

Report of the Trustees and
Financial Statements
for the Year Ended 31 August 2021
for
The Newark Preparatory School
Company Limited

Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

The Newark Preparatory School
Company Limited

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for the Year Ended 31 August 2021

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The Newark Preparatory School
Company Limited

Reference and Administrative Details
for the Year Ended 31 August 2021

TRUSTEES	D M Ackroyd (resigned 9.3.21) W E B Bicknell Ms S L Cameron J A Dennis N Johnson (appointed 25.11.20) Dr J E Mumby J Robinson (resigned 17.6.21) R W South W J Staunton
COMPANY SECRETARY	J A Dennis
REGISTERED OFFICE	Highfields London Road Balderton Newark-on-Trent Nottinghamshire NG24 3AL
REGISTERED COMPANY NUMBER	00396309 (England and Wales)
REGISTERED CHARITY NUMBER	528261
AUDITORS	Wright Vigar Limited Statutory Auditors Chartered Accountants & Business Advisers 15 Newland Lincoln Lincolnshire LN1 1XG

The Newark Preparatory School
Company Limited (Registered number: 00396309)

Report of the Trustees
for the Year Ended 31 August 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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).

PRINCIPAL ACTIVITY

The charitable company's principal activity during the year continued to be that of an independent school. Further details on the activities and achievements for the year are disclosed in the Governors' Report which is a separate document.

TRUSTEES

The Trustees shown below have held office during the while of the period from 1 September 2020 to the date of this report.

W E B Bicknell
W J Staunton
Mrs S L Cameron
J Dennis
Dr J Mumby
R South

Other changes in trustee holding office are as follows:

D M Ackroyd - resigned 9 March 2021
J Robinson - resigned 17 June 2021
N Johnson - appointed 25 November 2020

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective of the Charity is to provide high quality nursery, pre-prep and prep education. The management of the school was entrusted to the Headteacher, Mrs S Lyons, who was appointed in September 2019, and who reported regularly to the Governors and Trustees. The school operates under the trading name of Highfields. In organising the Charity, Trustees are mindful of their duties under Charities Act 2016 and have given careful consideration to compliance with the public benefit guidance issued by the Charity Commission.

Within the principal objective, the Charity aims to provide a broad-based education appropriate to the needs of the pupils in its target market and through this the pupils will:

- Acquire the knowledge and skills that will enable them to tackle the next phase of their educational, physical, spiritual, social and emotional lives with confidence and success;
- Feel valued and significant, whilst having an expectation that they should behave in a responsible manner, both to themselves and others;
- Develop as individuals, whilst having an understanding that they have a responsibility of service to the community;
- Learn how to live together in a community, showing consideration, courtesy and respect for other people and their property at all times;
- Work to acquire the resourcefulness that will enable them to obtain the best from their environment;
- Develop the foundations on which to build a happy and fulfilling life;
- Find their time spent at Highfields enjoyable and stimulating;
- Receive an education that nurtures the courage and confidence of every child to discover their talents and fulfil their potential within a caring environment.

IMPACT OF COVID-19

This year, the COVID-19 pandemic continued to have an impact on how we could deliver the enhanced curriculum in a way that protects the safety of the children and staff and to reduce the spread of the infection. Autumn term operated as usual albeit with less children using wraparound care and only teacher-led clubs run in bubbles which had an impact on income. In spring term, key worker's children where on site and other pupils were taught remotely via google classrooms with a high level of teacher input; the quality of education was to the same high standard and so no reduction in fees was necessary. Summer term operated as expected but again, followed an updated risk assessment, children were kept in bubbles whenever possible and the grounds we used to host events outside such as speech day.

The Newark Preparatory School
Company Limited (Registered number: 00396309)

Report of the Trustees
for the Year Ended 31 August 2021

STRATEGIC REPORT

Achievement and performance

Charitable activities

The main objectives of the school for the year were to continue to provide high quality educational services and in so doing to;

- Ensure that the school finances were run to the budgets set and to maintain the school as a viable going concern for many years to come;
- Increase the revenue and profile of the school, whilst offering value for money, in order to make the school's services available to as wide a range of parents and pupils as possible;
- Reinvest in the infrastructure of the school.

