, the School continues to investigate and take advantage of rental opportunities for the School's facilities. Any decision regarding rentals will ensure that Government guidelines are addressed and that the School remains COVID secure. Consideration is also given to the need to safeguard both the pupils and the School's assets. The Governors and senior management constantly strive to improve performance and facilities and with our five-year rolling development plan, is continuing to plan the future path of the School.

Health and safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks, most notably when away from School on trips and expeditions. The risks associated with all activities are minimised by thorough planning and risk assessments. The School has an annual health and safety audit carried out by the School's independent expert accompanied by a Governor responsible for reporting to the Board on health and safety matters. Also, an annual fire risk assessment is carried out by the School's professional fire advisers.

Council keeps the School's activities under review and monitors risks that arise from time-to-time. The key controls include:

- formal agendas for all Council and sub-committee meetings;
- comprehensive strategic planning, budgeting and management accounting;
- an established organisational structure and lines of reporting;
- formal written policies; and
- vetting procedures for the protection of children.

In addition, the Governors can establish additional sub-committees to deal with specific risks as they arise.

Through the risk management processes and controls established for the School, the Governors are satisfied that all major risks identified have been adequately managed. It is recognised, however, that such processes and controls can only provide reasonable but not absolute assurance that major risks have been adequately mitigated.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Future Plans

The main focus for the future continues to be the regular review and updating of Council's strategic plan to determine the School's future requirements for both education and boarding and therefore a plan for the School estate to ensure all elements of it are fully utilised.

The plan also covers the School's IT provision. The School has coped well with the demands placed on its IT infrastructure and capability during the COVID pandemic, particularly the delivery of virtual schooling during periods of School full or partial closure. However, the Governors recognise the importance of keeping the School's IT provision up-to-date and fit for purpose, and that further investment could enhance the quality of the School's education provision in all respects. The strategic plan for IT remains under review in the light of recent events.

Review of Achievements and Performance for the Year

The School has had another very successful year. Pupil numbers were 440 compared with 449 the year before, which given the uncertainty created by the pandemic, was considered to be encouraging. There are waiting lists for a number of classes and interest at open days was very strong.

22 scholarships, awards and distinctions were offered to pupils for their next schools and every pupil went to the school of their choice.

The continued uncertainty created by the COVID pandemic created challenges in ensuring that the School continued to provide the standard of education that parents expect in a COVID secure environment. Where necessary, as a result of national lockdowns or individual circumstances, a virtual school was made available, and every effort was made to replicate "live" School as closely as possible. Throughout the year, significant emphasis was placed on safeguarding in all environments whilst providing the pupils with appropriate pastoral support.

Once again, the efforts of all the staff across the School has been well received by the parents.

Opportunities for cost savings during the second national lockdown were fewer than during the first lockdown due to a number of factors. The statutory Critical Worker School ran with more than 50 children and the Virtual School ran very comprehensively as the School adapted the provision to provide a more "normal" school day with live teaching in more subjects, whilst remaining conscious of the appropriate amount of screen time for each pupil. The Government's decision to keep nurseries open meant that the School offered both live and virtual nursery provision in tandem. Additionally, ensuring a COVID secure environment created additional costs of over £150,000. The result of all these factors was that over the course of the second lockdown any savings achieved were offset by additional costs. Accordingly, the reduction in fees offered to parents was reduced from that offered during the first lockdown.

Due to the uncertainty created by the COVID pandemic, Council remained cautious when determining capital expenditure plans. Major expenditure during the year related to completion of the refurbishment of the Highlands House tower and refurbishment of the staff room. The kitchen and dining areas have also been modernised, with the project funded through an arrangement with the School's caterers.

The wider investment plan for the future is being kept under review and decisions will be made dependent on needs and the financial strength of the School.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

Results for the Year

The net income for the year was £63,407 compared with net expenditure of £44,168 in the previous year. Despite this modest improvement, the impact from the COVID pandemic, in the form of reductions in fees for the spring term, additional costs and reductions in the opportunities for letting and other income, continued to result in a lower level of surplus than recorded in recent years. Nevertheless, the School's cash position continued to be strong with cash generation from operations of £666,558 (2020: £690,672) and year-end cash balances recovering to £2,141,185 (2020: £1,783,220). As in the previous year, this reflects careful cash management, cost control and the postponement of major capital project expenditure.

The creation of cash surpluses from operating activities are an essential part of the long-term plans for the improvement of the School to ensure it remains the school of first choice in the area. A school of this age will always require continuing maintenance to meet the demands of modern technology and society. The Governors' focus is the return of the School to a stronger net income position as soon as possible, but it is recognised that this is to a large extent dependent on the return to a full year of more normal School operating conditions as the day-to-day impact of the COVID pandemic wanes.

Fundraising

Donations totalling £21,920 were received during the year compared with £29,949 in the previous year. 'Friends of Godstowe' (the parental charitable organisation) continues to play an invaluable role in raising funds for the School and the Governors are extremely appreciative of their efforts and the generosity of everyone who has contributed. These donations allow the School to bring forward plans and complete them earlier than would otherwise have been possible, or provide 'icing on the cake' items that are not considered essential but further enhance the children's experiences.

Investment Policies

The School does not have any external investments, but in line with our policy of diversifying financial risk the School divides its cash deposits between its principal bankers. The Governors continue to keep this policy under careful review.

Reserve Levels and Policy

The Governors are mindful that the School does not have endowments and that the current economic climate makes the future somewhat uncertain.

The running costs of the School continue to rise, and the financial dynamics of its operations make the School heavily dependent on pupil numbers and fee levels. With this in mind, the Governors need to ensure that the level of reserves is adequate to maintain the running expenses of the School and to allow for future capital projects.

