

Company registration number: 00668983

Charity registration number: 528152

# NEWCASTLE PREPARATORY SCHOOL TRUST LIMITED (THE)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

# Newcastle Preparatory School Trust Limited (The)

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# Newcastle Preparatory School Trust Limited (The)

## Reference and Administrative Details

<b>Trustees</b>	R S Appleby Dr R R Bajekal S Blair P Hewitson C L Winskell A Pearson D J Bailey (appointed 11 November 2020) S Chatterjee-Banerjee (resigned 10 November 2020) R P Waterhouse (resigned 17 June 2021)
<b>Secretary</b>	S G Easton
<b>Key Management Personnel</b>	F Coleman, Head Teacher G Strong, Deputy Head teacher S Easton, Bursar S Breakey, Head of Early Years P Fargher, Head of Pastoral A Brown, Head of Curriculum N Johnson, Head of SEN
<b>Registered Office</b>	6 Eslington Road Jesmond Newcastle upon Tyne NE2 4RH The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	00668983
<b>Charity Registration Number</b>	528152
<b>Solicitors:</b>	Sintons LLP The Cube Barrack Road Newcastle NE4 6DB
<b>Bankers</b>	Barclays Bank plc Newcastle City 71 Grey Street Newcastle upon Tyne NE1 6EF
<b>Auditor</b>	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

# Newcastle Preparatory School Trust Limited (The)

## Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021.

### **Structure, governance and management**

#### ***Nature of governing document***

The company is limited by guarantee and its governing document is its Memorandum and Articles of Association dated 31st August 1960, last amended by special resolution dated 13th March 2006.

The governing body of the company is a board of trustees which meets on a regular basis throughout the year to decide overall financial and policy matters.

#### ***Induction and training of trustees***

Most members are already familiar with the practical work and objectives of the charity bringing their own relevant and unique skills.

Members are actively encouraged to attend the regular trustee meetings to ensure they are always up to date with the latest activities of the trust. Members are also encouraged to and do attend relevant seminars and training.

#### ***Arrangements for setting key management personnel remuneration***

The board, who give their time freely and no trustees received remuneration in the year, have considered, who the Key Management Personnel (KMP) of the charitable company, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis.

The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees' benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with budget and forecast information, ensuring that the charitable company can afford any proposed increases. The board then agree any uplift to remuneration.

### **Objectives and activities**

#### ***Objects and aims***

The company was set up under a Trust Deed to establish a school or schools for the education of children.

The income and property of the company, whensoever derived, shall be applied solely towards the promotion of the objects of the company as set forth in the Memorandum of Association.

#### ***Fundraising disclosures***

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preference of all public donors.

# Newcastle Preparatory School Trust Limited (The)

## Trustees' Report

### ***Public benefit***

#### Bursaries and Hardship awards

During the year 26 pupils received a bursary award ranging from 10% to 100%. During the year the value of means tested bursaries and hardship awards (excluding other discounts) was £172,186

#### Partnerships and collaboration

The school established a link with Pinewood School in Saharanpur, India in 2019. Opportunities for NPS pupils to communicate with pupils in Pinewood School were limited in 2020/21, however, it is hoped that engagement will resume in the Spring term 2022.

The school continued to donate excess resources, including furniture, to local charitable organisations including Whitley Lodge Under Fives Playgroup.

#### Community Services

NPS is keen to support and engage with the wider community but was unable to take part in any community events as a result of social distancing requirements during the pandemic. However, a member of staff acted in a capacity as Trustee during the year giving his time and expertise on a voluntary basis to the Northumbria Junior Chess Association.

#### Charitable giving

As a result of charity fundraising events within the school, a total of £3190 was donated to charity.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### ***Risk management***

The trustees are responsible for keeping accounting records and safeguarding the assets of the charity. The programme of re-assessing the major risks to which the charity is exposed is continuing, in particular those relating to the operations and finances of the charity and the trustees are satisfied that systems are being put in place to mitigate the exposure to the major risks.