These are achieved by regular Board meetings which, as a matter of course:

- Regularly undertake a detailed review of the school accounts and areas of over and under spend;
- Plan marketing and promotional activities to increase the profiles and revenue generating potential of the school;
- Within the limitations of the financial constraints, plan maintenance work on the fabric of the school and when possible enhance the facilities provided.

This year, the COVID19 pandemic continued to have an impact on how we could deliver the enhanced curriculum in a safe way to protect the safety of the children and staff and to reduce the spread of the infection. Following a detailed risk assessment (which continues to be updated), the school reopened in the autumn term 2020 for all children with children in bubbles to reduce the risk of the disease spreading and minimise the impact if a bubble had to be educated at home. Staff carried out lateral flow tests as a precaution and masks were worn in communal areas and in small offices. With the increase of COVID-19 infections around Christmas, school only re-opened in January for the children of key workers (as defined in the guidance issued by the Government) and other children were taught online via google classrooms. All children returned to school on 8th March and by summer term many more activities could be resumed albeit in a safe way with as many activities as possible being carried out outdoors.

The future objectives of the school are to:

- Maintain the high quality of nursery, pre-prep and prep education by using the Cambridge curriculum and the continued promotion of first-class pastoral care in small class sizes to enable every child to discover their talents and fulfil their potential confidently in a caring environment;
- Improve the facilities of the school by routine refurbishment and a programme of planned maintenance;
- Grow pupil enrolment numbers by ongoing marketing and promotional activity;

These will be achieved by:

- Utilising all opportunities to promote the school and raise its profile;
- Continuing to develop links with local schools and especially nursery and child care settings to increase awareness of the opportunity on offer at the school;
- The implementation of the refurbishment plan;
- Continuous training and professional development of both teaching and support staff.

The last inspection by the Independent School Inspectorate (ISI) was in May 2019; they carried out a focused compliance inspection and an inspection of educational quality and determined Highfields to be Excellent (the highest grade).

The Newark Preparatory School
Company Limited (Registered number: 00396309)

Report of the Trustees
for the Year Ended 31 August 2021

Details of means tested bursary

The school has two further objectives:

- To provide continuing support of pupils already in receipt of fee assistance through bursaries and to provide support for existing pupils through means tested bursary places, should the need arise during their education at Highfields.
- To play our part in the life of the local community through community access and service programmes

Bursaries

This year the value of means tested bursaries totalled £24,192 and represented 2.7% of gross fees.

Review

The Governors periodically review the school's Bursary policies to ensure that children can continue to remain at School through the availability of means tested fee assistance. The school policy is designed to widen access to Highfields School. The reviews help inform the development of school policy and ensure the objective of wider access continues to be achieved.

'Teaching Links' programme

The school looks for opportunities with other local schools where we can share each other's best practice, observe other settings and share in training where possible. A member of the Early Year's team was selected from all settings across Nottinghamshire to be trained in "communications for all" (and is the only one to have completed the training) which makes us a Language Accreditation Setting. She completed the training and passed the knowledge on to colleagues; the next phase, which commenced in autumn 2021, is it to pass the training on to other settings.

Community access

The Trustees regard being part of the wider community as an important role.

Where possible, without detriment to advancing the education of our pupils, Highfields supports the wider community by inviting local schools to events at Highfields and for local nurseries to use the grounds. COVID19 impacted some of the events but we were able to support local charities with Harvest Soup and generously filled shoeboxes. The pupils in form 5 and 6 read out Remembrance poems as part of the community Armistice Day event.

Pupils regularly take part in events to raise money for charity such as Children in Need, Jeans for Jeans and Sports aid. In addition, we supported a cycling event to commemorate the 100th birthday of Squadron Leader George "Jonny" Johnson and raise money for the Royal Air Force Benevolent Fund.

The Newark Preparatory School
Company Limited (Registered number: 00396309)

Report of the Trustees
for the Year Ended 31 August 2021

STRATEGIC REPORT

Financial review

Financial review and reserves policy

The net movement in funds for the year amounted to an outflow of £40,791 (2020: an outflow of £22,698).