At the end of the year, the Company had total reserves of £9,998,598 (2020: £9,935,191) and unrestricted reserves of £9,250,623 (2020: £9,181,166). After adjusting for unrestricted functional fixed assets for the Company's own use, there were no remaining free reserves (2020: £nil). It remains the intention of the Governors to improve the free reserves position as soon as possible, but it is recognised that, with the continuing uncertainty created by the COVID pandemic and the economic conditions and the incidence of unavoidable estate management projects, this may not be achievable in the short term.

It is the policy of the Company that its cash balances and access to additional liquidity should be maintained at a level equivalent to between three and six month's expenditure and significant management attention is given to forecasting and monitoring cash levels for this purpose. The Governors consider that maintaining cash reserves at this level will ensure that, in the event of a significant drop in cash generation from operations, they will be able to continue the School's current activities while consideration is given to ways in which additional funds may be raised. This level of cash reserves has been maintained throughout the year with no requirement to call on the Company's revolving credit facility with its bankers. This facility, which expired at the end of the year, has been replaced by a one year overdraft facility of the same amount.

Auditor

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

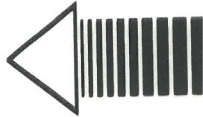
In accordance with the Company's Articles of Association, a resolution proposing that Azets Audit Services be reappointed as auditor of the Company will be put at a General Meeting.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.

Tara Leaver.

Mrs T Leaver (Chair)
Chair of Trustees

Dated: *15th March 2022*



THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees, who are also the directors of The Godstowe Preparatory School Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the Company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Opinion

We have audited the financial statements of The Godstowe Preparatory School Company Limited (the 'Company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Company's affairs as at 31 August 2021 and of its incoming resources and application of resources, 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 Company 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Company for the purpose 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, they are responsible for assessing the 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 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Christopher Nisbet

Christopher Nisbet BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

21/03/2022
.....

Chartered Accountants
Statutory Auditor

Suites B & D
Burnham Yard
Beaconsfield
Bucks
HP9 2JH

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income and endowments from:							
Donations and legacies	3	920	21,000	21,920	29,949	-	29,949
Charitable activities	4	6,900,186	-	6,900,186	6,353,355	-	6,353,355
Investments	5	634	-	634	6,360	-	6,360
Other income	6	49,301	-	49,301	153,768	-	153,768
Total income		6,951,041	21,000	6,972,041	6,543,432	-	6,543,432
Expenditure on:							
Charitable activities	7	6,881,584	27,050	6,908,634	6,559,549	28,051	6,587,600
Net income/(expenditure) for the year/ Net movement in funds		69,457	(6,050)	63,407	(16,117)	(28,051)	(44,168)
Fund balances at 1 September 2020		9,181,166	754,025	9,935,191	9,197,283	782,076	9,979,359
Fund balances at 31 August 2021		9,250,623	747,975	9,998,598	9,181,166	754,025	9,935,191

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

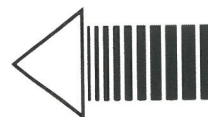
THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	10	10,683,933		11,008,389	
Investments	11		4		4
			<u>10,683,937</u>		<u>11,008,393</u>
Current assets					
Debtors	12	1,785,900		171,714	
Cash at bank and in hand		2,141,185		1,783,220	
		<u>3,927,085</u>		<u>1,954,934</u>	
Creditors: amounts falling due within one year	14	<u>(3,475,603)</u>		<u>(1,855,027)</u>	
Net current assets			<u>451,482</u>		<u>99,907</u>
Total assets less current liabilities			<u>11,135,419</u>		<u>11,108,300</u>
Creditors: amounts falling due after more than one year	15		<u>(1,136,821)</u>		<u>(1,173,109)</u>
Net assets			<u><u>9,998,598</u></u>		<u><u>9,935,191</u></u>
Income funds					
Restricted funds			747,975		754,025
Unrestricted funds			9,250,623		9,181,166
			<u>9,998,598</u>		<u>9,935,191</u>

The financial statements were approved by the Trustees on 15th March 2022



Tara Leaver.
 Mrs T Leaver (Chair)
 Trustee

Company Registration No. 00068471

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	19		666,558		690,672
Investing activities					
Purchase of tangible fixed assets		(302,111)		(697,892)	
Interest received		634		6,360	
Net cash used in investing activities			(301,477)		(691,532)
Financing activities					
Repayment of borrowings		(43,991)		(40,549)	
Increase in deposits		36,875		27,782	
Net cash used in financing activities			(7,116)		(12,767)
Net increase/(decrease) in cash and cash equivalents			357,965		(13,627)
Cash and cash equivalents at beginning of year			1,783,220		1,796,847
Cash and cash equivalents at end of year			2,141,185		1,783,220

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Company information

The Godstowe Preparatory School Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Shrubbery Road, High Wycombe, Buckinghamshire, HP13 6PR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Company's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The Company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Company to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided on all fixed assets other than freehold land and is recognised so as to write off the cost of the fixed assets less their residual values on a straight line basis using the following estimated useful economic lives:

Freehold buildings	50 years
Fixtures and fittings	5 - 20 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The Company also contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Company by the Scheme Administrator. The scheme is a multi-employer pension scheme, and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Company. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	920	21,000	21,920	29,949	-	29,949

4 Charitable activities

	Charitable Income 2021 £	Charitable Income 2020 £
Fees receivable from tuition and boarding	6,846,378	6,325,545
Charitable rental income	53,808	27,810
	<u>6,900,186</u>	<u>6,353,355</u>

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Deposit account interest	634	6,360

6 Other income

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Job retention scheme	49,301	153,768

