

GADS HILL SCHOOL

England & Wales · Charity number 803153

Details

| | |
|----------------|---|
| Status | Registered |
| Legal form | Charitable company |
| Company number | 02427105 |
| Registered | 1990-03-29 |
| Register | View on the Charity Commission register |

Contact

Address
Gad's Hill School
Gads Hill Place
Gravesend Road
Higham
Rochester
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Phone 01474822366

Email thebursary@gadshillschool.org

Website www.gadshill.org

Activities

Objects: THE OBJECTS OF THE ASSOCIATION ARE TO ADVANCE EDUCATION AND TRAINING (INCLUDING PHYSICAL TRAINING) FOR THE PUBLIC BENEFIT BY THE PROVISION OF A SCHOOL OR SCHOOLS IN THE COUNTY OF KENT, IN PARTICULAR THE SCHOOL KNOWN AS GADS HILL SCHOOL, HIGHAM, ROCHESTER, KENT.

Activities: The charity exists to promote and provide for the advancement of education (including social and physical education of children).

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** COUNTY OF KENT.
- Kent

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-07-31 | £5,423,314 | £5,260,006 | £3,853,527 | 100 |
| 2024-07-31 | £5,379,558 | £5,219,327 | £3,759,370 | 96 |
| 2023-07-31 | £4,623,555 | £4,605,365 | £3,601,800 | 97 |
| 2022-07-31 | £4,259,076 | £4,124,259 | £3,575,813 | 85 |
| 2021-07-31 | £3,899,649 | £3,672,037 | £3,462,691 | 74 |
| 2020-07-31 | £3,548,169 | £3,478,472 | £3,235,079 | 85 |

Trustees

| Name | Role | Appointed |
|----------------------|------|------------|
| Aaron Andrew O'Brien | | 2023-03-20 |
| Audrey Cavalier Tej | | 2023-12-04 |
| CHRIS WHITTINGTON | | 2015-01-28 |
| Dean Martin | | 2023-09-18 |
| Dijana Piralic | | 2023-09-18 |
| Jamie Durbin | | 2024-07-01 |
| MARION DICKENS | | |
| Melanie Sarah Taylor | | 2023-11-02 |
| Paul Kevin Savage | | 2018-08-01 |

GADS HILL SCHOOL

England & Wales - Charity number 803153

Accounts

Company registration number 02427105 (England and Wales)

GAD'S HILL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

GAD'S HILL SCHOOL

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GAD'S HILL SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|---|
| Governors | Mr D Martin, Chair of Governors Mr P Savage, Headmaster Mrs A H Cavalier-Tej Mrs A Clarabut (resigned 22 August 2024) Mrs M Dickens Mr J Durbin Mrs L Gwilliam (resigned 26 June 2025) Mr J Myatt (resigned 26 June 2025) Mr A A O'Brien Mrs D Piralic Mrs M S Taylor Mr C Whittington |
| Key Management Personnel | Mr Paul Savage Mr Malcolm Gray Mrs Victoria Grant Miss Samantha Long Miss Louise Tucker Mrs Julia Hurren |
| Company registration number | 02427105 (England and Wales) |
| Charity registered number | 803153 |
| Principal and registered office | Gad's Hill Place Gravesend Road Higham Kent ME3 7PA |
| Independent auditor | Azets Audit Services First Floor River House 1 Maidstone Road Sidcup Kent DA14 5RH |
| Bankers | HSBC UK Bank PLC 84 New Road Gravesend Kent DA11 0AS |

GAD'S HILL SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

dgb Solicitors LLP
Captains House
Central Avenue
Pembroke
Chatham Maritime
Kent
ME4 4UF

GAD'S HILL SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2025

The Governors are pleased to present their annual Governors' Report together with the Financial Statements of the School for the year ended 31 July 2025. The Governors confirm that the Annual Report and Financial Statements of the Company comply with the current statutory requirements, the requirements of the Company's Governing Document and the provisions of the Statement of Recommended Practice (SORP) 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).

Structure, governance and management

CONSTITUTION

The School is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The School is constituted under a Trust deed and is a registered charity with number 803153.

The charitable objects of the School as set out in the Articles of Association (as amended by Special Resolution dated 28 January 2009) are to advance education and training (including physical training) for the public benefit by provision of a school or schools in the county of Kent, in particular the school known as Gad's Hill School, Higham, Kent.

CODE OF GOVERNANCE

The Board has recently established a Governance and Nominations Committee ("G&NC") and this group has led the Board in undertaking the Association of Governing Bodies of Independent Schools ("AGBIS") self-review exercise, which incorporates, and expands upon, the Charity Commission's Governance Code and Self-Assessment Checklist. Based on these results the Board, through G&NC, is driving forward a review and rationalisation of its committee structure, reporting lines so as to ensure the charity operates as effectively and efficiently as possible, and in accordance with third-sector best practice.

METHOD OF APPOINTMENT OR ELECTION OF GOVERNORS

The management of the School is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

Under the Articles, the Headmaster is a governor. Two governors are appointed by The Dickens Fellowship (one of whom is a member of the Dickens family) and one by election as a Chair or representative of The Friends of Gad's Hill School (a separate registered charity) representing parents of pupils at the school. The remaining governors are elected at a general meeting and one-third of the elected governors, determined by length of service, retires by rotation each year, and may stand for re-election. Nominations for new governors are proposed based on adding specialist skills to the governing body e.g. legal, financial, educational, medical, estates expertise and so on; this nominations process is led by the G&NC.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New governors are formally inducted into their roles through a series of briefings by the Chair, Headmaster, and Clerk to the Governing Body, along with other members of the School's senior leadership team ("SLT") as appropriate. Governors are encouraged to visit the school regularly and are given an insight into previous meetings of the Board via minutes and the accompanying reports. The governors are offered further training through AGBIS and are informed of seminars held throughout the period that are thought to be beneficial to their governance.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The governors, as trustees of the charity and directors of the company, are legally responsible for the overall management and control of the school. They meet a minimum of four times per year, normally once per academic term and once at the commencement of the new school year. There are various sub-committees which meet as required to deal with areas of the School. The governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmaster

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Structure, governance and management (continued)

KEY MANAGEMENT PERSONNEL AND REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all governors of the charity. Remuneration details are disclosed in these financial statements. Aside from Governors, the other key management personnel are:

- Mr Paul Savage, Headmaster
- Mr Malcolm Gray, Bursar, Clerk to the Governing Body and Company Secretary (from March 2024)
- B Golding, Bursar, Clerk to the Governing Body and Company Secretary (to November 2023)
- Mrs Victoria Grant, Head of Lower School
- Miss Samantha Long, Head of Lower School
- Miss Louise Tucker, Head of Upper School
- Mrs Julia Hurren, Director of Inclusion

The Board of Governors is responsible for approving the remuneration levels of all employees. The unremunerated governors approve the Headmaster's remuneration, the Headmaster being the only governor who receives remuneration for his role overseeing the day-to-day running of the school. The Governors' Staff Salary Review Board ("**SSRB**") sets the salaries individually for the Headmaster and Bursar. The other key management personnel are each paid on one of two SLT incremental pay scales set by the SSRB.

OTHER RELATIONSHIPS

The Headmaster is a member of the Independent Schools Association ("**ISA**"), and the School is a member of the Independent Schools' Bursars Association ("**ISBA**") and The Association of Governing Bodies in Independent Education ("**AGBIS**"). In addition to providing crucial support to the School and its various leaders, these organisations represent the independent education sector at a national level in contact with the Government and others. Several of our teachers are members of the Chartered College of Teaching ("**CCT**").

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

Objectives and activities

Objects and aims

OBJECTS AND AIMS

a. Policies and objectives

Our Mission

Our mission is to enable our students to enjoy school, to achieve good academic qualifications and to develop those personal attributes and qualities which will guide them on their journey through life.

Our Vision

Our vision is to be the first-choice independent school for families in Kent who value a well-rounded education for their child. It is our intention that our students leave Gad's Hill School as confident, mature, articulate, pleasant and self-reliant young people who are well equipped to enter the world through a university education or career of their choice.

Our Values

At Gad's Hill School we promote 'The Greatest of Expectations':

- Ambition & Success
- Community & Compassion
- Growth & Support
- Adventure & Opportunity
- Confidence & Responsibility
- Creativity & Expression

These six strands of Expectations are at the heart of all we do as a school. They form a contract with our pupils and their parents, in that we commit to offer opportunities for every child to explore and develop themselves within these areas, and in return we expect all our pupils to engage with all aspects of school life. These are Expectations, therefore, both of the School and of our pupils.

We value ourselves, our community and our environment by demonstrating the Great Values:

Gratitude - We appreciate our and each other's worth and the opportunities we have.

Respect - We value ourselves and each other; showing courtesy, listening, and following rules.

Equality - We value our diversity and treat ourselves and each other fairly and with kindness.

Aspiration - We make choices which support ourselves and each other in being the best we can.

Tenacity - We show curiosity, resilience, and determination in all that we do.

Our Ethos

Children do well when they are happy at school and at Gad's Hill we pride ourselves on providing a friendly environment, where enthusiasm and hard work are the foundations for achieving success.

There is more to life than exam results alone and while Gad's enjoys the reputation of receiving good GCSE results this is not our sole focus. We want to offer our pupils a foundation in life, working with them to become confident, motivated and articulate young people ready for the next stage in their education and life beyond.

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

PUBLIC BENEFIT

The school educated an average of 170 primary and 178 secondary-age pupils during 2024/25 at no cost to the public purse (except for "Free Early Education" funding available to all providers). The absolute minimum it would have cost public funds to educate these pupils at the Government's minimum per pupil funding levels would be £2.5M (2024: £1.9M). The real savings to the public purse, however, are considerably greater when the value of capital grants, VAT reclaims and other items are taken into account. Our staff live predominantly in Kent and Medway and hence our support to the local economy as the employer of nearly 100 people is significant. Support of our local economy has increased further by choosing local suppliers for food produce wherever possible, taking more trips to local sites and to local attractions.

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Strategic report

ACHIEVEMENTS AND PERFORMANCE

a. 2024/25: The Year in Review

In 2024/25, the school pursued a broad range of strategic objectives, which have been grouped into the following thematic priorities:

1. Academic Excellence: Improving writing outcomes in KS2 and KS1, enhancing GCSE pass rates and value added, and reviewing teaching and learning in core subjects.
2. Inclusive and Effective Provision: Monitoring interventions, reviewing SEND/EDI data, and ensuring accessibility of learning environments and resources.
3. Curriculum and Pedagogy Development: Updating humanities curriculum, developing Autism support pedagogy, and promoting creativity in Early Years.
4. Wellbeing and Behaviour: Implementing the Greatest of Expectations wellbeing framework, improving behaviour management, and increasing attendance.
5. Community and Parental Engagement: Enhancing parental engagement and strengthening community links.
6. Enrichment and Leadership: Expanding extracurricular and leadership opportunities, developing the CCF programme, and encouraging democratic participation.
7. Reading, Writing and Communication: Promoting reading and writing engagement and improving speech and language provision.

1. Academic Excellence

Throughout 2024–25, both the Upper and Lower Schools made meaningful strides in raising academic standards. In the Upper School, subject-specific action plans were implemented in response to GCSE performance data, with a focus on improving outcomes in DT, Spanish, Science, PE, and English. Learning walks, student voice activities, and book reviews were used to monitor progress and inform teaching. Meanwhile, the Lower School embedded the RWI Spelling programme and Power of Reading to strengthen writing outcomes, particularly in KS2. Actions towards improving academic excellence led to very strong outcomes in both the Lower and Upper School (see *Academic Performance* section below).

2. Inclusive and Effective Provision

Whole staff CPD focused on strategies to support all through universal design for learning and adaptive teaching, with an additional focus on Autism and overwhelm friendly approaches. Teaching Assistants received weekly CPD across core SEND areas, with a split in January to EYFS TAs receiving separate targeted CPD.

A new “Provision Menu” was introduced to support targeting interventions with outlined age-appropriate interventions and example targets. Provision maps were produced and reviewed termly as part of the whole school assessment cycle.

The Lower School demonstrated a proactive and structured approach to inclusive education. Provision maps were reviewed termly through assessment meetings and entry/exit data was tracked using Insight. Upper School assessment meetings with the Heads of Department for English, Maths, and Science were established to develop further consideration of subject data and targeted response. Learning reviews also added to review of inclusive practices.

Detailed evidence of EDI data analysis and specific SEND outcomes will continue to be a focus in the next academic year. Nonetheless, the systems in place reflect a strong commitment to inclusive and accessible learning environments.

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Strategic Report (continued)

3. Curriculum and Pedagogy Development

Curriculum development was a clear focus in the Lower School, where the humanities curriculum underwent a structured review. Staff surveys, CPD sessions, and updates to knowledge organisers and topic overviews ensured that content was both progressive and engaging. In the Upper School, the introduction of the GREAT Programme marked a significant pedagogical shift, embedding consistent expectations around behaviour and independent study. The emphasis on curriculum quality and staff collaboration across both phases reflects a positive trajectory in teaching and learning.

4. Wellbeing and Behaviour

The school made strong progress in embedding a culture of wellbeing and high expectations. The Upper School successfully rolled out the "Greatest of Expectations" framework, with clear visual guidance, consistent messaging, and regular review through learning walks and phase meetings. Students responded positively, and staff engagement was high. In the Lower School, handwriting and presentation standards were reinforced, and outdoor provision was enhanced through structured play activities and leadership roles. In 2025/26, we will seek to evidence through data collection and pupil voice surveys the impact that these initiatives have had in consolidating an aspirational school environment.

5. Community and Parental Engagement

Parental and community engagement was a notable strength this year, particularly in the Lower School. A wide range of initiatives - including parent workshops, classroom visits, newsletters, and Teams updates - helped foster strong home-school partnerships. Community links were expanded through partnerships with care homes, charities, and local organisations. The school significantly developed its private hire provision and our facilities have been used by a number of local sports teams, drama schools and youth groups. In the Upper School, the House System was revitalised with more diverse events and a review of the points system, and the School Council played a more visible role. The Independent Schools Inspectorate inspection in autumn 2024 highlighted the high regard for the school amongst parents.

6. Enrichment and Leadership

The school continued to broaden enrichment and leadership opportunities across both phases. In the Upper School, the CCF programme was expanded to include adventurous activities such as mountain biking and climbing, and efforts were made to align it with the GREAT framework. Student leadership was promoted through School Council, House events, and assemblies. In the Lower School, roles such as Play Leaders, Heads of School, and Ambassadors were formalised, and pupils were actively involved in leading activities and events. These developments have helped embed a culture of responsibility, initiative, and personal growth.

7. Reading, Writing and Communication

There was a strong and consistent focus on developing reading and writing across the school. In the Upper School, the reading room was enhanced, DEAR lessons were embedded, and students were encouraged to participate in writing competitions and book clubs. In the Lower School, the RWI Phonics and Power of Reading programmes were further embedded, and CGP comprehension books were introduced to support reading fluency and understanding. EYFS provision supported early writing and phonics application. The breadth of literacy-focused initiatives reflects a clear commitment to communication and language development.

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Strategic Report (continued)

b. Useful Information PUPIL NUMBERS, CLASS SIZES AND FEES

Average pupil numbers and class sizes for the year are set out below along with the fees charged.

| 2024/25 | | | | | |
|-----------------------------|------------------------------------|------------|------------|--------------------|---------|
| Section | Year Group | Average | | Standard Fee Level | |
| | | Pupils | Class Size | Termly | Annual |
| Kindergarten | KN (Nursery) | 26 | 26* | £4,245 | £12,735 |
| | KR (Reception) | 14 | 14 | £4,941 | £14,823 |
| | K1 (Year 1) | 20 | 10 | £5,808 | £17,425 |
| | K2 (Year 2) | 25 | 12 | £5,808 | £17,425 |
| | Overall (Nursery to Year 2) | 85 | 12 | | |
| | <i>Nursery to Year 2 2023/24</i> | <i>88</i> | <i>16</i> | | |
| Juniors | J3 (Year 3) | 20 | 10 | £6,151 | £18,455 |
| | J4 (Year 4) | 19 | 10 | £6,151 | £18,455 |
| | J5 (Year 5) | 20 | 17 | £6,151 | £18,455 |
| | Remove (Year 6) | 36 | 18 | £6,151 | £18,455 |
| | Overall (Years 3 to 6) | 95 | 14 | | |
| | <i>Years 3 to 6 2023/24</i> | <i>106</i> | <i>14</i> | | |
| Seniors | Shell (Year 7) | 28 | 14 | £6,600 | £19,800 |
| | Lower 4 th (Year 8) | 37 | 18 | £6,600 | £19,800 |
| | Upper 4 th (Year 9) | 44 | 13 | £7,164 | £21,493 |
| | Lower 5 th (Year 10) | 35 | 12 | £7,164 | £21,493 |
| | Upper 5 th (Year 11) | 34 | 11 | £7,164 | £21,493 |
| | Overall (Years 7 to 11) | 178 | 14 | | |
| | <i>Years 7 to 11 2023/24</i> | <i>190</i> | <i>15</i> | | |
| Whole School | | 357 | 14 | | |
| <i>Whole School 2023/24</i> | | <i>383</i> | <i>15</i> | | |

* N.B. Nursery pupils attend for varying numbers of sessions each week and this is managed so as to ensure that there are never more than 20 nursery pupils in a class at any one time, and always with at least the required number of staff, if not more.

ACADEMIC PERFORMANCE

Gad's Hill School is proud to celebrate a significant increase in the number of top GCSE grades achieved by its students this year, with one third of all grades awarded at grades 7 to 9; a clear testament to the hard work and dedication of both students and staff and an excellent achievement for a school that is academically non-selective.

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Strategic Report (continued)

Among the standout individual successes one boy achieved an exceptional ten GCSEs at the very highest Grade 9, an accomplishment placing him among the top students nationally. Our Head Girl also performed brilliantly, securing ten GCSEs at Grades 8 or 9, while a girl achieved seven GCSEs at Grades 8 or 9. Two other pupils both earned seven top grades between 7 and 9.

These results are particularly pleasing as they demonstrate that the most able students can thrive academically and gain the results that their ability and effort deserve, all while benefitting from the nurturing pastoral care, leadership opportunities, and spirit of adventure that are hallmarks of a Gad's Hill education.

The increase in the very highest grades also saw half of all Mathematics GCSEs awarded at 7 to 9, a feat also achieved in History. Drama was a particular highlight, with all grades at 7 or higher, and students achieving an average of 2.7 grades above their nationally standardised predictions.

In English Language, 100% of students passed at grade 4 or higher, reflecting the school's strong emphasis on literacy and communication, and 100% pass rates were also achieved in Art, Design Technology, Drama, Food & Nutrition, Geography, Psychology, Statistics, and Further Maths.

These results reflect the hard work of our pupils, the dedication of our staff, and the unique supportive environment we offer at Gad's Hill. We are proud that our most able students are achieving at the very highest level while still enjoying the full breadth of what our school offers, but all of our Upper Fifth have worked conscientiously and collaboratively, and their GCSE results are only a part of what they leave us with. Alongside their GCSEs, our students gain a host of qualifications, including from LAMDA, the Institute of Leadership and Management, BTEC and First Aid qualifications, Duke of Edinburgh awards, and, most importantly, the necessary personal skills to become confident, resourceful and successful young adults.

| GCSE | No of pupils | Grade | | | | | | | Gad's %4+ pass rate | England average 4+ pass rate 2025 (9-4) | Gad's %5+ pass rate | Gad's 7+ pass rate | England average 7+ pass rate 2025 (9-7) |
|--------------------|--------------|-------|---|----|----|----|---|---|---------------------|---|---------------------|--------------------|---|
| | | 9 | 8 | 7 | 6 | 5 | 4 | 3 | | | | | |
| English Language | 33 | 1 | 2 | 5 | 8 | 11 | 6 | | 100% | 59.7% | 82% | 24% | 15.5% |
| English Literature | 34 | | 4 | 7 | 11 | 8 | 3 | 1 | 97% | 74% | 88% | 32% | 20.2% |
| Mathematics | 34 | 1 | 5 | 11 | 3 | 5 | 8 | 1 | 97% | 58.2% | 74% | 50% | 16.5% |
| Biology* | 34 | 2 | 2 | 8 | 5 | 5 | 7 | 5 | 85% | 89.4% | 62% | 35% | 43.4% |
| Chemistry* | 34 | 1 | 2 | 4 | 6 | 7 | 8 | 6 | 82% | 91.5% | 59% | 21% | 46.1% |
| Physics* | 34 | 2 | 4 | 3 | 6 | 5 | 7 | 7 | 79% | 90.8% | 59% | 26% | 45.1% |
| Art | 7 | | | 2 | 3 | 1 | 1 | | 100% | 76.9% | 86% | 29% | 23.8% |
| Drama | 6 | 1 | 1 | 4 | | | | | 100% | 77.6% | 100% | 100% | 27.2% |
| DT | 10 | 1 | 1 | 1 | 3 | 1 | 3 | | 100% | 66.7% | 70% | 30% | 23.0% |
| Music | 3 | | | 1 | | 1 | 1 | | 67% | 75.9% | 67% | 33% | 33.3% |
| Food Nutrition | 12 | | 3 | 2 | 3 | 3 | 1 | | 100% | | 92% | 42% | |
| Spanish | 5 | | | 1 | 1 | | 2 | 1 | 80% | 70.6% | 40% | 20% | 27.1% |
| PE | 9 | 1 | | | 4 | 1 | 2 | 1 | 89% | 72.7% | 67% | 11% | 23.5% |
| Geography | 17 | | 4 | 4 | 5 | 1 | 3 | | 100% | 65.1% | 82% | 47% | 24.8% |
| History | 12 | 1 | 3 | 2 | 2 | | 3 | 1 | 92% | 64.2% | 67% | 50% | 26.2% |
| Computing | 18 | 1 | 1 | 3 | 5 | 2 | 2 | 2 | 78% | 69.2% | 67% | 28% | 29.6% |
| Statistics** | 9 | | 5 | 1 | 2 | | 1 | | 100% | | 89% | 67% | |
| Psychology** | 11 | 1 | | | 6 | 4 | | | 100% | | 100% | 9% | |
| Further Maths** | 7 | 1 | 1 | | | 2 | 3 | | 100% | | 57% | 29% | |

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Strategic Report (continued)

| Qualifications | Pass | Fail | |
|--|--|--------|-------------|
| BTEC Teamwork and Personal Development | 100% | 0 | |
| Level 2 Institute of Leadership and Management | 23 students achieved the ILM award 7 achieved the ILM extended award | 0 | |
| First Aid at Work* | 18 students <small>* This is an optional course for Upper 5th</small> | | |
| LAMDA Results 2025 | Pass | Merit | Distinction |
| | 6% | 16% | 78% |
| Duke of Edinburgh Award | Bronze | Silver | |

| Destinations | | |
|--------------|----------------------|-----|
| 16 | Grammar | 47% |
| 7 | Secondary State | 21% |
| 2 | Independent | 6% |
| 2 | Specialist (Drama) | 6% |
| 5 | College | 16% |
| 1 | Apprenticeship | 2% |
| 1 | America/study abroad | 2% |

Performance in the Lower School is also strong. The tables below show the 2024/2025 KS2, KS1 and EYFS outcomes against national averages (using predictions drawn from our data tracking software, Insight).

| Kindergarten (KS1) | Expected Standard+ | | Greater Depth | |
|--------------------|--------------------|------------------|---------------|------------------|
| | School | National average | School | National average |
| Reading | 95% | 71% | 24% | 19% |
| Writing | 95% | 64% | 0% | 9% |
| Mathematics | 95% | 72% | 19% | 17% |
| Combined | 95% | 59% | 0% | 6% |

| Juniors (KS2) | Expected Standard+ | | Greater Depth | |
|---------------|--------------------|------------------|---------------|------------------|
| | School | National average | School | National average |
| Reading | 83% | 75% | 47% | 33% |
| Writing | 83% | 72% | 25% | 13% |
| Mathematics | 78% | 74% | 31% | 26% |
| GPS | 86% | 73% | 47% | 30% |
| Combined | 67% | 62% | 19% | 8% |
| MTC (J4) | 94% | 38% | | |

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Strategic Report (continued)

| Kindergarten (KS1) | Expected Standard+ | | |
|--------------------|--------------------|------------------|--------|
| | School | National average | School |
| Reading | 95% | 71% | 24% |
| Writing | 95% | 64% | 0% |
| Mathematics | 95% | 72% | 19% |
| Combined | 95% | 59% | 0% |

| | Expected standard | |
|------------|-------------------|------------------|
| | School | National average |
| EYFS (GLD) | 71% | 69% |
| Phonics | 90% | 80% |

*Greater depth National Average based on data from Insight. To be updated when released nationally.

CHARLES DICKENS ACADEMIC SCHOLARSHIPS

Autumn Term 2024 saw the seventh wave of Charles Dickens ("CD") academic scholars commence in the Upper School, with a further 6 of the most able children in the area receiving this form of fee assistance.

OTHER FORMS OF FEE ASSISTANCE

Significant increases in both the proportion of gross fee income used to provide fee assistance, and the proportion of families benefiting from some form of fee assistance are set out elsewhere in this report.

Governors keep under review our policies for all forms of fee assistance to ensure that as many suitable pupils as possible can benefit from the education offered at Gad's Hill School even if their family financial circumstances would otherwise preclude this.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Financial review

RESERVES AND FINANCIAL HEALTH

The Governors review regularly the finances of the school and plan for future years. In common with other independent schools, Governors have invested substantial sums into new and improved buildings and facilities in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Although as shown on the balance sheet the school's free reserves (unrestricted reserves less fixed assets) are at a negative balance of £2,014,301 (2024: £2,215,907), this illustrates the extent of the investment in our school, which is common practice for schools in the sector which must finance their own capital investment plans. The governors are satisfied with the strength of the charity's balance sheet, the stable cash flow from healthy student rolls, the ongoing popularity of our school, and our strong relationship with bankers.

FINANCIAL RISK MANAGEMENT

The governors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors is responsible for the management of risks faced by the school. Each year the SLT and Board identify and assess risks and implement controls to mitigate against these. Additional risks in this coming year included the impact of the introduction of VAT on school fees and the removal of business rates relief. Key controls implemented by the school include:

- Formal agenda and papers for all Board and committee activities
- Strategic planning, budgeting, and management accounting
- Structured financial and other forecasting (eg pupil numbers) for future years
- Established organisational structure and understood lines of reporting.
- Formal written policies

PRINCIPAL FUNDING

The principal funding of the school is from school fees and the continuing mortgage provided by its bankers.

APPROACH TO FUNDRAISING

Fundraising income remains low, however the school does not specifically target resources for this source of funding. This year the school received donations amounting to £81 (2024: £nil). No fundraising complaints (2024: nil) were received during the year

GAD'S HILL SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Plans for future periods

LOOKING FORWARD TO 2025/26 AND BEYOND

Objectives for 2025/26

The Board has set the following objectives for 2025/26:

1. Excellence in Teaching and Learning

- Implement a unified curriculum that uses data effectively to ensure all pupils make expected or better progress.
- Enhance value-added outcomes, especially for pupils with higher prior attainment and those with SEND.
- Ensure inclusive and accessible learning through strategies like the Gad's PRAISE approach, revision guide accessibility, and knowledge organisers.
- Evaluate and improve curriculum enhancement and interventions, including extracurricular academic support.

2. Strengthening Community and Wellbeing

- Promote high attendance and emotional wellbeing, with a focus on Emotional Based School Avoidance (EBSA) and relationship-invested approaches.
- Embed GREAT values consistently across the school to support behaviour and personal development.
- Amplify pupil voice in school development and safeguarding practices.
- Increase parental engagement through workshops and improved communication.
- Build stronger links with local schools and the wider community.

3. Expanding Opportunities and Enrichment

- Ensure facilities and resources are excellent and accessible, including dyslexia-friendly materials and IT integration.
- Leverage technology and AI to support Universal Design for Learning.
- Promote curiosity and tenacity through enquiry-based learning.
- Broaden extracurricular and adventure-based learning, including sport, recreation, and exploration.

4. Promoting Inclusion, Responsibility and Sustainability

- Embed identity, acceptance, and diversity within the curriculum and school culture.
- Improve the impact of targeted interventions for academic, personal, and social development.
- Empower pupils through responsibility and sustainability initiatives, though these areas need further development in the plan.

5. Fostering Creativity, Communication and Expression

- Develop pupils' communication skills, including writing, speech and language, and social communication.
- Support expressive arts and critical thinking, with scope for further strategic development.

GAD'S HILL SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2025

The Governors (who are also the directors of Gad's Hill School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the school and of the incoming resources and application of resources, including the income and expenditure, of the school for that period. In preparing those financial statements, the governors 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; 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 Governors 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.

In so far as the governors are aware:

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

Approved by order of the members of the Board of Governors on 01 December 2025 and signed on its behalf by:



Mr D Martin - Chair of Governors

GAD'S HILL SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GAD'S HILL SCHOOL

FOR THE YEAR ENDED 31 JULY 2025

Opinion

We have audited the financial statements of Gad's Hill School for the year ended 31 July 2025 which comprises the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the School 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 Governors' 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 School'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

GAD'S HILL SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GAD'S HILL SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the School and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors 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 Governors 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 Governors are responsible for assessing the School'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 Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the school operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011.

We identified the greatest risk of the legal and regulatory impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal audit reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

GAD'S HILL SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GAD'S HILL SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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

Azets Audit Services Limited

Siobhan Holmes (Senior Statutory Auditor)

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

First Floor, River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH

Date: 18 December 2025

GAD'S HILL SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2025

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2025 £ | Total 2024 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations | 3 | - | 27,326 | 27,326 | - |
| Charitable activities: | | | | | |
| - School fees | 5 | 5,367,426 | - | 5,367,426 | 5,364,054 |
| Investments | 6 | 15,919 | - | 15,919 | 15,504 |
| Other incoming resources | 4 | 12,643 | - | 12,643 | - |
| Total | | <u>5,395,988</u> | <u>27,326</u> | <u>5,423,314</u> | <u>5,379,558</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 5,238,605 | 21,401 | 5,260,006 | 5,219,327 |
| Total | 7 | <u>5,238,605</u> | <u>21,401</u> | <u>5,260,006</u> | <u>5,219,327</u> |
| Net income before other gains/(losses) | | 157,383 | 5,925 | 163,308 | 160,231 |
| Transfers between funds | 17 | (1,661) | 1,661 | - | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial losses on defined benefit pension schemes | 19 | (69,151) | - | (69,151) | (2,661) |
| Net movement in funds | | 86,571 | 7,586 | 94,157 | 157,570 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 3,759,370 | - | 3,759,370 | 3,601,800 |
| Total funds carried forward | | <u>3,845,941</u> | <u>7,586</u> | <u>3,853,527</u> | <u>3,759,370</u> |

GAD'S HILL SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2025

| Comparative year information | | Unrestricted | Restricted | Total |
|---|--------------|---------------------|-------------------|------------------|
| Year ended 31 July 2024 | | funds | funds | 2024 |
| | Notes | £ | £ | £ |
| Income and endowments from: | | | | |
| Other trading activities | 5 | 5,364,054 | - | 5,364,054 |
| Investments | 6 | 15,504 | - | 15,504 |
| Total | | <u>5,379,558</u> | <u>-</u> | <u>5,379,558</u> |
| Expenditure on: | | | | |
| Charitable activities: | | | | |
| - Educational operations | 8 | 5,219,327 | - | 5,219,327 |
| Total | 7 | <u>5,219,327</u> | <u>-</u> | <u>5,219,327</u> |
| Net income before other gains/(losses) | | 160,231 | - | 160,231 |
| Other recognised gains/(losses) | | | | |
| Actuarial losses on defined benefit pension schemes | 19 | (2,661) | - | (2,661) |
| Net movement in funds | | 157,570 | - | 157,570 |
| Reconciliation of funds | | | | |
| Total funds brought forward | | <u>3,601,800</u> | <u>-</u> | <u>3,601,800</u> |
| Total funds carried forward | | <u>3,759,370</u> | <u>-</u> | <u>3,759,370</u> |

GAD'S HILL SCHOOL

BALANCE SHEET

AS AT 31 JULY 2025

| | Notes | 2025 | | 2024 | |
|---|-------|----------------|------------------|----------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 5,867,828 | | 5,975,277 |
| Current assets | | | | | |
| Debtors | 13 | 332,010 | | 271,817 | |
| Cash at bank and in hand | | 528,104 | | 481,005 | |
| | | <u>860,114</u> | | <u>752,822</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (661,849) | | (604,738) | |
| Net current assets | | | 198,265 | | 148,084 |
| Total assets less current liabilities | | | 6,066,093 | | 6,123,361 |
| Creditors: amounts falling due after more than one year | 15 | | (2,073,375) | | (2,293,947) |
| Net assets excluding pension liability | | | 3,992,718 | | 3,829,414 |
| Defined benefit pension scheme liability | 19 | | (139,191) | | (70,044) |
| Total net assets | | | <u>3,853,527</u> | | <u>3,759,370</u> |
| Funds of the School: | | | | | |
| Unrestricted income funds | 17 | | 3,845,941 | | 3,759,370 |
| Restricted funds | 17 | | 7,586 | | - |
| Total funds | | | <u>3,853,527</u> | | <u>3,759,370</u> |

The financial statements on pages 19 to 39 were approved by the Governors and authorised for issue on 01 December 2025 and are signed on their behalf by:



Company registration number 02427105 (England and Wales)

GAD'S HILL SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2025

| | Notes | 2025 £ | £ | 2024 £ | £ |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities | | | | | |
| Net cash provided by operating activities | 20 | | 365,420 | | 310,098 |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 15,919 | | 15,504 | |
| Purchase of tangible fixed assets | | (39,949) | | (14,020) | |
| Proceeds from sale of tangible fixed assets | | 9,342 | | - | |
| | | <u> </u> | | <u> </u> | |
| Net cash (used in)/provided by investing activities | | | (14,688) | | 1,484 |
| Cash flows from financing activities | | | | | |
| Repayment of other loan | | (214,726) | | (206,063) | |
| Finance costs | | (88,907) | | (106,420) | |
| | | <u> </u> | | <u> </u> | |
| Net cash used in financing activities | | | (303,633) | | (312,483) |
| Net increase/(decrease) in cash and cash equivalents in the reporting period | | | 47,099 | | (901) |
| Cash and cash equivalents at beginning of the year | | | 481,005 | | 481,906 |
| | | | <u> </u> | | <u> </u> |
| Cash and cash equivalents at end of the year | | | 528,104 | | 481,005 |
| | | | <u> </u> | | <u> </u> |

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

General information

The School is a company limited by guarantee. The members of the company are the Trustees named in the front of the financial statements. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

The School is registered in England and Wales, registered number 02427105 and its registered office is:

Gad's Hill Place
Gravesend Road
Higham
Kent, ME3 7PA

The School is a registered charity number 803153, its principal activity is the provision of education services.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gad's Hill School 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.

1.2 Going concern

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements. After reviewing forecasts and projections, the Trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. The Governors therefore continue to adopt the going concern basis in preparing the financial statements.

1.3 Income

Fees receivable and charges for services and use of premises are accounted for in the period which the service is provided.

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the school is considered probable. Voluntary income for the school's general purposes is accounted for as unrestricted and is credited to the general fund. Where the donor has imposed restrictions, voluntary income is credited to the relevant restricted fund.

Investment income from dividends, bank balances and fixed interest securities are accounted for on an accruals basis.

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the School's objectives, as well as any associated support costs.

All expenditure is exclusive of VAT, with irrecoverable VAT charged to the Statement of Financial Activities.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

At each reporting date the School assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|------------------------|--------------------|
| Freehold property: | 2% on cost |
| Motor vehicles: | 25% on cost |
| Fixtures and fittings: | 20% to 25% on cost |

Land of £140,000 is not depreciated.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amount required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Fees receivable in advance are carried forward for credit in the period to which they relate.

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.8 Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Financial assets

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Known bad debts are written off and provision is made for any considered to be doubtful. Trade debtors relate to income owed for charitable services provided.

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The School 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.

Pensions

Teaching staff are members of the Teacher's Pension Scheme (TPS), a defined benefit scheme administered by the Teacher's Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The TPS is an unfunded scheme. Contributions on a 'pay as you go' basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial variances are carried out on a national set of investments. Under the definitions set out in FRS 102 the TPS is a multi-employer pension scheme. The charity is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly under FRS 102 the scheme is accounted for as if it was a defined contribution scheme.

The School also contributes to a personal pension scheme for its non-teaching staff and the pension charge recognised in the Statement of Financial Activities represents the amounts payable by the School to the fund in respect of the year.

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.11 Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accruals basis and in line with FRS 102.