The revenue reserves of the Charity total £7,594 (2020: £48,385). This level of reserves is substantially represented by the property and other physical assets of the school, which are used for the continuing charitable objectives of the school. The Charity's balance sheet includes freehold property at historic cost. A detailed valuation of this asset was undertaken by Innes England on 27 November 2012 for the purposes of the Charity's bankers. The property was valued at £1 million based on its existing use and the valuation for vacant possession was £2.25 million. The Trustees have decided not to adjust the financial statements for this valuation until the building development project is completed.

The figure for freehold land and buildings on the balance sheet includes £145,147 in respect of the professional preparation for the construction project as stated in our plans for the future.

The Trustees' policy is to operate with a small surplus of income over resources expended to provide funds for capital expenditure improvements and working capital.

The main source of funding of the Charity is the fees received from the parents and funding from the local authorities for nursery fees. These funds are expended on the running and upkeep of the school in order to provide the high quality educational service needed to meet the objectives of the Charity.

Annual budgets and cash flow forecasts are prepared as part for the Charity's development plan and these are monitored against the actual financial performance on a regular basis. The Trustees consider that the school has sufficient resources to continue to operate for the foreseeable future, and therefore continue to adopt the going concern basis in the preparation for financial statements.

Investment policy and objectives

There are no restrictions on the company's powers of investment. With the prospect of funds being generated by the land sale, an investment policy will be produced.

Future plans

Conditional contracts were exchanged with Avant Homes for the sale of land to allow access to the site behind school. The planning application was submitted in February 2021 and Avant Homes have been working with Newark and Sherwood District Council and Sports England to ensure they have complied with all their conditions. Progress was made during the year, but the application has not yet been considered by the planning committee. In order to make the application policy compliant a significant number of changes have been made to the plans. This will result in a revised planning application being submitted in early 2022, which should hopefully be determined by the planning committee in the spring 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was created by a trust deed as a registered charity (number 528261). The charitable company is limited by its members' liability. The members' liability is limited to the amount paid on share capital.

The charitable company is registered in the name of The Newark Preparatory School Company Limited (company number 00396309). The principal address and registered office is Highfields, London Road, Newark, Nottinghamshire, NG24 3AL.

New trustees are recruited by personal recommendation from existing members of the Board, based on identified skills required by the Board. The induction and training of the new trustees is undertaken using external support from the Association of Governing Bodies for Independent Schools (AGBIS) with training tailored to the needs of each newly appointed trustee.

Decisions regarding the charity are made through debate, consideration and voting on proposals submitted to the Board by any one of the following at the regular trustees meeting:

- Headteacher/Senior Leadership Team
- Subcommittees which cover Finance, Marketing & Health and Safety; Buildings; Curriculum & Standards; and
- Pupils, Personnel & Safeguarding
- Friends and Family of Highfields School, FFH (PTA)/Parents

All meetings are minuted.

The Newark Preparatory School
Company Limited (Registered number: 00396309)

Report of the Trustees
for the Year Ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees continue to keep the school's activities under review, particularly with regard to any major risks that may arise from time to time. They monitor the effectiveness of the system of internal control and use other viable means, including insurance cover where appropriate, to best mitigate those risks identified.

The Trustees believe the major risks to the school are;

- The impact on staff and pupils due to the COVID19 pandemic;
- The retention of key staff;
- The economy. As the school is an independent school, the trustees are aware the economy will directly impact on the school enrolment numbers and are monitoring and reviewing the situation regularly.

The Trustees mitigate the above risk by ensuring that the quality of service remains high through continuous staff training and professional development.

The school has put in place a detailed risk assessment to handle the COVID19 pandemic which is regularly reviewed and updated.

IMPACT OF THE COVID-19 PANDEMIC

As a result of Covid-19, there is a financial and operational impact that the charity has had to deal with. For example, the charity has received furlough grants from the government, which comes to a total of £14,129. However, tuition and Nursery fees, which is still the bulk of the income throughout the pandemic, has fallen by 4.6% to £899,435.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 22 March 2022 and signed on the board's behalf by:



W E B Bicknell - Trustee

Report of the Independent Auditors to the Members of
The Newark Preparatory School
Company Limited

Opinion

We have audited the financial statements of The Newark Preparatory School Company Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 Report of the Trustees.