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Charitable activities

	Charitable Expenditure 2021 £	Charitable Expenditure 2020 £
Wages and salaries	4,675,555	4,481,085
Teaching costs	199,322	174,693
Support service costs	1,090,147	1,096,919
Management and admin costs	247,248	211,050
Depreciation and impairment	626,567	600,425
Bank charges and interest	37,794	40,138
Bad debts	32,001	(16,710)
	<u>6,908,634</u>	<u>6,587,600</u>
Analysis by fund		
Unrestricted funds	6,881,584	6,559,549
Restricted funds	27,050	28,051
	<u>6,908,634</u>	<u>6,587,600</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Teachers - Full time	41	36
Teachers - Part time	13	19
Admin - Full time	44	43
Admin - Part time	28	28
	<u>126</u>	<u>126</u>

Employment costs

	2021 £	2020 £
Wages and salaries	3,710,498	3,570,451
Social security costs	363,835	345,857
Other pension costs	601,222	564,777
	<u>4,675,555</u>	<u>4,481,085</u>

The number of employees whose annual remuneration, excluding social security and pension contributions, was £60,000 or more were:

	2021 Number	2020 Number
£60,000 - £70,000	2	1
£70,001 - £80,000	1	2
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
	<u>5</u>	<u>4</u>

9 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits paid for by the Company for the year ended 31 August 2021 nor for the year ended 31 August 2020.

There were no trustees' expenses paid for by the Company for the year ended 31 August 2021 nor for the year ended 31 August 2020.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 September 2020	14,127,808	2,325,238	30,711	16,483,757
Additions	226,063	76,048	-	302,111
Transfers	(1,658,951)	1,658,951	-	-
At 31 August 2021	12,694,920	4,060,237	30,711	16,785,868
Depreciation and impairment				
At 1 September 2020	3,778,173	1,666,484	30,711	5,475,368
Depreciation charged in the year	373,038	253,529	-	626,567
Transfers	(179,242)	179,242	-	-
At 31 August 2021	3,971,969	2,099,255	30,711	6,101,935
Carrying amount				
At 31 August 2021	8,722,951	1,960,982	-	10,683,933
At 31 August 2020	10,349,635	658,754	-	11,008,389

The transfers between freehold land and buildings and fixtures and fittings shown above relate to a reassessment of the fixed plant and equipment included in the swimming pool complex which was completed in the year ended 31 August 2019. The total cost of the swimming pool complex, including such plant and equipment, was previously all shown within freehold land and buildings.

11 Fixed asset investments

	Other investments £
Cost or valuation	
At 1 September 2020 & 31 August 2021	4
Carrying amount	
At 31 August 2021	4
At 31 August 2020	4

Fixed asset investments at the balance sheet date comprise the entire ordinary share capital of the Company's two dormant subsidiaries, High Wycombe Music Activities Limited and Godstowe Developments Limited.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors (see below)	1,609,799	1,866
Other debtors	45,815	57,652
Prepayments and accrued income	130,286	112,196
	<u>1,785,900</u>	<u>171,714</u>

School fees for the Autumn Term following the year end are raised and issued prior to the year end. Following changes made to the Company's accounting systems, such fees are shown as trade debtors in the Balance Sheet to the extent they are unsettled at the year end, notwithstanding that they are not due and payable until the beginning of the term. The income arising from such fees is not recorded in the Income and Expenditure account until the following year, in accordance with the Company's income recognition policy, but is shown in the Balance Sheet at the year-end as deferred income. This represents a change from the prior year, where such fees were not recorded as trade debtors until the following year and any amounts received in settlement prior to the year-end were treated as fees received in advance.

13 Loans and deposits

	2021	2020
	£	£
Bank loans - due in 1 year	44,940	41,910
Bank loans - 1-2 years	45,673	42,860
Bank loans - 2-5 years	141,542	134,500
Bank loans - over 5 years	638,418	695,294
	<u>870,573</u>	<u>914,564</u>
Deposits - due in 1 year	130,539	104,397
Deposits - 1-2 years	39,743	48,965
Deposits - 2-5 years	155,951	143,365
Deposits - over 5 years	115,494	108,125
	<u>441,727</u>	<u>404,852</u>
Bank Loans	870,573	914,564
Deposits	441,727	404,852
	<u>1,312,300</u>	<u>1,319,416</u>
Payable within one year	175,479	146,307
Payable after one year	1,136,821	1,173,109
	<u>1,312,300</u>	<u>1,319,416</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Loans and deposits

(Continued)

Secured debts

On 8 August 2018, the Company entered into a 20 year term loan with National Westminster Bank Plc which is secured by a charge on certain freehold land and buildings. At 31 August 2021, £870,573 was still outstanding on this loan (2020: £914,564).

On 14 September 2021, the Company entered into a one year, £1 million overdraft facility with National Westminster Bank Plc which is secured by a charge over certain freehold land and buildings. This facility replaced the previous revolving credit facility which expired, undrawn, on 31 August 2021.

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Trade creditors		167,818	227,690
Bank loans	13	44,940	41,910
Other taxation and social security		92,767	85,114
Fees received in advance (see Note 12)		313,005	1,303,228
Deposits	13	130,539	104,397
Other creditors		81,105	82,688
Accruals		147,130	10,000
Deferred income (see Note 12)		2,498,299	-
		<u>3,475,603</u>	<u>1,855,027</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	13	825,633	872,654
Deposits	13	311,188	300,455
		<u>1,136,821</u>	<u>1,173,109</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Analysis of net assets between funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 31 August 2021 are represented by:				
Tangible assets	9,956,958	726,975	10,683,933	11,008,389
Investments	4	-	4	4
Current assets	430,482	21,000	451,482	99,907
Long term liabilities	(1,136,821)	-	(1,136,821)	(1,173,109)
	<u>9,250,623</u>	<u>747,975</u>	<u>9,998,598</u>	<u>9,935,191</u>

Restricted Funds represent donations received for specific tangible fixed assets less accumulated depreciation in respect of those fixed assets, together with unexpended donations received for specific future capital and non-capital expenditure.

