

Report of the Trustees and
Financial Statements
for the Year Ended 31 August 2022
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 2022

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The Newark Preparatory School
Company Limited

Reference and Administrative Details
for the Year Ended 31 August 2022

TRUSTEES	W E B Bicknell Ms S L Cameron J A Dennis N Johnson (resigned 31.3.23) Dr J E Mumby R W South W J Staunton D N Ashton (appointed 27.2.23)
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

Report of the Trustees
for the Year Ended 31 August 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. 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
N Johnson (resigned 31 March 2023)
D Ashton (appointed 27 February 2023)

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.

Public benefit

In setting the objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The key public benefit delivered by the Trust is the provision of a high quality of education to its pupils.

The Newark Preparatory School
Company Limited

Report of the Trustees
for the Year Ended 31 August 2022

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.

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

Report of the Trustees
for the Year Ended 31 August 2022

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 £23,496 and represented 2.4% 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 Years 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 Highfields a Language Accreditation Setting. The EY staff member has passed the training on to other settings which has enabled them to become Communication Friendly 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. Highfields hosted a cross country event in November 2021 which was attended by a number of local schools (both state and independent).

Highfields was also 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 within school to raise money for charities such as Children in Need, Jeans for Genes and Sports Aid.

The Newark Preparatory School
Company Limited

Report of the Trustees
for the Year Ended 31 August 2022

STRATEGIC REPORT

Financial review

Financial review and reserves policy

The net movement in funds for the year amounted to an inflow of £14,289 (2021: an outflow of £40,791).

The revenue reserves of the Charity total £21,883 (2021: £7,594). 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 and nursery income received from the parents and funding from the local authorities for Early Years funding towards 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 of the Charity's development plan and these are monitored against 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

The School remains under contract with Avant Homes for the sale of land to allow access to site behind the school for a new housing development. Progress through the planning process has been slow, with the requirements of Newark and Sherwood District Council being subject to a degree of change.

In a further attempt to satisfy the planning officers requirements, another revised planning application for a 94 dwelling development was submitted in September 2022 (this can be viewed on the NSDC website, application reference 22/01726/FULM). The consultation process is still underway, but it is hoped the application will be determined by the planning committee in spring/early summer of 2023.

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 and Health & Safety; Buildings; Curriculum and Standards; and Pupils, Personnel and Safeguarding
- Friends and Family of Highfields School, FFH (PTA)/Parents

All meetings are minuted.

The Newark Preparatory School
Company Limited

Report of the Trustees
for the Year Ended 31 August 2022

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 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.
- Political changes - in line with all independent schools, the announcement by the Labour Party (in opposition) that they would add VAT to school fees and remove the charitable status could have a detrimental impact on the finances of the school. Any increase in fees would be minimised as much as possible to protect pupil numbers.

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

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 25 May 2023 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 2022 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 2022 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 Charitable 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.

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

25 May 2023

The Newark Preparatory School
Company Limited

Statement of Financial Activities
for the Year Ended 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	4				
Donations		23,924	-	23,924	7,565
Tuition and nursery fees		997,167	-	997,167	899,435
Other Income		-	-	-	14,129
Rent	3	8,048	-	8,048	6,600
Other income	5	104,651	-	104,651	83,549
Total		<u>1,133,790</u>	<u>-</u>	<u>1,133,790</u>	<u>1,011,278</u>
EXPENDITURE ON					
Charitable activities	6				
Education services		<u>1,119,501</u>	<u>-</u>	<u>1,119,501</u>	<u>1,052,069</u>
NET INCOME/(EXPENDITURE)		14,289	-	14,289	(40,791)
RECONCILIATION OF FUNDS					
Total funds brought forward		7,594	-	7,594	48,385
TOTAL FUNDS CARRIED FORWARD		<u>21,883</u>	<u>-</u>	<u>21,883</u>	<u>7,594</u>