# Newcastle Preparatory School Trust Limited (The)

## Trustees' Report

### **Achievements and performance**

The overriding achievement during 2020/21 was the school's continued response to the Covid-19 pandemic. During the period of lockdown between January and March 2021 the school was able to provide immediate high quality on-line learning provision for those pupils who were at home whilst continuing to support the children of key workers on site.

To support all stakeholders, the following was put in place.

- Risk assessments updated in response to national health and safety concerns within the workplace.
- Communications to support parents and staff i.e. remote learner user guide, virtual forums and helplines.
- Systems and processes were put in place to continue to develop an engaging learning and community platform via Teams.
- Systems developed to ensure opening of school to all key worker and vulnerable children, including staff rotas, re-organisation of classrooms and revised timetables.

Other achievements and activity include:-

The launch of the new website.

Refurbishment of a cloakroom into a Year 3 classroom.

Internal alterations to create additional access routes into Year 2 classrooms.

Installation of two interactive TV's

Creation of a wet room teaching area on the Reception classroom landing.

Creation of additional storage area in the senior boys' toilet area.

### **Financial review**

The financial position for the year shows a surplus of income over expenditure of £63,231 (2020 - £54,462). The governors consider the financial position of the charity to be sound.

### ***Policy on reserves***

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent to two to three months' salary costs, which would equate to holding approximately £500,000 in free reserves. The trustees continue to keep funding under review to ensure that, in the absence of free reserves, sufficient funding is available to cover the School's working capital requirements.

At the year end, free reserves were £1,043,230 (2020: £863,696), an increase of £179,534 in the year.

The trustees' long term policy is to continue to build up reserves by means of annual operating surpluses when available, whilst continuing to develop the School's facilities as appropriate.

### ***Investment policy and objectives***

The charity funds are controlled by the trustees, who invest with a view to maximising annual investment income while maintaining capital growth in line with market trends. The attached financial statements show the current state of finances which the trustees consider to be satisfactory.

# Newcastle Preparatory School Trust Limited (The)

## Trustees' Report

### Plans for future periods

#### *Aims and key objectives for future periods*

The school aims to:

- provide an inspiring environment in which pupils feel secure and can grow in confidence, self-esteem and experience success.
- to create a friendly, caring community, established on mutual respect, where every individual is valued and included;
- to encourage pupils to confidently explore a broad curriculum, relish a challenge and working in partnership with families, reach their full potential in all aspects of life.

Specific objectives for future periods include the following:

- Reflect on lessons learnt and what is important in sustaining our educational community, with an emphasis on innovation and well-being for the next academic year.
- More able pupil Review of identification and provision.
- More able Provision embedded across the full curriculum.
- Update curriculum policies regarding more able provision.
- Flexible working practices to support curriculum development.
- Improving digital provision across the curriculum, including researching new Apps, rolling out training programmes for new devices and training on how to use ICT effectively in the classroom.
- Review of the Appraisal System.
- Development of Learning Journals.
- Implementation of new EYFS curriculum.
- Redevelopment of EYFS front garden.
- Installation of replacement windows in the main school.
- Development of Social Media strategy.

### Market value of land and buildings

The School freehold properties were last revalued on 31st August 1988 and the valuation incorporated in the financial statements. The trustees are of the opinion that the current market value of the School freehold properties is not less than the carrying value and took advantage of the transitional provisions of FRS15 to leave property at its 1988 valuation. No further changes were made since the adoption of FRS102.

### Going concern

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the charity of possible future scenarios arising from the impact of COVID-19. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

# Newcastle Preparatory School Trust Limited (The)

## Trustees' Report

### Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees 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 charitable company will continue in business.

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

### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

### Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022. In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 24/05/2022.... and signed on its behalf by:

*S Blair*

Susan Blair 24 May 2022 14:41:55 BST (UTC +1)

.....  
S Blair  
Trustee

## **Newcastle Preparatory School Trust Limited (The)**

### **Independent Auditor's Report to the Members of Newcastle Preparatory School Trust Limited (The)**

#### **Opinion**

We have audited the financial statements of Newcastle Preparatory School Trust Limited (The) (the 'charity') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note to the financial statements, 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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.