17 Related party transactions

During the year ended 31 August 2021, the following payments were made for services provided to the Company:

- £1,105 to Mr D Ellis, son of Ms L Ellis, previous Finance Director
- £795 to Mr J Stobbs, son of Ms S Green, Headmistress
- £588 to Mr T Nicholls, son of Mr S Nicholls, Governor

All these transactions were approved by the Trustees and were conducted at market rates.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>584,794</u>	<u>548,722</u>

18 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	27,027	38,501
Between two and five years	49,902	60,455
	<u>76,929</u>	<u>98,956</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	63,407	(44,168)
Adjustments for:		
Investment income recognised in statement of financial activities	(634)	(6,360)
Depreciation and impairment of tangible fixed assets	626,567	600,425
Movements in working capital:		
(Increase)/decrease in debtors	(1,614,186)	512
Increase in creditors	1,591,404	140,263
Cash generated from operations	<u>666,558</u>	<u>690,672</u>

20 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,783,220	357,965	2,141,185
Loans falling due within one year	(41,910)	(3,030)	(44,940)
Loans falling due after more than one year	(872,654)	47,021	(825,633)
	<u>868,656</u>	<u>401,956</u>	<u>1,270,612</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension commitments

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff and contributes to defined contribution schemes for certain employees, including a stakeholder pension scheme.

The pension cost charge represents contributions payable to the TPS and defined contribution schemes and amounted to £534,794 (2020: £524,732) for the TPS and £66,428 (2020: £40,045) for defined contribution schemes. At the year-end £72,889 (2020: £69,415) was accrued in respect of contributions to the schemes.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed an employer contribution rate for the TPS of 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 required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including Teachers' Pensions.

On 27 June 2019, the Supreme Court denied the government permission to appeal the Court of Appeal's judgement 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 TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

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 that actuarial valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal, it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

England & Wales - Charity number 310637

Accounts

Charity Registration No. 310637

Company Registration No. 00068471 (England and Wales)

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs T Leaver Mr T Bunbury Mrs L A Poore Mrs K A Allner Mr A Wilkinson Mrs S Young Dr F R Neale Mr S R Nicholls	(Appointed 26 August 2020)
Secretary	Mr M J Tebbot	
Charity number	310637	
Company number	00068471	
Registered office	Shrubbery Road High Wycombe Buckinghamshire United Kingdom HP13 6PR	
Auditor	Azets Audit Services 7-8 Eghams Court Boston Drive Bourne End Buckinghamshire United Kingdom SL8 5YS	
Bankers	National Westminster Bank Pic Svenska Handelsbanken AB Barclays Bank PLC	
Key executives and professional advisors	Headmistress Finance Director Clerk to the Governors	Ms Sophie Green BSc Econ (Hons), PGCE Ms Lisa Ellis ACMA Mrs Gundula Ackermann
Website	www.godstowe.org	

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

CONTENTS

	Page
Trustees report	1 - 7
Statement of Trustees responsibilities	8
Independent auditor's report	9 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 26

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Structure, Governance and Management

Constitution and Objects

The Godstowe Preparatory School Company Limited (the 'Company') was incorporated in 1900 as a company limited by shares, as defined by Companies Act 2006, is registered in England and is registered with the Charity Commission. The Company is governed by its Articles of Association.

The Company's objects, as set out in its Articles of Association, are to advance the education of young girls and boys by the provision of school or schools (including nurseries). In pursuance of these objects for the public benefit, the Company's sole business is the operation of Godstowe Preparatory School (the 'School'), incorporating a nursery, 'pre-prep' department and main school, and it has established and administers bursaries, grants, scholarships and other benefactions and acts as trustee and manager of property and gifts given in pursuance of these objects.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

School Objectives and Activities

The School was established in 1900 with the principal objective of providing systematic education and training for young girls and boys so as to prepare them for subsequent education in public or other large schools. The School operates with boarding houses and a kindergarten as envisaged in the original objects. The School also holds lectures, exhibitions, public meetings and classes calculated to advance the cause of education, which is also in accordance with the objects of the School.

The School aims to provide a first-class education to girls from age 3 to 13 and boys from age 3 to 7. It seeks to provide a structured educational environment that develops pupils' capabilities, competences and skills and gives them the confidence to go on to senior schools and succeed. The School promotes the academic, moral and physical development of its pupils through the academic curriculum, pastoral care, sport and other activities. The School provides an educational environment where each student can develop and fulfil their potential, building their self-confidence and inculcating a desire to contribute to the wider community.

The School is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Appropriate policies and procedures are in place to support this aim and all activities across the School are judged against this objective.

Mission Statement

The School's mission is to provide the necessary education and training to enable pupils to be confident, happy and successful with a love of learning, in an environment where they feel valued as they are prepared for the demands of the modern world. In doing so the School aims to promote the best opportunities for pupils by providing a challenging curriculum and a wide range of extra-curricular activities, together with a stimulating and enjoyable boarding experience.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Governing Body

The Board of Governors, or 'Council', is responsible for the overall management and control of the Company and the School. It consists of all the Trustees of the Company, who are also Governors of the School. It meets at least three times per year. Currently Council has a General Purposes sub-committee which also meets three times a year and reports to Council. Further committees are established when considered appropriate, for example, an Estates committee to consider investment proposals in all their details, from financial through health and safety to logistics. This year has also seen the introduction of a COVID-19 sub-committee to consider the risk assessment of the current situation and to provide support, guidance and, where appropriate, decisions for the Senior Leadership Team.