2 Critical accounting estimates and areas of judgement

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates and assumptions:

- Tangible fixed assets are depreciated over their useful economic lives taking into account residual values where appropriate. These are assessed annually and may vary each year depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- The Governors make allowances for doubtful debts, based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analysed historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment terms when making judgement to evaluate the adequacy of the allowance of doubtful debts.
- The valuation of defined benefit pension liabilities requires the use of significant estimates and assumptions. Key inputs include the discount rate, inflation expectations, salary growth projections, and assumptions about member longevity. These variables are determined with reference to market data, actuarial advice, and historical experience, but remain inherently uncertain.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

3 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2025 £ | Total 2024 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Other donations | - | 27,326 | 27,326 | - |

This represents a donation of £20,000 from The Friends of Gad's Hill School' towards the outdoor play equipment and a donation of £7,326 from The Ministry of Defence towards the operation of the combined Cadet Force.

4 Other educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2025 £ | Total 2024 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Profit on sale of tangible fixed assets | 12,643 | - | 12,643 | - |

5 School fees

| | Unrestricted funds £ | Restricted funds £ | Total 2025 2025 £ | Total 2024 2024 £ |
|-------------------------------|----------------------------|--------------------------|----------------------------|----------------------------|
| Fees receivable | 5,993,760 | - | 5,993,760 | 5,836,046 |
| Less: Bursaries | (879,758) | - | (879,758) | (913,525) |
| | 5,114,002 | - | 5,114,002 | 4,922,521 |
| Registration fees | 10,150 | - | 10,150 | 11,434 |
| Educational requisites income | 51,928 | - | 51,928 | 246,728 |
| Other income | 191,326 | - | 191,326 | 183,371 |
| | 5,367,406 | - | 5,367,406 | 5,364,054 |

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2025 £ | Total 2024 £ |
|---------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest | 15,919 | - | 15,919 | 15,504 |

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

7 Expenditure

| | Staff costs £ | Non-pay expenditure | | Total 2025 £ | Total 2024 £ |
|----------------------------------|------------------|---------------------|----------------|--------------------|--------------------|
| | | Premises £ | Other £ | | |
| Academy's educational operations | | | | | |
| - Direct costs | 3,080,160 | - | 449,548 | 3,529,708 | 3,400,016 |
| - Allocated support costs | 732,878 | 529,195 | 468,225 | 1,730,298 | 1,819,311 |
| | <u>3,813,038</u> | <u>529,195</u> | <u>917,773</u> | <u>5,260,006</u> | <u>5,219,327</u> |

Net income/(expenditure) for the year includes:

| | 2025 £ | 2024 £ |
|---|---------------|----------------|
| Operating lease rentals | 22,782 | 33,867 |
| Fees payable to auditor for: | | |
| - Audit | 20,000 | 19,250 |
| - Preparation of statutory accounts | 2,000 | 2,500 |
| - Independent audit of Teachers' Pension Scheme | 1,000 | 980 |
| Bank and loan interest | 88,907 | 106,420 |
| | <u>88,907</u> | <u>106,420</u> |

8 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2025 £ | Total 2024 £ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Educational operations | 3,508,307 | 21,401 | 3,529,708 | 3,400,016 |
| Support costs | | | | |
| Educational operations | 1,730,298 | - | 1,730,298 | 1,819,311 |
| | <u>5,238,605</u> | <u>21,401</u> | <u>5,260,006</u> | <u>5,219,327</u> |

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

8 Charitable activities (Continued)

Analysis of costs

| | 2025 | 2024 |
|--|------------------|------------------|
| | £ | £ |
| Direct costs | | |
| Teaching and educational support staff costs | 3,080,160 | 2,858,120 |
| Technology costs | 37,758 | 48,501 |
| Educational supplies and services | 44,022 | 90,570 |
| Examination fees | 36,018 | 35,489 |
| Educational consultancy | 9,280 | 10,880 |
| Other direct costs | 322,470 | 356,456 |
| | <u>3,529,708</u> | <u>3,400,016</u> |
| Support costs | | |
| Support staff costs | 732,878 | 664,933 |
| Technology costs | 17,503 | 19,933 |
| Recruitment and support | 53,387 | 80,000 |
| Maintenance of premises and equipment | 175,693 | 315,125 |
| Cleaning | 173,715 | 175,688 |
| Energy costs | 151,326 | 174,874 |
| Rent, rates and other occupancy costs | 28,461 | 49,424 |
| Security and transport | 26,082 | 23,573 |
| Finance costs | 106,819 | 106,420 |
| Legal costs | 34,635 | 8,594 |
| Other support costs | 201,801 | 173,399 |
| Governance costs | 27,998 | 27,348 |
| | <u>1,730,298</u> | <u>1,819,311</u> |

9 Governance costs

| | Total | Total |
|--|---------------|---------------|
| | 2025 | 2024 |
| | £ | £ |
| All from unrestricted funds: | | |
| Amounts included in support costs | | |
| Legal costs | 34,635 | 8,594 |
| Auditor's remuneration | | |
| - Audit of financial statements | 23,111 | 22,804 |
| Other governance costs | 4,887 | 4,544 |
| | <u>62,633</u> | <u>35,942</u> |

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

10 Staff

Staff costs and employee benefits

Staff costs during the year were:

| | 2025 | 2024 |
|-------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Wages and salaries | 2,972,002 | 2,809,837 |
| Social security costs | 279,240 | 245,781 |
| Pension costs | 561,796 | 467,435 |
| | <u> </u> | <u> </u> |
| Total staff expenditure | <u>3,813,038</u> | <u>3,523,053</u> |

Staff numbers

The average number of persons employed by the School during the year was as follows:

| | 2025 | 2024 |
|--|-----------------------------|-----------------------------|
| | Number | Number |
| Average number of full-time equivalent employees | 100 | 96 |
| | <u> </u> | <u> </u> |

Higher paid staff

The number of employees whose employee benefits (excluding employer national insurance contributions) exceeded £60,000 was:

| | 2025 | 2024 |
|---------------------|-----------------------------|-----------------------------|
| | Number | Number |
| £60,001 - £70,000 | 2 | 1 |
| £80,001 - £90,000 | 1 | - |
| £100,001 - £110,000 | - | 1 |
| £110,001 - £120,000 | 1 | - |
| | <u> </u> | <u> </u> |

Key management personnel

Key management personnel are considered to be those listed in the Reference and Administrative Details page.

Their aggregate emoluments (including employers national insurance contributions and employers pension contributions) totalled £453,510 (2024: £403,408).

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

11 Governors' remuneration and expenses

During the year, one Governor has been paid remuneration or has received other benefits from an employment with the School, totalling £138,543 (2024: £128,080).

The value of Governors' remuneration and other benefits paid in respect of the highest paid Governor totalled £110,516 (2024: £104,515) and pension contributions £28,027 (2024: £23,564).

During the year, retirement benefits were accruing with 1 Governor (2024: 1) in respect of defined benefit pension schemes.

During the year ended 31 July 2025, expenses totalling £nil were reimbursed or paid directly to Governors (2024: £nil).

12 Tangible fixed assets

| | Freehold property £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|-----------------------|---------------------------|-------------------------------|------------------------|------------|
| Cost | | | | |
| At 1 August 2024 | 6,500,000 | 633,702 | 229,778 | 7,363,480 |
| Additions | - | 20,962 | 18,990 | 39,952 |
| Disposals | - | (210,712) | (19,404) | (230,116) |
| At 31 July 2025 | 6,500,000 | 443,952 | 229,364 | 7,173,316 |
| Depreciation | | | | |
| At 1 August 2024 | 624,202 | 576,587 | 187,414 | 1,388,203 |
| On disposals | - | (210,712) | (16,103) | (226,815) |
| Charge for the year | 89,068 | 30,172 | 24,860 | 144,100 |
| At 31 July 2025 | 713,270 | 396,047 | 196,171 | 1,305,488 |
| Net book value | | | | |
| At 31 July 2025 | 5,786,730 | 47,905 | 33,193 | 5,867,828 |
| At 31 July 2024 | 5,875,798 | 57,115 | 42,364 | 5,975,277 |

Included in land and buildings is freehold land at valuation of £140,000 (2024: £140,000).

13 Debtors

| | 2025 £ | 2024 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 298,627 | 236,264 |
| Other debtors | 2,823 | 1,742 |
| Prepayments and accrued income | 30,560 | 33,811 |
| | 332,010 | 271,817 |

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

14 Creditors: amounts falling due within one year

| | 2025 | 2024 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Other loans | 221,248 | 215,402 |
| Trade creditors | 33,289 | 74,016 |
| Other taxation and social security | 178,301 | - |
| Other creditors | 172,395 | 201,282 |
| Accruals and deferred income | 56,616 | 114,038 |
| | <u>661,849</u> | <u>604,738</u> |

15 Creditors: amounts falling due after more than one year

| | 2025 | 2024 |
|-------------|------------------|------------------|
| | £ | £ |
| Other loans | 2,073,375 | 2,293,947 |
| | <u>2,073,375</u> | <u>2,293,947</u> |

| Analysis of loans | 2025 | 2024 |
|---------------------------------------|------------------|------------------|
| | £ | £ |
| Wholly repayable within five years | 2,294,623 | 2,509,349 |
| Less: included in current liabilities | (221,248) | (215,402) |
| | <u>2,073,375</u> | <u>2,293,947</u> |

| Loan maturity | | |
|---|------------------|------------------|
| Debt due in one year or less | 221,248 | 215,402 |
| Due in more than one year but not more than two years | 229,801 | 223,509 |
| Due in more than two years but not more than five years | 1,011,478 | 723,450 |
| Due in more than five years | 832,096 | 1,346,988 |
| | <u>2,294,623</u> | <u>2,509,349</u> |

The entire balance of bank loans shown above is secured by a legal charge over the freehold property of Gad's Hill School. The loan is repayable in monthly instalments over the 15 year term. Interest is being charged each month at a fixed rate of 3.7% until 2029 and subsequently at a variable rate of 2.44% over the Bank of England base rate until maturity in 2034.

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

16 Deferred income

| | 2025 £ | 2024 £ |
|-------------------------------------|-----------|-----------|
| Deferred income is included within: | | |
| Creditors due within one year | 5,704 | - |
| Deferred income at 1 August 2024 | - | - |
| Resources deferred in the year | 5,704 | - |
| Deferred income at 31 July 2025 | 5,704 | - |

Deferred income relates to income received for a trip occurring in the next financial year.

17 Funds

| | Balance at 1 August 2024 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 July 2025 £ |
|---------------------------------|-------------------------------------|-------------|------------------|--|------------------------------------|
| Restricted general funds | | | | | |
| Gym Equipment | - | 20,000 | (20,000) | - | - |
| Combined Cadet Force | - | 7,326 | (1,401) | 1,661 | 7,586 |
| | - | 27,326 | (21,401) | 1,661 | 7,586 |
| Total restricted funds | - | 27,326 | (21,401) | 1,661 | 7,586 |
| Unrestricted funds | | | | | |
| General funds | 3,614,956 | 5,395,988 | (5,238,605) | (70,812) | 3,701,527 |
| Charles Dickens Fund | 50,000 | - | - | - | 50,000 |
| Phase II New School Fund | 94,414 | - | - | - | 94,414 |
| | 3,759,370 | 5,395,988 | (5,238,605) | (70,812) | 3,845,941 |
| Total funds | 3,759,370 | 5,423,314 | (5,260,006) | (69,151) | 3,853,527 |

Restricted funds

The gym equipment fund was set up on receipt of a donation of £20,000 from The Friends of Gad's Hill School. The funds were fully expensed in the year on the replacement of the outdoor play equipment.

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

17 Funds

(Continued)

The Ministry of Defence provides funding to support the operation of the Combined Cadet Force contingent within the school. These funds are restricted to expenditure on CCF activities, including training, uniforms, equipment and associated costs.

Designated funds

The Charles Dickens Fund has been set aside to support the potential development of an arts hub at Gad's Hill Place, should the project proceed. The trustees consider this initiative aligned with the charity's objectives and have designated funds to ensure resources are available if the opportunity arises.

The Phase II New Building Fund represents amounts designated towards the anticipated second phase of development, which includes the construction of a new senior school. The governors have earmarked these funds to contribute to the costs of this future capital project.

Comparative information in respect of the preceding period is as follows:

| | Balance at 1 August 2023 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 July 2024 £ |
|---------------------------------|-------------------------------------|-------------|------------------|--|------------------------------------|
| Restricted general funds | ===== | ===== | ===== | ===== | ===== |
| Total restricted funds | - | - | - | - | - |
| Unrestricted funds | | | | | |
| General funds | 3,399,180 | 5,379,558 | (5,161,121) | (2,661) | 3,614,956 |
| Charles Dickens Fund | 50,000 | - | - | - | 50,000 |
| Phase II New School Fund | 152,620 | - | (58,206) | - | 94,414 |
| | ===== | ===== | ===== | ===== | ===== |
| | 3,601,800 | 5,379,558 | (5,219,327) | (2,661) | 3,759,370 |
| | ===== | ===== | ===== | ===== | ===== |
| Total funds | 3,601,800 | 5,379,558 | (5,219,327) | (2,661) | 3,759,370 |
| | ===== | ===== | ===== | ===== | ===== |

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

18 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General Fixed asset £ £ | | Endowment Funds £ | Total Funds £ |
|--|----------------------------|---|------------------|-------------------------|---------------------|
| Fund balances at 31 July 2025 are represented by: | | | | | |
| Tangible fixed assets | - | - | 5,867,828 | - | 5,867,828 |
| Current assets | 891,538 | 7,586 | - | - | 899,124 |
| Current liabilities | (700,859) | - | - | - | (700,859) |
| Non-current liabilities | (2,073,375) | - | - | - | (2,073,375) |
| Pension scheme liability | (139,191) | - | - | - | (139,191) |
| Total net assets | <u>(2,021,887)</u> | <u>7,586</u> | <u>5,867,828</u> | <u>-</u> | <u>3,853,527</u> |

| | Unrestricted Funds £ | Restricted funds: General Fixed asset £ £ | | Endowment Funds £ | Total Funds £ |
|--|----------------------------|---|------------------|-------------------------|---------------------|
| Fund balances at 31 July 2024 are represented by: | | | | | |
| Tangible fixed assets | - | - | 5,975,277 | - | 5,975,277 |
| Current assets | 752,822 | - | - | - | 752,822 |
| Current liabilities | (604,738) | - | - | - | (604,738) |
| Non-current liabilities | (2,293,947) | - | - | - | (2,293,947) |
| Pension scheme liability | (70,044) | - | - | - | (70,044) |
| Total net assets | <u>(2,215,907)</u> | <u>-</u> | <u>5,975,277</u> | <u>-</u> | <u>3,759,370</u> |

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

19 Pension and similar obligations

The School operates two pension schemes, one of which provides benefits based on a final or career average pensionable salary, while the other operates on the basis of a defined contribution levels from the employer and the employee.

Teaching staff belong to the Teachers' Pension Scheme 'TPS'. This is an unfunded defined benefit scheme operated by the Government with contributions calculated on an actuarial basis, but set in relation to the current service period only.

In accordance with paragraph 28.11 of FRS 102, the contributions have been accounted for as if this were a defined contribution scheme. The employers contributions for the period were 28.68%.

SCHEME: TPT Retirement Solutions – Independent Schools' Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 51 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2023. This actuarial valuation was certified on 11 December 2024 and showed assets of £99.2m, liabilities of £151.5m and a deficit of £52.3m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

| | |
|---|---|
| From 1 September 2025 to 31 January 2034: | £6,000,000 per annum (payable monthly and increasing by 3% on each 1 st September) |
|---|---|

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

| | |
|--|---|
| From 1 September 2022 to 30 June 2032: | £2,687,000 per annum (payable monthly and increasing by 3% on each 1 st September) |
|--|---|

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

19 Pension and similar obligations

(Continued)

PRESENT VALUES OF PROVISION

| | 31 July 2025 (£s) | 31 July 2024 (£s) | 31 July 2023 (£s) |
|----------------------------|----------------------|----------------------|----------------------|
| Present value of provision | 139,191 | 70,040 | 72,765 |

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

| | Period Ending 31 July 2025 (£s) | Period Ending 31 July 2024 (£s) |
|--|---------------------------------------|---------------------------------------|
| Provision at start of period | 70,040 | 72,765 |
| Unwinding of the discount factor (interest expense) | 3,025 | 3,866 |
| Deficit contribution paid | (9,529) | (9,252) |
| Remeasurements - impact of any change in assumptions | (330) | 2,661 |
| Remeasurements - amendments to the contribution schedule | 75,985 | - |
| Provision at end of period | 139,191 | 70,040 |

INCOME AND EXPENDITURE IMPACT

| | Period Ending 31 July 2025 (£s) | Period Ending 31 July 2024 (£s) |
|--|---------------------------------------|---------------------------------------|
| Interest expense | 3,025 | 3,866 |
| Remeasurements – impact of any change in assumptions | (330) | 2,661 |
| Remeasurements – amendments to the contribution schedule | 75,985 | - |
| Contributions paid in respect of future service* | * | * |
| Costs recognised in income and expenditure account | * | * |

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

| | 31 July 2025 % per annum | 31 July 2024 % per annum | 31 July 2023 % per annum |
|------------------|-----------------------------|-----------------------------|-----------------------------|
| Rate of discount | 4.69 | 4.63 | 5.70 |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The School also paid a pension of £250 per month to a former Headmistress. It is committed to pay this for the remainder of her life. A provision of £nil (2024: £14,596) for the unfunded pension is included within other creditors. The payments have now ceased and no further liability exists.

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

20 Reconciliation of net income to net cash flow from operating activities

| | Notes | 2025 £ | 2024 £ |
|---|-------|----------------|----------------|
| Net income for the reporting period (as per the statement of financial activities) | | 163,304 | 160,231 |
| Adjusted for: | | | |
| Investment income receivable | 6 | (15,919) | (15,504) |
| Finance costs payable | | 88,907 | 106,420 |
| Unwinding of pension liability discounting | 19 | (3,025) | 3,866 |
| Repayment of pension deficit | 19 | (9,529) | (9,252) |
| Depreciation of tangible fixed assets | | 144,100 | 152,530 |
| Profit on disposal of fixed assets | | (12,643) | - |
| (Increase) in debtors | | (60,193) | (44,373) |
| Increase/(decrease) in creditors | | 70,418 | (43,820) |
| Net cash provided by operating activities | | <u>365,420</u> | <u>310,098</u> |

21 Analysis of changes in net debt

| | 1 August 2024 £ | Cash flows £ | 31 July 2025 £ |
|--|--------------------|-----------------|--------------------|
| Cash | 481,005 | 47,099 | 528,104 |
| Loans falling due within one year | (215,402) | (5,846) | (221,248) |
| Loans falling due after more than one year | (2,293,947) | 220,572 | (2,073,375) |
| | <u>(2,028,344)</u> | <u>261,825</u> | <u>(1,766,519)</u> |

22 Long-term commitments

Operating leases

At 31 July 2025 the total of the School's future minimum lease payments under non-cancellable operating leases was:

| | 2025 £ | 2024 £ |
|-----------------------------------|--------------|---------------|
| Amounts due within one year | 6,357 | 9,871 |
| Amounts due in two and five years | - | 9,052 |
| | <u>6,357</u> | <u>18,923</u> |

23 Capital commitments

There are no capital commitments as at 31 July 2025.

GAD'S HILL SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

24 Related party transactions

During the year, the School was invoiced for insurance services by The Waterhouse Group, a business in which Mr P Waterhouse, the father of Governor Mrs K Hillocks, is the sole proprietor. The commission earned by The Waterhouse Group was £55,792 (2024: £5,442). Total purchases from The Waterhouse Group totalled £5,580 in the year (2024: £54,426). No amounts were outstanding at the Balance Sheet date (2024: £nil).

During the year, the School received donations of £20,000 (2024: £nil) from The Friends of Gad's Hill School. The Friends of Gad's Hill School is a charity in which there are common Trustees.

GADS HILL SCHOOL

England & Wales - Charity number 803153

Accounts

Registered number: 02427105
Charity number: 803153

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

GAD'S HILL SCHOOL
(A company limited by guarantee)

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GAD'S HILL SCHOOL
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2024**

Mr D Martin, Chair of Governors (appointed 18 September 2023)
Mrs K Hillocks, Chair of Governors (resigned 14 December 2023)
Mr P Savage, Headmaster
Mrs A H Cavalier-Tej (appointed 14 December 2023)
Mrs A Clarabut (resigned 22 August 2024)
Miss N Barker (resigned 16 June 2024)
Mr O Basi (resigned 14 December 2023)
Mrs M Dickens
Mr J Durbin (appointed 1 July 2023)
Mrs L Gwilliam (appointed 1 July 2024)
Mr J Myatt
Mr A A O'Brien
Mrs D Piralic (appointed 18 September 2023)
Mrs A J Clarabut (resigned 22 August 2024)
Mr N Smith (resigned 12 October 2023)
Mrs M S Taylor (appointed 2 November 2023)
Mr C Whittington

**Company registered
number**

02427105

**Charity registered
number**

803153

Registered office

Gad's Hill Place
Gravesend Road
Higham
Kent
ME3 7PA

Independent auditor

Crowe U.K. LLP
Medway Bridge House
1-8 Fairmeadow
Maidstone
Kent
ME14 1JP

Bankers

HSBC UK Bank PLC
84 New Road
Gravesend
Kent
DA11 0AS

GAD'S HILL SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Solicitors

Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

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GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2024

The Governors are pleased to present their annual Governors' report together with the financial statements of the school for the year ending 31 July 2024. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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).

Objectives and activities

a. Policies and objectives

Our Mission

Our mission is to enable our students to enjoy school, to achieve good academic qualifications and to develop those personal attributes and qualities which will guide them on their journey through life.

Our Vision

Our vision is to be the first-choice independent school for families in Kent who value a well-rounded education for their child. It is our intention that our students leave Gad's Hill School as confident, mature, articulate, pleasant and self-reliant young people who are well equipped to enter the world through a university education or career of their choice.

Our Values

We value Excellence, Enthusiasm, Friendship and Success. These attributes underpin all that we do. Our Mission and Vision are shaped by our commitment to educate children holistically, as articulated by our school motto: *"First to thine own self be true"*.

Our Ethos

Children do well when they are happy at school and at Gad's Hill we pride ourselves on providing a friendly environment, where enthusiasm and hard work are the foundations for achieving success.

There is more to life than exam results alone and while Gad's enjoys the reputation of receiving good GCSE results this is not our sole focus. We want to offer our pupils a foundation in life, working with them to become confident, motivated and articulate young people ready for the next stage in their education and life beyond.

Structure, Governance and Management

CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company is constituted under a Trust deed and is a registered charity with number 803153.

The charitable objects of the School as set out in the Articles of Association (as amended by Special Resolution dated 28 January 2009) are to advance education and training (including physical training) for the public benefit by provision of a school or schools in the county of Kent, in particular the school known as Gad's Hill School, Higham, Kent.

CODE OF GOVERNANCE

The Board has recently established a Governance and Nominations Committee ("**G&NC**") and this group has led the Board in undertaking the Association of Governing Bodies of Independent Schools ("**AGBIS**") self-review exercise, which incorporates, and expands upon, the Charity Commission's Governance Code and Self-Assessment Checklist. Based on these results the Board, through G&NC, is driving forward a review and rationalisation of its committee structure, reporting lines so as to ensure the charity operates as effectively and efficiently as possible, and in accordance with third-sector best practice.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Objectives and activities (continued)

METHOD OF APPOINTMENT OR ELECTION OF GOVERNORS

The management of the company is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

Under the Articles, the Headmaster is a governor. Two governors are appointed by The Dickens Fellowship (one of whom is a member of the Dickens family) and one by election as a Chair or representative of The Friends of Gad's Hill School (a separate registered charity) representing parents of pupils at the school. The remaining governors are elected at a general meeting and one-third of the elected governors, determined by length of service, retires by rotation each year, and may stand for re-election. Nominations for new governors are proposed based on adding specialist skills to the governing body e.g. legal, financial, educational, medical, estates expertise and so on; this nominations process is led by the G&NC.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New governors are formally inducted into their roles through a series of briefings by the Chair, Headmaster, and Clerk to the Governing Body, along with other members of the School's senior leadership team ("**SLT**") as appropriate. Governors are encouraged to visit the school regularly and are given an insight into previous meetings of the Board via minutes and the accompanying reports. The governors are offered further training through AGBIS and are informed of seminars held throughout the period that are thought to be beneficial to their governance.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The governors, as trustees of the charity and directors of the company, are legally responsible for the overall management and control of the school. They meet a minimum of four times per year, normally once per academic term and once at the commencement of the new school year. There are various sub-committees which meet as required to deal with areas of the School. The governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmaster.

KEY MANAGEMENT PERSONNEL AND REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all governors of the charity. Remuneration details are disclosed in these financial statements. Aside from Governors, the other key management personnel are:

- Mr Paul Savage, Headmaster
- Mr Malcolm Gray, Bursar, Clerk to the Governing Body and Company Secretary
- Mrs Victoria Grant, Lower School Senior Leader
- Miss Samantha Long, Head of Lower School
- Miss Louise Tucker, Head of Upper School
- Mrs Julia Hurren, Director of Inclusion

The Board of Governors is responsible for approving the remuneration levels of all employees. The unremunerated governors approve the Headmaster's remuneration, the Headmaster being the only governor who receives remuneration for his role overseeing the day-to-day running of the school. The Governors' Staff Salary Review Board ("**SSRB**") sets the salaries individually for the Headmaster and Bursar. The other key management personnel are each paid on one of two SLT incremental pay scales set by the SSRB.

FINANCIAL RISK MANAGEMENT

The governors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Objectives and activities (continued)

OTHER RELATIONSHIPS

The Headmaster is a member of the Independent Schools Association (“ISA”), and the School is a member of the Independent Schools’ Bursars Association (“ISBA”) and The Association of Governing Bodies in Independent Education (“AGBIS”). In addition to providing crucial support to the School and its various leaders, these organisations represent the independent education sector at a national level in contact with the Government and others. Several of our teachers are members of the Chartered College of Teaching (“CCT”).

Achievements and performance

a. 2023/24: The Year in Review

Our objectives for 2022/23 were:

Governance and Staffing:

- Develop effective new structure for strategic leadership from the Board of Governors, following transition to a new Chair of Governors
- Ensure sufficient staffing capacity to allow school to progress work towards the development of new learning accommodation
- Review Head of Department roles, increasing responsibility for impactful leadership at departmental level

Curriculum and Pupils:

- Complete first full year of new teaching and learning monitoring and review system with impact on pupil outcomes
- Complete first full year of the Greatest of Expectations Wellbeing Self Evaluation programme
- Secure strong GCSE outcomes for first scholarship cohortures for provision mapping and monitoring of interventions and other support for pupils of all abilities
- Improve reading attainment and attitudes to reading in Lower School and review the Upper School reading room provision
- Improve the consistency and impact of feedback and marking.
- Improve outcomes for pupils at the end of EYFS
- Improve children’s application and knowledge of spelling
- Embed a culture of success and high expectations for all
- Offer enhanced opportunities for pupil voice, including through a new whole-school School Council and an effective and meaningful student leadership system

Facilities and Premises:

- Obtain planning consent for updated senior school accommodation
- Audit technology assets and establish investment plans

Community and Social Action:

- Celebrate centenary with focus on heritage and alumni.
- Build close relationships with all stakeholders involved in site development.
- Develop links with other independent and maintained settings
- Embed a Greatest of Expectations culture across all aspects of school life

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Achievements and performance (continued)

b. Achieving the Objectives set for 2023/24

Governance and Staffing:

- Develop effective new structure for strategic leadership from the Board of Governors, following transition to a new Chair of Governors

The School used the services of specialist recruitment consultants to conduct a rigorous search for a new Chair of Governors, in light of Mrs Hillocks' stated intention to resign, following more than two decades of committed service to the School, as a parent, as Chair of the Friends of Gad's Hill School, as a Governor and then Chair, during which time Gad's Hill has grown significantly, both physically and in terms of ambition. Mrs Hillocks remained in post until the successful appointment of Mr Dean Martin via that recruitment process, ensuring an effective transition.

Over the course of the year, a number of new Governors have also joined the Board, where their skill set and experience in, for example, education leadership, finance and mental health counselling, were identified to be of benefit to the School. A new Committee structure has been established, with all Governors joining at least one Committee, providing oversight of the School's strategic objectives.

- Ensure sufficient staffing capacity to allow school to progress work towards the development of new learning accommodation

The appointment during the year of a new Bursar, Mr Malcolm Gray, and the restructure of the Estates and Maintenance Team, has provided capacity within the organisation for the progression of work with our appointed architects, Gravesham Borough Council and other key stakeholders towards the development of new learning accommodation. During 2023/24, pre-application planning advice was sought and the School is now undertaking strategic work towards the submission of planning application.

- Review Head of Department roles, increasing responsibility for impactful leadership at departmental level

The implementation of Subject Manifestos and the 'GREAT Values' during the academic year has provided the opportunity for impactful leadership at departmental level. Additionally, a review of other middle leadership roles to create several Assistant Head positions has significantly contributed to a greater responsibility for decision making below Senior Leadership level.

Curriculum and Pupils:

- Complete first full year of new teaching and learning monitoring and review system with impact on pupil outcomes

A full cycle of the teaching and learning monitoring and review system has been completed, covering five key areas: Learning Environment; Planning; Provision; Feedback; Hard Thinking, following the principles set out in the Great Teaching Toolkit by Rob Coe et al. All teachers have been observed regularly over the course of fortnightly learning focus reviews, with individual feedback given as well as collective strengths and areas for development in the form of written reports. The ongoing cycle of reviews shows an improvement in quality of practice across the school, particularly in the quality of immediate feedback, the use of displays and other classroom resources to support learning, and the consistent use of explicit success criteria in learning across the school.

- Complete first full year of the Greatest of Expectations Wellbeing Self Evaluation programme

The Greatest of Expectations Wellbeing Self Evaluation is in use. Based on the School's model of the Great

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Achievements and performance (continued)

Expectations, it sets out a model for evaluating work to ensure the wellbeing of every child in the school, and allows the Senior Leadership Team to identify strengths and areas for development, which feed into the whole school development plan.

- Secure strong GCSE outcomes for first scholarship cohort

93% of all grades achieved were at Grade 4 or higher, with 100% pass rates in Art, Drama, Food Preparation and Nutrition, Geography, History, Statistics, Psychology and Further Maths. 70% of GCSEs were passed at Grade 5 or higher and 47% of overall grades were at Grade 6 or above.

Performance in all core GCSE subjects showed a marked improvement on the previous year, with a 94% pass rate (4+) in English Language, 97% in English Literature, 94% in Maths, 88% in Biology and Chemistry, and 91% in Physics. Scholars received some wonderful individual results, including one pupil who left Gad's Hill with six top Grade 9 results (including straight 9s in all three Sciences) and four GCSEs at Grade 8.

- Improve reading attainment and attitudes to reading in Lower School and review the Upper School reading room provision

Measures implemented within the Lower School Development Plan 2023/24 resulted in excellent reading attainment scores: at the end of Key Stage 2 assessment, 100% of pupils were at expected standard, with 62% working at greater depth in reading. 85% of pupils at the end of Year 2 were at the expected standard, with 32% at greater depth.

Provision in the Upper School reading room was significantly improved, with the creation of new reading lists specifically designed for Key Stage 3 and 4 pupils, relabelling of all books in the library along with displays to improve accessibility and text selection, reorganisation of books available within the library and supervised lunchtime library wellbeing hub sessions held in the reading room.

- Improve consistency and impact of feedback and marking
Led by the Planning and Feedback Lead, working in partnership with the Senior Leadership Team, a review of feedback and marking was conducted throughout 2023/24, involving book reviews, several whole school training sessions and staff surveys, and concluded with a republished version of the School's Feedback Policy, along with the creation of a whole school presentation guide for written feedback, to ensure consistency in all departments and across all key stages.

- Improve outcomes for pupils at the end of EYFS

Work undertaken as part of the Lower School development plan saw a significant increase in outcomes for pupils at the end of the Early Years programme. 79% of pupils at the end of EYFS met the Good Learning Development standard, with 86% at the expected standard in their phonics assessment.

- Embed a culture of success and high expectations for all

2023/24 saw the introduction of the 'GREAT Values' – a comprehensive programme of expectations based on five key values: Gratitude, Respect, Equality, Aspiration and Tenacity. The application of this programme impacts on all areas of school life, from the management of behavioural and academic concerns, to work ethic and commitment to contributing to school life. The implementation of the programme in the Upper School has been highly successful, providing a greater level of consistency for pupils and for staff across all subject areas.

- Offer enhanced opportunities for pupil voice, including through a new whole-school School Council and an effective and meaningful student leadership system

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GOVERNORS' REPORT (CONTINUED)
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Achievements and performance (continued)

Smart school council has been introduced to the whole school. This is an online school council, with elected council representatives who run weekly class meetings to discuss a number of themes. Feedback from these discussions is collated online and reviewed by staff, with evidence of a number of new initiatives being implemented as a result of pupil voice.

The student leadership team has been implemented and have been highly active in the school community, helping at events, conducting duties at break and lunch and being role models. Students regularly volunteer their time to help at events, including those organised by the Friends of Gad's Hill School. Student Heads of House have been very active in supporting staff and leading assemblies.

Facilities and Premises:

- Obtain planning consent for updated senior school accommodation

Consent for updated senior school accommodation has not yet been obtained but work is ongoing towards the development of the school site. A number of important interim repairs and improvements have been carried out to ensure ongoing first class learning accommodation for pupils.

- Audit technology assets and establish investment plan

Deferred to 2024/25

Community and Social Action:

- Celebrate centenary with focus on heritage and alumni

A number of centenary celebrations took part in the first half of 2024. Chief amongst those was the Centenary Thanksgiving Service which took place in March at Rochester Cathedral, featuring readings, music and drama performances by Gad's Hill pupils. A joint celebration of significant anniversaries with Gravesham Borough Council and other local organisations was hosted by Gad's Hill in September 2024, with the guests of honour being Lord-Lieutenant of Kent and the Mayor of Gravesham. The Friends of Gad's Hill School organised the highly successful Gadsfest event in July. Pupils have taken part in centenary essay competitions and other activities to mark the centenary.

- Build close relationships with all stakeholders involved in site development

The School has continued to build strong relationships with Gravesham Borough Council, not only in pre-application discussions around site development but also in the co-hosting of a significant anniversary event at Gad's Hill School. Works undertaken on the cupola of Gad's Hill Place sought advice from several heritage consultants and profitable preliminary conversations have taken place with key national heritage funds.

- Develop links with other independent and maintained settings

The School has continued to forge links with independent and maintained settings over the course of 2023/24. Most significantly, there have been an increase in the number of sporting fixtures between Gad's Hill and local schools, including substantial participation in the Medway Mini Youth Games programme.

- Embed a Greatest of Expectations culture across all aspects of school life

A new Upper School model for the implementation of the Greatest of Expectations culture has been established in the Upper School, including the introduction of the GREAT values. These set consistent expectations for the

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Achievements and performance (continued)

ways in which pupils conduct themselves around the school site and are fully embedded in the Behaviour Management policy.

c. Other Activities and Achievements in 2023/24 and Useful Information

PUPIL NUMBERS, CLASS SIZES AND FEES

Average pupil numbers and class sizes for the year are set out below along with the fees charged.

| 2023/24 | | | | | |
|--------------------------------|-------------------------------------|------------|------------|--------------------|---------|
| Section | Year Group | Average | | Standard Fee Level | |
| | | Pupils | Class Size | Termly | Annual |
| Kindergarten | KN (Nursery) | 21 | 21* | £4,121 | £12,363 |
| | KR (Reception) | 17 | 17 | £4,121 | £12,363 |
| | K1 (Year 1) | 30 | 15 | £4,844 | £14,532 |
| | K2 (Year 2) | 19 | 10 | £4,844 | £14,532 |
| | Overall (Nursery to Year 2) | 88 | 16 | | |
| | <i>cf Nursery to Year 2 2022/23</i> | <i>88</i> | <i>20</i> | | |
| Juniors | J3 (Year 3) | 21 | 11 | £5,132 | £15,396 |
| | J4 (Year 4) | 21 | 11 | £5,132 | £15,396 |
| | J5 (Year 5) | 35 | 17 | £5,132 | £15,396 |
| | Remove (Year 6) | 29 | 14 | £5,132 | £15,396 |
| | Overall (Years 3 to 6) | 106 | 13 | | |
| | <i>cf Years 3 to 6 2022/23</i> | <i>121</i> | <i>14</i> | | |
| Seniors | Shell (Year 7) | 37 | 12 | £5,504 | £16,512 |
| | Lower 4 th (Year 8) | 47 | 16 | £5,504 | £16,512 |
| | Upper 4 th (Year 9) | 40 | 13 | £5,976 | £17,928 |
| | Lower 5 th (Year 10) | 34 | 11 | £5,976 | £17,928 |
| | Upper 5 th (Year 11) | 32 | 11 | £5,976 | £17,928 |
| Overall (Years 7 to 11) | 190 | 16 | | | |
| | <i>cf Years 7 to 11 2022/23</i> | <i>157</i> | <i>15</i> | | |
| Whole School | | 383 | 15 | | |
| <i>cf Whole School 2022/23</i> | | <i>366</i> | <i>15</i> | | |

* N.B. Nursery pupils attend for varying numbers of sessions each week and this is managed so as to ensure that there are never more than 20 nursery pupils in a class at any one time, and always with at least the required number of staff, if not more.