The notes form part of these financial statements

The Newark Preparatory School
Company Limited

Balance Sheet
31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	12	554,456	-	554,456	576,920
CURRENT ASSETS					
Debtors	13	33,974	-	33,974	25,880
Cash at bank and in hand		<u>142</u>	<u>-</u>	<u>142</u>	<u>174</u>
		34,116	-	34,116	26,054
CREDITORS					
Amounts falling due within one year	14	(538,356)	-	(538,356)	(557,047)
		<u>(504,240)</u>	<u>-</u>	<u>(504,240)</u>	<u>(530,993)</u>
NET CURRENT ASSETS					
		(504,240)	-	(504,240)	(530,993)
TOTAL ASSETS LESS CURRENT LIABILITIES		50,216	-	50,216	45,927
CREDITORS					
Amounts falling due after more than one year	15	(28,333)	-	(28,333)	(38,333)
		<u>(21,883)</u>	<u>-</u>	<u>(21,883)</u>	<u>(7,594)</u>
NET ASSETS					
		<u>21,883</u>	<u>-</u>	<u>21,883</u>	<u>7,594</u>
FUNDS	18				
Unrestricted funds				<u>21,883</u>	<u>7,594</u>
TOTAL FUNDS				<u>21,883</u>	<u>7,594</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25 May 2023 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 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	57,419	(21,213)
Interest paid		<u>(11,663)</u>	<u>(9,850)</u>
Net cash provided by/(used in) operating activities		<u>45,756</u>	<u>(31,063)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(5,978)</u>	<u>(6,528)</u>
Net cash used in investing activities		<u>(5,978)</u>	<u>(6,528)</u>
 Cash flows from financing activities			
Loan repayments in year		<u>(10,000)</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>(10,000)</u>	<u>-</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		29,778	(37,591)
Cash and cash equivalents at the beginning of the reporting period	2	<u>(304,947)</u>	<u>(267,356)</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>(275,169)</u></u>	<u><u>(304,947)</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 2022

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	14,289	(40,791)
Adjustments for:		
Depreciation charges	28,442	38,572
Interest paid	11,663	9,850
(Increase)/decrease in debtors	(8,094)	52,947
Increase/(decrease) in creditors	<u>11,119</u>	<u>(81,791)</u>
Net cash provided by/(used in) operations	<u><u>57,419</u></u>	<u><u>(21,213)</u></u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	41	73
Notice deposits (less than 3 months)	101	101
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(275,311)</u>	<u>(305,121)</u>
Total cash and cash equivalents	<u><u>(275,169)</u></u>	<u><u>(304,947)</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank and in hand	174	(32)	142
Bank overdraft	<u>(305,121)</u>	<u>29,810</u>	<u>(275,311)</u>
	<u>(304,947)</u>	<u>29,778</u>	<u>(275,169)</u>
Debt			
Debts falling due within 1 year	(20,000)	-	(20,000)
Debts falling due after 1 year	<u>(38,333)</u>	<u>10,000</u>	<u>(28,333)</u>
	<u>(58,333)</u>	<u>10,000</u>	<u>(48,333)</u>
Total	<u><u>(363,280)</u></u>	<u><u>39,778</u></u>	<u><u>(323,502)</u></u>

The Newark Preparatory School
Company Limited

Notes to the Financial Statements
for the Year Ended 31 August 2022

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.

STATUTORY INFORMATION

The presentation currency of the financial statements is the Pound Sterling (£).

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 2022

3. RENT

	2022	2021
	£	£
Rent	6,458	6,600
Hire of Facilities	<u>1,590</u>	<u>-</u>
	<u>8,048</u>	<u>6,600</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2022	2021
		Total activities	Total activities
		£	£
Parent Association Donations	2,523	2,523	7,565
Tuition fees	-	897,935	817,602
Nursery fees	-	99,232	81,833
Donations received	21,401	21,401	-
Government grants	<u>-</u>	<u>-</u>	<u>14,129</u>
	<u>23,924</u>	<u>1,021,091</u>	<u>921,129</u>

5. OTHER INCOME

	2022	2021
	£	£
Wrap around care	55,933	29,741
Music	25,674	17,152
Active enrichment - now included in fees	-	9,552
Registration fees	2,220	2,100
School trips	20,283	16,202
Speech & Drama - now included in fees	-	5,628
Insurance recharge	424	847
Sundry receipts	<u>117</u>	<u>2,327</u>
	<u>104,651</u>	<u>83,549</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Education services	<u>942,261</u>	<u>177,240</u>	<u>1,119,501</u>

7. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Education services	<u>132,568</u>	<u>40,284</u>	<u>4,388</u>	<u>177,240</u>

The Newark Preparatory School
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

7. SUPPORT COSTS - continued

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

Management

	2022 Education services £	2021 Total activities £
Admin wages	72,578	68,090
Professional fees	6,254	6,564
Telephone	4,073	3,644
Printing, postage and stationery	2,769	3,241
Photocopier costs	7,898	6,531
Sundry expenses	285	140
Subscriptions	24,411	24,027
Marketing	2,637	9,010
Interest payable	<u>11,663</u>	<u>9,850</u>
	<u>132,568</u>	<u>131,097</u>