The Trustees, who are also the directors of the Company for the purposes of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs T Leaver (Chair)
Mrs K A Allner
Mrs N A C Annable (resigned 31 August 2020)
Mr T Bunbury
Ms N L L Kemp (resigned 31 August 2020)
Dr F R Neale
Mr S R Nicholls (appointed 26 August 2020)
Mrs L A Poore
Mr M J Tebbot
Mr A Wilkinson
Mrs S Young

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational Management

The day-to-day management of the School is delegated to the Headmistress, who is supported by the Finance Director and other members of the senior management team. The Headmistress, the Finance Director and the Clerk to the Governors attend Council and General Purposes sub-committee meetings.

Recruitment and Training of Governors

Governors are appointed by agreement at a full Council meeting. Suitable candidates for new Governors are identified by existing Governors or key executives of the School followed by a formal recruitment process, with a recommendation presented to Council. New governors are introduced to the workings of the School through an induction programme. The Council has periodic training up-date events.

Employment Policy

The Company is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the Company.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Public Benefit

In setting objectives and planning, the Governors give careful consideration to the Charity Commissioners' guidance on public benefit.

The Company is a charity which 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 at a level that is consistent with Council's aim of providing a first-class education for the School's pupils. In setting the fees the Governors take into account future plans for the School, the current economic climate and the ability of parents to meet their financial commitments.

The School welcomes pupils from all backgrounds. The School is non-selective but aims to ensure that pupils can cope with the pace of learning and thus benefit from the education provided. An individual's economic status, ethnicity, race, religion or disability do not form part of the School's assessment process.

The Governors are committed to their policy with regard to allowing those who cannot afford the current fees, to gain access to the first-class education provided by the School. Council is determined not to dilute the quality of the education currently provided while still offering assisted places in defined circumstances. With this in mind, Council has put in place the provision of means tested bursaries (assisted places) for able children from families who are less well-off and the bursaries granted in the current year were worth £131,605 (2019: £143,241). Further bursaries will be awarded for the academic year 2020/21.

The School does not have endowments and in funding bursary awards the Governors must be mindful that a balance must be struck between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards. Subject to the foregoing, and subject to being able to identify suitable beneficiaries, the Governors have a policy of gradually increasing the number of bursaries on a year-by-year basis.

Social Investments

The School is part of the wider local community and the Governors are keen that staff and pupils participate in that community.

During the year, pupils raised thousands of pounds for various children's charities under the direction of a charity officer. The School regularly meets with the local church in High Wycombe to coordinate services held in town and at the School. The Governors have allowed the School to be used as an examination centre at no cost and the local community is allowed to use the School's facilities where appropriate. Wycombe District Swim Club have the use of the School's recently completed swimming pool complex when not in use by the School and the School is in discussion with local schools to determine whether the facilities can also be made available to them. The neighbourhood watch and local residents' association both use the School's premises on a regular basis at no charge. The School continues to co-operate with the local fire brigade by allowing a fire drill to be carried out by the fire brigade in one of the boarding houses.

Council is very aware that the security of pupils is of primary importance and thus the School is always careful fully to vet any outside use of the School's facilities.

Unfortunately, the impact of the COVID-19 pandemic has limited the opportunities to make the School's facilities available to all these parties but these arrangements will be reinstated as soon as it is considered safe to do so.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategy

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of the strategy is the development of the pupils and their continued high level of academic achievement. In taking forward the strategy, the Governors:

- Review and benchmark the School's academic syllabus, teaching practices and academic results;
- Ensure that the range of co-curricular activities available to our 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 methods for awarding bursaries and scholarships to ensure wider access to pupils from all backgrounds.

Principal Risks and Uncertainties and Risk Management

The COVID-19 pandemic has created unprecedented economic uncertainty, both domestic and internationally. The School is sensitive to how this may affect our parents and has put in place measures to assist them in these circumstances. The Governors also continue to monitor the situation from a wider perspective to ensure that the School responds to challenges when they arise and that it remains financially viable.

Pupil numbers will always be a major risk to any school. Although pupil numbers are currently buoyant and there are waiting lists in some classes, the Governors and senior management are aware that this situation can change quickly, particularly in the current situation. In order to mitigate this risk, the School continues to investigate and take advantage of rental opportunities for the School's facilities. Any decision regarding rentals will ensure that the Government guidelines are addressed and that the School remains COVID-19 secure. Consideration is also given to the need to safeguard both the pupils and the School's assets. The Governors and senior management constantly strive to improve performance and facilities and with our three-year rolling development plan, is continuing to plan the future path of the School.

Health and safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks, most notably when away from School on trips and expeditions. At present, these are on hold until the pandemic situation is under control and it is judged to be safe to restart. The risks associated with all activities are minimised by thorough planning and risk assessments. The School has an annual health and safety audit carried out by the School's independent expert accompanied by a Governor responsible for reporting to the Board on health and safety matters. Also, an annual fire risk assessment is carried out by the School's professional fire advisers.

Council keeps the School's activities under review and monitors risks that arise from time to time. The key controls include:

- formal agendas for all Council and sub-committee meetings;
- comprehensive strategic planning, budgeting and management accounting;
- an established organisational structure and lines of reporting;
- formal written policies; and
- vetting procedures for the protection of children.

In addition, the Governors can establish additional sub-committees to deal with specific risks – for example, a sub-committee has been created and meets regularly to consider the specific risks created as a result of COVID-19.

Through the risk management processes and controls established for the School, the Governors are satisfied that all major risks identified have been adequately managed. It is recognised, however, that such processes and controls can only provide reasonable but not absolute assurance that major risks have been adequately mitigated.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Future Plans

The main focus for the future continues to be the regular review and updating of Council's strategic plan to determine the School's future requirements for both education and boarding and therefore a plan for the School estate to ensure all elements of it are fully utilised.