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.

Report of the Independent Auditors to the Members of
The Newark Preparatory School
Company Limited

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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.

Our 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 a Report of the Independent Auditors 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:

Our work is performed to include an assessment of the susceptibility of the entity's financial statements to material misstatement, including the risk of fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We plan our work to gain an understanding of the significant laws and regulations that are of significance to the entity and the sector in which they operate. We perform our work to ensure that the entity is complying with its legal and regulatory framework.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and people charged with governance.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Substantive procedures performed in accordance with the ISAs (UK).
- Challenging assumptions and judgments made by management in its significant accounting estimates.
- Identifying and testing journal entries, in particular material journal entries and an assessment of year end journals.

- Assessing the extent of compliance with the relevant laws and regulations.

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
The Newark Preparatory School
Company Limited

Use of our report

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



Paul Colcomb FCCA (Senior Statutory Auditor)
for and on behalf of Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

22 March 2022

The Newark Preparatory School
Company Limited

Statement of Financial Activities
for the Year Ended 31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	4				
Parent Association donation		7,565	-	7,565	356
Tuition and nursery fees		899,435	-	899,435	943,033
Other Income		14,129	-	14,129	55,500
Rent	3	6,600	-	6,600	6,925
Other income	5	83,549	-	83,549	92,504
Total		1,011,278	-	1,011,278	1,098,318
 EXPENDITURE ON					
Charitable activities	6				
Education services		1,052,069	-	1,052,069	1,121,016
NET INCOME/(EXPENDITURE)		(40,791)	-	(40,791)	(22,698)
 RECONCILIATION OF FUNDS					
Total funds brought forward		48,385	-	48,385	71,083
 TOTAL FUNDS CARRIED FORWARD		7,594	-	7,594	48,385

The notes form part of these financial statements

The Newark Preparatory School
Company Limited (Registered number: 00396309)

Balance Sheet
31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	12	576,920	-	576,920	608,965
CURRENT ASSETS					
Debtors	13	18,895	-	18,895	78,826
Cash at bank and in hand		174	-	174	118
		<u>19,069</u>	<u>-</u>	<u>19,069</u>	<u>78,944</u>
CREDITORS					
Amounts falling due within one year	14	(540,062)	-	(540,062)	(591,191)
		<u>(520,993)</u>	<u>-</u>	<u>(520,993)</u>	<u>(512,247)</u>
NET CURRENT ASSETS					
		(520,993)	-	(520,993)	(512,247)
TOTAL ASSETS LESS CURRENT LIABILITIES		55,927	-	55,927	96,718
CREDITORS					
Amounts falling due after more than one year	15	(48,333)	-	(48,333)	(48,333)
		<u>7,594</u>	<u>-</u>	<u>7,594</u>	<u>48,385</u>
NET ASSETS					
		<u>7,594</u>	<u>-</u>	<u>7,594</u>	<u>48,385</u>
FUNDS	18				
Unrestricted funds				7,594	48,385
TOTAL FUNDS				<u>7,594</u>	<u>48,385</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 22 March 2022 and were signed on its behalf by:



W E B Bicknell - Trustee

The Newark Preparatory School
Company Limited

Cash Flow Statement
for the Year Ended 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(21,213)	58,196
Interest paid		(9,850)	(12,919)
Net cash (used in)/provided by operating activities		<u>(31,063)</u>	<u>45,277</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(6,528)</u>	<u>(23,774)</u>
Net cash used in investing activities		<u>(6,528)</u>	<u>(23,774)</u>
Cash flows from financing activities			
New loans in year		<u>-</u>	<u>48,333</u>
Net cash provided by financing activities		<u>-</u>	<u>48,333</u>
Change in cash and cash equivalents in the reporting period		<u>(37,591)</u>	<u>69,836</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>(267,356)</u>	<u>(337,192)</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>(304,947)</u></u>	<u><u>(267,356)</u></u>