Finance

	2022 Education services £	2021 Total activities £
Bad debts	6,197	-
Bank charges	2,782	4,204
Motor expenses	2,863	1,245
Depreciation of tangible fixed assets	<u>28,442</u>	<u>38,572</u>
	<u>40,284</u>	<u>44,021</u>

Governance costs

	2022 Education services £	2021 Total activities £
Auditors' remuneration	<u>4,388</u>	<u>2,930</u>

8. NET INCOME/(EXPENDITURE)

	2022	2021
Depreciation	<u>28,442</u>	<u>38,572</u>

9. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the charity's auditors and their associates for the audit of the charity's financial statements	<u>4,388</u>	<u>2,930</u>

The Newark Preparatory School
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Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

11. STAFF COSTS

	2022	2021
Wages and salaries	643,311	641,296
Social security costs	47,747	31,116
Other pension costs	76,219	75,560
	<u>767,277</u>	<u>747,972</u>

	2022	2021
Teaching	19	21
Non Teaching	17	17
	<u>36</u>	<u>38</u>

Remuneration paid to key management personnel in the year was £217,079 (2021: £195,749).

None of the Trustees received any remuneration in the year.

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

	2022	2021
£60,001 - £70,000	1	-

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2021	684,274	117,108	3,000	213,561	1,017,943
Additions	5,238	740	-	-	5,978
At 31 August 2022	<u>689,512</u>	<u>117,848</u>	<u>3,000</u>	<u>213,561</u>	<u>1,023,921</u>
DEPRECIATION					
At 1 September 2021	162,425	72,701	2,250	203,647	441,023
Charge for year	17,136	4,219	750	6,337	28,442
At 31 August 2022	<u>179,561</u>	<u>76,920</u>	<u>3,000</u>	<u>209,984</u>	<u>469,465</u>
NET BOOK VALUE					
At 31 August 2022	<u>509,951</u>	<u>40,928</u>	<u>-</u>	<u>3,577</u>	<u>554,456</u>
At 31 August 2021	<u>521,849</u>	<u>44,407</u>	<u>750</u>	<u>9,914</u>	<u>576,920</u>

Included in cost of land and buildings is freehold land of £100,000 (2021 - £100,000) which is not depreciated.

The Newark Preparatory School
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

12. TANGIBLE FIXED ASSETS - continued

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.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	12,971	9,882
Prepayments and accrued income	<u>21,003</u>	<u>15,998</u>
	<u>33,974</u>	<u>25,880</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 16)	285,311	315,121
Other loans (see note 16)	10,000	10,000
Trade creditors	30,038	14,802
Pensions	10,939	10,939
Other creditors	56,989	59,992
Accruals and deferred income	<u>145,079</u>	<u>146,193</u>
	<u>538,356</u>	<u>557,047</u>

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

	2022	2021
	£	£
Bank loans (see note 16)	<u>28,333</u>	<u>38,333</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	275,311	305,121
Bank loans	10,000	10,000
Other loans	<u>10,000</u>	<u>10,000</u>
	<u>295,311</u>	<u>325,121</u>
Amounts falling due between two and five years:		
Creditors more than 1 year	<u>28,333</u>	<u>38,333</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank overdrafts	275,311	305,121
Bank loans	<u>38,333</u>	<u>48,333</u>
	<u>313,644</u>	<u>353,454</u>

The Newark Preparatory School
Company Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

18. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General funds	7,594	14,289	21,883
TOTAL FUNDS	<u>7,594</u>	<u>14,289</u>	<u>21,883</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	1,133,790	(1,119,501)	14,289
TOTAL FUNDS	<u>1,133,790</u>	<u>(1,119,501)</u>	<u>14,289</u>

Comparatives for 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>

Comparative 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>

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

	2022 £	2021 £
Called up share capital	700	700
Other reserves	120	120
Founder Governor prize fund	1,677	1,677
General funds	19,386	5,097
	<u>21,883</u>	<u>7,594</u>

The Newark Preparatory School
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Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

19. RELATED PARTY DISCLOSURES

The company incurred expenses on commercial terms for electrical work amounting to £11,599 during the year with South Electrical Limited. Mr R South is a director of South Electrical Limited and a trustee of The Newark Preparatory School Company Limited. At the year end no amounts remained unpaid.

The company incurred expenses on commercial terms for payroll services amounting to £2,883 during the year with TC Group. Mr J Dennis is a partner of TC Group and a trustee of The Newark Preparatory School Company Limited. At the year end an amount of £246 was including as outstanding in creditors.

20. TRUSTEES' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a trustee subsisted during the year ended 31 August 2022 and the year ended 31 August 2021:

	2022	2021
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.