The plan also covers the School's IT provision. The School has coped well with the demands placed on its IT infrastructure and capability during the COVID-19 pandemic, particularly the delivery of virtual schooling during lockdown. However, the Governors recognise the importance of keeping the School's IT provision up-to-date and fit for purpose, and the strategic plan for IT will shortly be reviewed in the light of recent events.

Review of Achievements and Performance for the Year

The School has had another very successful year. Pupil numbers were 449 compared with 435 the year before. There are waiting lists for a number of classes and interest at open days was very strong.

29 scholarships, awards and distinctions were offered to pupils for next schools and every pupil went to the school of their choice.

The introduction of the national lockdown in March 2020 created a new challenge to ensure that the School continued to provide the standard of education to the children that parents expect whilst also ensuring that the children were supported pastorally. Furthermore, there was a requirement that the School considered all the implications of a move to on-line learning from a safeguarding perspective. The whole school staff worked exceptionally hard to develop a plan that enabled the School to deliver a school day that matched, as closely as possible, the offering when the physical buildings were open. This was well received by the majority of parents and a large number of enquiries have been received from potential parents as a result of positive feedback on what the School was able to offer.

Given the uncertainty of the situation in March both in terms of what the School would be able to offer and also the financial challenges created by COVID-19, a significant discount on the day fees was offered to all parents with the additional offer of hardship support for those particularly badly affected.

Due to the uncertainty created by the pandemic, Council has put on hold all major projects to enhance the facilities of the School but has continued to invest in essential maintenance, such as the refurbishment of the tower on Highlands House, or where the need for expenditure was compelling, for example, replacement of the astro turf.

The wider investment plan for the future is being kept under review and decisions will be made dependent on needs and the financial strength of the School.

COVID-19

In the spring it was becoming evident that COVID-19 was having a severe disruption on many countries and on 19 March the World Health Organisation declared it was a pandemic. This resulted in the School closing to students for the entirety of the summer term. The on-going impact of the pandemic is expected to have a material impact on the financial results and position for the year to 31 August 2021 with further lockdowns remaining a constant threat.

During the year, actual reductions in fees given as a result of the pandemic amounted to £1.139m, and this is expected to increase during the year ending 31 August 2021 as a result of further school closures. The School has enrolled in the Government's job retention (furlough) scheme.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Results for the Year

The net expenditure for the year was £44,168 compared with net income of £762,160 for the previous year, reflecting principally the fee discounts offered for the summer term and the additional costs arising from the COVID-19 pandemic. The School's cash flow was similarly affected, with cash generated from operations amounting to £690,672 (2019: £1,449,033). However, year end cash balances remained at similar levels to the prior year at £1,783,220 (2019: £1,796,847), reflecting careful cash management, cost control and the postponement of major capital project expenditure.

The creation of cash surpluses from operating activities are essential to fund the long-term plans for the improvement of the School to ensure it remains the school of first choice in the area. A school of this age will always require continuing maintenance to meet the demands of modern technology and society. The Governors' focus is the return of the School to a net income position as soon as possible, but it is recognised that this is to a large extent dependent on the return to more normal School operating conditions as the day-to-day impact of the COVID-19 pandemic wanes.

Fundraising

Donations totalling £29,949 were received during the year compared with £26,445 in the previous year. 'Friends of Godstowe' (the parental charitable organisation) continues to play an invaluable role in raising funds for the School and the Governors are extremely appreciative of their efforts and the generosity of everyone who has contributed. These donations allow the School to bring forward plans and complete them earlier than would otherwise have been possible, or provide items that are not considered essential but further enhance the children's experience.

Investment Policies

The School does not have any external investments, but in line with our policy of diversifying financial risk the School divides its cash deposits between its principal bankers. The Governors continue to keep this policy under careful review.

Reserve Levels and Policy

The Governors are mindful that the School does not have endowments and that the current economic climate makes the future somewhat uncertain.

The running costs of the School continue to rise, and the financial dynamics of the business make the School heavily dependent on pupil numbers and fee levels. With this in mind, the Governors need to ensure that the level of reserves is adequate to maintain the running expenses of the School and to allow for future capital projects.

At the end of the year, the Company had total reserves of £9,935,191 (2019: £9,979,359) and unrestricted reserves of £9,181,166 (2019: £9,197,283). After adjusting for unrestricted functional fixed assets for the Company's own use, there were no remaining free reserves (2019: £nil). It is the intention of the Governors to improve the free reserves position as soon as possible, but it is recognised that, with continuing uncertainty and increased costs as a result of the pandemic and the incidence of unavoidable estate management projects, this may not be achievable in the short term.

It is the policy of the Company that its cash balances and access to additional liquidity should be maintained at a level equivalent to between three and six month's expenditure and significant management attention is given to forecasting and monitoring cash levels for this purpose. The Governors consider that maintaining cash reserves at this level will ensure that, in the event of a significant drop in cash generation from operations, they will be able to continue the School's current activities while consideration is given to ways in which additional funds may be raised. This premise has been tested in the spring term as a result of the national lockdown, and resultant discount offered on fees, and has been found to be appropriate. This level of cash reserves has been maintained throughout the year with no requirement to call on the Company's revolving credit facility with its bankers, which is contracted until September 2021.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

On 7 September 2020, Group Audit Services Limited (trading as Wilkins Kennedy Audit Services) changed its name to Azets Audit Services Limited. The name it practices under is Azets Audit Services and, accordingly, it has signed the Report of the Independent Auditors in its new name.

In accordance with the Company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the Company will be put at a General Meeting.

The Trustees report, including the strategic report, was approved by the Board of Trustees.

Mrs T Leaver

Dated: 17 March 2021

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees, who are also the directors of The Godstowe Preparatory School Company Limited for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the Company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Opinion

We have audited the financial statements of The Godstowe Preparatory School Company 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charitable company for the purpose 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, they 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 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.

