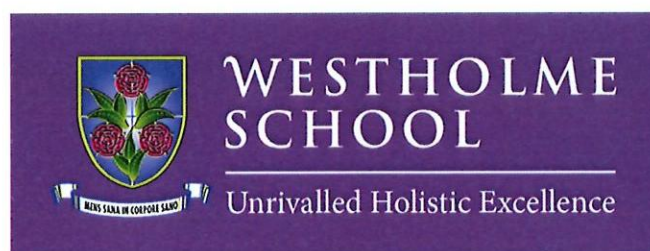


REGISTERED COMPANY NUMBER 926692

REGISTERED CHARITY NUMBER 526615

WESTHOLME SCHOOL LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



WESTHOLME SCHOOL LIMITED**ANNUAL REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS****CONTENTS****YEAR ENDED 31ST AUGUST 2022**

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WESTHOLME SCHOOL LIMITED**ANNUAL REPORT OF THE GOVERNORS****YEAR ENDED 31ST AUGUST 2022**

GOVERNORS

The Governors of Westholme School ("the School") are the School's charity trustees under charity law and the directors of the charitable company. The members of the Governing Body who served in office as Governors during the year and subsequently are set out below.

Name	Role	Committees	Appointment and resignation
B C Marsden	Chairman	1, 2, 3, 4, 5	
P G Forrest	Vice Chairman	2, 5	
D J Berry		1, 2	
Mrs J M Meadows		1, 5	Resigned 30 th November 2021
J N Backhouse	Designated Governor for Welfare, Health & Safety and Compliance	3	
Dr R D Dobrashian	Designated Governor for Safeguarding	3	
O. J McCann	Designated Governor for Compliance	3	
Mrs L A Robinson	Designated Governor for Early Years and Foundation Stage	4, 5	
Mrs V Robinson-Hoy		1	
Mr G O'Neill		1	Resigned 5 th December 2022
Miss P L Williamson		5	
Dr S Bhattacharyya	Designated Governor for Safeguarding		
Ms H J Crosby		1	
Mrs D A Northin	Designated Governor for Early Years and Foundation Stage	4	

1. Finance Committee
2. Buildings Committee
3. Risk Management Working Party
4. Education and Curriculum Committee
5. Remuneration Committee

During the year, the activities of the Governing Body were carried out through the seven committees and groups.

OFFICERS

J Backhouse Company Secretary and Clerk to the Governors

WESTHOLME SCHOOL LIMITED**ANNUAL REPORT OF THE GOVERNORS****YEAR ENDED 31ST AUGUST 2022**

KEY MANAGEMENT PERSONNEL

Dr R Robson	Principal
Mrs V J Davenport	Commercial Director
Mrs R Barnett	Head of Prep

ADVISERS

Auditors	Beever & Struthers Statutory Auditors Chartered Accountants The Beehive Lion Drive Shadsworth Business Park Blackburn BB1 2QS
Bankers	Yorkshire Bank Plc Corporate Leeds 94-96 Briggate Leeds LS1 6NP National Westminster Bank PLC 35 King William Street Blackburn BB1 7DL
Solicitors	Backhouse Jones Solicitors The Printworks Hey Road Clitheroe BB7 9WD
Investment Managers	Close Brothers 80 Moseley Street Manchester M2 3FX

REGISTERED NUMBERS

Company number	926692 (England and Wales)
Charity number	526615

WEBSITE

www.westholmeschool.com

WESTHOLME SCHOOL LIMITED

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31ST AUGUST 2022

The Governors of Westholme School Limited present their Annual Report under the Charities Act 2011 for the year ended 31 August 2022, including the Directors' and Strategic Reports under the Companies Act 2006 together with the audited accounts for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Westholme School Limited is a charitable company, founded in 1968 and a company limited by guarantee with the liability of its members limited to £1 each. The Registered Office and principal address of the Company is at Meins Road, Blackburn, Lancashire BB2 6QU.

STRUCTURE, GOVERNANCE, AND MANAGEMENT

The governing documents are the Memorandum and Articles of Association dated 1 February 1968 and as amended by Special Resolution dated 26 June 1995.

The management and control of the Company, including determination of strategy, is vested in a voluntary Governing Body. Governors are selected to ensure a good spread of professional and educational expertise on the Board. Each year, one third of the Governing Body must retire. Governors can apply for re-election.

The power to propose and appoint new Governors is vested in the Governing Body. Governors are recruited and appointed following a regular assessment by the Board of its needs over the range of professional and education proficiencies.

All new Governor appointments are inducted by the Chairman and the Clerk, issued with the necessary background documentation, DBS (Disclosure and Barring Scheme) checked and offered vacancies on AGBIS (Association of Governing Bodies of Independent Schools) courses and seminars following current AGBIS guidelines.

The Governors, as the charity trustees of the School, are legally responsible for the overall management and control of the School and meet regularly as a Board (usually at least 4 times per year). There are regular sub-committee meetings each term which deal with specific strategic issues to feed back to the main Board for discussion.

The Governors encourage Westholme School to co-operate with many local charities in its ongoing endeavours to widen public access to the School, to optimise the educational use of its cultural and sporting facilities and to awaken in its pupils, in the public interest, an awareness of the social context of the all-round education they receive at the School. The list of activities demonstrating this is quite extensive and up-to-date details can be found on the School website under Information - Charitable Status.

The Governors determine the general policy of the School. The day-to-day management of the School is delegated to the Principal, the Commercial Director and the Head of Prep, as the key management personnel who, in turn, are supported by their Senior Management Teams. The Principal, Commercial Director and the Head of Prep attend all meetings of the Governing Body's committees.

The remuneration of the Principal and the Commercial Director is set by the Board, whilst that of the Head of Prep is set by the Principal. The remuneration policy objective is to provide appropriate incentives to the key management personnel to encourage enhanced performance and to reward them fairly and responsibly for their individual contributions to the School's success. The policy is periodically reviewed and includes reference to comparisons with other independent schools as well as appropriate state sector organisations to ensure that the School remains in touch with the wider environment of pay and employment conditions. The aim is to recruit the most appropriately talented candidates that best fit the specification of the key management personnel position at competitive rates and to provide scope to reward excellence when in post.

WESTHOLME SCHOOL LIMITED**ANNUAL REPORT OF THE GOVERNORS****YEAR ENDED 31ST AUGUST 2022**

STRUCTURE, GOVERNANCE, AND MANAGEMENT (continued)

Delivery of the School's charitable vision and objects is primarily dependent upon our key management personnel and employment cost is our largest single charitable expense.

GROUP STRUCTURE

There is a wholly owned non-charitable subsidiary company, Westholme Promotions Limited which accounts for the income from and the expenses of non-curricular school trips and other miscellaneous school activities which may be regarded as being outside the main charitable objects. Any surplus from Westholme Promotions Limited at the financial year-end is returned to the main School account whilst any deficit is funded.

OBJECTS, AIMS, AND ACTIVITIES**CHARITABLE OBJECTIVES**

The Objects of the Company are set out in its Memorandum and Articles of Association dated 1 February 1968 and as amended by Special Resolution dated 26 June 1995. These are in general to advance education for the public benefit by the provision of a school. The School's operation is based on Christian principles and respects the culture, background and needs of all its pupils.

In the furtherance of the School's objects for the public benefit, the Governors have, amongst other things, established bursaries, awards and scholarships. Being mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011, the Governors, as the charity trustees, have complied with the duty in Section 17 of The Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

VISION STATEMENT

Westholme School's purpose is to deliver unrivalled holistic excellence in a warm, family community with inspirational teachers providing exceptional learning opportunities which enable every pupil to exceed their personal and academic potential.

INTENDED IMPACT

The intention is to inculcate 21st century essential skills (21CES) that enable every pupil to be destination ready and fully prepared ready for the modern workplace. This involves an emphasis on the key skills of confidence, resilience, communication, leadership and problem-solving skills. These are imbued through opportunities inside and outside the classroom, including a plethora of co-curricular opportunities including: Intellectual; sporting; artistic; creative; social and team activities. This policy builds on personal, emotional and social development that fosters a willingness to positively contribute to the wider community whilst at school and in later life.

WESTHOLME SCHOOL LIMITED**ANNUAL REPORT OF THE GOVERNORS****YEAR ENDED 31ST AUGUST 2022**

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)**AIMS**

The School's aims for the public benefit are:

1. To establish the School as a day school with strong and active partnerships between parents and the School and between the local community and the School;
2. To offer pupils a wide range of opportunities so that they can achieve to the best of their ability within a community framework of mutual respect, shared values and shared standards of behaviour and;
3. To value, respect, and nurture pupils as individuals, giving them a strong sense of self-worth and of the value of service to others so that they are prepared for life beyond school.