ACADEMIC PERFORMANCE

Summer 2024 GCSE results showed an improvement over 2023, with 93% of all results at Grade 4 or higher

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Achievements and performance (continued)

(80% in 2023) and 70% at Grade 5 or higher (59% in 2023). Performance in all core GCSE subjects showed an improvement on the previous year, with 94% pass rate (4+) in English Language, 97% in English Literature, 94% in Maths, 88% in Biology and Chemistry, and 91% in Physics. 47% of overall grades were at Grade 6 or above.

| GCSE | No of pupils | Grade | | | | | | | | Gad's %4+ pass rate | England average 4+ pass rate 2024 (9-4) | Gad's %5+ pass rate | England average 5+ pass rate 2024 (9-5) | Gad's 7+ pass rate | England average 7+ pass rate 2024 (9-7) |
|--------------------|--------------|-------|---|---|----|----|---|---|---|---------------------|---|---------------------|---|--------------------|---|
| | | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | | | | | | |
| English Language | 33 | | 1 | 1 | 12 | 10 | 7 | 2 | | 94% | 62% | 73% | 46% | 6% | 16% |
| English Literature | 32 | 1 | 2 | 5 | 13 | 9 | 1 | 1 | | 97% | 74% | 94% | 57% | 25% | 20% |
| Mathematics | 32 | 2 | 3 | 1 | 9 | 11 | 4 | 2 | | 94% | 60% | 81% | 42% | 19% | 17% |
| Biology | 32 | 1 | 3 | | 6 | 12 | 6 | 4 | | 88% | 89% | 69% | 79% | 13% | 42% |
| Chemistry | 32 | 1 | 1 | 3 | 3 | 13 | 7 | 4 | | 88% | 90% | 66% | 80% | 16% | 45% |
| Physics | 32 | 1 | 1 | 4 | 2 | 16 | 5 | 3 | | 91% | 90% | 75% | 80% | 19% | 44% |
| Art | 10 | 1 | 2 | | 1 | 1 | 5 | | | 100% | 76% | 50% | 60% | 30% | 24% |
| Drama | 11 | | 2 | 4 | 2 | 1 | 2 | | | 100% | 77% | 82% | 63% | 55% | 27% |
| DT | 8 | | 1 | 1 | 2 | 1 | 1 | 2 | | 75% | 66% | 63% | 51% | 25% | 22% |
| Food Nutrition | 16 | | 2 | 3 | 7 | 4 | 1 | | | 100% | 67% | 94% | 52% | 29% | 20% |
| Spanish | 7 | | 1 | | | 1 | 4 | 1 | | 86% | 70% | 29% | 55% | 14% | 27% |
| PE | 7 | | 1 | | 1 | 1 | 3 | 1 | | 86% | 72% | 43% | 56% | 14% | 23% |
| Geography | 13 | | 1 | 5 | 4 | 1 | 2 | | | 100% | 65% | 85% | 52% | 46% | 25% |
| History | 8 | | 2 | | 4 | 2 | | | | 100% | 64% | 100% | 52% | 25% | 26% |
| Computing | 13 | 1 | 1 | 1 | 5 | 3 | 1 | 1 | | 92% | 68% | 85% | 57% | 23% | 28% |
| Statistics | 5 | 2 | 1 | | 1 | 1 | | | | 100% | 70% | 100% | 50% | 60% | 20% |
| Psychology | 7 | | 1 | 1 | 2 | 3 | | | | 100% | | 100% | | 29% | |
| Further Maths | 4 | 1 | 1 | | 1 | | 1 | | | 100% | | 75% | | 50% | |

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GOVERNORS' REPORT (CONTINUED)
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Achievements and performance (continued)

| Qualifications | Pass | Fail | |
|---|--|---------------|--------------------|
| BTEC Teamwork and Personal Development | 100% | 0 | |
| Level 2 Institute of Leadership and Management | 21 students achieved the Extended Award 13 students achieved a Pass | 0 | |
| LAMDA- Autumn 2023 Results | Pass | Merit | Distinction |
| | | 4% | 96% |
| LAMDA-Summer Results | Pass | Merit | Distinction |
| | | 10% | 85% |
| Duke of Edinburgh Award | Bronze | Silver | |
| | 28 Students | 8 Students | |

| 1st Choice destinations | |
|--------------------------------|---|
| 14 | 45% Grammar |
| 5 | 15% Independent |
| 2 | 7% specialist (Art and Drama) |
| 6 | 18% College |
| 5 | 15% Secondary |
| Final destinations | |
| 13 | 41% Grammar |
| 5 | 15% Independent |
| 2 | 7% specialist (Art and Drama) |
| 6 | 18% College |
| 5 | 15% Secondary |
| 1 | 3% Sixth form Centre |
| Final destinations | |
| 25 | 79% went to 1st choice destination |
| 2 | 6% went to 2nd choice destination |
| 2 | 6% went to 3rd choice destination |
| 3 | 9% went to a school not listed on the application |

Performance in the Lower School is also strong. The tables below show the 2023/2024 KS2, KS1 and EYFS outcomes against national averages (using predictions drawn from our data tracking software, Insight).

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Achievements and performance (continued)

| Juniors (KS2) | Expected Standard+ | | Greater Depth | |
|---------------|--------------------|------------------|---------------|-------------------|
| | School | National average | School | National average* |
| Reading | 100% | 74% | 62% | 28% |
| Writing | 90% | 72% | 15% | 12% |
| Mathematics | 96% | 73% | 41% | 23% |
| GPS | 97% | 72% | 76% | 31% |
| Combined | 90% | 61% | 21% | 7% |

*Greater depth National Average based on data from Insight. To be updated when released nationally.

| Kindergarten (KS1) | Expected Standard+ | | Greater Depth | |
|--------------------|--------------------|-------------------|---------------|-------------------|
| | School | National average* | School | National average* |
| Reading | 85% | 71% | 32% | 19% |
| Writing | 79% | 62% | 11% | 8% |
| Mathematics | 84% | 71% | 16% | 16% |

*National Average based on data from Insight.

| | Expected | |
|------------|----------|------------------|
| | School | National average |
| EYFS (GLD) | 79% | 68% |
| Phonics | 86% | 80% |

CHARLES DICKENS ACADEMIC SCHOLARSHIPS

Autumn Term 2023 saw the sixth wave of Charles Dickens ("CD") academic scholars commence in the Upper School, with a further 10 of the most able children in the area receiving this form of fee assistance. Of particular note, one pupil entered the Upper School with a 100% CD Scholarship, bringing to five the number of Charles Dickens Scholars receiving 100% Fee Assistance.

OTHER FORMS OF FEE ASSISTANCE

Significant increases in both the proportion of gross fee income used to provide fee assistance, and the proportion of families benefiting from some of fee assistance are set out elsewhere in this report.

Governors keep under review our policies for all forms of fee assistance to ensure that as many suitable pupils as possible can benefit from the education offered at Gad's Hill School even if their family financial circumstances would otherwise preclude this.

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GOVERNORS' REPORT (CONTINUED)
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Achievements and performance (continued)

PUBLIC BENEFIT

The school educated an average of 194 primary- and 190 secondary-age pupils during 2023/24 at no cost to the public purse (except for "Free Early Education" funding available to all providers. The absolute minimum it would have cost public funds to educate these pupils at the Government's minimum per pupil funding levels would be £1.9M (2023: £1.724M). The real savings to the public purse, however, are considerably greater when the value of capital grants, VAT reclaims and so on are taken into account. Our staff live predominantly in Kent and Medway and hence our support to the local economy as the employer of nearly 100 people is significant. Support of our local economy has been increased further by choosing local suppliers for food produce wherever possible, taking more trips to local sites and attractions, and so on.

Financial Review

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

RESERVES POLICY

RESERVES AND FINANCIAL HEALTH

The Governors review regularly the finances of the school and plan for future years. In common with other independent schools, Governors have invested substantial sums into new and improved buildings and facilities in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Although as shown on the balance sheet the school's free reserves (unrestricted reserves less fixed assets) are at a negative balance of £2,215,907 (2023: £2,511,987), this illustrates the extent of the investment in our school, which is common practice for schools in the sector which must finance their own capital investment plans. The governors consider that, given the strength of the charity's balance sheet, the stable cash flow from healthy student rolls, the ongoing popularity of our school, and our strong relationship with bankers, there is no current need to build up a free reserve.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors is responsible for the management of risks faced by the school. Each year the SLT and Board identify and assess risks and implement controls to mitigate against these. Key controls implemented by the school include:

- Formal agenda and papers for all Board and committee activities
- Strategic planning, budgeting, and management accounting
- Structured financial and other forecasting (eg pupil numbers) for future years
- Established organisational structure and understood lines of reporting.
- Formal written policies.

PRINCIPAL FUNDING.

The principal funding of the school is from school fees.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Achievements and performance (continued)

APPROACH TO FUNDRAISING

Fundraising income remains low, however the school does not specifically target resources for this source of funding. This year the school received donations amounting to £nil (2023: £nil). No fundraising complaints (2023: nil) were received during the year.

Looking Forward to 2024/25 and Beyond

OBJECTIVES FOR 2024/25

The Board has set the following objectives for 2024/25:

Pupils achieve outstanding outcomes.

LS: To increase the % of pupils in KS2 achieving expected standard in writing to be at or above the national average.

To increase the % of pupils in KS1 achieving the expected standard in maths to be at or above the national average.

US: To ensure that all students are making progress that is appropriate for their ability with an increase in the pass rate and value added in the Summer of 2025.

SENDA:

Review: Further develop statistical analysis of pupil progress and attainment, with a review against SEND/EDI.

Action: Identify and target key identified trends where needed.

The quality of teaching and learning across curriculum subject areas is excellent.

LS: To review the content covered in humanities and update to ensure knowledge and skills are built upon effectively.

US: To review the Teaching and Learning taking place in Core Subjects

Action: Develop pedagogy to support Autism through CPD sessions and Learning Review foci.

Pupils demonstrate high aspirations and standards across their curricular engagement.

US: To fully implement the Upper School GREAT Programme.

The school's academic provision effectively meets the needs of all pupils.

LS: To monitor the impact and effectiveness of provision and interventions in the Lower School.

SENDA:

Review: Home Learning task accessibility- to generate agreed guidelines.

Action: Effective targeting of interventions through Completion of Targeted Provision menu and development of referral processes.

Action: stretch and challenge review and relaunch.

The school works with a focus on developing the whole pupil.

WS: Action: whole school rolling out of Greatest of Expectation wellbeing framework.

Review: Staff engaged in GofE SEF review, identifying development opportunities.

A culture of high expectations is embodied by pupils.

LS: To have a culture of success and high expectations.

US: To fully implement the Upper School GREAT Programme.

SENDA:

Review: 2023-24 attendance data patterns and links to attainment.

Action: implement strategies to increase attendance of pupils in the lowest 10% of attendance.

Pupils actively engage in the school community through a strong house system.

US: Encourage a more diverse range of house events throughout the year and review the awarding of House

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Achievements and performance (continued)

Points throughout the year.

Parents have an active role in their child's education.

LS: To improve parental engagement, workshops and opportunities for parents to visit/share the learning environment.

SENDA:

Action: LS/Subject staff to liaise directly with parents about interventions (SEMH DoI)

Review: Effectiveness of methods and frequency of inclusion communications

The school has links with the local community, with pupils learning how to make a positive contribution.

LS- To improve links with the community and enhance the community projects we have.

The school provides Excellent Facilities which are accessible to all pupils.

SENDA:

Action: Ensure accessibility of classrooms/ furniture/ resources for specific pupil medical needs.

Review: School environment against Autism friendly guidance.

Action: continued development of resources available to pupils to promote access and self-regulation in a classroom environment.

Review: Full ICT asset audit. Review how meets teaching and learning/ pupil accessibility needs.

Action: target key identified ICT development need.

The school offers an enriching recreation time for all pupils.

LS: To develop outside provision for all pupils.

The continued development of the whole students beyond academia, developing transferable skills beyond the curriculum.

US: To develop the CCF programme to make it a more varied approach with a mixture of CCF Military focussed activities as well as introducing more adventurous activities that make use of the local area and facilities.

The school maintains excellent safeguarding and health and safety policies and practices.

WS: Review and develop the school's health and safety policies and practices.

SENDA:

Review: Safeguarding Pupil Voice: Safety Map

Action: Safety plan action plan implemented.

Review: mapping/audit of whole school and targeted wellbeing and emotional literacy provision.

Action: target identified development needs.

Pupils are active democratic citizens.

LS+US: Continued development of the School Council

SENDA:

Action: continue development of expanding range of identities presented through books in school libraries.

Pupils have access to a range of leadership opportunities

LS: Increase the roles and responsibilities available to pupils.

Pupils develop curiosity and creativity, developing a passion and skills for life-long learning.

LS: Pupils develop curiosity and creativity as learners through high quality child-initiated Early Years provision.

All pupils can understand and express themselves clearly through Speech and Language.

SENDA:

Review: KG universal and targeted speech and language provision.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Achievements and performance (continued)

Action: target development needs.

Pupils have a passion for reading through regular engagement and strong skills development.

US: To encourage a love of Reading and Writing beyond the classroom.

LS: Pupils are fluent readers with strong comprehension skills.

SENDA:

Review: review of pupil engagement in reading.

Action: target development needs.

All pupils can express themselves clearly through Writing.

SENDA:

Review: KG universal and targeted writing provision.

Action: target development needs.

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Statement of Governors' responsibilities

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

Company law requires the Governors to prepare financial statements for each financial . Under company law, the Governors 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:
Date:

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S HILL SCHOOL

Opinion

We have audited the financial statements of Gad's Hill School (the 'charity') for the year ended 31 July 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S HILL SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 Governors' responsibilities statement, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S HILL SCHOOL (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiries of management about their own identification and assessment of the risks of irregularities;
- reviewing board minutes and making enquiries of management regarding any non-compliance with laws and regulations and fraud;
- reviewing the revenue, supplier payments and payroll systems for significant deficiencies or susceptibility to fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- reviewing journal entries, in particular any journal entries posted with unusual account combinations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S HILL SCHOOL (CONTINUED)

Use of our report

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

Crowe U.K. LLP

Statutory Auditor

Medway Bridge House

1-8 Fairmeadow

Maidstone

Kent

ME14 1JP

Date:

GAD'S HILL SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2024**

| | Note | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Charitable activities | 4 | 5,364,054 | 5,364,054 | 4,623,555 |
| Investments | 5 | 15,504 | 15,504 | 10,675 |
| Total income | | 5,379,558 | 5,379,558 | 4,634,230 |
| Expenditure on: | | | | |
| Provision of education | 6 | 5,219,327 | 5,219,327 | 4,616,040 |
| Total expenditure | | 5,219,327 | 5,219,327 | 4,616,040 |
| Net movement in funds before other recognised gains/(losses) | | 160,231 | 160,231 | 18,190 |
| Other recognised gains/(losses): | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 22 | (2,661) | (2,661) | 7,797 |
| Net movement in funds | | 157,570 | 157,570 | 25,987 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 3,601,800 | 3,601,800 | 3,575,813 |
| Net movement in funds | | 157,570 | 157,570 | 25,987 |
| Total funds carried forward | | 3,759,370 | 3,759,370 | 3,601,800 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 44 form part of these financial statements.

GAD'S HILL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 02427105

BALANCE SHEET
AS AT 31 JULY 2024

| | Note | 2024 £ | 2023 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 5,975,277 | 6,113,787 |
| | | <u>5,975,277</u> | <u>6,113,787</u> |
| Current assets | | | |
| Debtors | 12 | 271,817 | 227,444 |
| Cash at bank and in hand | | 481,005 | 481,906 |
| | | <u>752,822</u> | <u>709,350</u> |
| Creditors: amounts falling due within one year | 13 | (604,738) | (640,746) |
| Net current assets | | <u>148,084</u> | <u>68,604</u> |
| Total assets less current liabilities | | <u>6,123,361</u> | <u>6,182,391</u> |
| Creditors: amounts falling due after more than one year | 14 | (2,293,947) | (2,507,822) |
| Net assets excluding pension liability | | <u>3,829,414</u> | <u>3,674,569</u> |
| Defined benefit pension scheme liability | 22 | (70,044) | (72,769) |
| Total net assets | | <u><u>3,759,370</u></u> | <u><u>3,601,800</u></u> |
| Charity funds | | | |
| Restricted funds | 16 | - | - |
| Unrestricted funds | 16 | 3,759,370 | 3,601,800 |
| Total funds | | <u><u>3,759,370</u></u> | <u><u>3,601,800</u></u> |

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

Date:

The notes on pages 25 to 44 form part of these financial statements.

GAD'S HILL SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2024

| | 2024 £ | 2023 £ |
|--|------------------|------------------|
| Cash flows from operating activities | | |
| Net cash from operating activities | 310,098 | 172,976 |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (14,020) | (77,229) |
| Interest received | 15,504 | - |
| | <hr/> | <hr/> |
| Net cash provided by/(used in) investing activities | 1,484 | (77,229) |
| | <hr/> | <hr/> |
| Cash flows from financing activities | | |
| Repayments of borrowing | (206,063) | (200,061) |
| Interest paid on loan | (106,420) | (93,809) |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (312,483) | (293,870) |
| | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | (901) | (198,123) |
| Cash and cash equivalents at the beginning of the year | 481,906 | 680,029 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | 481,005 | 481,906 |
| | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 25 to 44 form part of these financial statements

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

1. General information

The School is a company limited by guarantee. The members of the company are the Trustees named in the front of the financial statements. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

The company is registered in England and Wales, registered number 02427105 and its registered office is:

Gad's Hill Place,
Gravesend Road,
Higham,
Kent, ME3 7PA.

The company is a registered charity number 803153, its principal activity is the provision of education service.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gad's Hill School 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.

2.2 Going concern

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements. After reviewing forecasts and projections, the Trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. The Governors therefore continue to adopt the going concern basis in preparing the financial statements.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

2. Accounting policies (continued)

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 Fee income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarships, bursaries and other allowances. Interest income is accounted for on a receivable basis.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method

Depreciation is provided on the following bases:

| | |
|-----------------------|----------------------|
| Freehold property | - 2% on cost |
| Motor vehicles | - 25% on cost |
| Fixtures and fittings | - 20% to 25% on cost |

Land of £140,000 is not depreciated.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Known bad debts are written off and provision is made for any considered to be doubtful. Trade debtors relates to income owed for charitable services provided.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

2. Accounting policies (continued)

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within Interest payable and similar charges.

Fees received in advance are carried forward for credit in the period to which they relate.

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

Teaching staff are members of the Teacher's Pension Scheme (TPS), a defined benefit scheme administered by the Teacher's Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The TPS is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial variances are carried out on a national set of investments. Under the definitions set out in FRS 102 the TPS is a multi-employer pension scheme. The charity is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it was a defined contribution scheme.

The charity also contributes to a personal pension scheme for its non-teaching staff and the pension charge recognised in the Statement of Financial Activities represents the amounts payable by the charity to the fund in respect of the year.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

3. Critical accounting estimates and areas of judgement

The Trustees makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates and assumptions:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. These are assessed annually and may vary each year depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- The Trustees make allowances for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analysed historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment terms when making judgement to evaluate the adequacy of the allowance of doubtful debts.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Income from charitable activities

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|-------------------------------|--|---------------------------------------|
| Fees receivable | 4,922,522 | 4,922,522 |
| Registration fees | 11,434 | 11,434 |
| Educational requisites income | 246,728 | 246,728 |
| Sundry income | 183,370 | 183,370 |
| Total 2024 | <u>5,364,054</u> | <u>5,364,054</u> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

4. Income from charitable activities (continued)

| | <i>Unrestricted funds 2023 £</i> | <i>Total funds 2023 £</i> |
|-------------------------------|--|---------------------------------------|
| Fees receivable | 4,279,599 | 4,279,599 |
| Registration fees | 9,585 | 9,585 |
| Educational requisites income | 228,779 | 228,779 |
| Sundry income | 105,592 | 105,592 |
| <i>Total 2023</i> | <i>4,623,555</i> | <i>4,623,555</i> |

5. Investment income

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|-------------------|--|---------------------------------------|
| Investment income | 15,504 | 15,504 |

| | <i>Unrestricted funds 2023 £</i> | <i>Total funds 2023 £</i> |
|-------------------|--|---------------------------------------|
| Investment income | <i>10,675</i> | <i>10,675</i> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

6. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2024 £ | Total 2024 £ |
|-------------------|--|-----------------------------|
| Education | 3,057,662 | 3,057,662 |
| Welfare | 344,421 | 344,421 |
| Premises | 1,063,498 | 1,063,498 |
| Administration | 647,326 | 647,326 |
| Interest payable | 106,420 | 106,420 |
| | <hr/> | <hr/> |
| Total 2024 | 5,219,327 | 5,219,327 |
| | <hr/> <hr/> | <hr/> <hr/> |
| | <i>Unrestricted funds 2023 £</i> | <i>Total 2023 £</i> |
| Education | 2,860,283 | 2,860,283 |
| Welfare | 299,360 | 299,360 |
| Premises | 685,336 | 685,336 |
| Administration | 666,577 | 666,577 |
| Interest payable | 104,484 | 104,484 |
| | <hr/> | <hr/> |
| <i>Total 2023</i> | <i>4,616,040</i> | <i>4,616,040</i> |
| | <hr/> <hr/> | <hr/> <hr/> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

6. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

| | Staff costs 2024 £ | Depreciation 2024 £ | Other costs 2024 £ | Total 2024 £ |
|-------------------|--------------------------|---------------------------|--------------------------|--------------------|
| Education | 2,771,001 | - | 286,661 | 3,057,662 |
| Welfare | 201,107 | - | 143,314 | 344,421 |
| Premises | 215,473 | 152,530 | 695,495 | 1,063,498 |
| Administration | 335,472 | - | 311,854 | 647,326 |
| Interest payable | - | - | 106,420 | 106,420 |
| Total 2024 | 3,523,053 | 152,530 | 1,543,744 | 5,219,327 |
| | Staff costs 2023 £ | Depreciation 2023 £ | Other costs 2023 £ | Total 2023 £ |
| Education | 2,559,696 | - | 300,587 | 2,860,283 |
| Welfare | 199,157 | - | 100,203 | 299,360 |
| Premises | 155,050 | 164,748 | 365,538 | 685,336 |
| Administration | 334,020 | - | 332,557 | 666,577 |
| Interest payable | - | - | 104,484 | 104,484 |
| Total 2023 | 3,247,923 | 164,748 | 1,203,369 | 4,616,040 |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

7. Analysis of expenditure by activities

| | Activities undertaken directly 2024 £ | Support costs 2024 £ | Total funds 2024 £ |
|-------------------|--|---|---------------------------------------|
| Education | 3,053,397 | 4,265 | 3,057,662 |
| Welfare | 201,107 | 143,314 | 344,421 |
| Premises | 910,968 | 152,530 | 1,063,498 |
| Administration | 647,326 | - | 647,326 |
| Interest payable | 106,420 | - | 106,420 |
| Total 2024 | 4,919,218 | 300,109 | 5,219,327 |

| | <i>Activities undertaken directly 2023 £</i> | <i>Support costs 2023 £</i> | <i>Total funds 2023 £</i> |
|-------------------|--|---|---------------------------------------|
| Education | 2,850,966 | 9,317 | 2,860,283 |
| Welfare | 199,157 | 100,203 | 299,360 |
| Premises | 520,588 | 164,748 | 685,336 |
| Administration | 666,577 | - | 666,577 |
| Interest payable | 104,484 | - | 104,484 |
| <i>Total 2023</i> | 4,341,772 | 274,268 | 4,616,040 |

8. Auditor's remuneration

| | 2024 £ | 2023 £ |
|--|-------------------|-------------------|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | 19,250 | 17,500 |
| Fees payable to the Charity's auditor in respect of: | | |
| Preparation of statutory accounts | 2,500 | 2,250 |
| Independent audit of Teachers' Pension Scheme | 980 | 890 |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

9. Staff costs

| | 2024 | 2023 |
|---|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,809,837 | 2,590,271 |
| Social security costs | 245,781 | 238,989 |
| Contribution to defined benefit pension schemes | 467,435 | 418,663 |
| | 3,523,053 | 3,247,923 |

The average number of persons employed by the Charity during the year was as follows:

| | 2024 | 2023 |
|--|-------------|-------------|
| | No. | No. |
| Average number of full-time equivalent employees | 96 | 97 |

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

| | 2024 | 2023 |
|---------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | - | 1 |
| In the band £80,001 - £90,000 | - | 1 |
| In the band £110,001 - £120,000 | 2 | - |

Key management personnel are considered to be the Governors of the school and their remuneration is disclosed below in note 9.

10. Governors' remuneration and expenses

During the year, one or more Governors has been paid remuneration or has received other benefits from an employment with the Charity. The value of Governors' remuneration and other benefits was as follows:

| | | 2024 | 2023 |
|-------------|--------------|-------------|-------------|
| | | £ | £ |
| Mr P Savage | Remuneration | 92,944 | 88,227 |

Remuneration of £92,944 (2023 - £88,227) and pensions contributions of £23,564 (2023 - £20,892) were paid in respect of the highest paid Governor.

During the year, retirement benefits were accruing to 1 Governors (2023 - 1) in respect of defined benefit pension schemes.

GAD'S HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

10. Governors' remuneration and expenses (continued)

During the year ended 31 July 2024, expenses totalling £Nil were reimbursed or paid directly to Governors (2023 - £NIL).

11. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--------------------------|---------------------------|------------------------|-------------------------------|-------------------------|
| Cost or valuation | | | | |
| At 1 August 2023 | 6,500,000 | 229,778 | 619,682 | 7,349,460 |
| Additions | - | - | 14,020 | 14,020 |
| At 31 July 2024 | <u>6,500,000</u> | <u>229,778</u> | <u>633,702</u> | <u>7,363,480</u> |
| Depreciation | | | | |
| At 1 August 2023 | 535,134 | 159,526 | 541,013 | 1,235,673 |
| Charge for the year | 89,068 | 27,888 | 35,574 | 152,530 |
| At 31 July 2024 | <u>624,202</u> | <u>187,414</u> | <u>576,587</u> | <u>1,388,203</u> |
| Net book value | | | | |
| At 31 July 2024 | <u><u>5,875,798</u></u> | <u><u>42,364</u></u> | <u><u>57,115</u></u> | <u><u>5,975,277</u></u> |
| At 31 July 2023 | <u><u>5,964,866</u></u> | <u><u>70,252</u></u> | <u><u>78,669</u></u> | <u><u>6,113,787</u></u> |

Included in land and buildings is freehold land at valuation of £140,000 (2023 - £140,000).

12. Debtors

| | 2024 £ | 2023 £ |
|--------------------------------|-----------------------|-----------------------|
| Due within one year | | |
| Trade debtors | 236,264 | 160,750 |
| Other debtors | 1,742 | 8,035 |
| Prepayments and accrued income | 33,811 | 58,659 |
| | <u><u>271,817</u></u> | <u><u>227,444</u></u> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

13. Creditors: Amounts falling due within one year

| | 2024 £ | 2023 £ |
|------------------------------|-----------|-----------|
| Bank loans | 215,402 | 207,590 |
| Trade creditors | 74,016 | 104,844 |
| Other creditors | 201,282 | 223,455 |
| Accruals and deferred income | 114,038 | 104,857 |
| | 604,738 | 640,746 |

14. Creditors: Amounts falling due after more than one year

| | 2024 £ | 2023 £ |
|------------|-----------|-----------|
| Bank loans | 2,293,947 | 2,507,822 |

The entire balance of bank loans shown above is secured by a legal charge over the freehold property of Gad's Hill School. The loan is repayable in monthly instalments over the 15 year term. Interest is being charged each month at a fixed rate of 3.7% until 2029 and subsequently at a variable rate of 2.44% over the Bank of England base rate until maturity in 2034.

Included within the above are amounts falling due as follows:

| | 2024 £ | 2023 £ |
|-----------------------------------|-----------|-----------|
| Between one and two years | | |
| Bank loans | 223,509 | 215,402 |
| Between two and five years | | |
| Bank loans | 723,450 | 695,460 |
| Over five years | | |
| Bank loans | 1,346,988 | 1,596,960 |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

15. Financial instruments

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | £ | £ |
| Financial assets | | |
| Financial assets measured at amortised cost | 719,011 | 650,691 |
| | 2024 | 2023 |
| | £ | £ |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | (2,898,685) | (3,148,568) |

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and bank loans.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

16. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2023 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2024 £ |
|---------------------------------|----------------------------------|-------------------------|---------------------------|-------------------------|---------------------------------|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Charles Dickens Fund | 50,000 | - | - | - | 50,000 |
| Phase II New School Fund | 152,620 | - | - | - | 152,620 |
| | <u>202,620</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>202,620</u> |
| General funds | | | | | |
| General Funds | 3,399,180 | 5,364,054 | (5,203,823) | (2,661) | 3,556,750 |
| Unallocated amounts | - | 15,504 | (15,504) | - | - |
| | <u>3,399,180</u> | <u>5,379,558</u> | <u>(5,219,327)</u> | <u>(2,661)</u> | <u>3,556,750</u> |
| Total Unrestricted funds | <u><u>3,601,800</u></u> | <u><u>5,379,558</u></u> | <u><u>(5,219,327)</u></u> | <u><u>(2,661)</u></u> | <u><u>3,759,370</u></u> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

16. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 August 2022</i> | <i>Income</i> | <i>Expenditure</i> | <i>Gains/ (Losses)</i> | <i>Balance at 31 July 2023</i> |
|---------------------------------|---|-------------------------|---------------------------|----------------------------|------------------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Charles Dickens Fund | 50,000 | - | - | - | 50,000 |
| Phase II New School Fund | 152,620 | - | - | - | 152,620 |
| | <u>202,620</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>202,620</u> |
| General funds | | | | | |
| General Funds | 3,373,193 | 4,623,555 | (4,605,365) | 7,797 | 3,399,180 |
| Total Unrestricted funds | <u><u>3,575,813</u></u> | <u><u>4,623,555</u></u> | <u><u>(4,605,365)</u></u> | <u><u>7,797</u></u> | <u><u>3,601,800</u></u> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

17. Summary of funds

Summary of funds - current year

| | Balance at 1 August 2023 | Income | Expenditure | Gains/ (Losses) | Balance at 31 July 2024 |
|------------------|-------------------------------------|------------------|--------------------|----------------------------|------------------------------------|
| | £ | £ | £ | £ | £ |
| Designated funds | 202,620 | - | - | - | 202,620 |
| General funds | 3,399,180 | 5,379,558 | (5,219,327) | (2,661) | 3,556,750 |
| | <u>3,601,800</u> | <u>5,379,558</u> | <u>(5,219,327)</u> | <u>(2,661)</u> | <u>3,759,370</u> |

Summary of funds - prior year

| | <i>Balance at 1 August 2022</i> | <i>Income</i> | <i>Expenditure</i> | <i>Gains/ (Losses)</i> | <i>Balance at 31 July 2023</i> |
|------------------|---|------------------|--------------------|----------------------------|------------------------------------|
| | £ | £ | £ | £ | £ |
| Designated funds | 202,620 | - | - | - | 202,620 |
| General funds | 3,373,193 | 4,623,555 | (4,605,365) | 7,797 | 3,399,180 |
| | <u>3,575,813</u> | <u>4,623,555</u> | <u>(4,605,365)</u> | <u>7,797</u> | <u>3,601,800</u> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|--|--|---------------------------------------|
| Tangible fixed assets | 5,975,277 | 5,975,277 |
| Current assets | 752,822 | 752,822 |
| Creditors due within one year | (604,738) | (604,738) |
| Creditors due in more than one year | (2,293,947) | (2,293,947) |
| Provisions for liabilities and charges | (70,044) | (70,044) |
| Total | <u>3,759,370</u> | <u>3,759,370</u> |

Analysis of net assets between funds - prior period

| | <i>Unrestricted funds 2023 £</i> | <i>Total funds 2023 £</i> |
|--|--|---------------------------------------|
| Tangible fixed assets | 6,113,787 | 6,113,787 |
| Current assets | 709,350 | 709,350 |
| Creditors due within one year | (640,746) | (640,746) |
| Creditors due in more than one year | (2,507,822) | (2,507,822) |
| Provisions for liabilities and charges | (72,769) | (72,769) |
| Total | <u>3,601,800</u> | <u>3,601,800</u> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

19. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2024 £ | 2023 £ |
|--|-----------------|-----------|
| Net income for the period (as per Statement of Financial Activities) | 160,231 | 18,190 |
| Adjustments for: | | |
| Depreciation charges | 152,530 | 164,750 |
| Interest receivable | (15,504) | - |
| Interest payable | 106,420 | 93,809 |
| Unwinding of pension liability discounting | 3,866 | 2,657 |
| (Increase)/decrease in debtors | (44,373) | (101,618) |
| Increase/(decrease) in creditors | (43,820) | 4,082 |
| Repayment of pension deficit | (9,252) | (8,894) |
| Net cash provided by operating activities | 310,098 | 172,976 |

20. Analysis of cash and cash equivalents

| | 2024 £ | 2023 £ |
|--|----------------|-----------|
| Cash in hand | 481,005 | 481,906 |
| Total cash and cash equivalents | 481,005 | 481,906 |

21. Analysis of changes in net debt

| | At 1 August 2023 £ | Cash flows £ | Other non- cash changes £ | At 31 July 2024 £ |
|--------------------------|--------------------------|-----------------|------------------------------------|-------------------------|
| Cash at bank and in hand | 481,906 | (901) | - | 481,005 |
| Debt due within 1 year | (207,590) | 206,063 | (213,875) | (215,402) |
| Debt due after 1 year | (2,507,822) | - | 213,875 | (2,293,947) |
| | (2,233,506) | 205,162 | - | (2,028,344) |

Other non-cash changes relate to the aging of the bank loan.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

22. Pension commitments

The school operates two pension schemes, one of which provides benefits based on a final or career average pensionable salary, while the other operates on the basis of a defined contribution levels from the employer and the employee.

Teaching staff belong to the Teachers' Pension Scheme "TPS". This is an unfunded defined benefit scheme operated by the Government with contributions calculated on an actuarial basis, but set in relation to the current service period only.

In accordance with paragraph 28.11 of FRS 102, the contributions have been accounted for as if this were a defined contribution scheme. The employers contributions for the period were 23.68%. Some members of the support and administrative staff belong to The Independent Schools' Pension Scheme "ISPS". This scheme is run by Verity's Governors Limited. Verity is the governor of the Pensions Trust for Charities and Voluntary Organisations. Contributions are calculated as a percentage of employee's earnings. The contributions made by the employees are matched by the employer to the maximum of 4%. Employees are able to contribute more than this if they wish.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid.

The scheme is classified as a 'last-man standing arrangement'. Therefore the school is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The school has entered into an arrangement to repay the deficit of the multi-employer ISPS. The amount is repayable over 13 years, with the first repayment being made in September 2016. In the prior year this has been discounted to its net present value of £86,803. The effective interest charge will be unwound to the Statement of Financial Activities over the repayment period.

The pension charge for the period was £467,435 (2023 - £418,663). Outstanding contributions on the balance sheet amount to £97 (2023 - £Nil).

During the year, actuarial gains of £2,661 (2023 - £7,797) were recognised. These losses arose following a change in actuarial assumptions and amendments to the contribution schedule. The actuary has applied a discount rate to the provision of 3.24%. This rate is equivalent to the yield of a full AA corporate bond.