## **Newcastle Preparatory School Trust Limited (The)**

### **Independent Auditor's Report to the Members of Newcastle Preparatory School Trust Limited (The)**

#### **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charity 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 6), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **Newcastle Preparatory School Trust Limited (The)**

### **Independent Auditor's Report to the Members of Newcastle Preparatory School Trust Limited (The)**

#### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; Independent Schools Inspectorate; employment laws; and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). For instance, the further removed non-compliance is from the event and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Newcastle Preparatory School Trust Limited (The)

### Independent Auditor's Report to the Members of Newcastle Preparatory School Trust Limited (The)

#### Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of  
Azets Audit Services  
Chartered Accountants  
Statutory Auditor

Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 24/5/2022

Azets Audit Services is a trading name of Azets Audit Services Limited

## Newcastle Preparatory School Trust Limited (The)

### Statement of Financial Activities for the Year Ended 31 August 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
<b>Income and Endowments from:</b>					
Donations and legacies	3	13,338	-	13,338	82,238
Charitable activities	4	2,689,844	(50,289)	2,639,555	2,612,890
Investment income	5	2,707	-	2,707	5,771
Other income	6	6,318	-	6,318	14,486
Total Income		<u>2,712,207</u>	<u>(50,289)</u>	<u>2,661,918</u>	<u>2,715,385</u>
<b>Expenditure on:</b>					
Charitable activities	7	<u>(2,598,687)</u>	<u>-</u>	<u>(2,598,687)</u>	<u>(2,660,923)</u>
Total Expenditure		<u>(2,598,687)</u>	<u>-</u>	<u>(2,598,687)</u>	<u>(2,660,923)</u>
Net income/(expenditure)		<u>113,520</u>	<u>(50,289)</u>	<u>63,231</u>	<u>54,462</u>
Net movement in funds		113,520	(50,289)	63,231	54,462
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,958,360</u>	<u>215,264</u>	<u>2,173,624</u>	<u>2,119,162</u>
Total funds carried forward	19	<u>2,071,880</u>	<u>164,975</u>	<u>2,236,855</u>	<u>2,173,624</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 19.

# Newcastle Preparatory School Trust Limited (The)

## Comparative Statement of Financial Activities for the Year Ended 31 August 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	82,238	-	82,238
Charitable activities	4	2,652,526	(39,636)	2,612,890
Investment income	5	5,771	-	5,771
Other income	6	14,486	-	14,486
Total income		<u>2,755,021</u>	<u>(39,636)</u>	<u>2,715,385</u>
<b>Expenditure on:</b>				
Charitable activities	7	<u>(2,660,923)</u>	<u>-</u>	<u>(2,660,923)</u>
Total expenditure		<u>(2,660,923)</u>	<u>-</u>	<u>(2,660,923)</u>
Net income/(expenditure)		<u>94,098</u>	<u>(39,636)</u>	<u>54,462</u>
Net movement in funds		94,098	(39,636)	54,462
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>1,864,262</u>	<u>254,900</u>	<u>2,119,162</u>
Total funds carried forward	19	<u><u>1,958,360</u></u>	<u><u>215,264</u></u>	<u><u>2,173,624</u></u>

# Newcastle Preparatory School Trust Limited (The)

(Registration number: 00668983)  
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	1,028,650	1,094,664
<b>Current assets</b>			
Debtors	15	80,606	101,806
Cash at bank and in hand		<u>1,751,001</u>	<u>1,540,769</u>
		1,831,607	1,642,575
<b>Creditors: Amounts falling due within one year</b>	16	<u>(623,402)</u>	<u>(563,615)</u>
<b>Net current assets</b>		<u>1,208,205</u>	<u>1,078,960</u>
<b>Net assets</b>		<u>2,236,855</u>	<u>2,173,624</u>
<b>Funds of the charity:</b>			
<b>Restricted</b>		164,975	215,264
<b>Unrestricted income funds</b>			
Unrestricted		<u>2,071,880</u>	<u>1,958,360</u>
<b>Total funds</b>	19	<u>2,236,855</u>	<u>2,173,624</u>