PRIMARY OBJECTIVES

There are three main objectives:

1. Pupil achievements and progress at a level of excellence comparable to the best in the country;
2. Recruitment of appropriate numbers of pupils who can benefit from the School's mission in a suitably resourced environment;
3. The generation of funds and resources sufficient to support the achievement of the School's vision, including enabling children to attend whose financial circumstances might not otherwise allow.

STRATEGY TO ACHIEVE THE PRIMARY OBJECTIVES

Over recent years, the Governors have focussed on ensuring that the School's offering is highly attractive to potential pupils and their parents. Operating costs have been well controlled ensuring that fees can remain at competitive levels when compared with other independent school offerings in the area and so that cash can be generated to facilitate continued investment in the School's excellent facilities. Alongside a rigorous focus on academic achievement, we have also ensured that parents and pupils remain attracted to what the School offers by considering the purpose of education outside the single focus of academic achievement.

This approach has meant that, despite cost pressures arising from changes in the level of funding of teachers' pensions, increased National Insurance costs, the impact of the living wage and rising utility prices, fee increases during the year have been managed and pupil levels through the year have exceeded budgeted expectations.

During the year to August 2022, the School focused its investment strategy on, the new Prep School building and the relocation and investment of Art and Music facilities. All conversions and extensions have added value to pupils through providing additional space, resources and equipment.

As reported elsewhere, the School has enjoyed strong results in public examinations as well as improved levels of value-added, reflecting greater individual achievement when compared to expected levels of achievement.

The Governors have continued to provide fee support during the year for pupils to ensure that the benefits of a Westholme education are available to as many children as possible.

PRINCIPAL ACTIVITY

The Company's principal activity, as specified in the Memorandum of Association, is to advance education for the public benefit by the provision of a school.

WESTHOLME SCHOOL LIMITED

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31ST AUGUST 2022

PUBLIC BENEFIT

Westholme School remains committed to providing public benefit in accordance with its founding principles and current vision. The School provided first class education for 688 pupils this year at no cost to the UK Treasury or Local Authority.

The rewarding of bursaries and other financial support for those unable to afford the School's fees is one measure of providing public benefit. In 2021/22 Governors' Bursaries totalling £199,063 (2021: £205,830) were awarded to 41 (2021: 43) pupils who otherwise would not have benefited from the excellent education and facilities on offer at Westholme.

Fund raising for charity and raising awareness are an important part of the School ethos and charity events are scheduled as part of our termly calendars. Fundraising this year included whole school initiatives such as £ 828 raised for Macmillan Coffee Morning through a cake sale; £783 for Cancer research and £1097.50 through Red Nose Day activities for Comic Relief.

Prep focused fundraising this year raised a total of £523 for Children in Need where pupils wore their own clothes for the day; £250 was raised during Elf Day for the Alzheimer's Society and £630 for the Ukraine Appeal. Non-monetary donations also include 227.59kg of food given to Blackburn Foodbank through the Prep Harvest Festival and presents were donated to the local community through Secret Santa. Collections were also taken during the Harvest Festival and Cathedral Church for charities supported by St Silas and the Cathedral respectively.

Senior led fundraising also included £306 through Christmas Jumper Day to raise money for Save the Children and £611 collected during the Cathedral Carol Service for A Breath of Life.

This year was a fantastic success for the Amnesty International Human Rights Group which is led by INSPIRED Sixth Form students. They raised awareness in the school community about individuals suffering from human rights abuses, including campaigning for the release of two British-Iranian nationals who were imprisoned in Iran. 380 students and staff signed a petition, and the two nationals were released in Spring 2022. Over a hundred students joined in the 'Write for Rights' Campaign and wrote a letter to an individual to communicate their support and solidarity. The 'Give it Up!' campaign also raised awareness of the struggles of the Afghan people and £622 was donated to a charity that provides support to Afghanistan.

The School lets its facilities to the local community. We have a strong partnership with Blackburn Hockey Club who use our astro turf pitch on a twice weekly basis. They provide specialist coaching to their members all of whom are school age.

Our Swimming Pool is hired out five times each week to Waterwings Swim School. This is a long-standing hire agreement and provides children in the wider community with the opportunity to swim.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Governors are pleased to report another successful year.

2021-22 marked the active building of our new Prep building as part of our strategic vision to provide a seamless 4 – 18 educational journey for all Westholmians on one site at Wilmar Lodge. Co-education is fully embedded throughout the school and the summer saw the final touches to an incredible state-of-the-art building relocating Prep to the Wilmar Lodge campus.

During the year, the average number of pupils 688 (2020/21: 649).

Prep

2021-22 has been a historic year for Westholme Prep with the construction and opening of our state-of-the-art new Prep building. The culmination of the build fulfils the vision of Arthur Rouse, the second Principal of Westholme, that all students, from 4-18, would be educated on one campus, in the idyllic rural location of Wilmar Lodge. The new Prep building has been designed to be the perfect space for pupils to access increased opportunities to explore and advance their academic and extra-curricular skills. Within the design of the Prep full use has been made of the surrounding area with the creation of two outdoor classroom spaces, a story telling circle and a bespoke outdoor forest area containing zoned areas for den building, exploration and a mud kitchen. The move of Prep was also designed to incorporate direct access to the exceptional facilities of the site such as the swimming pool, theatre, astro pitches, sports hall, science labs and specialist teaching spaces such as the Design Technology and Food Tech spaces; whilst in itself creating innovative new learning spaces, complete with mono draught ventilation system- and Co2 monitoring technology, to aid concentration and well-being.

As well as building a new facility for Prep pupils, work has also begun on the foundations of a new Prep Philosophy. This will take the form of a pioneering and unique educational philosophy and approach creating the golden threads through a bespoke curriculum designed to inculcate challenge, creativity, 21st century and entrepreneurial skills, and academic rigour. This educational approach will be form part of the unrivalled holistic excellence at Westholme which shapes children to be fearless learners who actively seek opportunity, experiences and challenge; children who have a thirst for learning and children who are inspired to be curious.

Standardised testing scores show that in all year groups the mean standard age score for classes in core subjects is significantly higher than the national average, with many also showing a spread of standard age scores smaller than the national average. Children have also taken part in a range of clubs designed to give children, along with the curriculum, sporting, House, School council, musical and drama opportunities, ensure life at Westholme is full of possibilities.

Other highlights this year have included charity events, excursions such as trips to Museums, outdoor centres, the Junior Ski Trip and the French trip. We have celebrated events such as World Book Day, Odd Socks Day for Anti-Bullying week, the Queen's Jubilee, and formed a Let's Go Sing Choir to join thousands in Ewood Park. As a school there has been a focus on independent learning, incorporating 21st century skills into the curriculum. It is a combination of all these experiences that give children at Westholme Prep the confidence to believe in themselves and to flourish.

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Seniors

Public examinations resumed for the first time since they were cancelled due to Covid-19. Teachers undertook a robust detailed programme, including Saturday and Easter holiday revision sessions, to thoroughly prepare all A Level and GCSE students for this return to sitting examinations. Results this year were simply outstanding. At A Level, the School records were smashed again for the second year in a row with 67% of students gained at least one A grade or higher – with a quarter of all A Level students achieving a clean sweep of all A/A* grades, they far exceeded the school records! One student was awarded a place to study at Oxford University, 91% with their first choice at mostly Russell Group universities and others secured prestigious lucrative Level 6 degree apprenticeships.

At GCSE level, the overall pass rate (grade 4 and above) was 100% with a remarkable 81% of pupils achieving at least one grade 7 or above, the GCSE results were a triumph and a true testament to the Westholme Spirit.

Strong academic results were backed up by excellent results in national academic competitions, such as continued success in the UK Mathematics Challenge, which are designed to spark interest and provide challenge for students. Year 7 and Year 8 students taking part in the Junior Challenge achieved 2 Gold, 12 Silver and 18 Bronze awards. One student qualified for the very prestigious Mathematical Olympiad, which less than 1% who sit the challenge qualify for; he did superbly well to achieve a Merit. In the Intermediate Challenge aimed at those in Year 9 to 11, students achieved 2 Gold, 10 Silver and 30 Bronze awards. After achieving excellent scores, six students qualified for the Kangaroo round of the competition, with one achieving a Merit. Our INSPIRED Sixth Form students excelled achieving 1 Gold, 1 Silver and 14 Bronze awards with two qualifying for the next round, the Andrew Jobbings Senior Kangaroo challenge. In addition to the UKMT competitions, we had students attend Royal Institution Online Mathematics Masterclasses, the Maths Feast event run by the Advanced Mathematics Support Programme, and also take part in Mathematical Education on Merseyside competition last year.