The school also paid a pension of £250 per month to a former Headmistress. It is committed to pay this for the remainder of her life. A provision of £14,596 (2023 - £17,596) for the unfunded pension is included within other creditors.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

23. Operating lease commitments

At 31 July 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2024 | <i>2023</i> |
|--|---------------------------|---------------------------|
| | £ | £ |
| Not later than 1 year | 9,871 | <i>10,691</i> |
| Later than 1 year and not later than 5 years | 9,052 | <i>21,382</i> |
| | <hr/> 18,923 <hr/> | <hr/> <i>32,073</i> <hr/> |

The following lease payments have been recognised as an expense in the Statement of financial activities:

| | 2024 | <i>2023</i> |
|-------------------------|---------------------------|---------------------------|
| | £ | £ |
| Operating lease rentals | 11,432 | <i>10,930</i> |
| | <hr/> 11,432 <hr/> | <hr/> <i>10,930</i> <hr/> |

24. Related party transactions

During the year, the School was invoiced for insurance services by The Waterhouse Group, a business in which Mr P Waterhouse, the father of governor Mrs K Hillocks, is the sole proprietor. The commission earned by The Waterhouse Group was £5,442 (2023 - £5,880). Total purchases from The Waterhouse Group totalled £54,426 in the year (2023 - £58,095). No amounts were outstanding at the balance sheet date (2023 - £Nil).

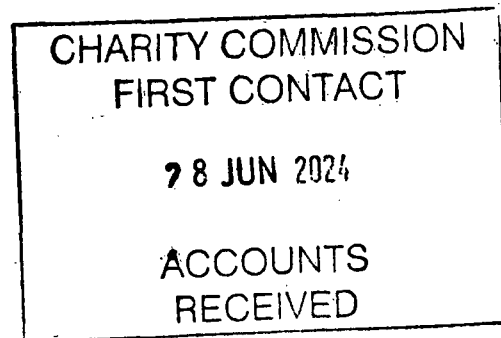
During the year, the school received donations of £Nil (2023 - £153) from The Friends of Gad's Hill School. The Friends of Gad's Hill School is a charity in which there are common governors.

GADS HILL SCHOOL

England & Wales - Charity number 803153

Accounts

Registered number: 02427105
Charity number: 803153



GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

GAD'S HILL SCHOOL

(A company limited by guarantee)

WOLVERHAMPTON CITY COUNCIL
GAD'S HILL SCHOOL

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GAD'S HILL SCHOOL
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2023**

| | |
|----------------------------------|---|
| Governors | Mr P Savage, Headmaster Mrs A H Cavalier Tej (appointed 14 December 2023) Mrs K Hillocks (resigned 14 December 2023) Mrs A Eggleton (resigned 20 March 2023) Mrs M S Taylor (appointed 2 November 2023) Miss N Barker Mr O Basi (resigned 14 December 2023) Mrs M Dickens Mrs D Piralic (appointed 18 September 2023) Mrs A J Clarabut (appointed 20 March 2023) Mr D Martin, Chair of Governors (appointed 18 September 2023) Mr S Martin (resigned 3 July 2023) Mr J Myatt Mr A A O'Brien (appointed 20 March 2023) Mr C Whittington Mr N Smith (resigned 12 October 2023) Mrs A H C Tej (appointed 14 December 2023) |
| Company registered number | 02427105 |
| Charity registered number | 803153 |
| Registered office | Gad's Hill Place Gravesend Road Higham Kent ME3 7PA |
| Independent auditor | Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH |
| Bankers | HSBC UK Bank PLC 84 New Road Gravesend Kent DA11 0AS |

GAD'S HILL SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Solicitors

Stone King LLP
Upper Borough Court
Upper Borough Walls
Bath
BA1 1RG

dgb Solicitors LLP
Captains House
Central Avenue
Pembroke
Chatham Maritime
Kent
ME4 4UF

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2023

The Governors are pleased to present their annual Governors' report together with the financial statements of the school for the year ending 31 July 2023. The Annual report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

Our Mission

Our mission is to enable our students to enjoy school, to achieve good academic qualifications and to develop those personal attributes and qualities which will guide them on their journey through life.

Our Vision

Our vision is to be the first-choice independent school for families in Kent who value a well-rounded education for their child. It is our intention that our students leave Gad's Hill School as confident, mature, articulate, pleasant and self-reliant young people who are well equipped to enter the world through a university education or career of their choice.

Our Values

We value Excellence, Enthusiasm, Friendship and Success. These attributes underpin all that we do. Our Mission and Vision are shaped by our commitment to educate children holistically, as articulated by our school motto: *"First to thine own self be true"*.

Our Ethos

Children do well when they are happy at school and at Gad's Hill we pride ourselves on providing a friendly environment, where enthusiasm and hard work are the foundations for achieving success.

There is more to life than exam results alone and while Gad's enjoys the reputation of receiving good GCSE results this is not our sole focus. We want to offer our pupils a foundation in life, working with them to become confident, motivated and articulate young people ready for the next stage in their education and life beyond.

Structure, Governance and Management

CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company is constituted under a Trust deed and is a registered charity with number 803153.

The charitable objects of the School as set out in the Articles of Association (as amended by Special Resolution dated 28 January 2009) are to advance education and training (including physical training) for the public benefit by provision of a school or schools in the county of Kent, in particular the school known as Gad's Hill School, Higham, Kent.

CODE OF GOVERNANCE

The Board has recently established a Governance and Nominations Committee ("**G&NC**") and this group has led the Board in undertaking the Association of Governing Bodies of Independent Schools ("**AGBIS**") self-review exercise, which incorporates, and expands upon, the Charity Commission's Governance Code and Self-Assessment Checklist. Based on these results the Board, through G&NC, is driving forward a review and rationalisation of its committee structure, reporting lines so as to ensure the charity operates as effectively and

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Objectives and activities (continued)

efficiently as possible, and in accordance with third-sector best practice.

METHOD OF APPOINTMENT OR ELECTION OF GOVERNORS

The management of the company is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

Under the Articles, the Headmaster is a governor. Two governors are appointed by The Dickens Fellowship (one of whom is a member of the Dickens family) and one by election as a Chair or representative of The Friends of Gad's Hill School (a separate registered charity) representing parents of pupils at the school. The remaining governors are elected at a general meeting and one-third of the elected governors, determined by length of service, retires by rotation each year, and may stand for re-election. Nominations for new governors are proposed based on adding specialist skills to the governing body e.g. legal, financial, educational, medical, estates expertise and so on; this nominations process is led by the G&NC.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New governors are formally inducted into their roles through a series of briefings by the Chair, Headmaster, and Clerk to the Governing Body, along with other members of the School's senior leadership team ("SLT") as appropriate. Governors are encouraged to visit the school regularly and are given an insight into previous meetings of the Board via minutes and the accompanying reports. The governors are offered further training through AGBIS and are informed of seminars held throughout the period that are thought to be beneficial to their governance.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The governors, as trustees of the charity and directors of the company, are legally responsible for the overall management and control of the school. They meet a minimum of four times per year, normally once per academic term and once at the commencement of the new school year. There are various sub-committees which meet as required to deal with areas of the School. The governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmaster.

KEY MANAGEMENT PERSONNEL AND REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all governors of the charity. Remuneration details are disclosed in these financial statements. Aside from Governors, the other key management personnel are:

- Mr Paul Savage, Headmaster
- Miss Louise Tucker, Head of Seniors
- Miss Samantha Long, Head of Juniors
- Mrs Vicky Grant, Head of Kindergarten
- Mr Malcom Gray, Bursar, Clerk to the Governing Body and Company Secretary

The Board of Governors is responsible for approving the remuneration levels of all employees. The unremunerated governors approve the Headmaster's remuneration, the Headmaster being the only governor who receives remuneration for his role overseeing the day-to-day running of the school. The Governors' Staff Salary Review Board ("SSRB") sets the salaries individually for the Headmaster and Bursar. The other key management personnel are each paid on one of two SLT incremental pay scales set by the SSRB.

FINANCIAL RISK MANAGEMENT

The governors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

GAD'S HILL SCHOOL
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Objectives and activities (continued)

OTHER RELATIONSHIPS

The Headmaster is a member of the Independent Schools Association ("ISA"), and the School is a member of the Independent Schools' Bursars Association ("ISBA") and The Association of Governing Bodies in Independent Education ("AGBIS"). In addition to providing crucial support to the School and its various leaders, these organisations represent the independent education sector at a national level in contact with the Government and others. Several of our teachers are members of the Chartered College of Teaching ("CCT").

Achievements and performance

a. 2022/23: The Year in Review

Our objectives for 2022/23 were:

Governance and Staffing:

- Increase vehicle flexibility with more staff having D1 driving licences.
- Explore Higher Education accreditation for staff CPD.
- Re-define and implement effective performance management for all.
- Develop Initial Teacher Training further.
- Implement bespoke training plan for Teaching Assistants.

Curriculum and Pupils:

- Fully embed rigorous phonics teaching, alongside other measures to improve reading attainment and attitudes to reading in the Lower School
- Review outside provision for pupils.
- Implement new procedures for provision mapping and monitoring of interventions and other support for pupils of all abilities.
- Improve whole-school enrichment programme.
- Improve the consistency and impact of feedback and marking.
- Review homework in the Lower School to ensure it has a positive impact on pupils' learning.
- Re-imagine holiday club provision.
- Further links with other maintained and independent schools to share best practice and increase collaboration.

Facilities and Premises:

- Refresh transport fleet.
- Develop "culture of giving" with parents and alumni.
- Obtain planning consent for updated senior school accommodation.
- Develop mechanism for approving 'interim' accommodation improvement projects.

Community and Social Action:

- Create new links for university partnerships leading to post-16 opportunities for our pupils.
- Visit, host and share best practice with "excellent" ISI-rated schools.
- Establish working party to drive centenary celebrations in 2024.
- Develop alumni programme including events, career support and philanthropy, and more actively monitor leavers' destinations and early careers.
- Develop partnerships with local schools, sporting and voluntary organisations.

GAD'S HILL SCHOOL
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

b. Achieving the Objectives set for 2022/23

Governance and Staffing:

Re-define and implement effective performance management for all

The Professional Learning programme for all teaching staff has continued to run successfully throughout the academic year, with all teachers completing Professional Learning Logs for setting subject-focussed and professional development targets. The programme has been developed this year by the introduction of regular peer coaching sessions, allowing colleagues to review and develop their work towards targets through frequent peer conversations, and to work collaboratively in planning or to find relevant research. Professional development in the school has expanded further with the implementation of a bespoke training programme for teaching and inclusion assistants. Weekly training is delivered by members of the Senior Leadership Team and other colleagues with a focus on priority areas of the school's development plan and key pupil SEND needs.

During the course of 2022/23, a new teaching and learning monitoring and review programme was introduced. Five reviews, focussed on various characteristics of outstanding practice, will be carried out across 2023/24, with every teacher observed in each review fortnight. Detailed written reports will highlight strengths in whole-school practice and areas for development, which will be addressed via our weekly staff development sessions. In 2022/23, the first of these reviews investigated the activation of 'hard thinking' in lessons across the school.

Develop Initial Teacher Training further

During 2022-23, the school employed three Early Career Teachers. One completed their second year of ECT with an outstanding grading, while two others enjoyed successful first years of the programme. Although no further trainees or ECTs have been appointed during the course of the year or ahead of 2023/24, the school is well-equipped to support new or early career teaching colleagues and will actively pursue such appointments.

Increase vehicle flexibility with more staff having D1 driving licences

The fleet of minibuses has continued to grow, with six daily routes now in operation to bring pupils to and from school across our wide catchment area. Recruitment of drivers has increased accordingly, and the transport manager now has a strong bank of available drivers to use to meet the high demand for educational visits, sporting fixtures, swimming lessons etc. as well as ensuring continuity of service for morning and evening routes.

Explore Higher Education accreditation for staff CPD

A number of staff across the school continue to undertake study towards professional qualifications, including National Professional Qualifications, Masters degrees and Teaching Assistant qualifications.

Curriculum and Pupils:

Fully embed rigorous phonics teaching alongside other measures to improve reading attainment and attitudes to reading in the Lower School

External training in the school's Read, Write, Inc. phonics programme was delivered to all Lower School staff during the course of 2022/23, consisting of Speed Sound and Story Book training. The Lower School Senior Leader also received further training to ensure assessment of phonics were robust, regular and precise. This has resulted in the explicit teaching of phonics throughout the Lower School in a systematic approach to support children in making connections between the sound patterns they hear in words when reading and the way that these words are written. The Lower School Senior Leader continued to deliver weekly practice sessions and updates to all staff.

The teaching of phonics matches the children's current level of skill in terms of their phonemic awareness and their knowledge of letter sounds and patterns (graphemes). Kindergarten phonics lessons were reorganised to be held simultaneously on a daily basis, allowing for effective grouping of pupils according to need, and intervention provision for those requiring additional support.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

The Lower School team are aware that phonics improves the accuracy of children's reading but not necessarily their comprehension. The team recognise this and place emphasis on all aspects of reading. Training was provided to the whole Lower School during a staff development day on the Power of Reading (CLPE) which is a programme to evolve a high-quality literacy curriculum which develops reading comprehension and writing composition and fosters a love of reading. This continues to be rolled out in 23/24, The Power of Reading is implemented from K2 onwards, once children have mastered the necessary phonic skills.

The Lower School Senior Leader continued to deliver weekly practice meetings for staff, and a colleague also attended CLPE training for more able writers. Workshops were held for parents within the kindergarten focusing on how we teach children to read and how they can provide further support at home.

A full audit of the Lower School's reading materials was conducted, and the school invested in additional books and reading resources, particularly to improve the range of stories available for less advanced readers. Additionally, pupil librarians were appointed, and support sessions delivered to parents to ensure their effective involvement. The reemphasis on rigorous phonics teaching resulted in improved early reading skills and comprehension outcomes across the Lower School.

Review the outside provision for pupils

The Senior Leadership team looked to improve the choice of activities during break and lunch times. Training sessions were held for support staff and reviews of supervision and the activities on offer. New equipment and games were implemented ensuring that they were age-appropriate and developed social and team building skills. This continues to be rolled out in 23/24.

Implement new procedures for provision mapping and monitoring of interventions and other support for pupils of all abilities

The Inclusion Leader delivered a number of training sessions to colleagues to reinforce the importance of effective provision mapping to ensure quality teaching and intervention for all pupils across the school. Regular review of provision is a key element of the new teaching and learning monitoring system first implemented in 2022/23. All teachers across all phases of the school use a consistent mapping template to identify quality first teaching strategies, as well as short- and long-term interventions and associated entry and exit data. Professional development time has been allocated to staff to update these provision maps as part of the termly assessment cycle. The template has been updated for 2023-24 to further increase consistency and efficiency of completion.

Improve whole-school enrichment programme

The Pupil Personal Development Lead worked closely with the Senior Leadership Team during 2022/23 to deliver a substantial improvement to the school's enrichment programme, particularly in the Upper School. Pupils now have access to a significant number of clubs and activities before and after school and during lunchtimes. Clubs available include sport and music clubs, subject-specific activities, such as STEM clubs and support clinics, as well as a diverse programme ranging from Minecraft to Astronomy. In the Upper School a daily lunch hub was established in the Reading Room for all pupils, providing access to inclusion staff for any pupils in need of support. In the Lower School work has been done to develop the resources and activities on offer to enhance the value of break and lunchtime play. The Pupil Personal Development Lead continues to monitor club attendance and conducts surveys to identify pupil voice.

Improve the consistency and impact of feedback and marking

Work was undertaken throughout 2022/23, led by the Planning and Feedback Lead, to review the principles of effective feedback. The Lead teacher attended training with the ISA which was shared with the Senior Leadership Team and helped form the basis of a reviewed and rewritten Feedback Policy and implementation guide for Lower School, drawing on examples of outstanding practice from her own review of assessment across the school. The new teaching and learning monitoring programme incorporates opportunities for monitoring of marking in books by the Senior Leadership Team, in addition to peer book reviews to be conducted during staff conference training time. In the Lower School, colleagues have undertaken training on end of Key Stage

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

assessments and the school hosted moderation sessions for our colleagues and those of other local primary schools.

Review homework in the Lower School to ensure it has a positive impact on pupils' learning

In 2022/23, a new Lower School Home Learning Policy was created, following work by colleagues across the department to review current research on effective homework provision. New home reading resources were purchased for the Kindergarten from the Read Write Inc scheme, so all phonics books now link to a child's phonic stage and the sounds they have learned. Outstanding virtual phonic lessons are sent to parents every half term via QR codes for the children to complete at home. The school's Knowledge Organisers were made more easily accessible to parents via Microsoft Teams to allow for greater support with home learning, in addition to Stretch and Challenge menus which continue to provide additional challenge materials for the most able.

Re-imagine holiday club provision

Holiday Club provision continues to be an important part of our wider school provision, but this objective was deferred to 2023/24.

Further links with other maintained and independent schools to share best practice and increase collaboration

The school has developed a number of links with other local schools both in the maintained and independent sectors. We remain a member of the Medway Educational Leaders Association and have used partnerships developed there to organise reading and writing moderation sessions, and have shared good practice in regard to our use of Forest School. A new Director of Sport has built on stronger ties with local schools to significantly increase the number of fixtures offered to our pupils, while we also provide our facilities to a local Brownie and Guide group.

Facilities and Premises:

Obtain planning consent for updated senior school accommodation

During the course of 2022/23, the school has continued to work with architects, heritage consultants and the local authority in progressing a pre-application for updated school learning accommodation and for the preservation of Gad's Hill Place and the creation of a Creative Arts Hub. Progress remains positive and, during 2023/24, the school will progress to application for planning consent.

Develop mechanism for approving 'interim' accommodation improvement projects

The estates and maintenance team has been restructured, with the appointment of an Operations Manager, line managing various estates and infrastructure teams. Interim projects are raised to the Senior Leadership Team who will charge the Operations Manager with delivering approved projects.

Audit technology assets and establish investment plan

Deferred to 2023/24

Develop "culture of giving" with parents and alumni

In 2024, the school will enter its centenary year. A number of events have been arranged, including plans developed in conjunction with Gravesham Borough Council.

Community and Social Action:

Create new links for university partnerships leading to post-16 opportunities for our pupils

Deferred to 2023/24

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

Visit, host and share best practice with "excellent" ISI-rated schools
Deferred to 2023/24

Establish working party to drive centenary celebrations in 2024

The school has organised several centenary projects and events, including in collaboration with other local organisations reaching milestone anniversaries in 2024. The working party continues to plan further activities to celebrate the school's history, the strength of its current status, and its plans for the future.

Develop alumni programme including events, career support and philanthropy, and more actively monitor leavers' destinations and early careers

During 2022/23 a number of alumni were contacted to provide recollections and photographic records of their time as pupils within the school. These renewed collections have enabled the school to begin using former pupils to enrich the school calendar of events, with former pupils delivering speeches at Post-16 information sessions, for example. It is notable that several former pupils now work within the school. More active monitoring of leavers' destinations was undertaken in 2022/23, with the greatest proportion of pupils moving on to grammar school sixth forms for the next stage in their education.

Develop partnerships with local schools, sporting and voluntary organisations

As above, a new Director of Sport has built on stronger ties with local schools to significantly increase the number of fixtures offered to our pupils, while we also provide our facilities to a local Brownie and Guide group. Pupils from several different age ranges have participated in the Medway Mini Youth Games with great success.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

c. Other Activities and Achievements in 2020/21 and Useful Information

PUPIL NUMBERS, CLASS SIZES AND FEES

Average pupil numbers and class sizes for the year are set out below along with the fees charged.

| 2022/23 | | | | | |
|--------------------------------|-------------------------------------|------------|------------|--------------------|---------|
| Section | Year Group | Average | | Standard Fee Level | |
| | | Pupils | Class Size | Termly | Annual |
| Kindergarten | KN (Nursery) | 30 | 24* | £3,336 | £10,008 |
| | KR (Reception) | 20 | 20 | £3,336 | £10,008 |
| | K1 (Year 1) | 19 | 20 | £3,924 | £11,772 |
| | K2 (Year 2) | 18 | 18 | £3,924 | £11,772 |
| | Overall (Nursery to Year 2) | 88 | 20 | | |
| | <i>cf Nursery to Year 2 2021/22</i> | <i>75</i> | <i>18</i> | | |
| Juniors | J3 (Year 3) | 28 | 10 | £4,160 | £12,480 |
| | J4 (Year 4) | 27 | 15 | £4,160 | £12,480 |
| | J5 (Year 5) | 28 | 14 | £4,160 | £12,480 |
| | Remove (Year 6) | 38 | 16 | £4,160 | £12,480 |
| | Overall (Years 3 to 6) | 121 | 14 | | |
| | <i>cf Years 3 to 6 2021/22</i> | <i>109</i> | <i>13</i> | | |
| Seniors | Shell (Year 7) | 42 | 15 | £4,456 | £13,368 |
| | Lower 4 th (Year 8) | 30 | 14 | £4,456 | £13,368 |
| | Upper 4 th (Year 9) | 35 | 15 | £4,748 | £14,244 |
| | Lower 5 th (Year 10) | 31 | 16 | £4,748 | £14,244 |
| | Upper 5 th (Year 11) | 19 | 14 | £4,748 | £14,244 |
| Overall (Years 7 to 11) | 157 | 15 | | | |
| | <i>cf Years 7 to 11 2021/22</i> | <i>147</i> | <i>16</i> | | |
| Whole School | | 366 | 15 | | |
| <i>cf Whole School 2021/22</i> | | <i>331</i> | <i>16</i> | | |

* N.B. Nursery pupils attend for varying numbers of sessions each week and this is managed so as to ensure that there are never more than 20 nursery pupils in a class at any one time, and always with at least the required number of staff, if not more.

Pupil numbers remained pleasingly on target with 10.57% growth in total pupil numbers over the year before. Fee levels were on average a modest 3.22% higher than those charged in the preceding year.

EXPANSION OF OUR SENIOR SCHOOL

In 2021/22, based on increasing demand and scholarship uptake, we expanded our Senior School to three form entry (from two) so as to accommodate increased demand for places at Gad's Hill School.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

ACADEMIC PERFORMANCE

Lower School:

- 88% of pupils at the end of Nursery were assessed to be working on-track in all areas. The remaining 2 pupils were 'working towards' due to developing age-appropriate self-regulation and were still assessed as ready for their transition to Reception this year.
- Following a year of investment, training, intervention and focus on developing the quality and rigour of phonics teaching, the impact is clear from the Year 1 phonics screening data where results raised from 53% passing last year to 75% this year. In Reception the impact can also be clearly seen, with 93% of children working at the expected level for word reading and comprehension.
- End of Kindergarten assessments (Year 2) were very strong with 96% of children working at expected or above in Reading, Writing and Maths. Only one pupil was assessed to be working below age-related expectations in each core subject.
- Following systematic and targeted interventions, all Year 2 children passed a re-take of the phonics screening (of which only 53% had passed in Year 1).
- 77% of pupils in Years 3-5 were at or above expected levels in all NFER assessments taken (an increase on 75% last year), with 20% of these achieving greater depth in all areas.
- The percentage of children working at greater depth in Years 3-5 is particularly impressive and demonstrates increasingly high expectations and the impact of a whole-school focus on stretch and challenge for all.
- Lower Shell SATs results exceeded national averages for reading, writing, grammar and punctuation and spelling.

Upper School:

- In summer 2023, several Upper Fifth pupils achieved outstanding individual successes, gaining grades 7-9 in multiple subjects. As in previous years, our 'value added' data remains impressive: most pupils make progress far beyond their (nationally standardised) expectations. In summer 2023, for example, Food and Nutrition grades were on average 2.3 grades higher than would have been expected of that cohort of pupils. History results were on average 2 whole grades higher than expected, Geography outcomes were +1.4 grades above expectation, Art was +1.4, English Literature +0.9, Drama +0.8, and Computer Science and English Language grades were both on average half a grade higher than expectations.
- The first-choice destination for our Upper Fifth leavers continues to be local grammar schools – with 32% of pupils this summer gaining places at Sir Joseph Williamson's Maths School, Fort Pitt, Chatham Girls Grammar, Invicta Girls Grammar and Wilmington Grammar. Meanwhile other talented Upper Fifths are leaving Gad's Hill for exciting opportunities at the BRITT School and Dartford Football Academy or have gained places in highly selective apprenticeship programmes.
- As ever, pupil success in gaining qualifications extends beyond GCSE – our pupils enjoyed an outstanding year of achievement in Institute of Leadership & Management qualifications, BTECs, LAMDA awards and Duke of Edinburgh Bronze and Silver awards.

CHARLES DICKENS ACADEMIC SCHOLARSHIPS

- Autumn Term 2023 saw the sixth wave of Charles Dickens ("CD") academic scholars commence in the Upper School, with a further 10 of the most able children in the area receiving this form of fee assistance. Of particular note, one pupil entered the Upper School with a 100% CD Scholarship, bringing to five the number of Charles Dickens Scholars receiving 100% Fee Assistance.

OTHER FORMS OF FEE ASSISTANCE

- Significant increases in both the proportion of gross fee income used to provide fee assistance, and the

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

proportion of families benefiting from some of fee assistance are set out elsewhere in this report.

- Governors keep under review our policies for all forms of fee assistance to ensure that as many suitable pupils as possible can benefit from the education offered at Gad's Hill School even if their family financial circumstances would otherwise preclude this.

PUBLIC BENEFIT

- The school educated an average of 209 primary- and 157 secondary-age pupils during 2022/23 at no cost to the public purse (except for "Free Early Education" funding available to all providers. The absolute minimum it would have cost public funds to educate these pupils at the Government's minimum per pupil funding levels would be £1.9M (2022: £1.724M). The real savings to the public purse, however, are considerably greater when the value of capital grants, VAT reclaims and so on are considered. Our staff live predominantly in Kent and Medway and hence our support to the local economy as the employer of nearly 100 people is significant. Support of our local economy has been increased further by choosing local suppliers for food produce wherever possible, taking more trips to local sites and attractions, and so on.

Financial Review

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies and the form submitted for the audit.

RESERVES POLICY

RESERVES AND FINANCIAL HEALTH

The Governors review regularly the finances of the school and plan for future years. In common with other independent schools, Governors have invested substantial sums into new and improved buildings and facilities in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Although as shown on the balance sheet the school's free reserves (unrestricted reserves less fixed assets) are at a negative balance of £2,511,987 (2022: £2,625,495), this illustrates the extent of the investment in our school, which is common practice for schools in the sector which must finance their own capital investment plans. The governors consider that, given the strength of the charity's balance sheet, the stable cash flow from healthy student rolls, the ongoing popularity of our school, and our strong relationship with bankers, there is no current need to build up a free reserve.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors is responsible for the management of risks faced by the school. Each year the SLT and Board identify and assess risks and implement controls to mitigate against these. Key controls implemented by the school include:

- Formal agenda and papers for all Board and committee activities
- Strategic planning, budgeting, and management accounting
- Structured financial and other forecasting (eg pupil numbers) for future years
- Established organisational structure and understood lines of reporting.
- Formal written policies.

PRINCIPAL FUNDING.

The principal funding of the school is from school fees.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

APPROACH TO FUNDRAISING

Fundraising income remains low, however the school does not specifically target resources for this source of funding. This year the school received donations amounting to £nil (2022: £nil). No fundraising complaints (2022: nil) were received during the year.

Financial review

Structure, governance and management

a. Constitution

Gad's Hill School is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Governors

The management of the Charity is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

c. Financial risk management

The Governors have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Looking Forward to 2023/24 and Beyond

OBJECTIVES FOR 2023/24

The Board has set the following objectives for 2023/24:

Governance and Staffing:

- Develop effective new structure for strategic leadership from the Board of Governors, following transition to a new Chair of Governors
- Ensure sufficient staffing capacity to allow school to progress work towards the development of new learning accommodation.
- Review Head of Department roles, increasing responsibility for impactful leadership at departmental level

Curriculum and Pupils

- Complete first full year of new teaching and learning monitoring and review system with impact on pupil outcomes.
- Complete first full year of the Greatest of Expectations Wellbeing Self Evaluation programme
- Secure strong GCSE outcomes for first scholarship cohort.
- Improve reading attainment and attitudes to reading in Lower School and review the Upper School reading room provision.
- Improve consistency and impact of feedback and marking.
- Improve outcomes for pupils at the end of EYFS.
- Improve children's application and knowledge of spelling.
- Embed a culture of success and high expectations for all.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Plans for future periods (continued)

- Offer enhanced opportunities for pupil voice, including through a new whole-school School Council and an effective and meaningful student leadership system.

Facilities and Premises:

- Obtain planning consent for updated senior school accommodation.
- Audit technology assets and establish investment plan.

Community and Social Action:

- Celebrate centenary with focus on heritage and alumni.
- Build close relationships with all stakeholders involved in site development.
- Develop links with other independent and maintained settings.
- Embed a Greatest of Expectations culture across all aspects of school life.

Statement of Governors' responsibilities

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

Company law requires the Governors to prepare financial statements for each financial . Under company law, the Governors 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:



.....

Mr D Martin
(Chair of Governors)
Date: 6 June 2024

GAD'S HILL SCHOOL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S HILL SCHOOL

Opinion

We have audited the financial statements of Gad's Hill School (the 'charity') for the year ended 31 July 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S HILL SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 Governors' responsibilities statement, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S HILL SCHOOL (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiries of management about their own identification and assessment of the risks of irregularities;
- reviewing board minutes and making enquiries of management regarding any non-compliance with laws and regulations and fraud;
- reviewing the revenue, supplier payments and payroll systems for significant deficiencies or susceptibility to fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- reviewing journal entries, in particular any journal entries posted with unusual account combinations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

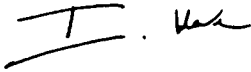
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S HILL SCHOOL (CONTINUED)



Ian Weekes (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 25 June 2024

GAD'S HILL SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2023**

| | Note | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Charitable activities | 4 | 4,623,555 | 4,623,555 | 4,259,076 |
| Total income | | <u>4,623,555</u> | <u>4,623,555</u> | <u>4,259,076</u> |
| Expenditure on: | | | | |
| Provision of education | 5 | 4,605,365 | 4,605,365 | 4,124,259 |
| Total expenditure | | <u>4,605,365</u> | <u>4,605,365</u> | <u>4,124,259</u> |
| Net movement in funds before other recognised gains/(losses) | | 18,190 | 18,190 | 134,817 |
| Other recognised gains/(losses): | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 21 | 7,797 | 7,797 | (21,695) |
| Net movement in funds | | <u>25,987</u> | <u>25,987</u> | <u>113,122</u> |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 3,575,813 | 3,575,813 | 3,462,691 |
| Net movement in funds | | 25,987 | 25,987 | 113,122 |
| Total funds carried forward | | <u>3,601,800</u> | <u>3,601,800</u> | <u>3,575,813</u> |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 42 form part of these financial statements.

GAD'S HILL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 02427105

BALANCE SHEET
AS AT 31 JULY 2023

| | Note | 2023 £ | 2022 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 6,113,787 | 6,201,308 |
| | | <u>6,113,787</u> | <u>6,201,308</u> |
| Current assets | | | |
| Debtors | 11 | 227,444 | 125,826 |
| Cash at bank and in hand | | 481,906 | 680,029 |
| | | <u>709,350</u> | <u>805,855</u> |
| Creditors: amounts falling due within one year | 12 | (640,746) | (629,135) |
| Net current assets | | <u>68,604</u> | <u>176,720</u> |
| Total assets less current liabilities | | <u>6,182,391</u> | <u>6,378,028</u> |
| Creditors: amounts falling due after more than one year | 13 | (2,507,822) | (2,715,412) |
| Net assets excluding pension liability | | <u>3,674,569</u> | <u>3,662,616</u> |
| Defined benefit pension scheme liability | 21 | (72,769) | (86,803) |
| Total net assets | | <u><u>3,601,800</u></u> | <u><u>3,575,813</u></u> |
| Charity funds | | | |
| Restricted funds | 15 | - | - |
| Unrestricted funds | 15 | 3,601,800 | 3,575,813 |
| Total funds | | <u><u>3,601,800</u></u> | <u><u>3,575,813</u></u> |

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



.....
Mr D Martin
 (Chair of Governors)
 Date: 6 June 2024

The notes on pages 23 to 42 form part of these financial statements.

GAD'S HILL SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Cash flows from operating activities | | |
| Net cash from operating activities | 172,976 | 396,865 |
| Cash flows from investing activities | | |
| Dividends, interests and rents from investments | - | 1,310 |
| Purchase of tangible fixed assets | (77,229) | (69,611) |
| Net cash used in investing activities | (77,229) | (68,301) |
| Cash flows from financing activities | | |
| Repayments of borrowing | (200,061) | (192,211) |
| Interest paid on loan | (93,809) | (112,334) |
| Net cash used in financing activities | (293,870) | (304,545) |
| Change in cash and cash equivalents in the year | (198,123) | 24,019 |
| Cash and cash equivalents at the beginning of the year | 680,029 | 656,010 |
| Cash and cash equivalents at the end of the year | <u>481,906</u> | <u>680,029</u> |

The notes on pages 23 to 42 form part of these financial statements

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1. General information

The School is a company limited by guarantee. The members of the company are the Trustees named in the front of the financial statements. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

The company is registered in England and Wales, registered number 02427105 and its registered office is:

Gad's Hill Place,
Gravesend Road,
Higham,
Kent, ME3 7PA.

The company is a registered charity number 803153, its principal activity is the provision of education service.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gad's Hill School 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.

2.2 Going concern

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements. After reviewing forecasts and projections, the Trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. The Governors therefore continue to adopt the going concern basis in preparing the financial statements.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.4 Fee income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarships, bursaries and other allowances. Interest income is accounted for on a receivable basis.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method

Depreciation is provided on the following bases:

| | |
|-----------------------|----------------------|
| Freehold property | - 2% on cost |
| Motor vehicles | - 25% on cost |
| Fixtures and fittings | - 20% to 25% on cost |

Land of £140,000 is not depreciated.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Known bad debts are written off and provision is made for any considered to be doubtful. Trade debtors relates to income owed for charitable services provided.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within Interest payable and similar charges.

Fees received in advance are carried forward for credit in the period to which they relate.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

Teaching staff are members of the Teacher's Pension Scheme (TPS), a defined benefit scheme administered by the Teacher's Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The TPS is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial variances are carried out on a national set of investments. Under the definitions set out in FRS 102 the TPS is a multi-employer pension scheme. The charity is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it was a defined contribution scheme.

The charity also contributes to a personal pension scheme for its non-teaching staff and the pension charge recognised in the Statement of Financial Activities represents the amounts payable by the charity to the fund in respect of the year.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. These are assessed annually and may vary each year depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The Charity makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analysed historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment terms when making judgement to evaluate the adequacy of the allowance of doubtful debts.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

4. Income from charitable activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------|--|---------------------------------------|
| Fees receivable | 4,279,599 | 4,279,599 |
| Registration fees | 9,585 | 9,585 |
| Educational requisites income | 228,779 | 228,779 |
| Sundry income | 105,592 | 105,592 |
| | 4,623,555 | 4,623,555 |
| | 4,623,555 | 4,623,555 |
| | <i>Unrestricted funds 2022 £</i> | <i>Total funds 2022 £</i> |
| Fees receivable | 3,901,142 | 3,901,142 |
| Registration fees | 9,800 | 9,800 |
| Educational requisites income | 212,582 | 212,582 |
| Sundry income | 135,552 | 135,552 |
| | 4,259,076 | 4,259,076 |
| | 4,259,076 | 4,259,076 |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

5. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2023 £ | Total 2023 £ |
|------------------|--|-----------------------------|
| Education | 2,880,855 | 2,880,855 |
| Welfare | 231,903 | 231,903 |
| Premises | 729,266 | 729,266 |
| Administration | 669,532 | 669,532 |
| Interest payable | 93,809 | 93,809 |
| | <u>4,605,365</u> | <u>4,605,365</u> |

| | <i>Unrestricted funds 2022 £</i> | <i>Total 2022 £</i> |
|------------------|--|-----------------------------|
| Education | 2,616,279 | 2,616,279 |
| Welfare | 204,159 | 204,159 |
| Premises | 636,639 | 636,639 |
| Administration | 556,158 | 556,158 |
| Interest payable | 111,024 | 111,024 |
| | <u>4,124,259</u> | <u>4,124,259</u> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

5. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

| | Staff costs 2023 £ | Depreciation 2023 £ | Other costs 2023 £ | Total 2023 £ |
|------------------|---------------------------------|----------------------------------|---------------------------------|---------------------------|
| Education | 2,559,696 | - | 321,159 | 2,880,855 |
| Welfare | 199,157 | - | 32,746 | 231,903 |
| Premises | 155,050 | 164,748 | 409,468 | 729,266 |
| Administration | 334,020 | - | 335,512 | 669,532 |
| Interest payable | - | - | 93,809 | 93,809 |
| | <u>3,247,923</u> | <u>164,748</u> | <u>1,192,694</u> | <u>4,605,365</u> |
| | <u>Staff costs</u> 2022 £ | <u>Depreciation</u> 2022 £ | <u>Other costs</u> 2022 £ | <u>Total</u> 2022 £ |
| Education | 2,304,615 | - | 311,664 | 2,616,279 |
| Welfare | 163,427 | - | 40,732 | 204,159 |
| Premises | 187,454 | 146,653 | 302,532 | 636,639 |
| Administration | 323,636 | - | 232,522 | 556,158 |
| Interest payable | - | - | 111,024 | 111,024 |
| | <u>2,979,132</u> | <u>146,653</u> | <u>998,474</u> | <u>4,124,259</u> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

6. Analysis of expenditure by activities

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ |
|------------------|---|-------------------------------|-----------------------------|
| Education | 2,848,011 | 32,844 | 2,880,855 |
| Welfare | 199,157 | 32,746 | 231,903 |
| Premises | 564,518 | 164,748 | 729,266 |
| Administration | 669,532 | - | 669,532 |
| Interest payable | 93,809 | - | 93,809 |
| | 4,375,027 | 230,338 | 4,605,365 |

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ |
|------------------|---|-------------------------------|-----------------------------|
| Education | 2,580,832 | 35,447 | 2,616,279 |
| Welfare | 163,427 | 40,732 | 204,159 |
| Premises | 489,986 | 146,653 | 636,639 |
| Administration | 556,159 | - | 556,159 |
| Interest payable | 111,024 | - | 111,024 |
| | 3,901,428 | 222,832 | 4,124,259 |

7. Auditor's remuneration

| | 2023 £ | 2022 £ |
|--|------------|------------|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | 17,500 | 14,285 |
| Fees payable to the Charity's auditor in respect of: | | |
| Preparation of statutory accounts | 2,250 | 1,500 |
| Independent audit of Teachers' Pension Scheme | 890 | 825 |
| | 890 | 825 |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

8. Staff costs

| | 2023 | 2022 |
|--|-----------|-----------|
| | £ | £ |
| Wages and salaries | 2,590,271 | 2,369,132 |
| Social security costs | 238,989 | 211,522 |
| Contribution to defined contribution pension schemes | 418,663 | 398,478 |
| | 3,247,923 | 2,979,132 |

The average number of persons employed by the Charity during the year was as follows:

| | 2023 | 2022 |
|--|------|------|
| | No. | No. |
| Average number of full-time equivalent employees | 97 | 85 |

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

| | 2023 | 2022 |
|-------------------------------|------|------|
| | No. | No. |
| In the band £60,001 - £70,000 | 1 | 1 |
| In the band £80,001 - £90,000 | 1 | 1 |

Key management personnel are considered to be the Governors of the school and their remuneration is disclosed below in note 9.