The financial statements on pages 11 to 30 were approved by the trustees, and authorised for issue on ~~24/05/2022~~... and signed on their behalf by:

*S Blair*

Susan Blair 24 May 2022 14:41:55 BST (UTC +1)

S Blair  
Trustee

# Newcastle Preparatory School Trust Limited (The)

## Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash income		63,231	54,462
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		100,951	98,824
Investment income	5	(2,707)	(5,771)
		<u>161,475</u>	<u>147,515</u>
<b>Working capital adjustments</b>			
Decrease/(increase) in debtors	15	21,200	(46,460)
Increase in creditors	16	<u>59,787</u>	<u>12,199</u>
Net cash flows from operating activities		<u>242,462</u>	<u>113,254</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	2,707	5,771
Purchase of tangible fixed assets	14	<u>(34,937)</u>	<u>(41,013)</u>
Net cash flows from investing activities		<u>(32,230)</u>	<u>(35,242)</u>
Net increase in cash and cash equivalents		210,232	78,012
Cash and cash equivalents at 1 September		<u>1,540,769</u>	<u>1,462,757</u>
Cash and cash equivalents at 31 August		<u><u>1,751,001</u></u>	<u><u>1,540,769</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

# **Newcastle Preparatory School Trust Limited (The)**

## **Notes to the Financial Statements for the Year Ended 31 August 2021**

### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: 6 Eslington Road, Jesmond, Newcastle upon Tyne, NE2 4RH,

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### **Basis of preparation**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 6 Eslington Road, Jesmond, Newcastle upon Tyne, NE2 4RH.

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

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

#### **Going concern**

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the charity of possible future scenarios arising from the impact of COVID-19. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

## **Newcastle Preparatory School Trust Limited (The)**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **Estimation uncertainty and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Depreciation has been applied to all assets for the year in full regardless of whether they have been bought or sold during the year.

There are no key estimates or assumptions to disclose.

#### **Income and endowments**

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

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Deferred income***

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### ***Donated services and facilities***

Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

#### ***Investment income***

Interest received is recognised on receipt into the bank account.

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### ***Other income***

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

As noted in the tangible fixed asset note, the charity has the school freehold property held at a former valuation giving rise to treatment as 'deemed cost'. As a result of the historic uplift in value, the charity has part of its unrestricted reserve designated as a 'revaluation reserve' which is being released back into unrestricted reserves each year (equivalent to the excess depreciation charge over that charged on the original historic cost).

### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold buildings	2% straight line
Office equipment	20% straight line
Equipment	10% straight line

### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

### Trade debtors

Parents/guardians are made aware of the terms and conditions that the charity expects to be met with regards to monies owed for school and lunch fees.

Trade and other debtors are recognised at the settlement amount due after any discount/bursary offered.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. They fall into two sub-classes: restricted income funds or endowment funds.

### Pensions and other post retirement obligations

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of the pension over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The company also operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the income and expenditure account.

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

## Newcastle Preparatory School Trust Limited (The)

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 3 Income from donations and legacies

	Unrestricted General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations	420	420	22,012
Grants, including capital grants;			
Government grants - CJRS	12,918	12,918	60,226
	<u>13,338</u>	<u>13,338</u>	<u>82,238</u>

In 2020 all income was unrestricted.

#### 4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Gross school fees	2,620,673	-	2,620,673	2,644,983
Total bursaries, scholarships and discounts	(121,897)	(50,289)	(172,186)	(208,970)
Entrance and registration fees	5,300	-	5,300	3,125
Catering receipts	138,647	-	138,647	132,447
Extra-curricular activities	47,121	-	47,121	41,305
	<u>2,689,844</u>	<u>(50,289)</u>	<u>2,639,555</u>	<u>2,612,890</u>

In 2020, (£39,636) of the bursary income was restricted whilst £2,652,526 was unrestricted.

#### 5 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Interest receivable on bank deposits	2,707	2,707	5,771

All 2020 income was unrestricted.