As part of enrichment, 7 students (from Years 12 and 13) enhanced their communication skills by gaining an English Speaking Board qualification. Students were asked to construct a speech on a topic of their choice, lead a debate on a controversial issue from a broadsheet newspaper and make a literary recommendation. Every student performed impressively and gained a distinction, the highest result that could be achieved.

Having moved on from COVID restrictions, it was refreshing to be able to reopen our professional theatre to allow parents and family to watch a variety of performances from our talented music students. Our Carol Service in Blackburn Cathedral was a moving event made more poignant by a year's absence, with the school choirs, orchestra, wind band and swing band supporting the traditional nine lessons and carols.

Spring term saw preparations for our school production of "The Sound of Music" gather pace, and we also held our first "Westholme Rising Stars" event; a mixture of musical and dramatic items showcasing a wide range of abilities and talents. From beginner pianists to advanced vocals, this concert was truly memorable! Summer term began with the return of our Spring Concert. All of the school ensembles performed, with a range of solo items from our leaving year 13 pupils. The traditional red rose was given to all of our year 13 leavers at the end of a spectacular evening of musical entertainment.

Following this, the main focus of the term was the return of the school show - "The Sound of Music." Over four nights of acting and musical brilliance, the Westholme stage was truly alive with the sound of music.

Alongside a range of languages, Lower Senior students were offered the chance to study Mandarin as an extra-curricular activity and enjoy a weekly lesson with a native-speaker teacher from UCLAN. They learnt about Chinese culture as well as the language building foundations for further study of the language at GCSE and A Level.

STRATEGIC REPORT (continued)**ACHIEVEMENTS AND PERFORMANCE (continued)****Seniors (continued)**

As part of their Medical Ethics studies, Year 13 EPR students explore the controversial topic of euthanasia and the complex issues that affect a country's decision to legalise or prohibit this practice. In the Autumn Term, they were given a unique opportunity to ask questions about this via a Zoom call from the Netherlands. The speaker was able to deepen students' understanding about evidence they analyse as part of their course and gave them new arguments to reflect on.

In the Summer Term, Year 10 EPR students travelled to the Buddhist Centre in Manchester to spend time with Buddhists from the local community and to explore the beautiful sacred space which lies in the heart of the city centre. Daniel, a secular Buddhist, led a fascinating educational session in which he gave a wonderful insight into his own take on some traditional Buddhist beliefs, which helped students understand how individual Buddhists can interpret the role of karma and rebirth differently. The session ended with a period of meditation, which gave the group the chance to experience this important Buddhist practice for themselves.

INSPIRED Sixth Form

During this academic year, we introduced a new, innovative approach for Westholme's bespoke 16 – 18 provision. The INSPIRED Sixth Form was created to provide students with a personalised learning experience, ensuring both academic success alongside a wide array of opportunities to develop key 21st century skills. The INSPIRED vision is an all-encompassing experience provided for senior students, ensuring they leave Westholme as leaders in their field, fully prepared for Higher Education or the career of their choosing. The key components to the new educational approach are:

I	Individual Academic Success
N	Networking Community
S	Social Experiences
P	Personalised 1:1 Support
I	Innovate Leadership Programme
R	Recreational Opportunities
E	Entrepreneurial 21 st Century Skills
D	Destination Ready

Through the 1:1 support provided throughout their A Levels, students are taken on a personalised journey in which they are encouraged to develop through inspirational teaching and independent opportunities to take ownership of their learning. Every student is known personally, valued and motivated to reach their aspirations, supported by both their subject tutors and our INSPIRED Sixth Form pastoral team, who guide them on a daily basis and encourage them in their aspirations. Alongside this academic rigour, students are given the opportunity to develop key skills such as leadership, resilience, team-work and confidence through our holistic programme. The following list is indicative (not exhaustive) of the many opportunities provided to ensure a holistic culture:

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

INSPIRED Sixth Form (continued)

Enrichment Programme
PSHE Programme
Extended Project Qualification
Kidscape Mentoring Programme
Community Sports Leadership Award
Silver & Gold Duke of Edinburgh Award
Amnesty Human Rights Group
Charity Team
Design-Make-Innovate (STEM Group)
Westies – Westholme Business Franchise
WSS News – Internal News Broadcasting Team
Mock interview and Networking Event
UCAS and Higher Education Event
Science Olympiad
UKMT Maths Challenge
English Speaking Board Qualification
LAMDA Certificates
Prep Teaching Assistant Programme
INSPIRED Leadership Team

Our INSPIRED Sixth Form now utilises increased links with our local community, improved alumni network and wider Westholme family connections to ensure students now benefit more from those with expertise and experience to support them beyond Westholme.

Notably, students have been introduced to the new Student Executive and INSPIRED Leadership Team. Through an increased range of roles, from Heads of School, Deputies and Assistant Heads, to Prefects and House, Sport, Performing Arts and Subject Captains, students lead, mentor and become role models for younger students, develop confidence, skills in public speaking, organisation and communication. Students are now actively encouraged to establish and lead academic and co-curricular clubs and societies, take up volunteering opportunities and all manner of student-led initiatives.

In the academic year 2021-22, our INSPIRED Sixth Form students achieved the highest ever results recorded at Westholme with an unprecedented 67% attaining an A Grade and above and a quarter achieving all A or A* grades; an incredible end to a wonderful journey for our departing Year 13 students.

Students gained Bronze, Silver and Gold awards in LAMDA, Music Examinations, National Mathematics and Science competitions and the English Speaking Board. Students produced A grade EPQ projects, with each student producing confident, articulate presentations as part of the qualification.

Our Student Executive produced an outstanding speech at our annual Prizegiving, have continued to demonstrate their speaking and communication skills by leading assemblies, hosting clinics for younger students, promoting the school at external events and managing the wider INSPIRED leadership team.

Our House Captains, supported Heads of House in the running of the House system, produced entertaining House plays at Christmas, organised various sporting competitions including House Cross-Country, Swimming and the annual Sports Day.

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

INSPIRED Sixth Form (continued)

Our Charity Team and Amnesty Human Rights groups led numerous charitable events, commendably raising awareness and funding for those in need through various whole-school initiatives.

Our internal news team, WSS News, produced a number of episodes throughout the academic year, filming all year groups in lessons and events, to showcase the school to our community. They developed skills in broadcasting, such as interview technique, camera work and editing skills, producing impressive programmes that all enjoyed.

Our number on role grew significantly which is a testament to the success of the INSPIRED vision and how excited our students were to be a part those new experiences each day. With our outstanding teachers, facilities and opportunities, this new INSPIRED vision has rejuvenated a rich wealth of support and nurture that has truly captured the imagination of all our Westholmian family.

FUNDRAISING PERFORMANCE

Donors have continued to support both Bursary and Capital funds, although the School has not exercised a proactive approach through a new campaign this year. We are currently exploring how best to continue to further support both important aspects of the School's future fundraising requirements; the enhancement of facilities and the provision of places to those who cannot afford the fees.

FINANCIAL REVIEW

As the School is a charity the parents of our pupils gain assurance that the income of the School is applied for educational purposes. As an educational charity Westholme benefits from tax exemption on its educational activities and on investment income and gains provided these are applied for charitable aims. In addition, as is the case with charities generally, the School is also entitled to an 80% reduction on business rates on the property used for charitable purposes. These tax exemptions provide benefits that are all applied for educational purposes and indirectly help to maintain the bursaries and other assistance provided by the School. We are prudently planning for a more uncertain future in this regard.

However, as an educational Charity Westholme cannot reclaim VAT input tax on the School's costs as School fees are exempt for VAT purposes. The School also pays tax as an employer through National Insurance contributions, and these amounted to £386,221.

In addition to the very substantial benefits the School brings to pupils, the local community and society through the education on offer, the bursary and community benefits programmes create a social benefit without any cost to the UK Treasury or Local Authority.

The financial statements reflect the School's financial activities, income and expenditure for the year ended 31 August 2022. The net decrease in the funds for the year, before depreciation and investment movements, amounted to £535,715 (2021: £270,307), whilst the post-depreciation and investment movements decrease in funds was £707,722 (2021: £403,795).

All the charity's assets are held for the purpose of the School's objectives.

Movements in Tangible Fixed Assets are shown in the Note 10 to the Financial Statements.

During the year donations of £21,977 (2021: £57,670) were received. More detail is provided in notes 4 and 18.

WESTHOLME SCHOOL LIMITED

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31ST AUGUST 2022

STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

The Governors specifically charged £199,063 (2021: £205,830) for the year to bursaries. Additionally, scholarships of £615,418 (2021: £88,217) were awarded.