9. Governors' remuneration and expenses

During the year, one or more Governors has been paid remuneration or has received other benefits from an employment with the Charity. The value of Governors' remuneration and other benefits was as follows:

| | | 2023 | 2022 |
|-------------|--------------|--------|--------|
| | | £ | £ |
| Mr P Savage | Remuneration | 88,227 | 81,020 |

Remuneration of £88,227 (2022 - £81,020) and pensions contributions of £20,892 (2022 - £19,186) were paid in respect of the highest paid Governor.

During the year, retirement benefits were accruing to 1 Governors (2022 - 1) in respect of defined benefit pension schemes.

GAD'S HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

9. Governors' remuneration and expenses (continued)

During the year ended 31 July 2023, expenses totalling £NIL were reimbursed or paid directly to Governors (2022 - £339).

10. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--------------------------|---------------------------|------------------------|-------------------------------|-------------------------|
| Cost or valuation | | | | |
| At 1 August 2022 | 6,500,000 | 243,076 | 600,913 | 7,343,989 |
| Additions | - | 58,460 | 18,769 | 77,229 |
| Disposals | - | (71,758) | - | (71,758) |
| At 31 July 2023 | <u>6,500,000</u> | <u>229,778</u> | <u>619,682</u> | <u>7,349,460</u> |
| Depreciation | | | | |
| At 1 August 2022 | 446,065 | 192,281 | 504,335 | 1,142,681 |
| Charge for the year | 89,069 | 39,003 | 36,678 | 164,750 |
| On disposals | - | (71,758) | - | (71,758) |
| At 31 July 2023 | <u>535,134</u> | <u>159,526</u> | <u>541,013</u> | <u>1,235,673</u> |
| Net book value | | | | |
| At 31 July 2023 | <u><u>5,964,866</u></u> | <u><u>70,252</u></u> | <u><u>78,669</u></u> | <u><u>6,113,787</u></u> |
| At 31 July 2022 | <u><u>6,053,935</u></u> | <u><u>50,795</u></u> | <u><u>96,578</u></u> | <u><u>6,201,308</u></u> |

Included in land and buildings is freehold land at valuation of £140,000 (2022 - £140,000).

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

11. Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Due within one year | | |
| Trade debtors | 160,750 | 89,927 |
| Other debtors | 8,035 | 4,145 |
| Prepayments and accrued income | 58,659 | 31,754 |
| | 227,444 | 125,826 |

12. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------|-----------|-----------|
| Bank loans | 207,590 | 200,061 |
| Trade creditors | 104,844 | 140,035 |
| Other creditors | 223,455 | 208,263 |
| Accruals and deferred income | 104,857 | 80,776 |
| | 640,746 | 629,135 |

13. Creditors: Amounts falling due after more than one year

| | 2023 £ | 2022 £ |
|------------|-----------|-----------|
| Bank loans | 2,507,822 | 2,715,412 |
| | 2,507,822 | 2,715,412 |

The entire balance of bank loans shown above is secured by a legal charge over the freehold property of Gad's Hill School. The loan is repayable in monthly instalments over the 15 year term. Interest is being charged each month at a fixed rate of 3.7% until 2029 and subsequently at a variable rate of 2.44% over the base rate until maturity in 2034.

Included within the above are amounts falling due as follows:

| | 2023 £ | 2022 £ |
|-----------------------------------|-----------|-----------|
| Between one and two years | | |
| Bank loans | 215,402 | 207,590 |
| | 215,402 | 207,590 |
| Between two and five years | | |
| Bank loans | 695,460 | 670,832 |
| | 695,460 | 670,832 |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

13. Creditors: Amounts falling due after more than one year (continued)

| | 2023 £ | 2022 £ |
|------------------------|------------------|------------------|
| Over five years | | |
| Bank loans | <u>1,596,960</u> | <u>1,836,990</u> |

14. Financial instruments

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Financial assets | | |
| Financial assets measured at amortised cost | <u>650,691</u> | <u>680,029</u> |
| | 2023 £ | 2022 £ |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>3,100,587</u> | <u>3,099,968</u> |

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and bank loans.

GAD'S HILL SCHOOL

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

| 15. Statement of funds | Balance at 1 August 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2023 £ |
|-----------------------------------|----------------------------------|-------------|------------------|-------------------------|---------------------------------|
| Statement of funds - current year | | | | | |
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Charles Dickens Fund | 50,000 | - | - | - | 50,000 |
| Phase II New School Fund | 152,620 | - | - | - | 152,620 |
| | 202,620 | - | - | - | 202,620 |
| General funds | | | | | |
| General Funds | 3,373,193 | 4,623,555 | (4,605,365) | 7,797 | 3,399,180 |
| Total Unrestricted funds | 3,575,813 | 4,623,555 | (4,605,365) | 7,797 | 3,601,800 |

GAD'S HILL SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

15. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 August 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2022 £ |
|---------------------------|-------------------------------------|-------------|------------------|-------------------------|---------------------------------|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Charles Dickens Fund | 50,000 | - | - | - | 50,000 |
| Phase II New School Fund | 152,620 | - | - | - | 152,620 |
| | 202,620 | - | - | - | 202,620 |

| | Balance at 1 August 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2022 £ |
|---------------------------------|-------------------------------------|-------------|------------------|-------------------------|---------------------------------|
| General funds | | | | | |
| General Funds | 3,260,071 | 4,259,076 | (4,124,259) | (21,695) | 3,373,193 |
| Total Unrestricted funds | 3,462,691 | 4,259,076 | (4,124,259) | (21,695) | 3,575,813 |

GAD'S HILL SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

15. Statement of funds (continued)

16. Summary of funds

Summary of funds - current year

| | Balance at 1 August 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2023 £ |
|------------------|----------------------------------|-------------|------------------|-------------------------|---------------------------------|
| Designated funds | 202,620 | - | - | - | 202,620 |
| General funds | 3,373,193 | 4,623,555 | (4,605,365) | 7,797 | 3,399,180 |
| | 3,575,813 | 4,623,555 | (4,605,365) | 7,797 | 3,601,800 |

GAD'S HILL SCHOOL

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

16. Summary of funds (continued)

Summary of funds - prior year

| | Balance at 1 August 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2022 £ |
|------------------|-------------------------------------|------------------|--------------------|-------------------------|---------------------------------|
| Designated funds | 202,620 | - | - | - | 202,620 |
| General funds | 3,260,071 | 4,259,076 | (4,124,259) | (21,695) | 3,373,193 |
| | <u>3,462,691</u> | <u>4,259,076</u> | <u>(4,124,259)</u> | <u>(21,695)</u> | <u>3,575,813</u> |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|--|--|---------------------------------------|
| Tangible fixed assets | 6,113,787 | 6,113,787 |
| Current assets | 709,350 | 709,350 |
| Creditors due within one year | (640,746) | (640,746) |
| Creditors due in more than one year | (2,507,822) | (2,507,822) |
| Provisions for liabilities and charges | (72,769) | (72,769) |
| Total | 3,601,800 | 3,601,800 |

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2022 £</i> | <i>Total funds 2022 £</i> |
|--|--|---------------------------------------|
| Tangible fixed assets | 6,201,308 | 6,201,308 |
| Current assets | 805,855 | 805,855 |
| Creditors due within one year | (629,135) | (629,135) |
| Creditors due in more than one year | (2,715,412) | (2,715,412) |
| Provisions for liabilities and charges | (86,803) | (86,803) |
| Total | 3,575,813 | 3,575,813 |

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

18. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|--|------------------|----------------|
| Net income for the year (as per Statement of Financial Activities) | 18,190 | 134,817 |
| Adjustments for: | | |
| Depreciation charges | 164,750 | 146,653 |
| Interest payable | 93,809 | 112,334 |
| Interest receivable | - | (1,310) |
| (Increase)/decrease in debtors | (101,618) | (6,877) |
| Increase/(decrease) in creditors | 4,082 | 18,921 |
| Repayment of pension deficit | (6,237) | (7,670) |
| Net cash provided by operating activities | 172,976 | 396,868 |

19. Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Cash in hand | 481,906 | 680,029 |
| Total cash and cash equivalents | 481,906 | 680,029 |

20. Analysis of changes in net debt

| | At 1 August 2022 £ | Cash flows £ | Other non- cash changes £ | At 31 July 2023 £ |
|--------------------------|--------------------------|-----------------|------------------------------------|-------------------------|
| Cash at bank and in hand | 680,029 | (198,123) | - | 481,906 |
| Debt due within 1 year | (200,061) | 200,061 | (207,590) | (207,590) |
| Debt due after 1 year | (2,715,412) | - | 207,590 | (2,507,822) |
| | (2,235,444) | 1,938 | - | (2,233,506) |

GAD'S HILL SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

21. Pension commitments

The school operates two pension schemes, one of which provides benefits based on a final or career average pensionable salary, while the other operates on the basis of a defined contribution levels from the employer and the employee.

Teaching staff belong to the Teachers' Pension Scheme "TPS". This is an unfunded defined benefit scheme operated by the Government with contributions calculated on an actuarial basis, but set in relation to the current service period only.

In accordance with paragraph 28.11 of FRS 102, the contributions have been accounted for as if this were a defined contribution scheme. The employers contributions for the period were 23.68%. Some members of the support and administrative staff belong to The Independent Schools' Pension Scheme "ISPS". This scheme is run by Verity's Governors Limited. Verity is the governor of the Pensions Trust for Charities and Voluntary Organisations. Contributions are calculated as a percentage of employee's earnings. The contributions made by the employees are matched by the employer to the maximum of 4%. Employees are able to contribute more than this if they wish.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid.

The scheme is classified as a 'last-man standing arrangement'. Therefore the school is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The school has entered into an arrangement to repay the deficit of the multi-employer ISPS. The amount is repayable over 13 years, with the first repayment being made in September 2016. In the prior year this has been discounted to its net present value of £86,803. The effective interest charge will be unwound to the Statement of Financial Activities over the repayment period.

The pension charge for the period was £418,663 (2022 - £398,478). Outstanding contributions on the balance sheet amount to £nil (2022 - £nil).

During the year, actuarial gains of £7,797 (2022: £21,695 losses) were recognised. These losses arose following a change in actuarial assumptions and amendments to the contribution schedule. The actuary has applied a discount rate to the provision of 3.24%. This rate is equivalent to the yield of a full AA corporate bond.

The school also paid a pension of £250 per month to a former Headmistress. It is committed to pay this for the remainder of her life. A provision of £17,596 (2022 - £20,596) for the unfunded pension is included within other creditors.

GAD'S HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

22. Operating lease commitments

At 31 July 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2023 £ | 2022 £ |
|--|---------------|---------------|
| Not later than 1 year | 10,691 | 10,691 |
| Later than 1 year and not later than 5 years | 21,382 | 32,074 |
| | <u>32,073</u> | <u>42,765</u> |

The following lease payments have been recognised as an expense in the Statement of financial activities:

| | 2023 £ | 2022 £ |
|-------------------------|-----------|---------------|
| Operating lease rentals | <u>-</u> | <u>10,940</u> |

23. Related party transactions

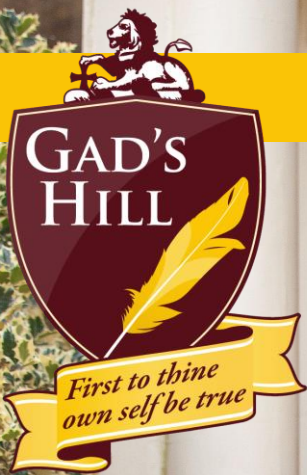
During the year, the School was invoiced for insurance services by The Waterhouse Group, a business in which Mr P Waterhouse, the father of governor Mrs K Hillocks, is the sole proprietor. The commission earned by The Waterhouse Group was £5,880 (2022: £5,970). Total purchases from The Waterhouse Group totalled £58,095 in the year (2022: £55,180). No balance was outstanding at year end (2022: £nil).

During the year, the school received donations of £153 (2022 - £nil) from The Friends of Gad's Hill School. During the year, the school did not pay for any expenses on behalf of The Friends of Gad's Hill School (2022 - £nil). £nil was outstanding at the year-end (2022 - £nil). It is a charity in which there are common governors.

GADS HILL SCHOOL

England & Wales - Charity number 803153

Accounts



Company Number: 02427105

Charity Number: 803153



Gad's Hill School

a company limited by guarantee

Annual Report and Financial Statements

for the year ended 31 July 2022

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The Governors present their annual report which includes the directors' report and strategic report required by company law, and the trustees' report required by charity law.

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Reference and Administrative Details of the Charity, its Governors and Advisors for the Year Ended 31 July 2022

| | |
|-----------------------------|--|
| Governors | Mrs K Hillocks, Chairman Mr P Savage, Headmaster Mrs A Eggleton, Vice-Chairman (resigned 20 March 2023) Miss N Barker Mr O Basi Mrs A Clarabut (appointed 20 March 2023) Mrs M Dickens Rev Canon P Kerr (resigned 20 September 2021) Mr S Martin Mr J Myatt Mr A O'Brien (appointed 20 March 2023) Mr N Smith Mr C Whittington |
| Company Registration Number | 02427105 |
| Charity Registration Number | 803153 |
| Registered Office | Gad's Hill School Gravesend Road Higham Kent ME3 7PA |
| Independent Auditor | Crowe UK llp Riverside House 40-46 High Street Maidstone Kent ME14 1JH |
| Bankers | HSBC UK Bank plc 84 New Road Gravesend Kent DA11 0AS |
| Solicitors | Stone King llp Upper Borough Court Upper Borough Walls Bath BA11 1RG dgb Solicitors llp Captain's House Central Avenue Pembroke Chatham Maritime Kent ME4 4UF |

Governors' Report

The Governors are pleased to present their annual Governors' report together with the financial statements of the school for the year ending 31 July 2022. The Annual report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Our Mission

Our mission is to enable our students to enjoy school, to achieve good academic qualifications and to develop those personal attributes and qualities which will guide them on their journey through life.

Our Vision

Our vision is to be the first choice independent school for families in Kent who value a well-rounded education for their child. It is our intention that our students leave Gad's Hill as confident, mature, articulate, pleasant and self-reliant young people who are well equipped to enter the world through a university education or career of their choice.

Our Values

We value Excellence, Enthusiasm, Friendship and Success. These attributes underpin all that we do. Our Mission and Vision are shaped by our commitment to educate children holistically, as articulated by our school motto: "*First to thine own self be true*".

Our Ethos

Children do well when they are happy at school and at Gad's we pride ourselves on providing a friendly environment, where enthusiasm and hard work are the foundations for achieving success.

There is more to life than exam results alone and while Gad's enjoys the reputation of receiving good GCSE results this is not our sole focus. We want to offer our pupils a foundation in life, working with them to become confident, motivated and articulate young people ready for the next stage in their education and life beyond.

Structure, Governance and Management

CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company is constituted under a Trust deed and is a registered charity with number 803153.

The charitable objects of the School as set out in the Articles of Association (as amended by Special Resolution dated 28 January 2009) are to advance education and training (including physical training) for the public benefit by provision of a school or schools in the county of Kent, in particular the school known as Gad's Hill School, Higham, Kent.

CODE OF GOVERNANCE

The Board has recently established a Governance and Nominations Committee ("**G&NC**") and this group has led the Board in undertaking the Association of Governing Bodies of Independent Schools ("**AGBIS**") self review exercise which incorporates, and expands upon, the Charity Commission's Governance Code and Self-Assessment Checklist. Based on these results the Board, through G&NC, is driving forward a review and rationalisation of its committee structure, reporting

lines and so on so as to ensure the charity operates as effectively and efficiently as possible, and in accordance with third-sector best practice.

METHOD OF APPOINTMENT OR ELECTION OF GOVERNORS

The management of the company is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

Under the Articles, the Headmaster is a governor. Two governors are appointed by The Dickens Fellowship (one of whom is a member of the Dickens family) and one by election as a chair or representative of The Friends of Gad's Hill School (a separate registered charity) representing parents of pupils at the school. The remaining governors are elected at a general meeting and one-third of the elected governors, determined by length of service, retires by rotation each year, and may stand for re-election. Nominations for new governors are proposed on the basis of adding specialist skills to the governing body eg legal, financial, educational, medical, estates expertise and so on. This nominations process is led by the G&NC.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New governors are formally inducted into their roles through a series of briefings by the Chair, Headmaster and Clerk to the Governing Body, along with other members of the school's senior leadership team ("**SLT**") as appropriate. Governors are encouraged to visit the school regularly and are given an insight into previous meetings of the Board via minutes and the accompanying reports. The governors are offered further training through AGBIS and are informed of seminars held throughout the period that are thought to be beneficial to their governance.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The governors, as trustees of the charity and directors of the company, are legally responsible for the overall management and control of the school. They meet a minimum of four times per year, normally once per academic term and once at the commencement of the new school year. There are various sub-committees which meet as required to deal with particular areas of the school. The governors determine the general policy of the school. The day to day management of the school is delegated to the Headmaster.

KEY MANAGEMENT PERSONNEL AND REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all governors of the charity. Remuneration details are disclosed in these financial statements. Aside from Governors, the other key management personnel are:

- Mr Paul Savage, Headmaster
- Mr Barry Golding, Bursar, Clerk to the Governing Body and Company Secretary
- Dr Stephanie Burke, Director of Studies (resigned 31 August 2022)
- Mrs Vicky Grant, Head of Kindergarten
- Miss Samantha Long, Head of Juniors
- Miss Louise Tucker, Head of Seniors (appointed 1 September 2022)
- Mr Jack Tyler, Head of Seniors (resigned 31 August 2022)

The Board of Governors is responsible for approving the remuneration levels of all employees. The unremunerated governors approve the Headmaster's remuneration, the Headmaster being the only governor who receives remuneration for his role overseeing the day-to-day running of the school. The Governors' Staff Salary Review Board ("**SSRB**") sets the salaries individually for the Headmaster and Bursar. The other key management personnel are each paid on one of two SLT incremental pay scales set by the SSRB.

FINANCIAL RISK MANAGEMENT

The governors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

OTHER RELATIONSHIPS

The Headmaster is a member of the Independent Schools Association ("**ISA**"), and the School is a member of the Independent Schools' Bursars Association ("**ISBA**") and AGBIS. In addition to providing crucial support to the school and its

various leaders, these organisations represent the independent education sector at a national level in contact with the Government and others. A number of our teachers are members of the Chartered College of Teaching (“CCT”).

2021/22: The Year in Review

Our objectives for 2021/22 were:

- **Governance and Staffing:**
 - Develop sector-leading Professional Learning programme for teaching staff, including Early Career Teachers
 - Develop CPD programme for non-teaching staff
 - Re-instate Learning Review programme
 - Establish 5-year department development plans
 - Review remuneration and reward for most excellent teachers
 - Restructure the school’s middle leadership so as to meet current and anticipated need
 - Establish 5-year trajectory towards reduced Inclusion income
 - Establish effective estate management structure and processes
- **Curriculum and Pupils:**
 - Review Admissions procedures better to define suitability criteria for prospective pupils of all ages, ensuring their needs can be met and gathering valuable attainment data to aid successful transition on commencement in the school
 - Build on the whole-school curriculum review carried out this year by conducting and documenting our first review of “*One Curriculum*”
 - Develop critical oversight structure for (a) pupil achievement and (b) pupil personal development, including responsibility for evidencing and celebrating success
 - Further expand our GCSE offering by introducing GCSE Psychology.
- **Community and Social Action:**
 - Undertake and document a review of the school’s approach to Equality, Diversity and Inclusion (“EDI”) leading to an action plan to improve further this important dynamic within our community
 - Create environmental sustainability plan
 - Further links with local suppliers and businesses to explore alternative employment routes for pupils leaving the school
- **Facilities and Premises:**
 - Audit technology assets and establish investment plan
 - Finalise updated design brief for senior school accommodation
 - Develop interim estates improvement plan
- **Prepare effectively for an anticipated Regulatory Compliance Inspection at some point in 2021/22**

Achieving the Objectives set for 2021/22

- **Governance and Staffing:**
 - The Early Career Framework has been delivered through the whole-school Professional Learning programme, in addition to in-school sessions developed in partnership with Dover Boys Grammar School. Each Early Career Teacher and Mentor has access to the Chartered College of Teaching funded by the school to access the programme’s resources. ECTs have been assessed and observed half-termy as part of their formal Induction with KCC’s appropriate body. ECTs were also funded to attend the Kent ECT conference and reported positively on this. Both ECTs completed their first year of the programme successfully and the School will take on two new first-year Early Career Teachers in 2022/23.
 - The Professional Learning programme for all teaching staff has run successfully throughout the academic year, with colleagues delivering sessions in areas of education underpinned by Rob Coe’s Great Teaching Toolkit. All teachers have a Professional Learning Log in which they set termly subject-focussed and professional development targets. Professional Learning logs are reviewed by the Senior Leadership Team to identify strengths within the team and areas for future focus.
 - The School has made broader use of its TES Develop subscription to offer a wide range of CPD courses: this has particularly benefitted safeguarding training where several Child Protection courses have been assigned to and completed by all teachers and non-teaching colleagues.
 - Plans are in place for the introduction of a bespoke training programme for Teaching Assistants in 2022/23. All staff attend statutory safeguarding refresher training on Staff Development Days.

- Observations of all teachers have taken place once each half-term and involve middle leaders and the Senior Leadership Team. The newly appointed Planning and Feedback Lead conducts reviews of feedback and planning across the school as part of her role. Subject Group meetings to review and plan for curriculum are timetabled each half term.
- The academic year 2021/22 saw the introduction of new whole-school 'subject strand' groups. These groups conducted several reviews of their curriculum, including sequencing, stretch and challenge and diversity studies. The whole-school 5 year plan was published to all colleagues at the start of the academic year, but the introduction of longer term individual departmental plans has been deferred.
- The Head of Senior School and Director of Studies introduced formal, termly review meetings with Heads of Department to monitor progress and development across the year.
- Pay scale revision during 2021/22 created a mechanism to allow for the introduction of a new remuneration structure for exceptional teachers, but introduction of a new scheme has been deferred.
- Following a detailed review process and consultation with affected staff, a new middle leadership structure was put in place from January 2022, including a remodelled 'curriculum committee'. The Director of Studies has met regularly with new post-holders to define early ambitions.
- Following the review of the Inclusion department in 2020/21, Inclusion income and spend during 2021/22 (whether funded by Education, Health and Care Plans ("EHCP"), fee payers or general school funds was carefully monitored. This has resulted in a faster than anticipated reduction to zero of the additional charges made to fee payers for Inclusion support, this now expected to be achieved in 2023/24, rather than by 2025/26 as originally anticipated.
- Progress towards more effective estate management processes has focussed on centralising the commissioning and logging of all statutory and routine maintenance inspections. The team has been enhanced by the addition of an "Estate Services Assistant" post and work on further improving this department will continue in to 2022/23.
- **Curriculum and Pupils:**
 - The Admissions Policy has been updated in consultation with the Admissions Manager and Inclusion Lead. At the centre of the new procedures is a significantly more rigorous screening of all prospective pupils in J3 and above in reading, writing and Mathematics. The Senior Leadership Team have developed consensus on suitability criteria for any admission to the school, based on a child's progress in relation to age-related expectations, and the School's ability to meet needs. No pupils are admitted to the School without having undergone assessment. References and reports from previous schools are also sought and teacher feedback forms for taster/assessment days improved.
 - At the end of the 2021/22 academic year, the Nursery admission process has been altered for 2022/23, with the School halting admission of children under-three and placing restrictions on entry to the Nursery of very young pupils during the Summer Term.
 - Whole-school reviews, led by the new Planning and Feedback Lead are taking place of Topic Overviews and Knowledge Organisers. All subjects have taken part in subject strand group meetings to review diversity, stretch and challenge, and sequencing of the curriculum. All subjects have produced subject vision documents, curriculum impact documents and whole-year subject overviews. One review of these has taken place in Subject Groups.
 - The Planning and Feedback Lead has compiled whole-school overview sequencing documents, which have given rise to several curriculum improvement plans: most notably, for example, a review of the teaching of Humanities in the Junior School, with Geography and History content redesigned and greater emphasis placed on the teaching of Religion and Worldviews across the whole school.
 - The new middle leadership structure in place from January 2022 saw the introduction of a Pupil Achievement Lead and Pupil Personal Development Lead. These colleagues have created systems for tracking and analysing success in academic competitions and contributions made to the extra-curricular programme respectively.
 - The Pupil Achievement Lead has overseen the creation of a More Able, Talented and Scholars (MATS) monitoring list to inform improved and more consistent Provision Mapping across the School, to come into full effect during 2022/23. She has also completed work on increased MATS stretch and challenge provision in both the Junior and Senior Schools and undertaken pupil voice initiatives to identify areas for intervention next year.
 - The Pupil Personal Development Lead has led work to greatly increase enrichment provision, particularly in the Senior School, and a significantly broader lunchtime and after-school club offer will be available from autumn 2022.

- GCSE Psychology was introduced as an option for the current Upper Fourth, additional to the timetabled curriculum, with mixed-media teaching comprising classroom teaching and access to online tuition and resources.
- 9 pupils in U4th were studying GCSE Psychology at the end of 2021/22, with 67% performing at a Grade 6 level or higher and will again be offered as an additional subject choice to the new Upper Fourth cohort in 2022/23.
- **Community and Social Action:**
 - An Equality, Diversity and Inclusion Review was conducted through the academic year and published in June 2022. The Review highlighted considerable work already completed in this area, not least the comprehensive Inclusion Review undertaken in 2020/21.
 - The report, published to all staff and governors, made a number of recommendations including the continuation of work to establish principles of Quality First Teaching and Provision Mapping, the explicit coverage of all protected characteristics in SMSC schemes of work, development of religious education teaching across the school, and improved logging and monitoring of incidents of a potentially discriminatory nature.
 - Work Experience week was reintroduced post-pandemic for Lower Fifth pupils during Summer Term 2022, with the Lead for Key Stage 4 Standards and Aspirations (re-)establishing connections with employers across the county and in London.
 - Our programme of careers information continues to involve independent guidance provided by a national award-winning adviser and places an increasing focus on routes into apprenticeships to reflect the changing post-16 landscape.
- **Facilities and Premises:**
 - The technology asset audit and development of the associated investment plan has been deferred to 2022/23.
 - In early 2021, Clay Architecture Ltd were appointed to lead a reimagining of the masterplan for delivering renewed accommodation for the senior school. By the end of the calendar year, an updated accommodation schedule had been agreed and concept design commenced. Importantly, the process will also include a comprehensive review of the previous approach towards releasing Gad's Hill Place for wider community use and preservation as a significant heritage asset.
 - Development of an interim estates improvement plan has been paused pending further work on the renewed site masterplan so as to ensure abortive work is minimised.
- **Independent Schools Inspectorate ("ISI") Regulatory Compliance Inspection preparations:**
 - This inspection took place from 22 to 24 September 2021 and we were found to be compliant in full with the Independent School Standards ("ISS"). The full report can be viewed here: https://reports.isi.net/DownloadReport.aspx?t=c&r=ADD6472_20210922.pdf&s=6472



PUPIL NUMBERS, CLASS SIZES AND FEES

Average pupil numbers and class sizes for the year are set out below along with the fees charged.

| 2021/22 | | | | | |
|--------------------------------|-------------------------------------|------------|------------|--------------------|---------|
| Section | Year Group | Average | | Standard Fee Level | |
| | | Pupils | Class Size | Termly | Annual |
| Kindergarten | KN (Nursery) | 30 | 24* | £3,336 | £10,008 |
| | KR (Reception) | 20 | 20 | £3,336 | £10,008 |
| | K1 (Year 1) | 19 | 20 | £3,924 | £11,772 |
| | K2 (Year 2) | 18 | 18 | £3,924 | £11,772 |
| | Overall (Nursery to Year 2) | 88 | 20 | | |
| | <i>cf Nursery to Year 2 2020/21</i> | <i>75</i> | <i>18</i> | | |
| Juniors | J3 (Year 3) | 28 | 10 | £4,160 | £12,480 |
| | J4 (Year 4) | 27 | 15 | £4,160 | £12,480 |
| | J5 (Year 5) | 28 | 14 | £4,160 | £12,480 |
| | Remove (Year 6) | 38 | 16 | £4,160 | £12,480 |
| | Overall (Years 3 to 6) | 121 | 14 | | |
| | <i>cf Years 3 to 6 2020/21</i> | <i>109</i> | <i>13</i> | | |
| Seniors | Shell (Year 7) | 42 | 15 | £4,456 | £13,368 |
| | Lower 4 th (Year 8) | 30 | 14 | £4,456 | £13,368 |
| | Upper 4 th (Year 9) | 35 | 15 | £4,748 | £14,244 |
| | Lower 5 th (Year 10) | 31 | 16 | £4,748 | £14,244 |
| | Upper 5 th (Year 11) | 19 | 14 | £4,748 | £14,244 |
| | Overall (Years 7 to 11) | 157 | 15 | | |
| | <i>cf Years 7 to 11 2020/21</i> | <i>147</i> | <i>16</i> | | |
| Whole School | | 366 | 15 | | |
| <i>cf Whole School 2020/21</i> | | <i>331</i> | <i>16</i> | | |

* N.B. Nursery pupils attend for varying numbers of sessions each week and this is managed so as to ensure that there are never more than 20 nursery pupils in a class at any one time, and always with at least the required number of staff, if not more.

Pupil numbers remained pleasingly on target with 10.57% growth in total pupil numbers over the year before. Fee levels were on average a modest 3.22% higher than those charged in the preceding year.

ACADEMIC PERFORMANCE

Significant achievements in Summer 2022 include:

- 94% of pupils gained a grade 9-4 in English Language
- 94% of pupils gained a grade 9-4 in Mathematics
- 100% of pupils gained 9-4 in Chemistry and Physics GCSE and 90% in Biology
- 94% of pupils achieved 9-4 for the Trilogy Science Award
- 100% of pupils passed Art, Drama, DT, Food and Nutrition, Spanish, PE, History. Statistics and Computing
- All subjects performed above the English pass rate for Grade 4 and Grade 5 nationally

- Looking at the Value-added data, our 2022 GCSE results show that our pupils have vastly exceeded the indicative grades. In English Literature, Maths, Biology, Physics, Science Trilogy, Food and Nutrition, Spanish, PE, Geography and History students on average achieved one grade higher than data has indicated. In Design Technology, on average, each of our pupils exceeded their predictions by almost two and a half grades
- All BTEC music students (6) passed their qualification
- Combined Cadet Force (“CCF”) pupils gained diplomas from The Institute of Leadership and Management (“ILM”), a BTEC in Teamwork and Personal Development, and First Aid qualifications
- More Gad’s pupils than ever before complete drama qualifications with the London Academy of Music and Dramatic Art (“LAMDA”) on their solo and small group pathways with LAMDA now offered to all pupils from year J5 to Upper 5th

Other qualifications achieved include:

- Winner of the Young Darwin’s Scholarship award, Field Studies Council
- Emergency First aid at Work: 18 students
- Bronze Duke of Edinburgh award: 7 students
- Silver Duke of Edinburgh award: 3 students
- LAMDA:
 - Grade 1: 5 students
 - Grade 3: 8 students
 - Grade 4: 17 students
 - Grade 5: 17 students
 - Grade 6: 9 students
 - Grade 7: 4 students

CHARLES DICKENS ACADEMIC SCHOLARSHIPS

Autumn Term 2021 saw the fifth wave of Charles Dickens (“CD”) academic scholars commence in the senior school, with a further 14 of the most able children in the area receiving this form of fee assistance. Of particular note, one pupil entered the Senior School with a 100% CD Scholarship, bringing to four the number of Charles Dickens Scholars receiving 100% Fee Assistance.

OTHER FORMS OF FEE ASSISTANCE

Significant increases in both the proportion of gross fee income used to provide fee assistance, and the proportion of families benefiting from some of fee assistance are set out elsewhere in this report.

Governors keep under review our policies for all forms of fee assistance to ensure that as many suitable pupils as possible can benefit from the education offered at Gad’s Hill School even if their family financial circumstances would otherwise preclude this.

PUBLIC BENEFIT

The school educated an average of 209 primary- and 157 secondary-age pupils during 2021/22 at no cost to the public purse (except for “Free Early Education” funding available to all providers. The absolute minimum it would have cost public funds to educate these pupils at the Government’s minimum per pupil funding levels¹ would be £1.724M (2021: £1.421M). The real savings to the public purse, however, are considerably greater when the value of capital grants, VAT reclaims and so on are taken in to account. Our staff live predominantly in Kent and Medway and hence our support to the local economy as the employer of nearly 100 people is significant. Support of our local economy has been increased further by choosing local suppliers for food produce wherever possible, taking more trips to local sites and attractions, and so on.

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901889/FINAL_2021-22_NFF_Policy_Document_MB.pdf

Financial Review

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

RESERVES AND FINANCIAL HEALTH

The governors review regularly the finances of the school and plan for future years. In common with other independent schools, governors have invested substantial sums into new and improved buildings and facilities in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Although as shown on the balance sheet the school's free reserves (unrestricted reserves less fixed assets) are at a negative balance of £2,625,495 (2021: £2,815,658), this illustrates the extent of the investment in our school, which is common practice for schools in the sector which have to finance their own capital investment plans. The governors consider that, given the strength of the charity's balance sheet, the stable cash flow from healthy student rolls, the ongoing popularity of our school, and our strong relationship with bankers, there is no current need to build up a free reserve.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors is responsible for the management of risks faced by the school. Each year the SLT and Board identify and assess risks and implement controls to mitigate against these. Key controls implemented by the school include:

- Formal agenda and papers for all Board and committee activities
- Strategic planning, budgeting and management accounting
- Structured financial and other forecasting (eg pupil numbers) for future years
- Established organisational structure and understood lines of reporting
- Formal written policies

PRINCIPAL FUNDING

The principal funding of the school is from school fees.

APPROACH TO FUNDRAISING

Fundraising income remains low, however the school does not specifically target resources for this source of funding. This year the school received donations amounting to £nil (2021: nil). No fundraising complaints (2021: nil) were received during the year.