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

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

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.

Christopher Nisbet BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

18 March 2021

Accountants
Statutory Auditor

7-8 Eghams Court
Boston Drive
Bourne End
Buckinghamshire
United Kingdom
SL8 5YS

Azets Audit Services is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income and endowments from:							
Donations and legacies	3	29,949	-	29,949	3,603	22,842	26,445
Charitable activities - tuition and boarding	4	6,353,355	-	6,353,355	7,185,382	-	7,185,382
Investments	5	6,360	-	6,360	5,968	-	5,968
Other income	6	153,768	-	153,768	-	-	-
Total income		6,543,432	-	6,543,432	7,194,953	22,842	7,217,795
Expenditure on:							
Charitable activities - tuition and boarding	7	6,559,549	28,051	6,587,600	6,427,867	27,768	6,455,635
Net (expenditure)/Income for the year/ Net movement in funds		(16,117)	(28,051)	(44,168)	767,086	(4,926)	762,160
Fund balances at 1 September 2019		9,197,283	782,076	9,979,359	8,430,197	787,002	9,217,199
Fund balances at 31 August 2020		9,181,166	754,025	9,935,191	9,197,283	782,076	9,979,359

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	10	11,008,389		10,910,922	
Investments	11		4		4
			<u>11,008,393</u>		<u>10,910,926</u>
Current assets					
Debtors	12	171,714		172,226	
Cash at bank and in hand		1,783,220		1,796,847	
		<u>1,954,934</u>		<u>1,969,073</u>	
Creditors: amounts falling due within one year	14	<u>(1,855,027)</u>		<u>(1,655,724)</u>	
Net current assets			99,907		313,349
Total assets less current liabilities			<u>11,108,300</u>		<u>11,224,275</u>
Creditors: amounts falling due after more than one year	15		<u>(1,173,109)</u>		<u>(1,244,916)</u>
Net assets			<u><u>9,935,191</u></u>		<u><u>9,979,359</u></u>
Income funds					
Restricted funds			754,025		782,076
Unrestricted funds			9,181,166		9,197,283
			<u>9,935,191</u>		<u>9,979,359</u>

The financial statements were approved by the Trustees on 17 May 2021

Mrs T Leaver
Trustee

Company Registration No. 00068471

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	20		690,672		1,449,033
Investing activities					
Purchase of tangible fixed assets		(697,892)		(1,845,577)	
Interest received		6,360		5,968	
Net cash used in investing activities			(691,532)		(1,839,609)
Financing activities					
Repayment of borrowings		(40,549)		(44,887)	
Increase in deposits		27,782		29,710	
Net cash used in financing activities			(12,767)		(15,177)
Net decrease in cash and cash equivalents			(13,627)		(405,753)
Cash and cash equivalents at beginning of year			1,796,847		2,202,600
Cash and cash equivalents at end of year			<u>1,783,220</u>		<u>1,796,847</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

The Godstowe Preparatory School Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Shrubbery Road, High Wycombe, Buckinghamshire, HP13 6PR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Company's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The Company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Company to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 10 years & Straight line over 50 years
Fixtures and fittings	Straight line over 5 years & Straight line over 10 years
Motor vehicles	Straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The Company contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Company by the Scheme Administrator. The scheme is a multi-employer pension scheme, and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Company. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	29,949	-	29,949	3,603	22,842	26,445

4 Charitable activities - tuition and boarding

	Charitable Income	Charitable Income
	2020	2019
	£	£
Fees receivable from tuition and boarding	6,325,545	7,174,910
Charitable rental income	27,810	10,472
	<u>6,353,355</u>	<u>7,185,382</u>

5 Investments

	Unrestricted funds	Total	Unrestricted funds	Total
	2020	2020	2019	2019
	£	£	£	£
Deposit account interest	6,360	6,360	5,968	5,968

6 Other Income

	Unrestricted funds	Total	Unrestricted funds	Total
	2020	2020	2019	2019
	£	£	£	£
Job retention scheme	153,768	153,768	-	-

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities - tuition and boarding

	Charitable Expenditure 2020 £	Charitable Expenditure 2019 £
Teaching costs	3,243,775	3,023,622
Support service costs	1,909,773	2,012,015
Management and admin costs	732,344	775,408
Operating lease payments	67,381	52,560
Depreciation and impairment	600,425	571,255
Bank charges	40,138	30,465
Bad debts	(16,710)	(17,910)
Auditors remuneration - for audit work	9,724	7,500
Auditors remuneration - for non-audit work	750	720
	<u>6,587,600</u>	<u>6,455,635</u>
Analysis by fund		
Unrestricted funds	6,559,549	6,427,867
Restricted funds	28,051	27,768
	<u>6,587,600</u>	<u>6,455,635</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Teachers - Full time	36	32
Teachers - Part time	19	24
Other - Full time	43	39
Other - Part time	28	32
	<u>126</u>	<u>127</u>

Employment costs

	2020 £	2019 £
Wages and salaries	3,570,451	3,498,021
Social security costs	345,857	344,161
Other pension costs	564,777	400,566
	<u>4,481,085</u>	<u>4,242,748</u>

The number of employees whose annual remuneration, excluding social security and pension contributions, was £60,000 or more were:

	2020 Number	2019 Number
£60,000 - £70,000	1	-
£70,001 - £80,000	2	3
£90,001 - £100,000	-	1
£120,001 - £130,000	1	1
	<u>4</u>	<u>5</u>

9 Trustees' Remuneration and Benefits

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2019	13,672,206	2,082,948	30,711	15,785,865
Additions	455,602	242,290	-	697,892
At 31 August 2020	14,127,808	2,325,238	30,711	16,483,757
Depreciation and impairment				
At 1 September 2019	3,344,218	1,500,014	30,711	4,874,943
Depreciation charged in the year	433,955	166,470	-	600,425
At 31 August 2020	3,778,173	1,666,484	30,711	5,475,368
Carrying amount				
At 31 August 2020	10,349,635	658,754	-	11,008,389
At 31 August 2019	10,327,988	582,934	-	10,910,922

11 Fixed asset investments

	Other investments
Cost or valuation	
At 1 September 2019 & 31 August 2020	4
Carrying amount	
At 31 August 2020	4
At 31 August 2019	4

Fixed asset investments at the balance sheet date comprise the entire ordinary share capital of the Company's two dormant subsidiaries, High Wycombe Music Activities Limited and Godstowe Developments Limited.