There are no individuals, corporations or classes of donors who play a key role upon whose support the charity is financially dependent.

The Key Performance Indicators used to monitor financial performance comprise:

- Gross fee income levels – in the year to August 2022, these increased by 11.3% over the previous year;
- Proportion of gross fees absorbed by bursaries and scholarships – at 10.7% these were increased from the 4.3% for the year to August 2021;
- Proportion of net fees absorbed by (all exclude depreciation charges):
 - Teaching costs – for 2021/22 these amounted to 62.7% of net fee income against 68.5% in the previous year;
 - Welfare and premises costs - in the 2021/22 year, these costs absorbed 24.2% of net fees against 20.9% in the prior year;
 - Support costs – these absorbed 26.8% of net fees compared to 21.7% in the year to August 2021.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places, future projected cash flows, and loan facilities raised subsequent to 31st August 2022, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

RESERVES LEVEL AND POLICY AND FINANCIAL VIABILITY

The School's short-term reserves policy is to maintain sufficient unrestricted income funds to enable it to meet its short-term financial obligations during each annual operating cycle and in the event of an unexpected revenue shortfall. This short-term aim is to hold sufficient unrestricted funds to meet one month's operating costs. The amount currently required is £651,000. Its medium and long-term policy is to accumulate sufficient additional funds as adequate cover for longer-term capital expenditure. At present, this is reflected in the Fixed Asset Fund (see note 17 for further details)

The School's unrestricted funds are split between those designated for specific purposes and the general fund set aside for the operational requirements of the school. The designated fund includes amounts invested in school land, buildings and equipment and associated internal funding arrangements. At the end of the year, the unrestricted, designated funds amounted to £6,861,511 (2021: £8,919,477) and the unrestricted undesignated funds ('free reserves') were £1,732,458 (2021: £367,341). The free reserves at 31st August 2022 were above the £651,000 required by the short-term reserves policy. The Governors remain focused on ensuring that free reserves are maintained through the management of operating performance.

The policy in respect of reserves is reviewed periodically by the Governors.

The Governors do not seek to maintain free reserves in the wholly owned subsidiary.

Having considered the risks and uncertainties, the Governors have a reasonable expectation that the School will continue in operation for the foreseeable future.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the potential change in Government and the economic turbulence of recent months and years, and the affordability of fees by parents across the independent sector to be some of the principal risks faced by the School. There are also other significant risks arising from financial matters that are outside the direct control of the Governors, including rapidly escalating utilities and pressure on salaries and pensions.

In detail, the Governors see the principal economic risks and uncertainties facing the School as follows:

- Political debate concerning the charitable and VAT exempt status of the independent school sector;
- Increasing operating costs;
- Reduced ability to afford the costs of an independent education amongst the historical target market;
- Failure to secure or generate future funding for significant developments
- Competition from other independent schools in the geographic catchment area,
- Competition from improved state school offerings in the geographic catchment area

The Governors continue to maintain a focus on controlling the School's operating costs, including mitigation of those that lie outside their direct control, so that fee levels can be maintained at an appropriate balance between ensuring that families can continue to afford a Westholme education and the continued sustainability of the School in order for future generations can continue to benefit.

The sustainability of the ethos of the School is dependent upon the retention of charitable status. The Governors acknowledge that any removal of this status by external political decisions would present a significant risk.

If legislation were changed such that school fees were to attract VAT, this would be likely to mean that a large number of our current and future pupils' families would be unable to afford an independent education at such a higher price.

Health and Safety and Welfare is always a significant risk area for an independent school like Westholme. The range of risks covers events including fire, flood and other threats to the infrastructure to risks to pupils and staff when away from School whilst participating in trips and expeditions. Westholme offers an impressive range of such activities and the risks associated with these are addressed through planning and an active approach to risk management employing a range of procedures and policies. The School has a Crisis Management policy, the aim of which is to minimise the impact of a major disaster so that the daily operations can be maintained.

As an independent school, Westholme is accountable to the Department for Education (DfE) through the Independent Schools Inspectorate (ISI). This provides the framework to ensure that policies, procedures, and education are transparent and comparable with all other schools. The last inspection, in October 2022, was a Focused Compliance inspection and in all areas, standards were met.

Copies of inspection reports are available on the School website (www.westholmeschool.com).

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Detailed consideration of risk is delegated to the Risk Management Committee, which reports formally to the Governing Body. The structure of the Working Party comprises five members of the Governing Body, assisted by Senior Management. The risk management process and the Risk Register identify risks, assess their impact and likelihood and, where necessary, recommend controls to mitigate and monitor those risks that are assessed as high. The generic controls used by the School to minimise risk include:

- Detailed terms of reference, as appropriate, together with formal agendas for Committee and Board activity;
- A five-year strategic development plan is reviewed annually by the Board;
- Comprehensive budgeting, forecasting and management accounting;
- Established organisational structures and lines of reporting;
- A wide range of formal written policies including clear authorisation and approval levels;
- Vetting procedures as required by law to protect the vulnerable and to meet our safeguarding obligations.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks.

FUTURE PLANS

The Governors continue to be very aware of the pressures on the market for independent education and have strategies in place to deal with them. These strategies aim to ensure that the School continues to provide an unrivalled, holistic education for pupils from age 4 to 18, in a caring, family community with extensive learning opportunities, promoting academic rigour through inspirational, innovative teaching, creating lifelong learners and developing 21st century citizens with a strong moral compass who are confident, compassionate, aspirational, and adaptable.

The Governors intend to continue their programme of developing the School's facilities in line with the new School Strategic Plan. The plan was implemented in 2021 and encompasses:

- a. Admissions, Promotions, Communication
- b. Business, Finance, Support incl. Health and Safety
- c. Curriculum, Teaching, Learning
- d. Development incl. IT, Site, Centenary, Projects
- e. Pupil Experience incl. Safeguarding, Wellbeing, Culture, Holistic Excellence, Rewards
- f. Westholme Family incl. Teaching and Support Staff, CPD, Appraisal, Parents, Alumni, WA, Governors

The timeframe for this ambitious strategic plan takes the school to December 2025. The long-term vision of the Governors is to continue to invest in a market-leading, well-equipped single site school model, offering unrivalled holistic excellence to pupils aged 4-18.

GOVERNORS' LIABILITY INSURANCE

During the year, the company provided third party liability insurance for its Governors.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Westholme School Limited for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements the Governors are required to:

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

DISCLOSURE OF INFORMATION TO THE AUDITORS

As far as the Governors are aware, there is no relevant audit information of which the charitable company's auditor is unaware. Additionally, the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

A resolution will be proposed that Beever and Struthers be re-appointed as the company's auditors.

The Report of the Governors was approved by the Governing Body on 13th January 2023

By Order of the Governing Body



J Backhouse
Secretary

Date

13.01.2023

WESTHOLME SCHOOL LIMITED**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTHOLME SCHOOL LIMITED****YEAR ENDED 31ST AUGUST 2022**

Opinion

We have audited the financial statements of Westholme School Limited "the charitable company" for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent company Balance Sheets, the Consolidated Cash Flow Statement and the related notes to the consolidated accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2022 and of the group's net movement in funds, including its income and expenditure, and of the group's cash flows 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

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Governors' Responsibilities set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

To assist with identifying and assessing risks associated with material misstatements, including fraud and noncompliance of laws and regulations, we carried out the following procedures;

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with finance manager, and from our commercial knowledge and experience of the industry and supply sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

WESTHOLME SCHOOL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTHOLME SCHOOL LIMITED

YEAR ENDED 31ST AUGUST 2022

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.