The notes form part of these financial statements

The Newark Preparatory School
Company Limited

Notes to the Cash Flow Statement
for the Year Ended 31 August 2021

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(40,791)	(22,698)
Adjustments for:		
Depreciation charges	38,572	37,627
Interest paid	9,850	12,919
Decrease in debtors	59,932	18,113
(Decrease)/increase in creditors	(88,776)	12,235
Net cash (used in)/provided by operations	<u>(21,213)</u>	<u>58,196</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	73	118
Notice deposits (less than 3 months)	101	-
Overdrafts included in bank loans and overdrafts falling due within one year	(305,121)	(267,474)
Total cash and cash equivalents	<u>(304,947)</u>	<u>(267,356)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	118	56	174
Bank overdraft	(267,474)	(37,647)	(305,121)
	<u>(267,356)</u>	<u>(37,591)</u>	<u>(304,947)</u>
Debt			
Debts falling due within 1 year	(10,000)	-	(10,000)
Debts falling due after 1 year	(48,333)	-	(48,333)
	<u>(58,333)</u>	<u>-</u>	<u>(58,333)</u>
Total	<u>(325,689)</u>	<u>(37,591)</u>	<u>(363,280)</u>

The Newark Preparatory School
Company Limited

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

1. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee registered in England and Wales. Details of the company number and registered office can be found in the reference and administration section of the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 25% on cost, 5% on cost and Straight line at 1%
Fixtures and fittings	- 10% on cost and 4% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Government grants

Grants relating to the Coronavirus Job Retention Scheme are recognised in full in the period in which the associated salary, national insurance and pension costs were incurred.

The Newark Preparatory School
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

3. RENT

	2021 £	2020 £
Rent	6,600	6,925

4. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	Parent Association donation £	Tuition and nursery fees £
Parent Association donation	7,565	-
Tuition fees	-	817,602
Nursery fees	-	81,833
Government grants	-	14,129
	7,565	899,435
	14,129	921,129
	921,129	998,889

5. OTHER INCOME

	2021 £	2020 £
Wrap around care	29,741	40,054
Music	17,152	21,564
Active enrichment	9,552	10,129
Registration fees	2,100	1,720
School trips	16,202	3,784
Speech & Drama	5,628	8,256
Insurance recharge	847	1,540
Sundry receipts	2,327	4,431
Milk	-	1,026
	83,549	92,504

During the year, the company received Coronavirus Job Retention Support grants amounting to £14,129 (2020: £Nil).

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Education services	874,021	178,048	1,052,069

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Education services	131,097	44,021	2,930	178,048

The Newark Preparatory School
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

7. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Management

	2021 Education services £	2020 Total activities £
Admin wages	68,090	76,507
Professional fees	6,564	4,299
Telephone	3,644	2,957
Printing, postage and stationery	3,241	4,102
Photocopier costs	6,531	6,738
Sundry expenses	140	588
Subscriptions	24,027	23,427
Marketing	9,010	12,657
Interest payable	9,850	12,919
	<u>131,097</u>	<u>144,194</u>

Finance

	2021 Education services £	2020 Total activities £
Bad debts	-	8,557
Bank charges	4,204	2,587
Motor expenses	1,245	2,000
Depreciation of tangible fixed assets	38,572	37,627
	<u>44,021</u>	<u>50,771</u>

Governance costs

	2021 Education services £	2020 Total activities £
Auditors' remuneration	<u>2,930</u>	<u>2,640</u>

8. NET INCOME/(EXPENDITURE)

	2021	2020
Depreciation	<u>38,573</u>	<u>37,627</u>

9. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the charity's auditors and their associates for the audit of the charity's financial statements	<u>2,930</u>	<u>2,640</u>

The Newark Preparatory School
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

10. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

11. STAFF COSTS

	2021	2020
Wages and salaries	641,296	618,875
Social security costs	31,116	31,771
Other pension costs	75,560	75,052
	<u>747,972</u>	<u>725,698</u>