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,866	51,237
Other debtors	57,652	18,734
Prepayments and accrued income	112,196	102,255
	171,714	172,226

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Loans and deposits	2020	2019
	£	£
Bank loans - due in 1 year	41,910	40,981
Bank loans - 1-2 years	42,860	41,910
Bank loans - 2-5 years	134,500	131,518
Bank loans - over 5 years	695,294	740,704
	<hr/>	<hr/>
	914,564	955,113
Deposits - due in 1 year	104,397	46,286
Deposits - 1-2 years	48,965	58,049
Deposits - 2-5 years	143,365	161,235
Deposits - over 5 years	108,125	111,500
	<hr/>	<hr/>
	404,852	377,070
Bank Loans	914,564	955,113
Deposits	404,852	377,070
	<hr/>	<hr/>
	1,319,416	1,332,183
	<hr/> <hr/>	<hr/> <hr/>
Payable within one year	146,307	87,267
Payable after one year	1,173,109	1,244,916
	<hr/>	<hr/>
	1,319,416	1,332,183
	<hr/> <hr/>	<hr/> <hr/>

Secured debts

On 21 July 2017, the Company entered into a two year, £1million revolving credit facility with National Westminster Bank Plc which is secured by a charge over certain freehold land and buildings. This facility was renewed in August 2019 to take effect from September 2019 for a further two years. At the year end, no amounts have been drawn down from this facility (2019: £Nil).

On 8 August 2018, the Company entered into a 20 year term loan with National Westminster Bank Plc which is secured by a charge on certain freehold land and buildings. At the year end, £914,564 was outstanding on this loan (2019: £955,113).

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	13	41,910	40,981
Other taxation and social security		85,114	2,618
Fees received in advance		1,303,228	1,262,797
Deposits	13	104,397	46,286
Other creditors		310,378	157,862
Accruals and deferred income		10,000	145,180
		<u>1,855,027</u>	<u>1,655,724</u>

15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	13	872,654	914,132
Deposits	13	300,455	330,784
		<u>1,173,109</u>	<u>1,244,916</u>

16 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:				
Tangible assets	10,254,364	754,025	11,008,389	10,910,922
Investments	4	-	4	4
Current assets/(liabilities)	99,907	-	99,907	313,349
Long term liabilities	(1,173,109)	-	(1,173,109)	(1,244,916)
	<u>9,181,166</u>	<u>754,025</u>	<u>9,935,191</u>	<u>9,979,359</u>

The Restricted Fund represents donations for specific tangible assets less accumulated depreciation in respect of those assets.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Events after the reporting date

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases globally. Measures taken by various governments to contain the virus have had a negative effect on economic activity. A number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for staff (such as social distancing and working from home) were put in place by the school, as well as securing the supply of resources that are essential to the education process.

This has continued after the reporting date and it is not yet clear how long the impacts of the pandemic will continue. However the rapid roll out of vaccines has indicated that some normality may be achievable over the coming months, which will hopefully mean a decrease in the need for future lockdowns.

18 Related party transactions

During the year, a total of £1,292 was paid to Ms S Green's children (£865 to Mr J Stobbs and £427 to Mr B Stobbs). These transactions were conducted at market rate.

During the year, a total of £2,029 was paid to Ms L Ellis' son (Mr D Ellis). These transactions were conducted at market rate.

Key management compensation was £548,722 (2019: £552,291).

19 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	38,501	35,788
Between two and five years	60,455	26,159
	<u>98,956</u>	<u>61,947</u>

20 Cash generated from operations

	2020	2019
	£	£
(Deficit)/surplus for the year	(44,168)	762,160
Adjustments for:		
Investment income recognised in statement of financial activities	(6,360)	(5,968)
Depreciation and impairment of tangible fixed assets	600,425	571,255
Movements in working capital:		
Decrease/(increase) in debtors	512	(63,566)
Increase in creditors	140,263	185,152
Cash generated from operations	<u>690,672</u>	<u>1,449,033</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of changes in net debt

	At 1 September 2019	Cash flows At 31 August 2020	
	£	£	£
Cash at bank and in hand	1,796,847	(13,627)	1,783,220
Loans falling due within one year	(40,981)	(929)	(41,910)
Loans falling due after more than one year	(914,132)	41,478	(872,654)
	<u>841,734</u>	<u>26,922</u>	<u>868,656</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension commitments

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. In addition to the TPS, the company contributes to defined contribution schemes for certain employees, including a stakeholder pension scheme.

The pension cost charge represents contributions payable to the TPS and defined contribution schemes and amounted to £524,732 (2019: £349,185) for the TPS and £40,045 (2019: £19,113) for defined contribution schemes. At the year-end £nil (2019: £nil) was accrued in respect of contributions to the schemes.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions 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 following scheme valuations undertaken by the Governments Actuary Department. The most recent valuation was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed an employer contribution rate for the TPS of 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 required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including Teachers' Pensions.

On 27 June 2019, the Supreme Court denied the government permission to appeal the Court of Appeal's judgement 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 TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

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 that actuarial valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal, it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

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