Looking Forward to 2022/23 and Beyond

OBJECTIVES FOR 2022/23

The Board has set the following objectives for 2022/23:

- Governance and Staffing:
 - Increase vehicle flexibility with more staff having D1 driving licences
 - Explore Higher Education accreditation for staff CPD
 - Re-define and implement effective performance management for all
 - Develop Initial Teacher Training further
- Curriculum and Pupils:
 - Re-imagine holiday club provision
 - Further links with other maintained and independent schools to share best practice and increase collaboration
 - Fully embed rigorous phonics teaching, alongside other measures to improve reading attainment and attitudes to reading in the Lower School
 - Implement new procedures for provision mapping and monitoring of interventions and other support for pupils of **all** abilities.
 - Improve whole-school enrichment programme
 - Improve the consistency and impact of feedback and marking
 - Review homework in the Lower School to ensure it has a positive impact on pupils' learning
- Facilities and Premises:
 - Audit technology assets and establish investment plan
 - Refresh transport fleet
 - Develop "culture of giving" with parents and alumni
 - Obtain planning consent for updated senior school accommodation
 - Develop mechanism for approving 'interim' accommodation improvement projects
- Community and Social Action:
 - Create new links for university partnerships leading to post-16 opportunities for our pupils
 - Visit, host and share best practice with "excellent" ISI-rated schools
 - Establish working party to drive centenary celebrations in 2024
 - Develop alumni programme including events, career support and philanthropy, and more actively monitor leavers' destinations and early careers
 - Develop partnerships with local schools, sporting and voluntary organisations

Statement of Governors' Responsibilities

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditor

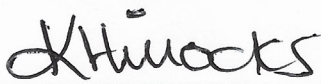
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

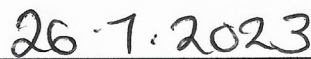
Auditor

The auditor, Crowe UK LLP, has indicated their willingness to continue in office. The Chairman will propose a motion reappointing the auditor at the meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:



Mrs K Hillocks, Chair of Governors



Date



Independent Auditor's Report to the Members of Gad's Hill School

Opinion

We have audited the financial statements of Gads Hill School (the 'charity') for the year ended 31 July 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 Governors' responsibilities statement, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Charities Act 2011.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:
 - enquiries of management about their own identification and assessment of the risks of irregularities;
 - reviewing board minutes and making enquiries of management regarding any non-compliance with laws and regulations and fraud;
 - reviewing the revenue, supplier payments and payroll systems for significant deficiencies or susceptibility to fraud;

- challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- reviewing journal entries, in particular any journal entries posted with unusual account combinations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of Our Report

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



Ian Weekes (Senior Statutory Auditor)

28th July 2023

Date

for and on behalf of

Crowe UK llp

Statutory Auditor

Riverside House

40-46 High Street

Maidstone

Kent

ME14 1JH

Statement of Financial Affairs (Incorporating Income and Expenditure Account) for the Year Ended 31 July 2022

| | Note | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|------|---------------------------------|--------------------------|--------------------------|
| Income from: | | | | |
| Donations and legacies | 4 | - | - | 144,115 |
| Charitable activities | 5 | 4,259,076 | 4,259,076 | 3,755,028 |
| Investments | 6 | - | - | 506 |
| Total Income | | 4,259,076 | 4,259,076 | 3,899,649 |
| Expenditure on: | | | | |
| Provision of education | 7 | 4,124,259 | 4,124,259 | 3,672,037 |
| Total Expenditure | | 4,124,259 | 4,124,259 | 3,672,037 |
| Net movement in funds before other recognised gains/(losses) | | 134,817 | 134,817 | 227,612 |
| Other recognised gains/(losses): | 23 | (21,695) | (21,695) | - |
| Actuarial losses on defined benefit pension schemes | | | | |
| Net Movement in Funds | | 113,122 | 113,122 | 227,612 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 3,462,691 | 3,462,691 | 3,235,079 |
| Net movement in funds | | 113,122 | 113,122 | 227,612 |
| Total Funds Carried Forward | | 3,575,813 | 3,575,813 | 3,462,691 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 33 form part of these financial statements.

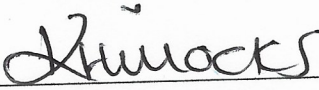


Balance Sheet as at 31 July 2022

| | Note | 2022 £ | 2021 £ |
|---|------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 12 | 6,201,308 | 6,278,349 |
| | | 6,201,308 | 6,278,349 |
| Current Assets | | | |
| Debtors | 13 | 125,826 | 118,949 |
| Cash at bank and in hand | | 680,029 | 656,010 |
| | | 805,855 | 774,959 |
| Creditors: amounts falling due within one year | 14 | (629,135) | (605,604) |
| Net Current Assets | | 176,720 | 169,355 |
| Total Assets Less Current Liabilities | | 6,378,028 | 6,447,704 |
| Creditors: amounts falling due after more than one year | 15 | (2,715,412) | (2,912,945) |
| Net Assets Excluding Pension Liability | | 3,662,616 | 3,534,759 |
| Defined benefit pension scheme liability | 23 | (86,803) | (72,068) |
| Total Net Assets | | 3,575,813 | 3,462,691 |
| Charity Funds | | | |
| Restricted funds | 17 | - | - |
| Unrestricted funds | 17 | 3,575,813 | 3,462,691 |
| Total Funds | | 3,575,813 | 3,462,691 |

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:


 Mrs K Hillocks, Chair of Governors

26.7.2023
 Date

The notes on pages 21 to 33 form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 July 2022

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Cash Flows from Operating Activities | | |
| Net Cash from Operating Activities | 396,865 | 598,207 |
| Cash Flows from Investing Activities | | |
| Dividends, interests and rents from investments | 1,310 | 506 |
| Proceeds from the sale of tangible fixed assets | - | 240 |
| Purchase of tangible fixed assets | (69,611) | (53,825) |
| Net Cash used in Investing Activities | (68,301) | (53,079) |
| Cash Flows from Financing Activities | | |
| Repayments of borrowing | (192,211) | (185,234) |
| Interest paid on loan | (112,334) | (119,313) |
| Net cash used in Financing Activities | (304,545) | (304,547) |
| Change in Cash and Cash Equivalents in the Year | 24,019 | 240,581 |
| Cash and cash equivalents at the beginning of the year | 656,010 | 415,429 |
| Cash and Cash Equivalents at the End of the Year | 680,029 | 656,010 |

The notes on pages 21 to 33 form part of these financial statements.



1. General Information

The company is a company limited by guarantee. The members of the company are the Trustees named in the front of the financial statements. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company. The company is registered in England and Wales, registered number 02427105 and its registered office is:

Gads Hill School
Gravesend Road
Higham
Kent
ME3 7PA

The company is a registered charity number 803153. Its principal activity is the provision of education services.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

Gad's Hill School 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.

2.2. Going Concern

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements. After reviewing forecasts and projections, the Trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. The Governors therefore continue to adopt the going concern basis in preparing the financial statements.

2.3. Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4. Fee Income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarships, bursaries and other allowances. Interest income is accounted for on a receivable basis.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6. Government Grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.7. Tangible Fixed Assets and Depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

- Freehold property: 2% on cost
- Motor vehicles: 25% on cost
- Fixtures and fittings: 20% to 25% on cost

Land of £140,000 is not depreciated.

2.8. Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.9. Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Known bad debts are written off and provision is made for any considered to be doubtful. Trade debtors relates to income owed for charitable services provided.

2.10. Cash at Bank and in Hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11. Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within Interest payable and similar charges.

Fees received in advance are carried forward for credit in the period to which they relate.

2.12. Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13. Pensions

The Charity is a member of multi-employer plans. Where it is not possible for the Charity to obtain sufficient information to enable it to account for the plans as a defined benefit plan, it accounts for the plans as a defined contribution plans.

3. Critical Accounting Estimates and Areas of Judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. These are assessed annually and may vary each year depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- The school makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analysed historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment terms when making judgement to evaluate the adequacy of the allowance of doubtful debts.
- The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and

assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Income from Donations and Legacies

| | Unrestricted Funds 2022 | Total Funds 2022 | <i>Unrestricted Funds 2021</i> | <i>Total Funds 2021</i> |
|-------------------|-------------------------------|---------------------|--|-----------------------------|
| | £ | £ | £ | £ |
| Donations | - | - | 375 | 375 |
| Government grants | | | 143,740 | 143,740 |
| | - | - | 144,115 | 114,115 |

In the prior year, income of £143,740 was recognised under the Coronavirus Job Retention Scheme (“CJRS”). No such income was recognised in the year ending 31 July 2022.

5. Income from Charitable Activities

| | Unrestricted Funds 2022 | Total Funds 2022 | <i>Unrestricted Funds 2021</i> | <i>Total Funds 2021</i> |
|-------------------------------|-------------------------------|---------------------|--|-----------------------------|
| | £ | £ | £ | £ |
| Fees receivable | 3,901,142 | 3,901,142 | 3,504,674 | 3,504,674 |
| Registration fees | 9,800 | 9,800 | 12,240 | 12,240 |
| Educational requisites income | 212,582 | 212,582 | 129,881 | 129,881 |
| Sundry income | 135,552 | 135,552 | 108,233 | 108,233 |
| | 4,259,076 | 4,259,076 | 3,755,028 | 3,755,028 |

6. Investment Income

| | Unrestricted Funds 2022 | Total Funds 2022 | <i>Unrestricted Funds 2021</i> | <i>Total Funds 2021</i> |
|--|-------------------------------|---------------------|--|-----------------------------|
| | £ | £ | £ | £ |
| | - | - | 506 | 506 |

7. Analysis of Expenditure on Charitable Activities

7.1. Summary by Fund Type

| | Unrestricted Funds 2022 | Total Funds 2022 | Unrestricted Funds 2021 | Total Funds 2021 |
|------------------|-------------------------------|---------------------|-------------------------------|---------------------|
| | £ | £ | £ | £ |
| Education | 2,616,277 | 2,616,277 | 2,270,874 | 2,270,874 |
| Welfare | 204,159 | 204,159 | 158,613 | 158,613 |
| Premises | 636,638 | 636,638 | 617,815 | 617,815 |
| Administration | 556,159 | 556,150 | 505,422 | 505,422 |
| Interest payable | 111,024 | 111,024 | 119,313 | 119,313 |
| | 4,124,257 | 4,124,257 | 3,672,037 | 3,672,037 |

7.2. Summary by Expenditure Type

| Current Year | Staff Costs 2022 | Depreciation 2022 | Other Costs 2022 | Total 2022 |
|------------------|---------------------|----------------------|---------------------|------------------|
| | £ | £ | £ | £ |
| Education | 2,304,615 | - | 311,664 | 2,616,279 |
| Welfare | 163,427 | - | 40,732 | 204,159 |
| Premises | 187,454 | 146,653 | 302,532 | 636,639 |
| Administration | 323,636 | - | 232,522 | 556,158 |
| Interest payable | - | - | 111,024 | 111,024 |
| | 2,979,132 | 146,653 | 998,474 | 4,124,259 |

| Prior Year | Staff Costs 2021 | Depreciation 2021 | Other Costs 2021 | Total 2021 |
|-------------------------|---------------------|----------------------|---------------------|---------------|
| | £ | £ | £ | £ |
| <i>Education</i> | 2,099,447 | - | 171,427 | 2,270,874 |
| <i>Welfare</i> | 137,783 | - | 20,830 | 158,613 |
| <i>Premises</i> | 200,565 | 140,655 | 276,595 | 617,815 |
| <i>Administration</i> | 321,462 | - | 183,960 | 505,423 |
| <i>Interest payable</i> | - | - | 119,313 | 119,313 |
| | 2,759,257 | 140,655 | 772,125 | 3,672,037 |

8. Analysis of Expenditure by Activities

Current Year

| | Activities undertaken directly 2022 | Support Costs 2022 | Total Funds 2022 |
|------------------|--|-----------------------|---------------------|
| | £ | £ | £ |
| Education | 2,580,832 | 35,447 | 2,616,279 |
| Welfare | 163,427 | 40,732 | 204,159 |
| Premises | 489,986 | 146,653 | 636,639 |
| Administration | 556,159 | - | 556,159 |
| Interest payable | 111,024 | - | 111,024 |
| | 3,901,428 | 222,832 | 4,124,259 |

Prior Year

| | Activities undertaken directly 2021 | Support Costs 2021 | Total Funds 2021 |
|------------------|--|-----------------------|---------------------|
| | £ | £ | £ |
| Education | 2,280,123 | (9,250) | 2,270,873 |
| Welfare | 137,783 | 20,830 | 158,613 |
| Premises | 477,160 | 140,655 | 617,815 |
| Administration | 480,277 | 25,146 | 505,423 |
| Interest payable | 119,313 | - | 119,313 |
| | 3,494,656 | 177,381 | 3,672,037 |

9. Auditor's Remuneration

| | 2022 | 2021 |
|--|---------------|--------|
| | £ | £ |
| Fees payable to the charity's auditor in respect of: | | |
| Audit of the charity's annual accounts | 14,285 | 12,985 |
| Preparation of statutory accounts | 1,500 | 1,365 |
| Independent audit of Teachers' Pension Scheme | 825 | 750 |
| | 15,785 | 14,350 |

10. Staff Costs

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,369,132 | 2,211,441 |
| Social security costs | 211,522 | 198,937 |
| Contribution to defined contribution pension schemes | 398,478 | 348,879 |
| | 2,979,132 | 2,759,257 |

| | 2022 | 2021 |
|--|------|------|
| | No | No |
| The average number of persons employed by the charity during the year express as full-time equivalents | 85 | 74 |

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

| | 2022 | 2021 |
|--------------------------------|------|------|
| | £ | £ |
| In the band £60,001 to £70,000 | 1 | - |
| In the band £80,001 to £90,000 | 1 | 1 |

Key management personnel are considered to be the Governors of the school and their remuneration is disclosed below in note 11.

11. Governors' Remuneration and Expenses

During the year, one or more Governors have been paid remuneration or have received other benefits from an employment with the charity. The value of Governors' remuneration and other benefits was as follows:

| | 2022 | 2021 |
|-------------|--------|--------|
| | £ | £ |
| Mr P Savage | 81,020 | 80,401 |

Remuneration of £81,020 (2021: £80,401) and pension contributions of £19,186 (2021: £18,990) were paid in respect of the highest paid Governor.

During the year, retirement benefits were accruing to 1 (2021: 1) Governor in respect of defined benefit pension schemes.

During the year ended 31 July 2022, expenses totalling £339 (2021: £310) were reimbursed or paid directly to Governors.

12. Tangible Fixed Assets

| | Freehold Property | Motor Vehicles | Fixtures and Fittings | Total |
|--------------------------|----------------------|-------------------|--------------------------|-----------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 August 2021 | 6,500,000 | 220,608 | 553,292 | 7,273,900 |
| Additions | - | 21,990 | 47,621 | 69,611 |
| At 31 July 2022 | 6,500,000 | 242,598 | 600,913 | 7,343,511 |
| Depreciation | | | | |
| At 1 August 2021 | 356,996 | 163,366 | 475,189 | 995,550 |
| Charge for the year | 89,069 | 28,437 | 29,146 | 146,653 |
| At 31 July 2022 | 446,065 | 191,803 | 504,335 | 1,142,203 |
| Net book value | | | | |
| At 31 July 2022 | 6,053,935 | 50,795 | 96,578 | 6,201,308 |
| At 31 July 2021 | 6,143,004 | 57,242 | 78,102 | 6,278,349 |

Included in land and buildings is freehold land at valuation of £140,000 (2021: £140,000).

13. Debtors

| | 2022 | 2021 |
|--------------------------------|---------|---------|
| | £ | £ |
| Due within one year | | |
| Trade debtors | 89,927 | 94,547 |
| Other debtors | 4,145 | 4,679 |
| Prepayments and accrued income | 31,754 | 19,723 |
| | 125,826 | 118,949 |

14. Creditors: Amounts Falling Due Within One Year

| | 2022 | 2021 |
|------------------------------|---------|---------|
| | £ | £ |
| Due within one year | | |
| Bank loans | 200,061 | 194,739 |
| Trade creditors | 140,035 | 163,638 |
| Other creditors | 208,263 | 200,470 |
| Accruals and deferred income | 80,776 | 46,757 |
| | 629,135 | 605,604 |

15. Creditors: Amounts Falling Due After More Than One Year

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Falling due after more than one year | | |
| Bank loans | 2,715,412 | 2,912,945 |
| | 2,715,412 | 2,912,945 |

The entire balance of bank loans shown above is secured by a legal charge over the freehold property of Gad's Hill School. The loan is repayable in monthly instalments over the 15 year term. The loan incurs interest at a fixed rate of 3.7% for the first 10 years to 2029 then at a variable rate for a further 5 years of 2.44% over Base Rate until maturity in 2034.

Included within the above are amounts falling due as follows:

| | 2022 | 2021 |
|-----------------------------------|------------------|------------------|
| | £ | £ |
| Between one and two years | | |
| Bank loans | 207,590 | 200,134 |
| Between two and five years | | |
| Bank loans | 670,832 | 646,737 |
| Over five years | | |
| Bank loans | 1,836,990 | 2,066,074 |
| | 2,715,412 | 2,912,945 |

16. Financial Instruments

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Financial assets measured at fair value through income and expenditure | 680,029 | 656,010 |
| | 680,029 | 656,010 |

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

17. Statement of Funds

| Current Year | Balance at 1 August 2021 | Income Expenditure | | Gains/ (Losses) | Balance at 31 July 2022 |
|---------------------------------|--------------------------------|--------------------|--------------------|--------------------|-------------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Charles Dickens Fund | 50,000 | - | - | - | 50,000 |
| Phase II New School Fund | 152,620 | - | - | - | 152,620 |
| | 202,620 | | | | 202,620 |
| General funds | | | | | |
| All funds | 3,260,071 | 4,259,076 | (4,124,259) | (21,695) | 3,373,193 |
| Total unrestricted funds | 3,462,691 | 4,259,076 | (4,124,259) | (21,695) | 3,575,813 |

| Prior Year | <i>Balance at 1 August 2020</i> | <i>Income</i> | <i>Expenditure</i> | <i>Balance at 31 July 2021</i> |
|---------------------------|-------------------------------------|------------------|--------------------|------------------------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| <i>All funds</i> | 3,235,079 | 3,899,649 | (3,672,037) | 3,462,691 |
| | 3,235,079 | 3,899,649 | (3,672,037) | 3,462,691 |

18. Summary of Funds

| Current Year | Balance at 1 August 2021 | Income Expenditure | | Gains/ (Losses) | Balance at 31 July 2022 |
|------------------|--------------------------------|--------------------|--------------------|--------------------|-------------------------------|
| | £ | £ | £ | £ | £ |
| Designated funds | 202,620 | - | - | - | 202,620 |
| General funds | 3,260,071 | 4,259,076 | (4,124,259) | (21,695) | 3,373,193 |
| | 3,462,691 | 4,259,076 | (4,124,259) | (21,695) | 3,575,813 |

| Prior Year | <i>Balance at 1 August 2020</i> | <i>Income</i> | <i>Expenditure</i> | <i>Balance at 31 July 2021</i> |
|----------------------|-------------------------------------|------------------|--------------------|------------------------------------|
| | £ | £ | £ | £ |
| <i>General funds</i> | 3,235,079 | 3,899,649 | (3,672,037) | 3,462,691 |
| | 3,235,079 | 3,899,649 | (3,672,037) | 3,462,691 |

19. Analysis of Net Assets Between Funds

Current Year

| | Unrestricted funds 2022 | Total funds 2022 |
|--|-------------------------------|---------------------|
| | £ | £ |
| Tangible fixed assets | 6,201,308 | 6,201,308 |
| Current assets | 805,855 | 805,855 |
| Creditors due within one year | (629,135) | (629,135) |
| Creditors due in more than one year | (2,715,412) | (2,715,412) |
| Provisions for liabilities and charges | (86,803) | (86,803) |
| | 3,575,813 | 3,575,813 |

Prior Year

| | Unrestricted funds 2021 | Total funds 2021 |
|--|-------------------------------|---------------------|
| | £ | £ |
| Tangible fixed assets | 6,278,349 | 6,278,349 |
| Current assets | 774,959 | 774,959 |
| Creditors due within one year | (605,604) | (605,604) |
| Creditors due in more than one year | (2,912,945) | (2,912,945) |
| Provisions for liabilities and charges | (72,068) | (72,068) |
| | (3,462,691) | (3,462,691) |

20. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

| | 2022 | 2021 |
|---|----------------|---------|
| | £ | £ |
| Net income for the year (as per Statement of Financial Affairs) | 134,817 | 227,612 |
| Adjustments for: | | |
| Depreciation charges | 146,653 | 140,655 |
| Profit on disposal of fixed assets | - | (240) |
| Interest payable | 112,334 | 119,313 |
| Interest receivable | (1,310) | (506) |
| (Increase)/decrease in debtors | (6,877) | 46,898 |
| Increase/(decrease) in creditors | 18,921 | 71,923 |
| Repayment of pension deficit | (7,670) | (7,447) |
| Loss on investments | - | (1) |
| | 396,868 | 598,207 |

21. Analysis of Cash and Cash Equivalents

| | 2022 | 2021 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Cash at bank and in hand | 680,029 | 656,010 |
| | 680,029 | 656,010 |

22. Analysis of Changes in Net Debt

| | At 1 August 2021 | Cash flows | At 31 July 2022 |
|--------------------------|---------------------|----------------|--------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 656,010 | 24,019 | 680,029 |
| Debt due within 1 year | (194,739) | (5,322) | (200,061) |
| Debt due after 1 year | (2,912,945) | 197,533 | (2,715,412) |
| | (2,451,674) | 216,230 | (2,235,444) |

23. Pension Commitments

The school operates two pension schemes, one of which provides benefits based on a final or career average pensionable salary, while the other operates on the basis of a defined contribution levels from the employer and the employee.

Teaching staff belong to the Teachers' Pension Scheme "TPS". This is an unfunded defined benefit scheme operated by the Government with contributions calculated on an actuarial basis but set in relation to the current service period only.

In accordance with paragraph 28.11 of FRS 102, the contributions have been accounted for as if this were a defined contribution scheme. The employer's contributions for the period were 23.68%. Some members of the support and administrative staff belong to The Independent Schools' Pension Scheme "ISPS". This scheme is run by Verity's Governors Limited. Verity is the governor of the Pensions Trust for Charities and Voluntary Organisations. Contributions are calculated as a percentage of employee's earnings. The employer contribution is 8%.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid.

The scheme is classified as a 'last man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The school has entered into an arrangement to repay the deficit of the multi-employer ISPS. The amount is repayable over 13 years, with the first repayment being made in September 2016. In the prior year this has been discounted to its net present value of £86,803. The effective interest charge will be unwound to the Statement of Financial Activities over the repayment period.

The pension charge for the period was £398,477 (2021: £345,879). Outstanding contributions on the balance sheet amount to £86,803 (2021: £72,068).

During the year, actuarial losses of £21,695 were recognised. These losses arose following a change in actuarial assumptions and amendments to the contribution schedule. The actuary has applied a discount rate to the provision of 3.24%. This rate is equivalent to the yield of a full AA corporate bond.

The school also paid a pension of £250 per month to a former Headmistress. It is committed to pay this for the remainder of her life. A provision of £20,596 (2021: £23,596) for the unfunded pension is included within other creditors.

24. Operating Least Commitments

At 31 July 2022 the charity had commitments to make further minimum lease payments under non-cancellable operating leases as follows:

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Not later than 1 year | 10,691 | 9,706 |
| Later than 1 year and not later than 5 years | 32,074 | 38,304 |
| | 42,765 | 48,010 |

The following lease payments have been recognised as an expense in the Statement of Financial Affairs:

| | 2022 | 2021 |
|-------------------------|---------------|--------------|
| | £ | £ |
| Operating lease rentals | 10,940 | 8,520 |
| | 10,940 | 8,520 |

25. Related Party Transactions

During the year, the School was invoiced for insurance services by The Waterhouse Group, a business in which Mr P Waterhouse, the father of governor Mrs K Hillocks, is the sole proprietor. The commission earned by The Waterhouse Group was £5,970 (2021: £5,196). Total purchases from The Waterhouse Group totalled £55,180 (2021: £50,654). No balance was outstanding at year end (2021: £nil).

During the year, the school received donations of £nil (2021: £5,075) from The Friends of Gad's Hill School. During the year, the school paid for various expenses on behalf of The Friends of Gad's Hill School totalling £nil (2021: £3,265). £nil was outstanding at the year end (2021: £3,265). It is a charity in which there are common trustees.

During the year, the school made purchases totalling £nil from Rochester and Chatham Dickens Fellowship (2021: £87). No amount was outstanding at the year-end (2021: £nil).



Gad's Hill School Gravesend Road Higham ME3 7PA

01474 822366
www.gadshill.org

GADS HILL SCHOOL

England & Wales - Charity number 803153

Accounts

Registered number: 02427105
Charity number: 803153

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

GADS HILL SCHOOL
(A company limited by guarantee)

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GADS HILL SCHOOL
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2021**

| | |
|----------------------------------|---|
| Governors | Mr P Savage, Headmaster Mrs K Hillocks, Chairman Mrs A Eggleton, Vice-Chairman Miss N Barker Mr O Basi Mrs M Dickens Reverend Canon P Kerr (resigned 20 September 2021) Mr S Martin Mr J Myatt Mr C Whittington Mr N Smith (appointed 30 November 2020) |
| Company registered number | 02427105 |
| Charity registered number | 803153 |
| Registered office | Gads Hill Place Gravesend Road Higham Kent ME3 7PA |
| Independent auditor | Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH |
| Bankers | HSBC UK Bank PLC 84 New Road Gravesend Kent DA11 0AS |
| Solicitors | Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG dgb Solicitors LLP Captains House Central Avenue Pembroke Chatham Maritime Kent ME4 4UF |

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2021

The Governors are pleased to present their annual Governors' report together with the financial statements of the school for the year ending 31 July 2021. The Annual report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

Our Mission

Our mission is to enable our students to enjoy school, to achieve good academic qualifications and to develop those personal attributes and qualities which will guide them on their journey through life.

Our Vision

Our vision is to be the first choice independent school for families in Kent who value a well-rounded education for their child. It is our intention that our students leave Gads Hill as confident, mature, articulate, pleasant and self-reliant young people who are well equipped to enter the world through a university education or career of their choice.

Our Values

We value Excellence, Enthusiasm, Friendship and Success. These attributes underpin all that we do. Our Mission and Vision are shaped by our commitment to educate children holistically, as articulated by our school motto: "First to thine own self be true".

Our Ethos

Children do well when they are happy at school and at Gads we pride ourselves on providing a friendly environment, where enthusiasm and hard work are the foundations for achieving success.

There is more to life than exam results alone and while Gads enjoys the reputation of receiving good GCSE results this is not our sole focus. We want to offer our pupils a foundation in life, working with them to become confident, motivated and articulate young people ready for the next stage in their education and life beyond

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Structure, Governance and Management

CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company is constituted under a Trust deed and is a registered charity with number 803153.

The charitable objects of the School as set out in the Articles of Association (as amended by Special Resolution dated 28 January 2009) are to advance education and training (including physical training) for the public benefit by provision of a school or schools in the county of Kent, in particular the school known as Gads Hill School, Higham, Kent.

CODE OF GOVERNANCE

The Board has recently established a Governance and Nominations Committee ("G&NC") and this group has led

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Objectives and activities (continued)

the Board in undertaking the Association of Governing Bodies of Independent Schools ("AGBIS") self review exercise which incorporates, and expands upon, the Charity Commission's Governance Code and Self-Assessment Checklist. Based on these results the Board, through G&NC, is driving forward a review and rationalisation of its committee structure, reporting lines and so on so as to ensure the charity operates as effectively and efficiently as possible, and in accordance with third-sector best practice.

METHOD OF APPOINTMENT OR ELECTION OF GOVERNORS

The management of the company is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

Under the Articles, the Headmaster is a governor. Two governors are appointed by The Dickens Fellowship (one of whom is a member of the Dickens family) and one by election as a chair or representative of The Friends of Gads Hill School (a separate registered charity) representing parents of pupils at the school. The remaining governors are elected at a general meeting and one-third of the elected governors, determined by length of service, retires by rotation each year, and may stand for re-election. Nominations for new governors are proposed on the basis of adding specialist skills to the governing body eg legal, financial, educational, medical, estates expertise and so on. This nominations process is led by the G&NC.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New governors are formally inducted into their roles through a series of briefings by the Chair, Headmaster and Clerk to the Governing Body, along with other members of the school's senior leadership team ("SLT") as appropriate. Governors are encouraged to visit the school regularly and are given an insight into previous meetings of the Board via minutes and the accompanying reports. The governors are offered further training through AGBIS and are informed of seminars held throughout the period that are thought to be beneficial to their governance.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The governors, as trustees of the charity and directors of the company, are legally responsible for the overall management and control of the school. They meet a minimum of four times per year, normally once per academic term and once at the commencement of the new school year. There are various sub-committees which meet as required to deal with particular areas of the school. The governors determine the general policy of the school. The day to day management of the school is delegated to the Headmaster.

KEY MANAGEMENT PERSONNEL AND REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all governors of the charity. Remuneration details are disclosed in these financial statements. Aside from Governors, the other key management personnel are:

- Mr Paul Savage, Headmaster
- Dr Stephanie Burke, Director of Studies
- Mr Jack Tyler, Head of Seniors
- Miss Sam Long, Head of Juniors
- Mrs Vicky Grant, Head of Kindergarten
- Mr Barry Golding, Bursar, Clerk to the Governing Body and Company Secretary

The Board of Governors is responsible for approving the remuneration levels of all employees. The unremunerated governors approve the Headmaster's remuneration, the Headmaster being the only governor who receives remuneration for his role overseeing the day-to-day running of the school. The Governors' Staff Salary Review Board ("SSRB") sets the salaries individually for the Headmaster and Bursar. The other key management personnel are each paid on one of two SLT incremental pay scales set by the SSRB.

GADS HILL SCHOOL
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Objectives and activities (continued)

RISK MANAGEMENT

The governors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

OTHER RELATIONSHIPS

The Headmaster is a member of the Independent Schools Association ("ISA"), and the School is a member of the Independent Schools' Bursars Association ("ISBA") and AGBIS. In addition to providing crucial support to the school and its various leaders, these organisations represent the independent education sector at a national level in contact with the Government and others. A number of our teachers are members of the Chartered College of Teaching ("CCT"). On completion of her three year term of office as a Council Member of the CCT, Dr Burke was asked to stay on as Chair of their Education Research and Journal Committee. During the year she gained Chartered Teacher (Leader) status, was an Associate Lecturer with Coventry University and a Visiting Tutor for trainee teachers with EQualitas.

Achievements and performance

a. 2020/21: The Year in Review

Our objectives for 2020/21 were:

- To ensure the continued viability of Gads Hill School in the face of the global Covid-19 pandemic, ensuring safety for the whole school community and high-quality education and outcomes for our pupils across the school;
- Prevent any negative impact of Covid-19 on attainment at Key Stage 4;
- Extend the work already done on "One Curriculum" to see it develop as a diverse and global, 21st century curriculum for all;
- Review the Inclusion Department so as to ensure its readiness to support the above objective as it is rolled out from Autumn 2022;
- To recover our financial reserves to at least the Governors' usual policy of a minimum of £500,000 in available cash;
- To move to a model of 5-year high-level strategic planning;
- Establish a long-term plan for resources, estates and infrastructure.

b. Achieving the Objectives set for 2020/21

- We ensured the continued viability of Gads Hill School in the face of the global Covid-19 pandemic, ensuring safety for the whole school community and high-quality education and outcomes for all pupils across the school by implementing the comprehensive mitigation measures contained within a regularly updated school Risk Assessment. This included staff training for the creation and delivery of an on-site testing laboratory on pupils' return to the school after holidays in the autumn and spring terms, in addition to an adapted school day and curriculum to reduce viral spread. When the school site was closed to the majority of pupils from January until March 2021, we delivered an outstanding online learning programme, resourced through Microsoft Teams, Zoom and our own website (progress assessment on pupils' return in the summer indicated only marginal impact on collective academic attainment), while also continuing to accommodate in school and provide for large (and growing) numbers of pupils considered to be vulnerable or the children of critical workers.
- We prevented any negative impact of Covid-19 on attainment at Key Stage 4 by ensuring a full and robust curriculum offering during periods of Distance Learning and delivering staff training on the concept of a recovery curriculum, using guidance from Professor Barry Carpenter and the Chartered College of Teaching, as well as the use of retrieval practice in the classroom and principles of differentiation for

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

- children as different places in their learning. During the Autumn term teachers carefully monitored and assessed pupils, following a period of Distance Learning or part-time school attendance, and produced plans for interventions as needed. The Data Working Group continued to meet termly to review whole-school attainment data and to report to Governors. Our regular programme of assessment and reporting recommenced, though was then disrupted by further school closures, with our parents evenings moving successfully online. We worked hard to work with exam boards following the late provision of approved assessment materials and implemented all exam board guidance and regulations to ensure students received fair and accurate centre assessed grades. Our Key Stage Four and Key Stage Five information evenings were held virtually to ensure that students still received access to our independent qualified careers advisor.
- We extended the work already done on "One Curriculum" to see it develop as a diverse and global, 21st century curriculum by all by continuing the use of Knowledge Organisers throughout the school and the production of Topic Overviews for each subject for each half term. This enabled a collation of our whole school curriculum for the first time, after which we were able to review our curriculum in order to:
 - o Ensure we are making the most of being a through school, reviewing whether our subjects progress through the school in a logical and deliberate manner;
 - o Review our curriculum for 'intelligent interdisciplinarity'; and
 - o Review our curriculum for the diversity we want it to deliver.
 - We reviewed the Inclusion Department so as to ensure its readiness to support the above objective as it is rolled out from Autumn 2022 by redefining the entire team from scratch as a truly cross-school department with responsibility for the full inclusion of all our pupils from ages 3 to 16. The department is led by the Inclusion Leader, a member of SLT, and in addition to Inclusion Assistants the team is complemented by our full-time School Nurse, Mrs Louise Furby RGN RM.
 - We recovered our financial reserves to at least the Governors' usual policy of a minimum of £500,000 in available cash by: working sympathetically but proactively with debtors to agree affordable, reasonable payment plans to maximise cash inflow; and controlling more closely than ever expenditure and capital projects to reduce cash spend. Pleasingly, cash at 31 July 2021 was up 58% to £656,010 (2020: £415,429).
 - We moved to a model of 5-year high-level strategic planning by undertaking an SLT strategic planning day during the Easter 2021 break which resulted in the production of a strategic plan for the school – "Towards 2027" (available on the school website) – which was adopted by the Board in summer 2021. The plan comprises four strands:
 - o Governance and Staffing;
 - o Curriculum and Pupils;
 - o Facilities and Premises; and
 - o Community and Social Action.
 - We established a long-term plan for resources, estates and infrastructure by appointing a local firm of architects (Clay Architecture Ltd) to work with us on revisiting the currently consented scheme for renewed accommodation for our senior school, potentially with a view to arriving at a much more phased, affordable and deliverable scheme with greater and more appropriate use by the community, wider public, local schools and so on of our primary heritage asset – Gads Hill Place.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

c. Other Activities and Achievements in 2020/21 and Useful Information

COVID-19

All mitigation measures and online learning were delivered by the school without access to any of the DfE's funding, additional staffing or technology-for-schools programmes which were part of the Government's Covid-19 response.

PUPIL NUMBERS, CLASS SIZES AND FEES

Average pupil numbers and class sizes for the year are set out below along with the fees charged.

| Section | Year Group | Average pupils | Average class size | Standard termly fee | Standard annual fee |
|---|---|----------------|--------------------|---------------------|---------------------|
| Kindergarten | KN (Nursery) | 20 | 19 | £3,239.00 | £9,717.00 |
| | KR (Reception) | 18 | 17 | £3,239.00 | £9,717.00 |
| | K1 (Year 1) | 17 | 17 | £3,811.00 | £11,433.00 |
| | K2 (Year 2) | 20 | 19 | £3,811.00 | £11,433.00 |
| | Overall (Nursery to Year 2) | 75 | 18 | | |
| | <i>Overall (Nursery to Year 2 in 2019/20)</i> | <i>80</i> | <i>16</i> | | |
| Juniors | J3 (Year 3) | 24 | 11 | £4,040.00 | £12,120.00 |
| | J4 (Year 4) | 25 | 12 | £4,040.00 | £12,120.00 |
| | J5 (Year 5) | 32 | 16 | £4,040.00 | £12,120.00 |
| | Remove (Year 6) | 28 | 14 | £4,040.00 | £12,120.00 |
| | Overall (Years 3 to 6) | 109 | 13 | | |
| | <i>Overall (Years 3 to 6 in 2019/20)</i> | <i>101</i> | <i>13</i> | | |
| Seniors | Shell (Year 7) | 27 | 13 | £4,324.00 | £12,972.00 |
| | Lower 4th (Year 8) | 37 | 19 | £4,324.00 | £12,972.00 |
| | Upper 4th (Year 9) | 30 | 15 | £4,566.00 | £13,698.00 |
| | Lower 5th (Year 10) | 22 | 22 | £4,566.00 | £13,698.00 |
| | Upper 5th (Year 11) | 31 | 16 | £4,566.00 | £13,698.00 |
| | Overall (Years 7 to 11) | 147 | 16 | | |
| | <i>Overall (Years 7 to 11 in 2019/20)</i> | <i>138</i> | <i>15</i> | | |
| Whole School - Overall | | 331 | 16 | | |
| <i>Whole School - Overall (2019/20)</i> | | <i>319</i> | <i>15</i> | | |

Pupil numbers remained pleasingly on target with 3.76% growth in total pupil numbers over the year before. Fee levels were on average 3.99% higher than those charged in the preceding year. In an effort to support families further through the Coronavirus pandemic, 2020/21 fees were held at 2019/20 levels and hence we are now even more competitively priced against other independent senior schools in the area than before.