Suzanne Lomax BA FCA (Senior Statutory Auditor)

For and on behalf of

BEEVER AND STRUTHERS

Statutory Auditor

The Beehive

Lion Drive

Shadsworth Business Park

Blackburn

BB1 2QS

Date: 13 January 2013

WESTHOLME SCHOOL LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31ST AUGUST 2022

		-----Year Ended 31 st August 2022-----				Year Ended
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	31 st August
		£	£	£	£	2021
						Total
						£
Income						
Charitable Activities						
Fees receivable and similar income	2	6,805,813	(3,120)	-	6,802,693	6,549,509
Ancillary income	3	384,363	-	-	384,363	363,438
Other trading activities						
Ancillary income	3	56,267	-	-	56,267	16,331
Voluntary sources						
Donations and legacies	4	14,288	7,689	-	21,977	57,670
Investments						
Investment income	5	9,020	2,526	-	11,546	16,624
Total income		7,269,751	7,095	-	7,276,846	7,003,572
Expenditure on:						
Raising funds:						
Financing costs		135,598	-	-	135,598	27,272
Investment management costs		287	518	-	805	773
Bad debt expense		42,199	-	-	42,199	1,163
Fundraising and publicity costs		187,927	-	-	187,927	238,871
	6	366,011	518	-	366,529	268,079
Charitable Activities: School Operating Costs:						
Teaching costs		4,407,057	12,650	-	4,419,707	4,633,707
Welfare		591,361	-	-	591,361	449,848
Premises		1,061,309	-	-	1,061,309	917,409
Administration		1,534,974	-	-	1,534,974	1,150,185
	6	7,594,701	12,650	-	7,607,351	7,151,149
Total expenditure	6	7,960,712	13,168	-	7,973,880	7,419,228
Net expenditure		(690,961)	(6,073)	-	(697,034)	(415,656)

WESTHOLME SCHOOL LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31ST AUGUST 2022

		-----Year Ended 31 st August 2022-----				Year Ended 31 st August 2021 Total £
	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	
Net expenditure		(690,961)	(6,073)	-	(697,034)	(415,656)
Transfers between funds	17, 18, 19	2,008	(2,008)	-	-	-
Other recognised gains and losses						
Investment (losses)/gains	11, 17, 19	(3,896)	-	(6,792)	(10,688)	11,861
Net movement in funds		(692,849)	(8,081)	(6,792)	(707,722)	(403,795)
Funds brought forward at 31 st August 2021	17, 18, 19	9,286,818	25,343	84,819	9,396,980	9,800,775
Funds carried forward at 31st August 2022	17, 18, 19	8,593,969	17,262	78,027	8,689,258	9,396,980

There are no recognised gains and losses other than those passing through the Consolidated Statement of Financial Activities.

None of the School's activities were acquired or discontinued during the current or previous year.

Note on entity result

In accordance with section 408 of the Companies Act 2006, no separate Statement of Financial Activities has been presented for the Charity alone. Total income for the Charity is £7,276,846 (2021: £7,003,572), the net expenditure before transfers and investment gains for the year is £697,034 (2021: £415,656) and the net movement in funds is a decrease of £707,722 (2021: decrease £403,795).

CONSOLIDATED AND CHARITY BALANCE SHEET

YEAR ENDED 31ST AUGUST 2022

	Note	£	2022	£	£	2021	£
FIXED ASSETS							
Tangible assets	10		11,483,416			8,373,303	
Investments	11		122,777			130,343	
			<u>11,606,193</u>			<u>8,503,646</u>	
CURRENT ASSETS							
Debtors	12	184,952			104,935		
Cash in bank and in hand		1,444,574			2,667,528		
		<u>1,629,526</u>			<u>2,772,463</u>		
CREDITORS							
Amounts falling due within one year	13	(1,177,182)			(804,230)		
NET CURRENT ASSETS			<u>452,344</u>			<u>1,968,233</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,058,537</u>			<u>10,471,879</u>	
CREDITORS							
Amounts falling due after more than one year	14		(2,394,764)			(455,424)	
ACCRUALS AND DEFERRED INCOME	15		(974,515)			(619,475)	
TOTAL NET ASSETS	16		<u>8,689,258</u>			<u>9,396,980</u>	
FUNDS							
Unrestricted Funds	17		8,593,969			9,286,818	
Restricted Funds	18		17,262			25,343	
Endowment Funds	19		78,027			84,819	
			<u>8,689,258</u>			<u>9,396,980</u>	

The Financial Statements were approved by the Governing Body on 31 January 2023

Signed on behalf of the Governors:



B C Marsden
Chairman of the Governing Body

WESTHOLME SCHOOL LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31ST AUGUST 2022

	2022		2021	
	£	£	£	£
Net cash Inflow/(outflow) from Operations (see note (a) below)		277,794		(233,319)
Cashflows from Investing activities				
Investment income	3,927		3,821	
Interest received	7,619		12,803	
Payments for tangible fixed assets	(3,190,332)		(775,202)	
Payments for Investments	(3,122)		(3,049)	
Net cash used in investing activities		(3,181,908)		(761,627)
		(2,904,114)		(994,946)
Cashflows from financing activities				
Finance costs	(135,598)		(27,272)	
Loans received	2,500,000		500,000	
Loans repaid	(523,495)		-	
Net cash generated from financing activities		1,840,907		472,728
Decrease in cash and cash equivalents in the year		(1,063,207)		(522,218)
Cash and cash equivalents at 31 st August 2021		2,507,781		3,029,999
Cash and cash equivalents at 31st August 2022		1,444,574		2,507,781
Relating to:				
Bank balances and short-term deposits		1,444,574		2,667,528
Bank overdrafts		-		(159,747)
		1,444,574		2,507,781

Notes to the Consolidated Cash Flow Statement

a. Net cash inflow from operations

	2022 £	2021 £
Net expenditure before transfers and investment gains	(697,034)	(415,656)
Interest received	(7,619)	(12,803)
Investment income	(3,927)	(3,821)
Financing costs	135,598	27,272
Depreciation	161,319	145,349
(Increase)/decrease in debtors	(80,017)	42,080
Increase in creditors	414,434	7,727
Increase/(decrease) in accruals and deferred income	355,040	(26,620)
Gift aid recovery	-	3,153
Net cash inflow/(outflow) from operations	277,794	(233,319)

WESTHOLME SCHOOL LIMITED**CONSOLIDATED CASH FLOW STATEMENT****YEAR ENDED 31ST AUGUST 2022**

Notes to the Consolidated Cash Flow Statement (continued)**b. Analysis of Changes In Net Debt**

	At 1 st September 2021 £	Cashflow £	At 31 st August 2022 £
Cash & cash equivalents:			
Cash at bank and in hand	2,667,528	(1,222,954)	1,444,574
Bank overdraft	(159,747)	159,747	-
Total cash & cash equivalents	2,507,781	(1,063,207)	1,444,574
 Debt:			
Debts due in less than one year	(44,576)	(37,165)	(81,741)
Debts due in more than one year	(455,424)	(1,939,340)	(2,394,764)
Total debt	(500,000)	(1,976,505)	(2,476,505)
 Net Cash/(debt)	2,007,781	(3,039,712)	(1,031,931)

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's financial statements.

1.1. Basis of Accounting

These financial statements have been prepared on the historical cost accounting rules, as modified to include the revaluation of certain land and buildings, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 second edition – October 2019) (effective 1st January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity meets the definition of a public entity under FRS 102.

The financial statements are prepared in sterling, which is the currency of the entity.

1.2. Going Concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to raise additional funding if required to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 17.

1.3. Basis of Consolidation

The Charity has one subsidiary company. However, as this subsidiary is not considered to be material to the group the results of the subsidiary undertaking have been excluded from these consolidated accounts. See note 23 to the financial statements. The consolidated accounts, therefore, comprise only of the accounts of the parent charitable company.

A separate Statement of Financial Activities and Income and Expenditure account has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

1.4. Fees and similar earned income

This comprises fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, and are accounted for in the period in which the service is provided.

Fees for education to be provided in future years are carried forward as deferred income in the balance sheet.

1.5. Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

1. ACCOUNTING POLICIES (continued)

1.6. Donations, legacies, grants, and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the Unrestricted Funds. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

1.7. Expenditure

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the SoFA is apportioned to them based on the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

1.8. Tangible Fixed Assets

(i) Depreciation

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets less estimated residual value based on current market prices over their estimated useful lives. The rates used are as follows:

Freehold Buildings	:	20 to 50 years
Furniture and School Equipment	:	10% and 20% straight line
Computers	:	33% straight line
Motor Vehicles	:	25% reducing balance

Assets in the course of construction are accounted for at cost, based upon the value of professional certificates and other direct costs and are depreciated when they are brought into use.

Land is not depreciated.

(ii) Minor Capital Expenditure

Minor capital expenditure is written off in the year in which it is incurred.

(iii) Land and Buildings Included in the Accounts at a Valuation

The Charity has continued to include land and buildings at a combination of cost and valuations undertaken before the implementation of the Reporting Standard.

Fixed assets are also reviewed for any impairments to the carrying value.

1. ACCOUNTING POLICIES (continued)

1.9. Fixed asset investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the SoFA and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

1.10. Fund accounting

The charitable trust funds of the School and its subsidiary are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further subdivided into permanent and expendable.

Unrestricted income

These funds belong to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income

This comprises gifts, legacies, and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

Permanent endowment

This arises where a donor intends the gift to be retained permanently for use by the School or for its financial benefit (i.e., by investment).