	2021	2020
Teaching	21	23
Non Teaching	17	21
	<u>38</u>	<u>44</u>

Remuneration paid to key management personnel in the year was £195,749.
No employee received emoluments greater than £60,000 in the year.
None of the Trustees received any remuneration in the year.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2020	684,274	117,108	3,000	207,033	1,011,415
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,528</u>	<u>6,528</u>
At 31 August 2021	<u>684,274</u>	<u>117,108</u>	<u>3,000</u>	<u>213,561</u>	<u>1,017,943</u>
DEPRECIATION					
At 1 September 2020	139,308	68,482	1,500	193,160	402,450
Charge for year	<u>23,117</u>	<u>4,219</u>	<u>750</u>	<u>10,487</u>	<u>38,573</u>
At 31 August 2021	<u>162,425</u>	<u>72,701</u>	<u>2,250</u>	<u>203,647</u>	<u>441,023</u>
NET BOOK VALUE					
At 31 August 2021	<u>521,849</u>	<u>44,407</u>	<u>750</u>	<u>9,914</u>	<u>576,920</u>
At 31 August 2020	<u>544,966</u>	<u>48,626</u>	<u>1,500</u>	<u>13,873</u>	<u>608,965</u>

Included in cost of land and buildings is freehold land of £100,000 (2020 - £100,000) which is not depreciated.

Freehold land and buildings includes £145,147 in respect of the professional preparation for a construction project as referred to in the Trustees' annual report. This expenditure has not been depreciated.

The Newark Preparatory School
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	2,897	62,042
Prepayments and accrued income	15,998	16,784
	<u>18,895</u>	<u>78,826</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 16)	305,121	267,474
Other loans (see note 16)	10,000	10,000
Trade creditors	14,803	18,530
Pensions	10,939	10,193
Other creditors	59,992	73,679
Accruals and deferred income	139,207	211,315
	<u>540,062</u>	<u>591,191</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 16)	48,333	48,333
	<u>48,333</u>	<u>48,333</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	305,121	267,474
Other loans	10,000	10,000
	<u>315,121</u>	<u>277,474</u>
Amounts falling due between two and five years:		
Creditors more than 1 year	48,333	48,333
	<u>48,333</u>	<u>48,333</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank overdrafts	305,121	267,474
Bank loans	48,333	48,333
	<u>353,454</u>	<u>315,807</u>

The Newark Preparatory School
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

18. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General funds	48,385	(40,791)	7,594
TOTAL FUNDS	<u>48,385</u>	<u>(40,791)</u>	<u>7,594</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	1,011,278	(1,052,069)	(40,791)
TOTAL FUNDS	<u>1,011,278</u>	<u>(1,052,069)</u>	<u>(40,791)</u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General funds	71,083	(22,698)	48,385
TOTAL FUNDS	<u>71,083</u>	<u>(22,698)</u>	<u>48,385</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	1,098,318	(1,121,016)	(22,698)
TOTAL FUNDS	<u>1,098,318</u>	<u>(1,121,016)</u>	<u>(22,698)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.19 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General funds	71,083	(63,489)	7,594
TOTAL FUNDS	<u>71,083</u>	<u>(63,489)</u>	<u>7,594</u>

The Newark Preparatory School
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	2,109,596	(2,173,085)	(63,489)
TOTAL FUNDS	<u>2,109,596</u>	<u>(2,173,085)</u>	<u>(63,489)</u>

The total funds at the year end can be further split as detailed below:

	2021 £	2020 £
Called up share capital	700	700
Other reserves	120	120
Founder Governor prize fund	1,677	1,677
General funds	5,097	45,888
	<u>7,594</u>	<u>48,385</u>

19. RELATED PARTY DISCLOSURES

South Electrical Limited, a company in which Mr R South is a director, provided services to the Charity during the year totalling £8,388. The balance outstanding at the year end is £Nil.

20. TRUSTEES' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a trustee subsisted during the year ended 31 August 2021 and the year ended 31 August 2020:

	2021	2020
W J Staunton		
Balance outstanding at the start and end of period	<u>10,000</u>	<u>10,000</u>

The terms of the loan is that capital is to be repaid monthly at a minimum payment of £400 a month, although this has been suspended until the company is in a better financial position. The loan was from a Trustee W Staunton and there is no immediate repayment required for the money to be repaid. No interest is payable on the amount advanced.