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 6 Other income

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
Commissions receivable and other income	1,697	1,697	1,858
Insurance claims	4,621	4,621	12,628
	<u>6,318</u>	<u>6,318</u>	<u>14,486</u>

All 2020 income was unrestricted.

### 7 Expenditure on charitable activities

		Unrestricted		
		General	Total	Total
	Note	£	2021	2020
			£	£
Charitable Activity		347,532	347,532	340,619
Staff costs		1,780,300	1,780,300	1,813,803
Governance and support costs	8	470,855	470,855	506,501
		<u>2,598,687</u>	<u>2,598,687</u>	<u>2,660,923</u>

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 8 Analysis of governance and support costs

#### Support costs allocated to charitable activities

	<b>Governance costs</b>	<b>Support costs</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Premises	2,315	43,985	46,300	51,063
Depreciation	5,048	95,903	100,951	98,824
Bank charges	1,261	-	1,261	1,353
Advertising	3,668	5,774	9,442	21,566
Audit and accountancy	8,480	-	8,480	8,800
Insurance	1,122	21,327	22,449	24,143
Legal and professional	2,826	-	2,826	8,459
Postage, stationery and photocopying	813	15,443	16,256	27,601
Subscriptions	3,186	46,058	49,244	48,330
Salaries and wages	213,646	-	213,646	216,362
	<u>242,365</u>	<u>228,490</u>	<u>470,855</u>	<u>506,501</u>

#### Governance and support costs

The charity allocates costs direct to activities as far as possible, then identifies the remaining costs of its support function. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are allocated to the key charitable activity undertaken in the year. The basis for apportionment and the analysis of support and governance costs is set out as follows:

Direct to governance: Accountancy fees, Audit fees, Legal and professional fees and bank charges.

Direct to charitable activities: All other support costs.

### 9 Net incoming/outgoing resources

Net incoming resources for the year include:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit fees	8,480	8,280
Other non-audit services	-	540
Depreciation of fixed assets	<u>100,951</u>	<u>98,824</u>

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

### 11 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	1,554,549	1,582,361
Social security costs	149,672	153,996
Pension costs	289,725	293,808
	<u>1,993,946</u>	<u>2,030,165</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Teaching Staff	24	24
Nursery and Classroom Support	12	14
Office Staff	4	5
Maintenance	2	2
	<u>42</u>	<u>45</u>

The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£60,001 - £70,000	2	1
£120,001 - £130,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £468,815 (2020 - £364,470).

### 12 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>8,480</u>	<u>8,260</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>-</u>	<u>540</u>

## Newcastle Preparatory School Trust Limited (The)

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 13 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2020	1,553,423	529,191	256,347	2,338,961
Additions	-	-	34,937	34,937
At 31 August 2021	1,553,423	529,191	291,284	2,373,898
<b>Depreciation</b>				
At 1 September 2020	748,028	299,522	196,747	1,244,297
Charge for the year	31,068	39,875	30,008	100,951
At 31 August 2021	779,096	339,397	226,755	1,345,248
<b>Net book value</b>				
At 31 August 2021	774,327	189,794	64,529	1,028,650
At 31 August 2020	805,395	229,669	59,600	1,094,664

#### Revaluation

The fair value of the company's Freehold properties was revalued on 31 August 1988. An independent valuer was not involved.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £717,223 (2020 - £744,297).

#### 15 Debtors

	2021 £	2020 £
Trade debtors	21,913	13,430
Prepayments and Accrued Income	58,693	88,376
	<u>80,606</u>	<u>101,806</u>

Included within trade debtors above, are gross debtors of £32,983 (2020 - £35,479) less a bad debt provision of £11,070 (2020 - £22,049).