Expendable endowment

These funds are accounted for similarly, except that all capital can be converted into income for spending either at the Governors' own discretion or else upon the happening of some event contemplated by the donor (e.g., the annual depreciation charges on a building or other wasting asset retained for use by the School on a continuing basis – i.e., as a fixed asset).

1.11. Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12. Government Grants

During the prior year, the School received grants from the UK Government Coronavirus Job Retention Scheme and the Coronavirus Business Interruption Loan Scheme. During the current year, only amounts relating to the Coronavirus Business Interruption Loan Scheme were received. In both years, the grants have been matched to the payroll and loan costs to which they relate and have been included as ancillary income deriving from charitable activities. For details of the amounts claimed, see note 3

1. ACCOUNTING POLICIES (continued)

1.13. Pension costs

The company participates in a defined benefit pension scheme for teaching staff. The scheme is operated by the Teachers' Pension Agency, an Executive Agency of the Department for Education and Employment. The scheme is a multi-employer scheme. It is not possible to identify the School's share of the underlying assets and liabilities on a consistent and reasonable basis and therefore, as required by FRS 102, the scheme has been accounted for as a defined contribution scheme.

The company also operates a defined contribution pension scheme for some non-teaching staff. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions for both schemes are charged to the Statement of Financial Activities on a payable basis.

1.14. Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Specifically, the Charity has a portfolio of managed listed investments that are valued at a readily attainable market price. More detail is given in note 1.9.

1.15. Judgements and key sources of estimation uncertainty

There are judgements and accounting estimates made in the calculation of accruals and prepayments, in determining rates of depreciation of tangible fixed assets, in estimating realisable values of tangible fixed assets, in the allocation of internal funding to designated fixed asset funds, and in estimating provisions against the recovery of bad or doubtful debts. Such estimates and judgements are made based on previous experience of the School and are supported by professional specialist advice where this is appropriate. More information about such judgements and estimates are given in notes 1.8 and 1.10.

1.16. Tax

The Charity 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 activities.

1.17. Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member of the board in the event of a winding up is to contribute to any deficiency in assets a sum not exceeding £1.

WESTHOLME SCHOOL LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31ST AUGUST 2022**

2. FEES RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£	£
Fees receivable and similar income (after staff remissions and family reductions)	7,617,174	6,843,556
Less: Bursaries awarded	(199,063)	(205,830)
Less: Scholarships awarded	(615,418)	(88,217)
	<u>6,802,693</u>	<u>6,549,509</u>
Number of pupils in receipt of bursaries	<u>41</u>	<u>43</u>
Number of pupils in receipt of scholarships	<u>131</u>	<u>57</u>

The Governors make an annual grant for the award of bursaries. The detail of individual awards is delegated to the Principal and the Commercial Director within parameters specified by the Governors

3. ANCILLARY INCOME

	Unrestricted	Restricted	Endowments	2022	2021
	£	£	£	£	£
Charitable activities					
Coach income	349,750	-	-	349,750	241,809
Government Coronavirus Job Retention Scheme	-	-	-	-	79,818
Government contribution to CBILS loan interest (see note 13)	12,500	-	-	12,500	12,500
After School care	13,426	-	-	13,426	4,153
Commissions received	2,150	-	-	2,150	2,700
Entrance exam fees	4,062	-	-	4,062	4,635
Other	2,475	-	-	2,475	17,823
	<u>384,363</u>	<u>-</u>	<u>-</u>	<u>384,363</u>	<u>363,438</u>
Other trading activities					
Property rental income	<u>56,267</u>	<u>-</u>	<u>-</u>	<u>56,267</u>	<u>16,331</u>

WESTHOLME SCHOOL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2022

4. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	Endowments £	2022 £	2021 £
Donations and legacies	14,288	7,689	-	21,977	57,670

5. INVESTMENT INCOME

	Unrestricted £	Restricted £	Endowments £	2022 £	2021 £
Bank deposit interest	7,619	-	-	7,619	12,802
Investment income	1,401	2,526	-	3,927	3,822
	9,020	2,526	-	11,546	16,624

6. TOTAL EXPENDITURE

	2022			
	Staff Costs	Dep'n	Other	Total
	£	£	£	£
Financing costs	-	-	135,598	135,598
Investment management costs	-	-	805	805
Bad debt expense	-	-	42,199	42,199
Fundraising and publicity costs	41,173	-	146,754	187,927
Costs of generating funds	41,173	-	325,356	366,529
Teaching costs	3,826,926	154,417	438,364	4,419,707
Welfare costs	-	-	591,361	591,361
Premises	326,078	6,902	728,329	1,061,309
Support costs	664,257	-	870,717	1,534,974
Charitable activities	4,817,261	161,319	2,628,771	7,607,351
Total expenditure	4,858,434	161,319	2,954,127	7,973,880

WESTHOLME SCHOOL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2022

6. TOTAL EXPENDITURE (continued)

Total resources expended include:

	2022	2021
	£	£
Auditors' remuneration		
- Audit	9,700	9,270
- Accountancy, taxation and other services	16,911	11,800
	26,611	21,070
Governance costs		
	161,319	145,349
Depreciation		

During the year, the School maintained liability insurance for its governors. The cost of this insurance is not separately identified.

	-----2021-----			
	<i>Staff Costs</i>	<i>Dep'n</i>	<i>Other</i>	<i>Total</i>
	£	£	£	£
Bank charges and interest	-	-	27,272	27,272
Investment management costs	-	-	773	773
Bad debt expense	-	-	1,163	1,163
Marketing	105,599	-	133,272	238,871
Costs of generating funds	105,599	-	162,480	268,079
Teaching costs	4,143,932	144,244	345,531	4,633,707
Welfare costs	-	-	449,848	449,848
Premises	361,338	1,105	554,966	917,409
Support costs	556,916	-	593,269	1,150,185
Charitable activities	5,062,186	145,349	1,943,614	7,151,149
Total expenditure	5,167,785	145,349	2,106,094	7,419,228

WESTHOLME SCHOOL LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31ST AUGUST 2022**

7. STAFF COSTS

The average number of persons employed (including Governors) during the year was as follows:

	2022	2021
Non-executive governors	11	13
Teachers: full time	50	49
part time	21	23
Teaching support and pastoral	21	26
Office and administration	19	23
Domestic, maintenance and cleaning	23	26
	<u>145</u>	<u>160</u>

Staff costs comprise:	£	£
Salaries and wages	3,865,692	4,162,514
Social security costs	386,221	373,348
Other pension costs	606,521	631,923
	<u>4,858,434</u>	<u>5,167,785</u>

During the year there were redundancy or termination costs due to a staff restructure which amounted to £7,825 (2021: £195,507). Amounts of £95,580 were paid in the year, including the amounts accrued in the prior year, with £6,556 accrued at 31st August 2022 (2021: £137,296 paid in the year with £94,311 accrued).

	2022 £	2021 £
Governors' expenses	<u>-</u>	<u>250</u>

The number of employees whose emoluments exceeded £60,000 in the year was as follows:

£60,001 - £70,000	1	-
£80,001 - £90,000	1	2
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£140,001 - £150,000	-	2
£150,001 - £160,000	1	-
	<u>4</u>	<u>5</u>

Contributions were made to a defined benefit scheme in respect of 2 (2021: 3), and to a defined contribution scheme in respect of 2 (2021: 2) of the above employees.

The key management personnel of the Charity comprise the Trustees, the Principal, Commercial Director and Head of Prep. The total employee benefits of the key management personnel of the Charity, including national insurance cost, were £438,049 (2021: £398,551).

WESTHOLME SCHOOL LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31ST AUGUST 2022**

8. GOVERNORS' REMUNERATION

No Governors or persons connected with them received any remuneration during the year (2021: *£nil*). The Governors' expenses for 2021 disclosed in note 7 above related to 1 member of the Governing Body.

9. CORPORATION TAX

The charity 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. Corporation tax is payable in relation to the taxable surplus of Westholme Promotions Limited. In the current and prior years there have been no taxable surpluses and therefore no corporation tax.