EXPANSION OF OUR SENIOR SCHOOL

In 2020/21, based on increasing demand and scholarship uptake, we expanded our Senior School to three form entry (from two) so as to accommodate increased demand for places at Gads Hill School.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

ACADEMIC PERFORMANCE

Significant achievements include:

- 100% of pupils gained a grade 9-4 in English Language;
- 97% of pupils gained a grade 9-4 in Mathematics;
- 81% of pupils gained a grade 9-4 in Science (Double Award) and we entered two students for the first time for triple science, achieving 100% grades 9-5
- More students achieved a grade 4 or above in all subjects, with the exception of history at 3.2% lower, than nationally.
- More students achieved a grade 5 or above in all subjects except English literature, history and PE, than nationally. This year all students were awarded a grade for English Literature compared to previous years when not all students have been entered for this subject.
- All BTEC music students passed their qualification.
- Combined Cadet Force ("CCF") pupils gained diplomas from The Institute of Leadership and Management, a BTEC in Teamwork and Personal Development, Duke of Edinburgh Awards and First Aid qualifications.
- More Gads pupils than ever before complete drama qualifications with the London Academy of Music and Dramatic Art ("LAMDA") on their solo and small group pathways with LAMDA now offered to years 5-11.

Other qualifications achieved include:

- Emergency First aid at Work: 31 students
- Bronze Duke of Edinburgh award: 10 students
- Silver Duke of Edinburgh award: 6 students
- LAMDA:
 - o Grade 8 Gold: 1 student
 - o Grade 5: 3 students
 - o Grade 3: 5 students
- Music grades:
 - o Grade 4 Drumming: 1 student

A new programme for More Able, Gifted and Talented ("MAT") students in Shell and L4 (Years 7 and 8) was developed and delivered. This offered evidence-based best practice for stretching and challenging our increasingly academic intake. A new policy for identifying MAT students was developed in consultation with our Inclusion lead and the new programme was well received by pupils and parents.

WHOLE-SCHOOL CURRICULUM REVIEW

Our first review of our whole-school curriculum took place during our Summer Inset day when staff met in subject-groups across the whole-school for the first time to review and discuss progression of their subject throughout a child's journey through Gads. Staff were assigned to subject groups and completed a variety of tasks individually and in small groups that focused on overall vision for their subject (this structure also made sure our Inset day was Covid safe by avoiding large groupings). In subject groups, staff got to meet together for the first time from across the school to focus on subject-specific discussion. These subject groups produced a first draft of a 'subject vision document' for each subject taught across the school which they then revisited during a Monday CPD session this term. These documents outline for parents and students the main purpose of the subject, key principles and values, the main 'big ideas' or key concepts students will encounter in the subject, and a brief summary of the knowledge, understanding and disposition expected to be evident as pupils learn the subject. This activity encouraged teachers to really think deeply about what was important about their subject and presents it in a way which is clear to pupils and parents. Subject groups also worked this term on producing an overview of all topics taught throughout the school to review the sequencing of content across our one curriculum. A further programme of curriculum review was planned (and took place) in the 2021-2022 academic year.

As part of our ongoing curriculum review we explored options to expand the offering at Key Stage 4, particularly

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

in recognition of the increase of academic ability of our senior school intake, largely as a result of the Charles Dickens' scholarships. After rigorous discussion amongst leadership, the decision was made to offer an additional Psychology GCSE outside of the option blocks in our first experiment into a blended learning approach to GCSE. An external company was employed to facilitate the delivery of the GCSE, alongside in-person weekly teaching from one of our own teaching staff, for the first cohort to commence in the 2021-22 academic year.

Our humanities curriculum at Key Stages 1-2 was reviewed and strengthened. Students in J3-Remove received three 'humanities' lessons a week which cycle through termly projects which we found were heavily history-based. We found that this led to students thinking that they 'don't do' history, geography or RE despite having the opportunity to be taught in some years by our specialist history teacher. We planned that from September 2021 we would move to more distinct lessons, providing one clear geography, history and RE lesson per week for J3-Remove. Each subject will progress through its own curriculum and we hope that using the language 'history, geography and RE' will help students to have a greater appreciation for the different disciplines and prepare them better for transition into seniors. Kindergarten will continue with the term 'topic' but with a greater focus on using the language 'science, history, geography, RE' so students are able to better articulate their learning. A working group was led by a member of staff during the summer term to prepare for the transition from humanities to distinct geography, history and RE lessons in the Junior school from September. The development of the new curriculum was evidence-based and used the April 2021 DfE and Ofsted subject reports and recommendations.

CURRICULUM EXPANSION AND DEVELOPMENT

We expanded resources for our popular Food and Nutrition GCSE course with the development of plans for a new, larger teaching kitchen plan, enabling more students to opt for this subject and resulting in us being able to continue to deliver our track record of giving all students their first choice of GCSE options.

Our first two entries for triple science, and the restructure of the science curriculum to prepare all students for triple science entries, with both candidates achieving grades 9-5 in each of the three sciences.

REVIEW OF KINDERGARTEN AND JUNIOR SCHOOL REPORTING SYSTEMS

This review resulted in improvements made to ensure clearer communication to parents, more efficient data entry for teachers, and more useful progress data to inform teaching and interventions.

INITIAL TEACHER TRAINING ("ITT")

We successfully trained two teachers who joined the profession by achieving Qualified Teacher Status ("QTS"). One qualified to teach primary school children aged 7 to 11; the other qualified to teach secondary Geography.

CONTINUING PROFESSIONAL DEVELOPMENT ("CPD") FOR STAFF

The Director of Studies, Dr Burke, led an evidence-based, robust review of CPD provision across the school as it was in Summer term 2021, leading to a complete restructure of CPD and a new focus and investment in professional learning for teachers for 2021/22. Professional development for teachers is proven to improve student outcomes and retention and is therefore something which it is worthwhile investing in. While the existing approach to CPD provided some good opportunities for pedagogical and subject-specific learning, we needed to move towards a programme of learning for teachers that is focused, progressive rather than ad-hoc, iterative, implemented in practice, and reviewed. The review was based upon the Teacher Development Trust review model and resulted in a report of recommendations for changes and investment in a new approach to professional learning for teachers at Gads Hill School to be implemented during 2021/22.

CHARLES DICKENS ACADEMIC SCHOLARSHIPS

Autumn Term 2020 saw the fourth wave of Charles Dickens ("CD") academic scholars commence in the senior school, with a further 11 of the most able children in the area receiving this form of fee assistance. Of particular note, one pupil joined us this year from a local maintained primary school, having achieved a 100% CD Scholarship, and another candidate already at Gad's Hill School was awarded the same level of Fee Assistance,

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

bringing to three the number of Charles Dickens Scholars receiving 100% Fee Assistance.

OTHER FORMS OF FEE ASSISTANCE

Significant increases in both the proportion of gross fee income used to provide fee assistance, and the proportion of families benefiting from some of fee assistance are set out elsewhere in this report.

Governors keep under review our policies for all forms of fee assistance to ensure that as many suitable pupils as possible can benefit from the education offered at Gads Hill School even if their family financial circumstances would otherwise preclude this.

PUBLIC BENEFIT

The school educated an average of 183 primary- and 147 secondary-age pupils during 2020/21 at no cost to the public purse (excepting, of course, the exceptional emergency Government funding to protect jobs during the Covid-19 pandemic). The absolute minimum it would have cost public funds to educate these pupils at the Government's minimum per pupil funding levels^[1] would be £1.421M (2020: £1.296M). The real savings to the public purse, however, are considerably greater when the value of capital grants, VAT reclaims and so on are taken in to account. All our staff live in Kent, Medway or one of the adjoining London Boroughs and hence our support to the local economy as the employer of nearly 100 people is significant. Support of our local economy has been increased further by choosing local suppliers for food produce wherever possible, taking more trips to local sites and attractions, and so on.

Despite planned events during 2020/21 being curtailed severely by the Coronavirus pandemic, our CCF Contingent took their usual place at the Remembrance Day events in Higham, along with a number of other events

As ever, children across the school raised money through House events for their chosen charities. The school also opened its facilities to a number of local schools and organisations using facilities such as our climbing wall and shooting range.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

b. Reserves policy

RESERVES AND FINANCIAL HEALTH

The governors review regularly the finances of the school and plan for future years. In common with other independent schools, governors have invested substantial sums into new and improved buildings and facilities in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Although as shown on the balance sheet the school's free reserves (unrestricted reserves less fixed assets) are at a negative balance of £2,815,658, this illustrates the extent of the investment in our school, which is common practice for schools in the sector which have to finance their own capital investment plans. The governors consider that, given the strength of the charity's balance sheet, the stable cash flow from healthy student rolls (including the managed impact of the current Covid-19 pandemic), the ongoing popularity of our school, and our strong relationship with bankers, there is no current need to build up a free reserve.

As was fully expected when Governors took actions outlined elsewhere to deal with the Covid-19 pandemic, the school's cash balances were depleted, and much lower than originally planned, at 31 July 2020 but, again as planned, rebounded strongly in the year to 31 July 2021.

c. Principal risks and uncertainties

The Board of Governors is responsible for the management of risks faced by the school. Each year the SLT and Board identify and assess risks and implement controls to mitigate against these. Key controls implemented by the school include:

- Formal agenda and papers for all Board and committee activities
- Strategic planning, budgeting and management accounting
- Structured financial and other forecasting (eg pupil numbers) for future years
- Established organisational structure and understood lines of reporting
- Formal written policies

d. Principal funding

The principal funding of the school is from school fees.

APPROACH TO FUNDRAISING

Fundraising income remains low, however the school does not specifically target resources for this source of funding. This year the school received donations amounting to £nil (2020: £30,680). No fundraising complaints (2020: £nil) were received during the year.

Structure, governance and management

a. Constitution

Gads Hill School is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Governors

The management of the Company is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Structure, governance and management (continued)

c. Financial risk management

The Governors have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

OBJECTIVES FOR 2021/22

The Board has set the following objectives for 2021/22:

- Governance and Staffing:
 - o Develop sector-leading Professional Learning programme for teaching staff, including Early Career Teachers
 - o Develop CPD programme for non-teaching staff
 - o Re-instate Learning Review programme
 - o Establish 5-year department development plans
 - o Establish 5-year trajectory towards reduced Inclusion income
 - o Review remuneration and reward for most excellent teachers
 - o Establish effective estate management structure and processes
- Curriculum and Pupils:
 - o Review admissions policy with enhanced focus on pupil suitability and expectations
 - o Conduct first full review of One Curriculum
 - o Develop critical oversight structure for (a) pupil achievement and (b) pupil personal development, including responsibility for evidencing and celebrating success
- Facilities and Premises:
 - o Audit technology assets and establish investment plan
 - o Finalise updated design brief for senior school accommodation
 - o Develop interim estates improvement plan
- Community and Social Action:
 - o Create environmental sustainability plan
 - o Further links with local suppliers and businesses to explore alternative employment routes for pupils leaving the school
- Prepare effectively for an anticipated Regulatory Compliance Inspection at some point in 2021/22
- Restructure the school's middle leadership so as to meet current and anticipated need
- Review Admissions procedures better to define suitability criteria for prospective pupils of all ages, ensuring their needs can be met and gathering valuable attainment data to aid successful transition on commencement in the school
- Build on the whole-school curriculum review carried out this year by conducting and documenting our first review of "One Curriculum"
- Undertake and document a review of the school's approach to Equality, Diversity and Inclusion ("EDI") leading to an action plan to improve further this important dynamic within our community
- Further expand our GCSE offering by introducing GCSE Psychology

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Statement of Governors' responsibilities

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

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

Disclosure of information to auditor


Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:


.....
Mrs K Hillocks
(Chair of Trustees)
Date: 8.7.2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL

Opinion

We have audited the financial statements of Gads Hill School (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 Governors' responsibilities statement, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

GADS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiries of management about their own identification and assessment of the risks of irregularities;
- reviewing board minutes and making enquiries of management regarding any non-compliance with laws and regulations and fraud;
- reviewing the revenue, supplier payments and payroll systems for significant deficiencies or susceptibility to fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- reviewing journal entries, in particular any journal entries posted with unusual account combinations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

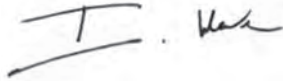
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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

GADS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL (CONTINUED)



Ian Weekes (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 8 July 2022

GADS HILL SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2021**

| | Note | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------------|------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Donations and legacies | 4 | 144,115 | 144,115 | 196,784 |
| Charitable activities | 5 | 3,755,028 | 3,755,028 | 3,349,818 |
| Investments | 6 | 506 | 506 | 1,567 |
| Total income | | <u>3,899,649</u> | <u>3,899,649</u> | <u>3,548,169</u> |
| Expenditure on: | | | | |
| Provision of education | 7 | 3,672,037 | 3,672,037 | 3,478,472 |
| Total expenditure | | <u>3,672,037</u> | <u>3,672,037</u> | <u>3,478,472</u> |
| Net movement in funds | | <u>227,612</u> | <u>227,612</u> | <u>69,697</u> |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 3,235,079 | 3,235,079 | 3,165,382 |
| Net movement in funds | | 227,612 | 227,612 | 69,697 |
| Total funds carried forward | | <u>3,462,691</u> | <u>3,462,691</u> | <u>3,235,079</u> |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 39 form part of these financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 02427105

BALANCE SHEET
AS AT 31 JULY 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 6,278,349 | 6,365,177 |
| Investments | 13 | - | 1 |
| | | <u>6,278,349</u> | <u>6,365,178</u> |
| Current assets | | | |
| Debtors | 14 | 118,949 | 165,848 |
| Cash at bank and in hand | | 656,010 | 415,429 |
| | | <u>774,959</u> | <u>581,277</u> |
| Creditors: amounts falling due within one year | 15 | (605,604) | (514,028) |
| Net current assets | | <u>169,355</u> | <u>67,249</u> |
| Total assets less current liabilities | | <u>6,447,704</u> | <u>6,432,427</u> |
| Creditors: amounts falling due after more than one year | 16 | (2,912,945) | (3,117,833) |
| Net assets excluding pension liability | | <u>3,534,759</u> | <u>3,314,594</u> |
| Defined benefit pension scheme liability | 24 | (72,068) | (79,515) |
| Total net assets | | <u><u>3,462,691</u></u> | <u><u>3,235,079</u></u> |
| Charity funds | | | |
| Restricted funds | 18 | - | - |
| Unrestricted funds | 18 | 3,462,691 | 3,235,079 |
| Total funds | | <u><u>3,462,691</u></u> | <u><u>3,235,079</u></u> |

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

GADS HILL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 02427105

BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2021

Hillocks

Mrs K Hillocks

(Chair of Trustees)

Date: 8-7-2022

The notes on pages 21 to 39 form part of these financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Cash flows from operating activities | | |
| Net cash used in operating activities | 598,207 | 1,414 |
| Cash flows from investing activities | | |
| Dividends, interests and rents from investments | 506 | - |
| Proceeds from the sale of tangible fixed assets | 240 | - |
| Purchase of tangible fixed assets | (53,825) | (49,759) |
| Net cash used in investing activities | (53,079) | (49,759) |
| Cash flows from financing activities | | |
| Repayments of borrowing | (185,234) | (127,365) |
| Interest paid on loan | (119,313) | - |
| Net cash used in financing activities | (304,547) | (127,365) |
| Change in cash and cash equivalents in the year | 240,581 | (175,710) |
| Cash and cash equivalents at the beginning of the year | 415,429 | 591,139 |
| Cash and cash equivalents at the end of the year | 656,010 | 415,429 |

The notes on pages 21 to 39 form part of these financial statements

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. General information

The company is a company limited by guarantee. The members of the company are the Trustees named in the front of the financial statements. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

The company is registered in England and Wales, registered number 02427105 and its registered office is:

Gads Hill Place,
Gravesend Road,
Higham,
Kent, ME3 7PA.

The company is a registered charity number 803153, its principal activity is the provision of education service.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gads Hill School 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.

2.2 Going concern

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements. After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. Whilst the school has a deficit on free reserves it has bank funding in place to cover this and future income streams to service that debt. The Governors therefore continue to adopt the going concern basis in preparing the financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 Fee income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarships, bursaries and other allowances. Interest income is accounted for on a receivable basis.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives,

Depreciation is provided on the following bases:

| | |
|-----------------------|----------------------|
| Freehold property | - 2% on cost |
| Motor vehicles | - 25% on cost |
| Fixtures and fittings | - 20% to 25% on cost |

Land of £140,000 is not depreciated.

The governors consider that the freehold property will have an estimated residual value of £1.9 million after 50 years, depreciation is charged at 2% per annum on the balance.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Known bad debts are written off and provision is made for any considered to be doubtful. Trade debtors relates to income owed for charitable services provided.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within Interest payable and similar charges.

Fees received in advance are carried forward for credit in the period to which they relate.

2.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Company is a member of a multi-employer plan. Where it is not possible for the Company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. These are assessed annually and may vary each annum depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The school makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analysed historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment terms when making judgement to evaluate the adequacy of the allowance of doubtful debts.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

4. Income from donations and legacies

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-------------------|--|---------------------------------------|
| Donations | 375 | 375 |
| Government grants | 143,740 | 143,740 |
| | 144,115 | 144,115 |
| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
| Government grants | 196,784 | 196,784 |
| | 196,784 | 196,784 |

5. Income from charitable activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------|--|---------------------------------------|
| Fees receivable | 3,504,674 | 3,504,674 |
| Registration fees | 12,240 | 12,240 |
| Educational requisites income | 129,881 | 129,881 |
| Sundry income | 108,233 | 108,233 |
| | 3,755,028 | 3,755,028 |

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

5. Income from charitable activities (continued)

| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|-------------------------------|--|---------------------------------------|
| Fees receivable | 3,189,411 | 3,189,411 |
| Registration fees | 4,380 | 4,380 |
| Educational requisites income | 115,032 | 115,032 |
| Sundry income | 40,995 | 40,995 |
| | 3,349,818 | 3,349,818 |

6. Investment income

| | <i>Unrestricted funds 2021 £</i> | <i>Total funds 2021 £</i> |
|---|--|---------------------------------------|
| Investment income - other foreign investments | 506 | 506 |
| | 506 | 506 |

| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|---|--|---------------------------------------|
| Investment income - other foreign investments | 1,567 | 1,567 |
| | 1,567 | 1,567 |

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

7. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|------------------|------------------------------------|-----------------------------|
| Education | 2,270,874 | 2,270,874 |
| Welfare | 158,613 | 158,613 |
| Premises | 617,815 | 617,815 |
| Administration | 505,422 | 505,422 |
| Interest payable | 119,313 | 119,313 |
| | <u>3,672,037</u> | <u>3,672,037</u> |

| | <i>Endowment funds 2020 £</i> | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|------------------|---|--|--|---------------------------------------|
| Education | - | - | 2,142,507 | 2,142,507 |
| Welfare | - | - | 151,743 | 151,743 |
| Premises | 1,253 | 545 | 551,370 | 553,168 |
| Administration | - | - | 502,135 | 502,135 |
| Interest payable | - | - | 128,919 | 128,919 |
| | <u>1,253</u> | <u>545</u> | <u>3,476,674</u> | <u>3,478,472</u> |

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

7. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

| | Staff costs 2021 £ | Depreciation 2021 £ | Other costs 2021 £ | Total funds 2021 £ |
|------------------|--------------------------|---------------------------|--------------------------|-----------------------------|
| Education | 2,099,447 | - | 171,427 | 2,270,874 |
| Welfare | 137,783 | - | 20,830 | 158,613 |
| Premises | 200,565 | 140,655 | 276,595 | 617,815 |
| Administration | 321,462 | - | 183,960 | 505,423 |
| Interest payable | - | - | 119,313 | 119,313 |
| | <u>2,759,257</u> | <u>140,655</u> | <u>772,125</u> | <u>3,672,037</u> |

| | Staff costs 2020 £ | Depreciation 2020 £ | Other costs 2020 £ | Total funds 2020 £ |
|------------------|--------------------------|---------------------------|--------------------------|-----------------------------|
| Education | 2,022,972 | - | 119,535 | 2,142,507 |
| Welfare | 130,218 | - | 21,525 | 151,743 |
| Premises | 159,859 | 129,190 | 264,118 | 553,167 |
| Administration | 325,311 | - | 176,825 | 502,135 |
| Interest payable | - | - | 128,919 | 128,919 |
| | <u>2,638,360</u> | <u>129,190</u> | <u>710,922</u> | <u>3,478,472</u> |

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

8. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ |
|------------------|---|-------------------------------|-----------------------------|
| Education | 2,280,123 | (9,250) | 2,270,873 |
| Welfare | 137,783 | 20,830 | 158,613 |
| Premises | 477,160 | 140,655 | 617,815 |
| Administration | 480,277 | 25,146 | 505,423 |
| Interest payable | 119,313 | - | 119,313 |
| | <u>3,494,656</u> | <u>177,381</u> | <u>3,672,037</u> |

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
|------------------|---|-------------------------------|-----------------------------|
| Education | 2,142,507 | - | 2,142,507 |
| Welfare | 130,218 | 21,525 | 151,743 |
| Premises | 515,977 | 37,190 | 553,167 |
| Administration | 483,324 | 18,812 | 502,136 |
| Interest payable | 128,919 | - | 128,919 |
| | <u>3,400,945</u> | <u>77,527</u> | <u>3,478,472</u> |

9. Auditor's remuneration

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | <u>14,350</u> | <u>12,000</u> |

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

12. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--------------------------|---------------------------|------------------------|-------------------------------|------------------|
| Cost or valuation | | | | |
| At 1 August 2020 | 6,500,000 | 201,444 | 518,869 | 7,220,313 |
| Additions | - | 19,404 | 34,423 | 53,827 |
| Disposals | - | (240) | - | (240) |
| At 31 July 2021 | <u>6,500,000</u> | <u>220,608</u> | <u>553,292</u> | <u>7,273,900</u> |
| Depreciation | | | | |
| At 1 August 2020 | 267,927 | 142,527 | 444,682 | 855,136 |
| Charge for the year | 89,069 | 21,079 | 30,507 | 140,655 |
| On disposals | - | (240) | - | (240) |
| At 31 July 2021 | <u>356,996</u> | <u>163,366</u> | <u>475,189</u> | <u>995,551</u> |
| Net book value | | | | |
| At 31 July 2021 | <u>6,143,004</u> | <u>57,242</u> | <u>78,103</u> | <u>6,278,349</u> |
| At 31 July 2020 | <u>6,232,073</u> | <u>58,917</u> | <u>74,187</u> | <u>6,365,177</u> |

Included in land and buildings is freehold land at valuation of £140,000 (2020 - £140,000), and listed buildings at a valuation of £1,906,573 (2020 £1,906,573).

13. Fixed asset investments

| | Investments in subsidiary companies £ |
|-----------------------|---|
| At 1 August 2020 | 1 |
| Disposals | (1) |
| Net book value | |
| At 31 July 2020 | <u>1</u> |

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

14. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|-----------|-----------|
| Due within one year | | |
| Trade debtors | 94,547 | 52,220 |
| Other debtors | 4,679 | 84,596 |
| Prepayments and accrued income | 19,723 | 29,032 |
| | 118,949 | 165,848 |

15. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|-----------|-----------|
| Bank loans | 194,739 | 175,084 |
| Trade creditors | 163,638 | 21,303 |
| Other taxation and social security | - | 52,326 |
| Other creditors | 200,470 | 243,420 |
| Accruals and deferred income | 46,757 | 21,895 |
| | 605,604 | 514,028 |

16. Creditors: Amounts falling due after more than one year

| | 2021 £ | 2020 £ |
|------------|-----------|-----------|
| Bank loans | 2,912,945 | 3,117,833 |

The entire balance of bank loans shown above are secured by a legal charge over the freehold property of Gads Hill School. The loan is repayable in monthly instalments over the 15 year term. Interest is being paid each month at a rate of 2.44% above Base Rate.

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

17. Financial instruments

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | <u>656,010</u> | <u>415,429</u> |

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

18. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2020 £ | Income £ | Expenditure £ | Balance at 31 July 2021 £ |
|---------------------------------|----------------------------------|-------------------------|---------------------------|---------------------------------|
| Unrestricted funds | | | | |
| Designated funds | | | | |
| Charles Dickens Fund | 50,000 | - | - | 50,000 |
| Phase 2 New School Fund | 152,620 | - | - | 152,620 |
| | <u>202,620</u> | <u>-</u> | <u>-</u> | <u>202,620</u> |
| General funds | | | | |
| General Funds - all funds | <u>3,032,459</u> | <u>3,899,649</u> | <u>(3,672,037)</u> | <u>3,260,071</u> |
| Total Unrestricted funds | <u><u>3,235,079</u></u> | <u><u>3,899,649</u></u> | <u><u>(3,672,037)</u></u> | <u><u>3,462,691</u></u> |

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

18. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 August 2019 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Balance at 31 July 2020 £</i> |
|--|---|-------------------------|---------------------------|--|
| Unrestricted funds | | | | |
| Designated funds | | | | |
| Charles Dickens Fund | 50,000 | - | - | 50,000 |
| Phase 2 New School Fund | 152,620 | - | - | 152,620 |
| | <u>202,620</u> | <u>-</u> | <u>-</u> | <u>202,620</u> |
| | | | | |
| | <i>Balance at 1 August 2019 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Balance at 31 July 2020 £</i> |
| General funds | | | | |
| General Funds - all funds | 2,960,964 | 3,548,169 | (3,476,674) | 3,032,459 |
| Total Unrestricted funds | <u>3,163,584</u> | <u>3,548,169</u> | <u>(3,476,674)</u> | <u>3,235,079</u> |
| | | | | |
| Endowment funds | | | | |
| Penelope Bow Award for research and discovery | 1,253 | - | (1,253) | - |
| | | | | |
| Restricted funds | | | | |
| Penelope Bow Award endowment fund | 545 | - | (545) | - |
| Total of funds | <u><u>3,165,382</u></u> | <u><u>3,548,169</u></u> | <u><u>(3,478,472)</u></u> | <u><u>3,235,079</u></u> |

GADS HILL SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

19. Summary of funds

Summary of funds - current year

| | Balance at 1 August 2020 £ | Income £ | Expenditure £ | Balance at 31 July 2021 £ |
|------------------|----------------------------------|------------------|--------------------|---------------------------------|
| Designated funds | 202,620 | - | - | 202,620 |
| General funds | 3,032,459 | 3,899,649 | (3,672,037) | 3,260,071 |
| | <u>3,235,079</u> | <u>3,899,649</u> | <u>(3,672,037)</u> | <u>3,462,691</u> |

Summary of funds - prior year

| | <i>Balance at 1 August 2019 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Balance at 31 July 2020 £</i> |
|------------------|---|---------------------|--------------------------|--|
| Designated funds | 202,620 | - | - | 202,620 |
| General funds | 2,960,964 | 3,548,169 | (3,476,674) | 3,032,459 |
| Endowment funds | 1,253 | - | (1,253) | - |
| Restricted funds | 545 | - | (545) | - |
| | <u>3,165,382</u> | <u>3,548,169</u> | <u>(3,478,472)</u> | <u>3,235,079</u> |

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|-----------------------------|
| Tangible fixed assets | 6,278,349 | 6,278,349 |
| Current assets | 774,959 | 774,959 |
| Creditors due within one year | (605,604) | (605,604) |
| Creditors due in more than one year | (2,912,945) | (2,912,945) |
| Provisions for liabilities and charges | (72,068) | (72,068) |
| Total | <u>3,462,691</u> | <u>3,462,691</u> |

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|--|--|---------------------------------------|
| Tangible fixed assets | 6,365,177 | 6,365,177 |
| Fixed asset investments | 1 | 1 |
| Current assets | 581,276 | 581,276 |
| Creditors due within one year | (514,028) | (514,028) |
| Creditors due in more than one year | (3,117,833) | (3,117,833) |
| Provisions for liabilities and charges | (79,515) | (79,515) |
| Total | <u><u>3,235,078</u></u> | <u><u>3,235,078</u></u> |

21. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|--|-----------------------|---------------------|
| Net income for the year (as per Statement of Financial Activities) | <u>227,612</u> | <u>69,697</u> |
| Adjustments for: | | |
| Depreciation charges | 140,655 | 129,190 |
| Loss on investments | (1) | - |
| Interest payable | 119,313 | 127,365 |
| Endowment investment net movements | - | 1,253 |
| Interest receivable | (506) | - |
| Decrease/(increase) in debtors | 46,898 | (6,314) |
| Increase/(decrease) in creditors | 71,923 | (315,083) |
| Repayable of pension deficit | (7,447) | (4,694) |
| Loss on disposal of tangible fixed assets | (240) | - |
| Net cash provided by operating activities | <u><u>598,207</u></u> | <u><u>1,414</u></u> |

GADS HILL SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

22. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Cash in hand | 656,010 | 415,429 |
| Total cash and cash equivalents | 656,010 | 415,429 |

23. Analysis of changes in net debt

| | At 1 August 2020 £ | Cash flows £ | At 31 July 2021 £ |
|--------------------------|--------------------------|-----------------|-------------------------|
| Cash at bank and in hand | 415,429 | 240,581 | 656,010 |
| Debt due within 1 year | (175,084) | (19,655) | (194,739) |
| Debt due after 1 year | (3,117,833) | 204,888 | (2,912,945) |
| | (2,877,488) | 425,814 | (2,451,674) |

24. Pension commitments

The school operates two pension schemes, one of which provides benefits based on a final or career average pensionable salary, while the other operates on the basis of a defined contribution levels from the employer and the employee.

Teaching staff belong to the Teachers' Pension Scheme "TPS". This is an unfunded defined benefit scheme operated by the Government with contributions calculated on an actuarial basis, but set in relation to the current service period only. In accordance with paragraph 28.11 of FRS 102 the contributions have been accounted for as if this were a defined contribution scheme. The employers contributions for the period rose from 23.68% to 23.58% from September 2020. Some members of the support and administrative staff belong to The Independent Schools' Pension Scheme "ISPS". This scheme is run by Verity's Governors Limited. Verity is the governor of the Pensions Trust for Charities and Voluntary Organisations. Contributions are calculated as a percentage of employee's earnings. The contributions made by the employees are matched by the employer to the maximum of 4%. Employees are able to contribute more than this if they wish.

The pension charge for the period was £345,879 (2020 - £324,970). Outstanding contributions on the balance sheet amount to £72,068 (2020 - £32,216).

The school also paid a pension of £250 per month to a former Headmistress. It is committed to pay this for the remainder of her life. A provision of £23,596 (2020 - £23,596) for the pension is within other creditors.

The school has entered into an arrangement to repay the deficit of the multi-employer ISPS. The amount is repayable over 13 years, with the first repayment being made in September 2016. In the prior year this has been discounted to its net present value of £72,067. The effective interest charge will be unwound to

GADS HILL SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

24. Pension commitments (continued)

the Statement of Financial Activities over the repayment period.

25. Operating lease commitments

At 31 July 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2021 | 2020 |
|--|---------------|----------|
| | £ | £ |
| Not later than 1 year | 9,706 | - |
| Later than 1 year and not later than 5 years | 38,304 | - |
| | <u>48,010</u> | <u>-</u> |

26. Related party transactions

During the year, the School was invoiced for insurance services by The Waterhouse Group, a business in which Mr P Waterhouse, the father of governor Mrs K Hillocks, is the sole proprietor. The commission earned by The Waterhouse Group was £5,196 (2020 - £4,916).

During the year, the school paid for various expenses on behalf of The Charles Dickens Centre (Gads Hill) Limited £nil (2020 - £1,276). No amount was outstanding at the year end (2020 - £nil). A company in which there are common governors.

During the year, the school received donations of £5,075 (2020 - £nil) from The Friends of Gads Hill School. During the year, the school paid for various expenses on behalf of The Friends of Gads Hill School totalling £3,265 (2020 - £3,496). £3,265 was outstanding at the year end (2020 - £485). A charity in which there are common governors.

During the year, the school made purchases totalling £87 from Rochester and Chatham Dickens Fellowship (2020 - £179). No amount was outstanding at the year-end (2020 - £nil).

GADS HILL SCHOOL

England & Wales - Charity number 803153

Accounts

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

GADS HILL SCHOOL
(A company limited by guarantee)

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GADS HILL SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2020

Governors

Mr P Savage, Headmaster
Mrs K Hillocks, Chairman
Mrs A Eggleton, Vice-Chairman
Miss N Barker
Mr O Basi
Mrs M Dickens
Mrs C Engall (resigned 10 July 2020)
Reverend Canon P Kerr
Mr S Martin
Mr J Myatt
Mr G Noble (resigned 16 March 2020)
Mrs K White (resigned 18 September 2019)
Mr C Whittington
Mr N Smith (appointed 30 November 2020)
Mrs R Hassell (resigned 25 May 2020)
Dr P Hastwell (resigned 21 August 2019)

Company registered number

02427105

Charity registered number

803153

Registered office

Gads Hill Place, Gravesend Road, Higham, Kent, ME3 7PA

Independent auditor

Crowe U.K. LLP, Riverside House, 40 - 46 High Street, Maidstone, Kent, ME14 1JH

Bankers

HSBC UK Bank PLC, 84 New Road, Gravesend, Kent, DA11 0AS

Svenska Handelsbanken AB (publ), Colman House, King Street, Maidstone, Kent, ME14 1DN

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, Maidstone, Kent, ME19 4JQ

Solicitors

dgb Solicitors LLP, Captains House, Central Avenue, Pembroke, Chatham Maritime, Kent, ME4 4UF

Stone King LLP, 13 Queen Sware, Bath, BA1 2HJ

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2020

The Governors are pleased to present their annual Governors' report together with the financial statements of the school for the year ending 31 July 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The Governors 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 2015).

Objectives and Activities

a. Policies and objectives

Our objectives for 2019/20 were:

- Increasing the junior school to two forms throughout;
- Increasing further the financial support we offer to families of children who would benefit from the education on offer at Gad's;
- Seeking further improvement to our already impressive GCSE examination performance;
- Preparing to roll out the school's innovative "One Curriculum" as a single, coherent programme of study from age 3 to 16;
- Developing further the continuing professional development ("CPD") provision for all staff;
- Improving further the retention of pupils at age 11, maintaining the size of the kindergarten and junior school and increasing further the size of the senior school; and
- Developing a long-term strategy for physical resources: cash, estates and infrastructure.

b. Activities for achieving objectives

We increased the size of the junior school to two forms throughout from September 2019, in the process relocating the Bursary to ensure all junior classes are in suitable classrooms near each other. The average number of junior school pupils across the year rose by 17.44% to 101 (2019: 86). Creative and flexible staffing meant that two more junior classes were added with only one more teacher needing to be employed.

We more than doubled our spend on the financial support we offer to families of children who would benefit from the education on offer at Gad's to 7.61% of Gross Fee Income ("GFI") (2019: 3.79%) This resulted in a sharp increase in the number of pupils benefiting from fee assistance to 91 (2019: 32) however the average value of fee assistance per beneficiary did drop to 22.90% (2019: 34.11%).

We saw further improvement to our already impressive GCSE examination performance with all (2019: 75%) of our GCSE subjects exceeding the England average for grades 9 to 4 and with largely the same proportion (around two-thirds) exceeding the England average for grades 9 to 5. 86% of pupils achieved 5 or more GCSE passes at Grade 4 or better, with 67% achieving 5 or more at Grade 5 or higher. Please see further narrative below (under "Academic Performance") regarding the impact of Covid-19 on public examinations.