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	40,664	39,370
Other taxation and social security	41,844	41,113
Other creditors	30,302	36,964
Accruals	66,740	49,975
Deferred income	443,852	396,193
	<u>623,402</u>	<u>563,615</u>

	2021 £	2020 £
Deferred income at 1 September 2020	396,193	380,952
Resources deferred in the period	443,852	396,193
Amounts released from previous periods	<u>(396,193)</u>	<u>(380,952)</u>
Deferred income at year end	<u>443,852</u>	<u>396,193</u>

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 17 Obligations under leases and hire purchase contracts

#### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
<b>Other</b>		
Within one year	8,314	-
Between one and five years	16,627	-
	<u>24,941</u>	<u>-</u>

### 18 Pension and other schemes

The company contributes to a defined benefits teachers' pension scheme and to certain employees personal pensions via a group personal pension scheme. The assets of the schemes are held separately from those of the company in independently administered funds.

The pension cost charge represents contributions payable by the company and amounted to £45,381 (2020 - £44,067). Contributions totalling £204 (2020 - £204) were payable into the funds at the year end and are included in other creditors.

#### Defined benefit pension schemes

##### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for teachers. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer make 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.

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 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

## **Newcastle Preparatory School Trust Limited (The)**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

The key elements of the valuation and subsequent consultation are:

Employers 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 1 April 2023.

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charitable company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charitable company has set out above the information available on the scheme.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £247,001 (2020 - £247,134).

Money Purchase Scheme: At the balance sheet date, £29,132 was owed to the money purchase scheme and included within creditors (2020 - £28,562).

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 19 Funds

The specific purposes for which the funds are to be applied are as follows:

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>					
<i><b>General</b></i>					
General reserve	1,897,274	2,712,207	(2,598,687)	3,994	2,014,788
<i><b>Designated</b></i>					
Revaluation reserve	61,086	-	-	(3,994)	57,092
<b>Total unrestricted funds</b>	<u>1,958,360</u>	<u>2,712,207</u>	<u>(2,598,687)</u>	<u>-</u>	<u>2,071,880</u>
<b>Restricted funds</b>					
Northumbrian Water	4,900	-	-	-	4,900
Catherine Cookson Charitable Trust	210,364	(50,289)	-	-	160,075
<b>Total restricted funds</b>	<u>215,264</u>	<u>(50,289)</u>	<u>-</u>	<u>-</u>	<u>164,975</u>
<b>Total funds</b>	<u>2,173,624</u>	<u>2,661,918</u>	<u>(2,598,687)</u>	<u>-</u>	<u>2,236,855</u>

The brought forward restricted fund relating to Northumbrian Water is to go towards the maintenance of the flood defence system within the basement of 5 Eslington Road, Newcastle upon Tyne, NE2 4RH.

The fund relating to the Catherine Cookson Charitable Trust is to go towards the school's bursary campaign.

As described in the accounting policy, the designated reserves relate to the revaluation reserve.

# Newcastle Preparatory School Trust Limited (The)

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 20 Analysis of net assets between funds

	Unrestricted			2021 Total funds £
	General £	Designated £	Restricted £	
Tangible fixed assets	971,558	57,092	-	1,028,650
Net current assets/(liabilities)	1,043,230	-	164,975	1,208,205
Total net assets	2,014,788	57,092	164,975	2,236,855

  

	Unrestricted			Total funds at 31 August 2020 £
	General £	Designated £	Restricted £	
Tangible fixed assets	1,033,578	61,086	-	1,094,664
Net current assets/(liabilities)	863,696	-	215,264	1,078,960
Total net assets	1,897,274	61,086	215,264	2,173,624

### 21 Analysis of net funds

	At 1 September 2020 £	Financing cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,540,769	210,232	1,751,001
Net debt	1,540,769	210,232	1,751,001

  

	At 1 September 2019 £	Financing cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,462,757	78,012	1,540,769
Net debt	1,462,757	78,012	1,540,769

## **Newcastle Preparatory School Trust Limited (The)**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **22 Related party transactions**

During the year the charity made the following related party transactions:

##### **P Hewitson**

(Trustee)

P Hewitson has a child attending the school. From the date of appointment, total school fees invoiced to P Hewitson were done so under the normal commercial terms of the entity.

##### **D Bailey**

(Trustee)

D Bailey has a child attending the school. From the date of appointment, total school fees invoiced to D Bailey were done so under the normal commercial terms of the entity.