10. FIXED ASSETS – GROUP AND CHARITY

	Freehold Land and Buildings	Furniture and School Equipment	Motor Vehicles	Assets in the course of construction	Total
	£	£	£	£	£
COST/VALUATION					
At 1 st September 2021	10,226,707	4,738,756	117,197	689,611	15,772,271
Additions	-	346,662	4,750	2,920,020	3,271,432
Transfer	3,459,853	149,778	-	(3,609,631)	-
At 31 st August 2022	13,686,560	5,235,196	121,947	-	19,043,703
DEPRECIATION					
At 1 st September 2021	2,856,464	4,452,362	90,142	-	7,398,968
Charge for the year	6,902	139,021	15,396	-	161,319
At 31 st August 2022	2,863,366	4,591,383	105,538	-	7,560,287
NET BOOK VALUE AT					
31 st August 2021	7,370,243	286,394	27,055	689,611	8,373,303
31 st August 2022	10,823,194	643,813	16,409	-	11,483,416

10. FIXED ASSETS – GROUP AND CHARITY (continued)

DIRECTORS' VALUATION OF FREEHOLD LAND AND BUILDINGS

	2022 £	2021 £
Comprises: Directors' estimate of 'continuing existing use' valuation of land and buildings as at 31 st August 1975	410,000	410,000
Subsequent additions at cost	13,276,550	9,816,707
	<u>13,686,550</u>	<u>10,226,707</u>

All fixed assets are used for direct charitable purposes.

Land with a cost of £1,029,407 (2021: £1,029,407) is not depreciated.

11. INVESTMENTS – GROUP AND CHARITY

	Listed Investments £	Cash £	Total £
Market value at 1 st September 2021	125,674	4,669	130,343
Additions	18,590	(18,590)	-
Disposals	(17,339)	17,339	-
Income	-	3,927	3,927
Fees paid	-	(805)	(805)
Unrealised and realised losses arising in the year	(10,688)	-	(10,688)
Market value at 31 st August 2022	<u>116,237</u>	<u>6,540</u>	<u>122,777</u>

	2022 £	2021 £
Historical cost	<u>122,201</u>	<u>118,626</u>

Listed investments	2022 £	2021 £
UK investments	41,021	91,693
Overseas and other investments	75,216	33,981
	<u>116,237</u>	<u>125,674</u>

The investments are all managed in the UK.

WESTHOLME SCHOOL LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31ST AUGUST 2022**

11. INVESTMENTS – GROUP AND CHARITY (continued)

Investments with a market value of over 5% of the total market value of investments are as follows:

	2022	2021
	£	£
Vanguard FTSE UK All Share Index	6,235	-
Legal & General All Stocks Gilt Index	-	7,717

**12. DEBTORS – GROUP AND CHARITY:
Amounts falling due within one year**

	2022	2021
	£	£
Fee debtors	63,358	15,346
Prepayments	117,432	64,441
Amounts due from subsidiary undertaking	-	24,323
Other debtors	4,162	825
	<u>184,952</u>	<u>104,935</u>

**13. CREDITORS – GROUP AND CHARITY:
Amounts falling due within one year**

	2022	2021
	£	£
Bank loans and overdrafts	81,741	204,323
Deposits received	221,059	177,529
Taxation and social security	95,974	166,514
Trade creditors and accruals	679,407	255,864
Amounts due to subsidiary company	99,001	-
	<u>1,177,182</u>	<u>804,230</u>

The School had an overdraft facility at 31st August 2022 of £300,000. (2021: £300,000). The amount of the facility used at 31st August 2022 was £nil (2021: £159,747). The facility is secured by a debenture over the School's assets.

The £500,000 loan from Northern Powerhouse Investment Fund (NPIF) was repaid during the year. The loan was supported by the Coronavirus Business Interruption Loan Scheme (CBILS) managed by the British Business Bank on behalf of the Secretary of State for Business, Energy and Industrial Strategy. Under the scheme, the Secretary of State agreed to provide the NPIF with a Partial Guarantee. The Guarantee was given to NPIF and not to Westholme School. The School remained liable for all sums payable under the agreement in the event of a default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2022

13. CREDITORS – GROUP AND CHARITY:
Amounts falling due within one year (continued)

Under the terms of the loan agreement interest was due on the loan during the first 12 months and this was payable by the UK Government. Interest was charged at a rate of 5% per annum. After that period, the School was required to meet the interest costs. The loan amount was repayable by equal monthly instalments over six years, but no repayments were required in the first 12 months.

The loan was secured by a second charge over the School's assets.

During the year, the School entered into a loan facility with Yorkshire Bank plc. The facility comprises two loans of £2,000,000 and £500,000. The details of the loans are as follows:

	£2,000,000 loan	£500,000 loan
Term	5 years	5 years
Interest	4.41% fixed rate for the term of the loan	4.43% fixed rate for the term of the loan
Repayment	Interest only for the first year and equal monthly instalments for subsequent years. The remaining balance of the loan is repayable at the end of the five-year term. It is intended that the loan will be refinanced at that point	Equal monthly instalments for the term of the loan. The remaining balance of the loan is repayable at the end of the five-year term. It is intended that the loan will be refinanced at that point
Security	Fixed and floating charges over land and other assets	Fixed and floating charges over land and other assets

14. CREDITORS – GROUP AND CHARITY:
Amounts falling due after more than one year

	2022	2021
	£	£
Loans	<u>2,394,764</u>	<u>455,424</u>

The loans are repayable as follows:

	2022	2021
	£	£
Within 1 year	81,741	44,576
1 to 2 years	114,253	92,558
2 to 5 years	2,280,511	307,069
More than 5 years	<u>-</u>	<u>55,797</u>

For further details on the loan see note 13.

WESTHOLME SCHOOL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2022

15. ACCRUALS AND DEFERRED INCOME – GROUP AND CHARITY

Fees paid in advance:

	One Term	Extended	Total
	£	£	£
Amounts at 1 st September 2021	458,482	160,993	619,475
Amounts received in the year	717,417	721,082	1,438,499
Amounts utilised in payment of fees	(458,482)	(624,977)	(1,083,459)
Market value at 31 st August 2022	717,417	257,098	974,515

	One Term	Extended	Total
	£	£	£
Amounts at 1 st September 2020	490,964	155,131	646,095
Amounts received in the year	458,482	230,010	688,492
Amounts utilised in payment of fees	(490,964)	(224,148)	(715,112)
Market value at 31 st August 2021	458,482	160,993	619,475

The School operates a fees in advance scheme whereby fee payers can enter into a contract to pay to the School up to the equivalent of ten years' tuition fees in advance. The money may be returned subject to specific conditions and appropriate notice. These arrangements are disclosed above as 'Extended' arrangements.

In addition, fees for the first term of the following academic year are invoiced in August and some fee payers pay these invoices prior to the end of that month. These arrangements are disclosed above as 'One Term' arrangements.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY

	Undesignated	Designated	Restricted	Endowment	Total
	£	£	£	£	£
Fund balances at 31 st August 2022 are represented by:					
Tangible fixed assets	-	11,481,755	1,661	-	11,483,416
Investments	44,750	-	-	78,027	122,777
Debtors	184,952	-	-	-	184,952
Cash in hand	660	-	-	-	660
Cash at bank	4,023,156	(2,594,843)	15,601	-	1,443,914
Creditors	(1,546,545)	(2,025,401)	-	-	(3,571,946)
Accruals and deferred income	(974,515)	-	-	-	(974,515)
Total net assets	1,732,458	6,861,511	17,262	78,027	8,689,258

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY (continued)

	Undesignated	Designated	Restricted	Endowment	Total
	£	£	£	£	£
Fund balances at 31 st August 2021 are represented by:					
Tangible fixed assets	-	8,366,680	6,623	-	8,373,303
Investments	45,524	-	-	84,819	130,343
Debtors	104,935	-	-	-	104,935
Cash in hand	660	-	-	-	660
Cash at bank	2,079,459	568,689	18,720	-	2,666,868
Bank overdraft	(159,747)	-	-	-	(159,747)
Creditors	(1,084,015)	(15,892)	-	-	(1,099,907)
Accruals and deferred income	(619,475)	-	-	-	(619,475)
Total net assets	367,341	8,919,477	25,343	84,819	9,396,980

17. UNRESTRICTED FUNDS – GROUP AND CHARITY

	Balance 1 st September 2021	Income	Expenditure	Gains/ (losses) and transfers	Balance 31 st August 2022
	£	£	£	£	£
Designated Funds:					
Fixed Asset Fund	6,795,367	-	-	60,986	6,856,353
Principal's Fund	5,158	-	-	-	5,158
Westholme 2022	2,118,952	-	-	(2,118,952)	-
	8,919,477	-	-	(2,057,966)	6,861,511
Undesignated Funds:					
General Reserve	367,341	7,269,751	(7,960,712)	2,056,078	1,732,458
	9,286,818	7,269,751	(7,960,712)	(1,888)	8,593,969

The Fixed Asset Fund represents the net book value of the School's fixed assets and investment property less an allocation of notional internal borrowings. The transfer that is made between this fund and the General Reserve reflects the movement in fixed assets and notional internal borrowings in the year.

The Principal's Fund is available for The Principal to utilise for the benefit of pupils at his discretion.

The Westholme 2022 fund represents monies realised from the disposal of the School's Billinge and Beardwood sites during the year ended 31st August 2020, together with additional funds from General Reserves, and which is to be utilised in the development of a new Preparatory School site at Wilmar Lodge. The development was completed during 2022 and the fund has therefore been utilised.

Included within the Charity's funds is a revaluation reserve of £576 (2021: £12,444).

WESTHOLME SCHOOL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2022

17. UNRESTRICTED FUNDS – GROUP AND CHARITY (continued)

	<i>Balance 1st September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (losses) and transfers</i>	<i>Balance 31st August 2021</i>
	£	£	£	£	£
Designated Funds:					
Fixed Asset Fund	6,718,478	-	-	76,889	6,795,367
Principal's Fund	5,158	-	-	-	5,158
Westholme 2022	2,600,000	-	-	(481,048)	2,118,952
	9,323,636	-	-	(404,159)	8,919,477
Undesignated Funds:					
General Reserve	388,857	6,967,748	(7,410,075)	420,811	367,341
	9,712,493	6,967,748	(7,410,075)	16,652	9,286,818

18. RESTRICTED FUNDS – GROUP AND CHARITY

	<i>Balance 1st September 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Balance 31st August 2022</i>
	£	£	£	£	£
Bursaries	18,720	(3,120)	-	-	15,600
Westholme Association	6,623	7,689	(12,650)	-	1,662
Investment income	-	2,526	(518)	(2,008)	-
	25,343	7,095	(13,168)	(2,008)	17,262

The Bursaries fund comprises donations received to fund bursaries for pupils.

The Westholme Association is the School's Parents' Association and raises funds to donate to the School for specific purposes.

	<i>Balance 1st September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Balance 31st August 2021</i>
	£	£	£	£	£
Bursaries	-	29,720	-	(11,000)	18,720
Westholme Association	11,181	3,587	(8,643)	498	6,623
Investment income	-	2,517	(510)	(2,007)	-
	11,181	35,824	(9,153)	(12,509)	25,343

19. ENDOWMENT FUNDS – GROUP AND CHARITY

	Balance 1 st September 2021	Income	Expenditure	Gains/ (losses) and transfers	Balance 31 st August 2022
	£	£	£	£	£
Permanent Endowments	84,819	-	-	(6,792)	78,027

The endowment fund is represented by investments. The income generated by this fund will be used for school bursaries.

	Balance 1 st September 2020	Income	Expenditure	Gains/ (losses) and transfers	Balance 31 st August 2021
	£	£	£	£	£
Permanent Endowments	77,101	-	-	7,718	84,819

20. GUARANTEES

At 31st August 2022, there were 13 (2021:14) members of the Board each of whom agrees, in the event of the Company being wound up, to contribute to any deficiency in assets a sum not exceeding £1.

21. PENSION COMMITMENTS

The Company participates in the Teachers' Pension Scheme ("the TPS"), a defined benefit pension scheme for teaching staff. The scheme is operated by the Teachers' Pension Agency, an Executive Agency of the Department for Children, Schools and Families.

The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

21. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31st March 2016. The valuation report was published by the Department for Education on 5th March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million;
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1st April 2024.

The employer's pension costs paid to TPS in the period amounted to £480,354 (2021: £528,980). At 31st August 2022, £60,688 (2021: £69,440) of contributions were payable to the scheme and included in creditors: amounts falling due within one year.

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme.

The School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The company operates a defined contribution scheme for some non-teaching staff, and, in accordance with Government legislation, the school offers a stakeholder pension scheme. As at the balance sheet date, the stakeholder scheme had no members.

The pension cost charge for the year in respect of the defined contribution scheme was £32,822 (2021: £102,943). At 31st August 2022, £17,512 (2021: £19,546) of contributions were payable to the scheme and included in creditors: amounts falling due within one year.

WESTHOLME SCHOOL LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****YEAR ENDED 31ST AUGUST 2022**

22. RELATED PARTY TRANSACTIONS

Westholme Promotions Limited is a subsidiary company of the School.

The principal activity of Westholme Promotions Limited is the organisation of non-curricular school trips, and other miscellaneous school activities.

During the year, the School contributed £nil (2021: £558) towards Westholme Promotions Limited marketing expenses.

At the 31st August 2022 £99,001 was due to Westholme Promotions Limited from the School (2021: £11,405 due from Westholme Promotions Limited to the School).

Whilst the School does not trade directly with this company it does act as agent for the School in respect of collection of cash and payment of expenses. There was £nil (2021: £nil) due to Westholme Promotions Limited at 31st August 2022 in respect of amounts collected and paid for the School.

During the year amounts totalling £13,771 (2021: £14,279) were charged to the School by Backhouse Jones Limited, a company in which J Backhouse, a Governor of Westholme School Limited, is also a director. At 31st August 2022, an amount of £621 (2021: £1,215) was owed to Backhouse Jones Limited.

Amounts totalling £nil (2021: £27,741) were charged to the School by Napthens Solicitors, a partnership in which O McCann, a Governor of Westholme School Limited, is also a partner. At 31st August 2022, an amount of £nil (2021: £nil) was owed to Napthens Solicitors.

In addition, amounts totalling £2,279 (2021: £4,065) were charged to the School by C & W Berry Limited, a company in which D Berry, a Governor of Westholme School Limited is also a director. At 31st August 2022, an amount of £nil (2021: £211) was owed to C & W Berry Limited.

A number of the Governors who held office during the year to 31st August 2022 had children attending the School and those children attend on the same terms as other pupils.

23. SUBSIDIARY COMPANY

Westholme Promotions Limited is a subsidiary company of Westholme School Limited. As described in the accounting policies, consolidated accounts have not been prepared as the subsidiary is not considered to be material to the accounts of the School.

	2022 £	2021 £
Westholme Promotions Limited		
Aggregate of Capital and Reserves	<u>(11,438)</u>	<u>(12,083)</u>
Turnover	53,714	16,005
Cost of sales	<u>(50,486)</u>	<u>(13,481)</u>
Gross Profit	3,228	2,524
Administrative expenses	<u>(2,583)</u>	<u>(2,524)</u>
Result for the year	<u>645</u>	<u>-</u>

WESTHOLME SCHOOL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2022

24. FINANCIAL COMMITMENTS

At 31st August 2022 the group had future minimum lease payments under non-cancellable operating leases as follows:

	2022	Other 2021
	£	£
Within one year	<u>28,080</u>	<u>1,800</u>

25. CAPITAL COMMITMENTS

The Company had capital commitments of £nil at 31st August 2022 (2021: £2,485,540).

26. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY TYPE OF FUND

	<i>Unrestricted Funds</i> £	<i>Restricted Funds</i> £	<i>Endowment Funds</i> £	<i>Total Funds</i> £
Income				
Charitable Activities				
Fees receivable and similar income	6,549,509	-	-	6,549,509
Ancillary income	363,438	-	-	363,348
Other trading activities				
Ancillary income	16,331	-	-	16,331
Voluntary sources				
Donations and legacies	24,363	33,307	-	57,670
Investments				
Investment income	14,107	2,517	-	16,624
Total income	<u>6,967,748</u>	<u>35,824</u>	<u>-</u>	<u>7,003,572</u>
Expenditure on				
Raising funds:				
Bank charges and interest	27,272	-	-	27,272
Investment management costs	263	510	-	773
Bad debt expense	1,163	-	-	1,163
Publicity, marketing, and events	238,871	-	-	238,871
	<u>267,959</u>	<u>510</u>	<u>-</u>	<u>268,079</u>
Charitable Activities: School Operating Costs				
Teaching costs	4,625,064	8,643	-	4,633,707
Welfare	449,848	-	-	449,848
Premises	917,409	-	-	917,409
Administration	1,150,185	-	-	1,150,185
	<u>7,142,506</u>	<u>8,643</u>	<u>-</u>	<u>7,151,149</u>
Total expenditure	<u>7,410,075</u>	<u>9,153</u>	<u>-</u>	<u>7,419,228</u>
Net income	(442,327)	26,671	-	(415,656)

26. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY TYPE OF FUND (continued)

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Endowment Funds £</i>	<i>Total Funds £</i>
Net Income	(442,327)	26,671	-	(415,656)
Transfers between funds	(12,509)	12,509	-	-
Other recognised gains and losses				
Gain on investments	4,143	-	7,718	11,861
Net movement in funds	(425,675)	14,162	7,718	(403,795)
Funds brought forward at 31 st August 2020	9,712,493	11,181	77,101	9,800,775
Funds carried forward at 31st August 2021	<u>9,286,818</u>	<u>25,343</u>	<u>84,819</u>	<u>9,396,980</u>