We prepared to roll out the school's innovative "One Curriculum" as a single, coherent programme of study from age 3 to 16. The move to off-site learning in summer 2020 did hamper some progress with this important project. Colleagues across the school, however, continued to contribute Knowledge Organisers and Topic Overview documents in their age groups and subject specialisms that completed the groundwork for the project to move forward to secure a single, coherent programme of study able to deliver on our One Curriculum Intent which was settled with colleagues during 2019/20.

GADS HILL SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

We developed further the continuing professional development (“CPD”) provision for all staff. A major focus of this was to develop our ability to support pupils (and colleagues) with their mental health. Two colleagues gained Level 3 qualifications in Supervising First Aid for Mental Health. This then enabled a further ten colleagues from across the school to gain Level 2 Mental Health First Aid qualifications, valid for three years. A further 12 staff (mix of teaching and non-teaching colleagues) undertook study for a Level 2 qualification in Children and Young People’s Mental Health, certified by Northampton College. The school continued to make good use of its Educare subscription to offer all colleagues training in a number of safeguarding and other topics and as at 17 June 2020 some 679 short courses had been completed this way by colleagues from across the school. External training was secured for diverse purposes including: statutory Designated Safeguarding Lead (“DSL”) training; Paediatric First Aid qualifications; external examination moderation training; and Practical Science courses. We also trained two new teachers via an Initial Teacher Training route, providing excellent CPD for both them and our own teachers. Dr Burke is undertaking a Chartered Teacher (Leader) qualification with the CCT and some teachers are studying for Masters degrees. The Gad’s Hill Teaching and Learning Digest was introduced and published each half term, helping teachers to link recent and relevant research with practice in the classroom.

We saw continued improvement in pupil numbers, improving further the retention of pupils at age 11 and increasing further the size of the senior school by 11.29% to 138 (2019: 124) pupils. Growth in the junior school more than offset the small reduction in the kindergarten.

Whilst documented plans to develop long-term strategies for physical resources (cash, estates and infrastructure) have been deferred to 2020/21 and beyond, it is testament to do the flexible, insightful and effective day-to-day management the school’s SLT and other staff provide that the school had not only resilience to withstand, but also sufficient resources to respond creatively to, the challenges brought along by the Covid-19 pandemic.

c. Public benefit

The school educated an average of 181 primary- and 138 secondary-age pupils during 2019/20 at no cost to the public purse (excepting, of course, the exceptional emergency Government funding to protect jobs during the Covid-19 pandemic). The absolute minimum it would have cost public funds to educate these pupils at the Government’s minimum per pupil funding levels would be £1.296M. The real savings to the public purse, however, are considerably greater when the value of capital grants, VAT reclaims and so on are taken in to account. All our staff live in Kent, Medway or one of the adjoining London Boroughs and hence our support to the local economy as the employer of nearly 100 people is significant. Support of our local economy has been increased further by choosing local suppliers for food produce wherever possible, taking more trips to local sites and attractions, and so on.

GADS HILL SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

Public Benefit (continued)

During 2019/20 our CCF cadets were honoured to be invited to form the guard for Remembrance Sunday commemorations at The Cenotaph in Westminster. This was in addition to their engagement in memorial parades locally, such as for Armed Forces Day, General Gordon Memorial in Gravesend, Remembrance Day at Higham Parish Church and involvement in marking the 75th anniversary of Operation Market Garden in Arnhem, The Netherlands.

Junior pupils were involved in a number of community events, including joining the Sri Guru Nanak Darbar Gurdwara in marking the Guru Nanak 550 celebrations, and donating mountains of produce to the Caring Hands food bank in Medway at Harvest.

As ever, children across the school raised money through House events for their chosen charities. The school also opened its facilities to a number of local schools and organisations – not just via successful cross-country fixtures and a primary-age football tournament, but also by facilitating the use of our climbing wall and shooting range for local scouting and guides organisations, and making the site available to Kent Police Cadets.

Strategic report

Achievements and performance

a. Review of activities

COVID-19

The sudden, unpredictable and immense impact of the Covid-19 pandemic hit the school (and, of course, all others nationally) in March 2020. Many of our parents own their own business or are self-employed and governors worked quickly and imaginatively to seek to reassure parents, starting their dialogue with parents in the COVID-era on a positive, supportive footing, with a sense of community and interdependence so as to try and bring us all through the pandemic together. Key decisions and approaches included:

- During the summer 2020 “lockdown”, providing safe supervision, with access to appropriate ICT, in school for those identified in accordance with Government guidance as “vulnerable”, and also for the children of critical workings.
- Empowering those senior leaders managing the day-to-day impact to proceed innovatively and flexibly, creating swiftly in conjunction with teachers and other staff an interactive on-line learning environment not just to support pupils’ progress during the period of lockdown, but to ensure it.
- Not collecting any funds by Direct Debit in April 2020 from monthly payers, and extending the deadline for termly payers to pay summer term fees, so as to allow a little breathing space and for the dust to settle and things to become clearer regarding, for example, the support Government would give to project jobs, the income of the self-employed and so on.
- Giving parents discounts against summer term 2020 fees ranging from 22.5% to 50% depending on the year group in question.
- Committing early to freezing fees for 2020/21 at the level they were in 2019/20.
- Agreeing “time to pay” arrangements with families where appropriate, to avoid short-term cashflow problems impacting pupils’ long-term education.
- Making accessible on the school’s public website a wide range of information and communications provided to parents as the pandemic unfolded.

These actions were taken in full knowledge that many would impact adversely and considerably both our surplus/loss for the year, and our cash position at year end. Relevant figures are reported in the financial statements. At each step Governors were advised and reassured by two key partners: Crowe UK LLP (our

GADS HILL SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

Auditors) and HSBC UK Bank PLC (our Bank). Governors wish to record formally via this report their immense and enduring thanks to Messrs Weekes and Offer of these two organisations, without whose expertise, willingness and readiness to support in any way they could, and flexibility of approach the school simply would not have fared half as well.

School leaders took steps to measure how various changes and initiatives were being received by parents. A survey undertaken in May 2020 showed that:

- 91% of parents felt the school was generally managing the impact of the crisis well;
- 84% of parents felt their child's attitude to distance learning was positive;
- 78% of parents felt their child was making progress with their learning and 73% were satisfied with the level of progress being made;
- 48% of parents felt satisfied with the school's approach to fee-setting in the circumstances with 46% stating they disagreed with the approach;
- 88% of parents who had needed to contact the Bursary during the first lockdown had found them to be helpful.

Please see further narrative below (under "Academic Performance") regarding the impact of Covid-19 on public examinations. A number of case studies have been produced on this and other curriculum matters, and are available to staff and Governors.

Pupil Numbers, Class Sizes and Fees

Average pupil numbers and class sizes for the year are set out below along with the standard fees however as reported elsewhere these were discounted temporarily in the summer term due to Covid-19.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

| Section | Year Group | Average | | Standard Fee Level | |
|--------------------------------|-------------------------------------|------------|------------|--------------------|----------|
| | | Pupils | Class Size | Termly | Annual |
| Kindergarten | KN (Nursery) | 25 | 12 | £ 3,239 | £ 9,717 |
| | KR (Reception) | 16 | 16 | £ 3,239 | £ 9,717 |
| | K1 (Year 1) | 19 | 19 | £ 3,811 | £ 11,433 |
| | K2 (Year 2) | 20 | 20 | £ 3,811 | £ 11,433 |
| | Overall (Nursery to Year 2) | 80 | 16 | | |
| | <i>cf Nursery to Year 2 2018/19</i> | <i>84</i> | <i>14</i> | | |
| Juniors | J3 (Year 3) | 24 | 12 | £ 4,040 | £ 12,120 |
| | J4 (Year 4) | 28 | 14 | £ 4,040 | £ 12,120 |
| | J5 (Year 5) | 27 | 14 | £ 4,040 | £ 12,120 |
| | Remove (Year 6) | 22 | 11 | £ 4,040 | £ 12,120 |
| | Overall (Years 3 to 6) | 101 | 13 | | |
| | <i>cf Years 3 to 6 2018/19</i> | <i>86</i> | <i>17</i> | | |
| Seniors | Shell (Year 7) | 35 | 17 | £ 4,324 | £ 12,972 |
| | Lower 4 th (Year 8) | 30 | 15 | £ 4,324 | £ 12,972 |
| | Upper 4 th (Year 9) | 19 | 19 | £ 4,566 | £ 13,698 |
| | Lower 5 th (Year 10) | 32 | 16 | £ 4,566 | £ 13,698 |
| | Upper 5 th (Year 11) | 21 | 11 | £ 4,566 | £ 13,698 |
| | Overall (Years 7 to 11) | 138 | 15 | | |
| | <i>cf Years 7 to 11 2018/19</i> | <i>126</i> | <i>14</i> | | |
| Whole School | | 319 | 15 | | |
| <i>cf Whole School 2018/19</i> | | <i>296</i> | <i>15</i> | | |

Pupil numbers remained pleasingly on target with the exception of a very small loss of pupils during the summer term 2020 as the Covid-19 pandemic commenced. Fee levels were on average 3.99% higher than those charged in the preceding year. We remain extremely competitively priced against other independent senior schools in the area. Our primary school fees are mid-table however few others locally can provide the value our through-school configuration provides, with primary-age pupils receiving significantly more specialist teaching, and access to specialist resources, than the standalone preparatory schools in the area can achieve.

GADS HILL SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

Academic Performance

Alongside the announcement, in March 2020, that school sites would close to the majority of pupils and learning would move online, the Prime Minister also brought news that GCSE examinations in summer 2020 would be cancelled. Instead grades would be awarded, at least in part, on the basis of centre assessment. Our cohort of Upper Fifth pupils met this news with a near-universal sense of disappointment and anti-climax, deprived of the opportunity to evidence for themselves their progress and hard work.

The original plan was that grades submitted by schools to exam would then be processed through a system that took into account schools' performance in previous years, but an uproar following the publication of A-Level results led to the abandonment of the "mutant algorithm" and pupils were eventually awarded the higher of this generated grade, or the grade awarded by teachers.

Significant achievements include:

- Our first cohort of GCSE Food Preparation and Nutrition ("FP&N") students reach the conclusion of their studies with 100% of them achieving top grades (9 to 4) compared with only 79% of FP&N students across England achieving those results.
- 81% of pupils gained a grade 9-4 in English Language;
- 95% of pupils gained a grade 9-4 in Mathematics;
- 95% of pupils gained a grade 9-4 in Science (Double Award);
- 86% of pupils (2019: 83%) achieved 5 or more GCSE passes at Grade 4 or better, with 67% (2019: 61%) achieving 5 or more at Grade 5 or higher.
- More pupils achieving the top grades of 7 to 9 than previously. 1 in 3 pupils gained at least one of these highest awards.
- All BTEC music students passed their qualification
- Combined Cadet Force ("CCF") pupils gained diplomas from The Institute of Leadership and Management, a BTEC in Teamwork and Personal Development, Duke of Edinburgh Awards and First Aid qualifications.
- More Gad's pupils than ever before complete drama qualifications with the London Academy of Music and Dramatic Art ("LAMDA") on their solo and small group pathways.

Charles Dickens Academic Scholarships

Autumn Term 2019 saw the third wave of Charles Dickens ("CD") academic scholars commence in the senior school, with a further 11 of the most able children in the area receiving this form of fee assistance. Of particular note, one pupil joined us this year from a local maintained primary school, having achieved a 100% CD Scholarship.

Other Forms of Fee Assistance

Significant increases in both the proportion of gross fee income used to provide fee assistance, and the proportion of families benefiting from some of fee assistance are set out elsewhere in this report. Governors keep under review our policies for all forms of fee assistance to ensure that as many suitable pupils as possible can benefit from the education offered at Gad's Hill School even if their family financial circumstances would otherwise preclude this.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Principal risks and uncertainties

The Board of governors is responsible for the management of risks faced by the school. Each year the Senior Management Team and the Board identify and assess risks and implement controls to mitigate against these.

Key controls implemented by the school are as follows:

- Formal agenda for all Board and Committee activities
- Strategic planning, budgeting and management accounting
- Structured financial and other forecasting (e.g. pupil numbers) for future years
- Established organisational structure and understood lines of reporting
- Formal written policies

Approach to fundraising

Fundraising income remains low, however the School does not specifically target resources for this source of funding. This year the school received donations amounting to £Nil (2019: £30,680). No fundraising complaints (2019: none) were received during the year.

c. Reserves policy

The governors review regularly the finances of the school and plan for future years. In common with other independent schools, governors have invested substantial sums into new and improved buildings and facilities in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Although the school's free reserves, calculated as reserves less fixed assets less designated funds, are at a negative balance of (£3,130,099), this illustrates the extent of the investment in our school, which is common practice for schools in the sector which have to finance their own capital investment plans. The governors consider that, given the strength of the charity's balance sheet, the stable cash flow from healthy student rolls (including the managed impact of the current Covid-19 pandemic), the ongoing popularity of our school, and our strong relationship with bankers, there is current need to build up a free reserve.

As was fully expected when Governors took actions outlined elsewhere to deal with the Covid-19 pandemic, the school's cash balances were depleted, and much lower than originally planned, at 31 July 2020.

Despite balances on 31 July 2020 being below the Governors' policy of holding at least £500,000 cash to fund any unexpected expenditure or shortfall of income, liquidity remained sufficiently strong (and expected to improve significantly in early 2020/21) that Governors remain satisfied with the current level of reserves in the unprecedented context of Covid-19. It is worth noting that the school did not have to ask to defer any loan repayments, nor take on any additional borrowing to weather the storm.

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

d. Principal funding

The principal funding of the school is from school fees.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed

The company is constituted under a Trust deed and is a registered charity number 803153

The charitable objects of the School as set out in the Articles of Association (as amended by Special Resolution dated 28 January 2009) are to advance education and training (including physical training) for the public benefit by provision of a school or schools in the county of Kent, in particular the school known as Gad's Hill School, Higham, Kent.

Our Mission

Our mission is to enable our students to enjoy school, to achieve good academic qualifications and to develop those personal attributes and qualities which will guide them on their journey through life.

Our Vision

Our vision is to be the first choice independent school for families in Kent who value a well-rounded education for their child. It is our intention that our students leave Gad's Hill as confident, mature, articulate, pleasant and self-reliant young people who are well equipped to enter the world through a university education or career of their choice.

Our Values

We value Excellence, Enthusiasm, Friendship and Success. These attributes underpin all that we do. Our Mission and Vision are shaped by our commitment to educate children holistically, as articulated by our school motto: "First to thine own self be true".

Our Ethos

Children do well when they are happy at school and at Gad's we pride ourselves on providing a friendly environment, where enthusiasm and hard work are the foundations for achieving success.

There is more to life than exam results alone, and while Gad's enjoys the reputation of receiving good GCSE results this is not our sole focus. We want to offer our pupils a foundation in life, working with them to become confident, motivated and articulate young people ready for the next stage in their education and life beyond.

Code of Governance

The Board have taken note of the charity code of governance. While the Board hoped to complete during the calendar year 2020 a review of the impact of the code of governance and how this will be implemented for the charity, the impact of the Covid-19 pandemic required trustees to apply their full attention to this highly volatile situation through 2020 and in to 2021 to safeguard the charity's beneficiaries and ensure the continued strength of the charity itself. The review will therefore now take place in 2022, most likely with the support of external advisors.

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

b. Method of appointment or election of Governors

The management of the company is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

Under the Articles, the Headmaster is a governor. Two governors are appointed by The Dickens Fellowship (one of whom is a member of the Dickens family) and one by election as a chair or representative of The Friends of Gad's Hill School (a separate registered charity) representing parents of pupils at the school. The remaining sixteen governors are elected at a general meeting and one-third of the elected governors, determined by length of service, retires by rotation each year, and may stand for re-election. Nominations for new governors are proposed on the basis of adding specialist skills to the governing body eg legal, financial, educational, medical, estates expertise and so on.

c. Policies adopted for the induction and training of Governors

New governors are formally inducted into their roles through a series of briefings by the Chair, Headmaster and Clerk to the Governing Body, along with other members of the school's senior leadership team ("SLT") as appropriate. Governors are encouraged to visit the school regularly and are given an insight into previous meetings of the Board via minutes and the accompanying reports. The governors are offered further training through the Association of Governing Bodies of Independent Schools ("AGBIS") and are informed of seminars held throughout the period that are thought to be beneficial to their governance.

d. Organisational structure and decision making

The governors, as directors of the charity, are legally responsible for the overall management and control of the school. They meet a minimum of four times per year, normally once per academic term and once at the commencement of the new school year. There are various sub-committees which meet as required to deal with particular areas of the school. The governors determine the general policy of the school. The day to day management of the school is delegated to the Headmaster.

e. Key management personnel and remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all governors of the charity. Remuneration details are disclosed in these financial statements. Aside from Governors, the other key management personnel are:

- Mr Paul Savage, Headmaster
- Dr Stephanie Burke, Director of Studies
- Mr Jack Tyler, Head of Seniors
- Miss Sam Long, Head of Juniors
- Mrs Vicky Grant, Head of Kindergarten
- Mr Barry Golding, Bursar, Clerk to the Governing Body and Company Secretary

The Board of Governors is responsible for approving the remuneration levels of all employees. The unremunerated governors approve the Headmaster's remuneration, the Headmaster being the only governor who receives remuneration for his role overseeing the day-to-day running of the school. The Governors' Staff Salary Review Board ("SSRB") sets the salaries individually for the Headmaster and Bursar. The other key management personnel are each paid on one of two SLT incremental pay scales set by the SSRB.

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

f. Risk management

The Governors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

a. Future developments

The Board has set the following objectives for 2020/21:

- To ensure the continued viability of Gad's Hill School in the face of the global Covid-19 pandemic, ensuring safety for the whole school community and high quality education and outcomes for our pupils across the school;
- Prevent any negative impact of Covid-19 on attainment at Key Stage 4;
- Extend the work already done on "One Curriculum" to see it develop as a diverse and global, 21st century curriculum for all;
- Review the Inclusion Department so as to ensure its readiness to support the above objective as it is rolled out from Autumn 2022;
- To recover our financial reserves to at least the Governors' usual policy of a minimum of £500,000 in available cash;
- To move to a model of 5-year high-level strategic planning;
- Establish a long-term plan for resources, estates and infrastructure..

Governors' responsibilities statement

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

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

The Governors 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.

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2020

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Governors, on 30 June 2021 and signed on their behalf by:



.....
Mrs K. Hillocks
Chair Of Governors

GADS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL

Opinion

We have audited the financial statements of Gads Hill School (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Governors 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

GADS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL

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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 Governors' responsibilities statement, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

GADS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Ian Weekes (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH
30 June 2021

GADS HILL SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2020**

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|--|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|---------------------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 3 | 196,784 | - | - | 196,784 | 30,680 |
| Charitable activities | 2 | 3,349,818 | - | - | 3,349,818 | 3,547,273 |
| Investments | 4 | 1,567 | - | - | 1,567 | 138 |
| Total income and endowments | | 3,548,169 | - | - | 3,548,169 | 3,578,091 |
| Expenditure on: | | | | | | |
| Charitable activities | 5 | 3,476,674 | 545 | 1,253 | 3,478,472 | 3,387,919 |
| Total expenditure | 6 | 3,476,674 | 545 | 1,253 | 3,478,472 | 3,387,919 |
| Net income / (expenditure) before investment gains | | 71,495 | (545) | (1,253) | 69,697 | 190,172 |
| Net gains on investments | 12 | - | - | - | - | 83 |
| Net income / (expenditure) before other recognised gains and losses | | 71,495 | (545) | (1,253) | 69,697 | 190,255 |
| Net movement in funds | | 71,495 | (545) | (1,253) | 69,697 | 190,255 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 3,163,584 | 545 | 1,253 | 3,165,382 | 2,975,127 |
| Total funds carried forward | | 3,235,079 | - | - | 3,235,079 | 3,165,382 |

The notes on pages 19 to 35 form part of these financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 02427105

BALANCE SHEET
AS AT 31 JULY 2020

| | Note | £ | 2020 £ | £ | 2019 £ |
|--|------|------------------|--------------------|------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 6,365,177 | | 6,444,608 |
| Investments | 12 | | 1 | | 1,254 |
| | | | <u>6,365,178</u> | | <u>6,445,862</u> |
| Current assets | | | | | |
| Debtors | 13 | 165,847 | | 159,533 | |
| Cash at bank and in hand | | 415,429 | | 591,139 | |
| | | <u>581,276</u> | | <u>750,672</u> | |
| Creditors: amounts falling due within one year | 14 | <u>(514,027)</u> | | <u>(746,324)</u> | |
| Net current assets | | | <u>67,249</u> | | <u>4,348</u> |
| Total assets less current liabilities | | | <u>6,432,427</u> | | <u>6,450,210</u> |
| Creditors: amounts falling due after more than one year | 15 | | <u>(3,117,833)</u> | | <u>(3,200,619)</u> |
| Net assets excluding pension scheme liabilities | | | <u>3,314,594</u> | | <u>3,249,591</u> |
| Defined benefit pension scheme liability | 20 | | <u>(79,515)</u> | | <u>(84,209)</u> |
| Net assets including pension scheme liabilities | | | <u>3,235,079</u> | | <u>3,165,382</u> |
| Charity Funds | | | | | |
| Endowment funds | 16 | | - | | 1,253 |
| Restricted funds | 16 | | - | | 545 |
| Unrestricted funds | 16 | | <u>3,235,079</u> | | <u>3,163,584</u> |
| Total funds | | | <u>3,235,079</u> | | <u>3,165,382</u> |

The financial statements were approved and authorised for issue by the Governors on 30 June 2021 and signed on their behalf, by:



Mrs K Hillocks

The notes on pages 19 to 35 form part of these financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 18 | <u>1,414</u> | <u>339,835</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | <u>(49,759)</u> | <u>(123,878)</u> |
| Net cash used in investing activities | | <u>(49,759)</u> | <u>(123,878)</u> |
| Cash flows from financing activities: | | | |
| Financing | | <u>(127,365)</u> | <u>(99,857)</u> |
| Net cash used in financing activities | | <u>(127,365)</u> | <u>(99,857)</u> |
| Change in cash and cash equivalents in the year | | <u>(175,710)</u> | <u>116,100</u> |
| Cash and cash equivalents brought forward | | <u>591,139</u> | <u>475,039</u> |
| Cash and cash equivalents carried forward | 19 | <u><u>415,429</u></u> | <u><u>591,139</u></u> |

The notes on pages 19 to 35 form part of these financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies

1.1 Basis of preparation of financial statements

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gads Hill School 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.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

The company is registered in England and Wales, registered number 02427105 and its registered office is:

Gad's Hill Place,
Gravesend Road,
Higham,
Kent, ME3 7PA.

The company is a registered charity number 803153, its principal activity is the provision of education service.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies (continued)

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Governors' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Governors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.7 Going concern

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements. After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. Whilst the school has a deficit on free reserves it has bank funding in place to cover this and future income streams to service that debt. The Governors therefore continue to adopt the going concern basis in preparing the financial statements.

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-----------------------|---|--------------------|
| Freehold property | - | 2% on cost |
| Motor vehicles | - | 25% on cost |
| Fixtures and fittings | - | 20% to 25% on cost |

Land of £140,000 is not depreciated.

The governors consider that the freehold property will have an estimated residual value of £1.9 million after 50 years, depreciation is charged at 2% per annum on the balance.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities incorporating income and expenditure account over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities incorporating income and expenditure account as the related expenditure is incurred.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. Accounting Policies (continued)

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Pensions

The school operates two pension schemes, contributions are charged to the statement of financial activities in the period which they become payable.

1.17 Financial instruments

Basic financial assets and liabilities including cash, loans, and trade and other receivables/payables are initially recognised at cost. Listed investments are valued at fair value each annum.

1.18 Significant judgements and estimates

In preparing these financial statements, the governors have made the following judgements:

Determine whether there are any indicators of impairment of the school's tangible fixed assets. Factors taken into consideration include the economic viability and expected future financial performance of the asset.

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. These are assessed annually and may vary each annum depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The school makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analysed historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment terms when making judgement to evaluate the adequacy of the allowance of doubtful debts.

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Income from charitable activities

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ | <i>Total Unrestricted funds 2019 £</i> |
|----------------------------------|--|--|---|---------------------------------------|--|
| Fees receivable | 3,189,411 | - | - | 3,189,411 | 3,308,424 |
| Registration fees | 4,380 | - | - | 4,380 | 5,520 |
| Educational requisites income | 115,032 | - | - | 115,032 | 163,009 |
| Sundry income | 40,995 | - | - | 40,995 | 70,320 |
| | <u>3,349,818</u> | <u>-</u> | <u>-</u> | <u>3,349,818</u> | <u>3,547,273</u> |
| <i>Total 2019</i> | <u>3,547,273</u> | <u>-</u> | <u>-</u> | <u>3,547,273</u> | |

3. Income from donations and legacies

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ | <i>Total Unrestricted funds 2019 £</i> |
|------------------------------|--|--|---|---------------------------------------|--|
| Donations | - | - | - | - | 30,680 |
| Government grants | 196,784 | - | - | 196,784 | - |
| | <u>196,784</u> | <u>-</u> | <u>-</u> | <u>196,784</u> | <u>30,680</u> |
| Total donations and legacies | <u>196,784</u> | <u>-</u> | <u>-</u> | <u>196,784</u> | <u>30,680</u> |
| <i>Total 2019</i> | <u>30,680</u> | <u>-</u> | <u>-</u> | <u>30,680</u> | |

GADS HILL SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

4. Investment income

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ | <i>Total Unrestricted funds 2019 £</i> |
|-------------------------|--|--|---|---------------------------------------|--|
| Interest received | 1,566 | - | - | 1,566 | 138 |
| Subtotal | <u>1,566</u> | <u>-</u> | <u>-</u> | <u>1,566</u> | <u>138</u> |
| Other investment income | 1 | - | - | 1 | - |
| | <u>1,567</u> | <u>-</u> | <u>-</u> | <u>1,567</u> | <u>138</u> |
| <i>Total 2019</i> | <u>138</u> | <u>-</u> | <u>-</u> | <u>138</u> | |

5. Governance costs

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ | <i>Total Unrestricted funds 2019 £</i> |
|---------------------------|--|--|---|---------------------------------------|--|
| Auditors' remuneration | 10,049 | - | - | 10,049 | 7,500 |
| Auditors' non audit costs | 7,300 | - | - | 7,300 | 7,200 |
| Governor's insurance | 1,463 | - | - | 1,463 | 1,753 |
| Governance expense 10 | 1,554 | - | - | 1,554 | - |
| | <u>20,366</u> | <u>-</u> | <u>-</u> | <u>20,366</u> | <u>16,453</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

6. Analysis of Expenditure by expenditure type

| | Staff costs 2020 £ | Depreciation 2020 £ | Other costs 2020 £ | Total 2020 £ | Total 2019 £ |
|------------------------------|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Education | 1,983,107 | 37,190 | 159,400 | 2,179,697 | 2,074,975 |
| Welfare | 130,218 | - | 59,020 | 189,238 | 144,645 |
| Premises | 159,859 | 92,000 | 226,623 | 478,482 | 497,677 |
| Administration | 325,311 | - | 158,013 | 483,324 | 492,210 |
| Interest payable | - | - | 127,365 | 127,365 | 161,959 |
| Charitable activities | 2,598,495 | 129,190 | 730,421 | 3,458,106 | 3,371,466 |
| Governance costs | - | - | 20,366 | 20,366 | 16,453 |
| | 2,598,495 | 129,190 | 750,787 | 3,478,472 | 3,387,919 |
| <i>Total 2019</i> | <i>2,513,503</i> | <i>112,607</i> | <i>761,809</i> | <i>3,387,919</i> | |

7. Net income/(expenditure)

This is stated after charging:

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Depreciation of tangible fixed assets: - owned by the charity | 129,190 | 112,607 |

8. Auditors' remuneration

| | 2020 £ | 2019 £ |
|---|--------------|--------------|
| Fees payable to the company's auditor and its associates in respect of: | | |
| Audit-related assurance services | 7,500 | 7,500 |
| Auditor's remuneration for non audit work | 6,500 | 6,500 |
| Teacher's pension audit | 700 | 700 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

9. Staff costs

Staff costs were as follows:

| | 2020 | 2019 |
|-------------------------------|-------------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,078,643 | 2,125,790 |
| Social security costs | 193,061 | 174,665 |
| Other pension costs (Note 20) | 326,791 | 213,048 |
| | <u>2,598,495</u> | <u>2,513,503</u> |

The average number of persons employed by the company during the year was as follows:

| | 2020 | <i>As restated</i> |
|----------------------------|------------------|--------------------|
| | No. | 2019 No. |
| Headmaster | 1 | 1 |
| Teaching - full time | 36 | 32 |
| Teaching - part time | 16 | 19 |
| Domestic - full time | 5 | 6 |
| Domestic - part time | 15 | 13 |
| Administration - full time | 6 | 6 |
| Administration - part time | 6 | 5 |
| | <u>85</u> | <u>82</u> |

The number of higher paid employees was:

| | 2020 | 2019 |
|-------------------------------|-------------|------|
| | No. | No. |
| In the band £70,001 - £80,000 | 1 | 1 |

Key management personnel consist of 6 individuals (2019 - 7). The total remuneration of key management personnel was £314,710 (2019- £399,329).

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NOTES TO THE FINANCIAL STATEMENTS
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10. Governors' remuneration

| | 2020 | <i>2019</i> |
|---|---------------|---------------|
| | £ | £ |
| Remuneration | 79,560 | <i>78,000</i> |
| Company pension contributions to the Teachers' Pension Scheme | 18,340 | <i>14,297</i> |

During the year retirement benefits were accruing to 1 Governor (*2019 - 1*) in respect of defined contribution pension schemes.

The governors did not receive any reimbursement of expenses during the period, except for the Headmaster who received reimbursed expenses of £Nil (*2019 - £1,753*).

11. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|------------------------|---------------------------|------------------------|-------------------------------|------------------|
| Cost | | | | |
| At 1 August 2019 | 6,500,000 | 170,946 | 499,608 | 7,170,554 |
| Additions | - | 30,498 | 19,261 | 49,759 |
| At 31 July 2020 | 6,500,000 | 201,444 | 518,869 | 7,220,313 |
| Depreciation | | | | |
| At 1 August 2019 | 175,927 | 126,810 | 423,209 | 725,946 |
| Charge for the year | 92,000 | 15,717 | 21,473 | 129,190 |
| At 31 July 2020 | 267,927 | 142,527 | 444,682 | 855,136 |
| Net book value | | | | |
| At 31 July 2020 | 6,232,073 | 58,917 | 74,187 | 6,365,177 |
| <i>At 31 July 2019</i> | <i>6,324,073</i> | <i>44,136</i> | <i>76,399</i> | <i>6,444,608</i> |

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NOTES TO THE FINANCIAL STATEMENTS
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12. Fixed asset investments

| | Listed securities £ | Unlisted securities £ | Total £ |
|---------------------|---------------------------|-----------------------------|------------|
| Market value | | | |
| At 1 August 2019 | 1,253 | 1 | 1,254 |
| Disposals | (1,253) | - | (1,253) |
| | <u>-</u> | <u>1</u> | <u>1</u> |
| At 31 July 2020 | <u>-</u> | <u>1</u> | <u>1</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the company:

| Name | Holding |
|----------------------------|---------|
| Gad's Hill Trading Limited | 100% |

The aggregate of the share capital and reserves as at 31 July 2020 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| Name | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|----------------------------|--|--------------------|
| Gad's Hill Trading Limited | 1 | - |
| | <u>1</u> | <u>-</u> |

Investments at market value comprise:

| | 2020 £ | 2019 £ |
|--------------------|-----------|--------------|
| Listed investments | - | 1,253 |
| Group | 1 | 1 |
| | <u>1</u> | <u>1</u> |
| Total market value | <u>1</u> | <u>1,254</u> |

All the fixed asset investments are held in the UK

13. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 52,220 | 116,466 |
| Other debtors | 84,596 | 4,985 |
| Prepayments and accrued income | 29,031 | 38,082 |
| | <u>165,847</u> | <u>159,533</u> |

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14. Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------|---------|---------|
| | £ | £ |
| Bank loans and overdrafts | 175,085 | 269,478 |
| Trade creditors | 21,303 | 84,615 |
| Other taxation and social security | 52,326 | 50,651 |
| Other creditors | 243,418 | 211,368 |
| Accruals and deferred income | 21,895 | 130,212 |
| | 514,027 | 746,324 |

Included within other creditors are pupil deposits £148,604 (2019 - £161,604). Whilst pupil deposits are strictly repayable after one term's notice it is highly unlikely that this will occur as the deposits are held for the duration of the pupils' school careers and therefore the majority will not be repaid within one year.

15. Creditors: Amounts falling due after more than one year

| | 2020 | 2019 |
|------------|-----------|-----------|
| | £ | £ |
| Bank loans | 3,117,833 | 3,200,619 |
| | 3,117,833 | 3,200,619 |

Included within the above are amounts falling due as follows:

| | 2020 | 2019 |
|-----------------------------------|-----------|-----------|
| | £ | £ |
| Between one and two years | | |
| Bank loans | 181,673 | 293,976 |
| | 181,673 | 293,976 |
| Between two and five years | | |
| Bank loans | 587,082 | 881,926 |
| | 587,082 | 881,926 |
| Over five years | | |
| Bank loans | 2,349,078 | 2,024,717 |
| | 2,349,078 | 2,024,717 |

Creditors include amounts not wholly repayable within 5 years as follows:

| | 2020 | 2019 |
|--------------------------|-----------|-----------|
| | £ | £ |
| Repayable by instalments | 2,349,078 | 2,024,717 |
| | 2,349,078 | 2,024,717 |

The bank loan is secured against the freehold property held by the school.

The loan incurs interest at a fixed interest rate at 3.7% for the first 10 years to 2029 then at a variable rate for a further 5 years of 2.44% over the Bank of England Base Rate

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

16. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2019 £ | Income £ | Expenditure £ | Balance at 31 July 2020 £ |
|---|-------------------------------------|-------------------------|---------------------------|------------------------------------|
| Designated funds | | | | |
| Designated Funds - Charles Dickens Fund | 50,000 | - | - | 50,000 |
| Designated Funds - Phase 2 New School Fund | 152,620 | - | - | 152,620 |
| | <u>202,620</u> | <u>-</u> | <u>-</u> | <u>202,620</u> |
| General funds | | | | |
| General Funds - all funds | 2,960,964 | 3,548,169 | (3,476,674) | 3,032,459 |
| Total Unrestricted funds | <u>3,163,584</u> | <u>3,548,169</u> | <u>(3,476,674)</u> | <u>3,235,079</u> |
| Endowment funds | | | | |
| Penelope Bow Award for research and discovery | 1,253 | - | (1,253) | - |
| Restricted funds | | | | |
| Penelope Bow Award endowment fund | 545 | - | (545) | - |
| Total of funds | <u><u>3,165,382</u></u> | <u><u>3,548,169</u></u> | <u><u>(3,478,472)</u></u> | <u><u>3,235,079</u></u> |

Statement of funds - prior year

| | Balance at 1 August 2018 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2019 £ |
|---|-------------------------------------|-------------|------------------|-------------------------|---------------------------------|
| Endowment funds | | | | | |
| Penelope Bow Award for research and discovery | 1,170 | - | - | 83 | 1,253 |
| Restricted funds | | | | | |
| Penelope Bow Award endowment fund | 545 | - | - | - | 545 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Summary of funds - current year

| | Balance at 1 August 2019 £ | Income £ | Expenditure £ | Balance at 31 July 2020 £ |
|------------------|-------------------------------------|------------------|--------------------|------------------------------------|
| Designated funds | 202,620 | - | - | 202,620 |
| General funds | 2,960,964 | 3,548,169 | (3,476,674) | 3,032,459 |
| | <u>3,163,584</u> | <u>3,548,169</u> | <u>(3,476,674)</u> | <u>3,235,079</u> |
| Endowment funds | 1,253 | - | (1,253) | - |
| Restricted funds | 545 | - | (545) | - |
| | <u>3,165,382</u> | <u>3,548,169</u> | <u>(3,478,472)</u> | <u>3,235,079</u> |

Summary of funds - prior year

| | <i>Balance at 1 August 2018 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 July 2019 £</i> |
|------------------|---|---------------------|--------------------------|----------------------------------|--|
| Endowment funds | 1,170 | - | - | 83 | 1,253 |
| Restricted funds | 545 | - | - | - | 545 |
| | <u>1,715</u> | <u>-</u> | <u>-</u> | <u>83</u> | <u>1,798</u> |

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ |
|--|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 6,365,179 | - | - | 6,365,179 |
| Fixed asset investments | 1 | - | - | 1 |
| Current assets | 581,274 | - | - | 581,274 |
| Creditors due within one year | (514,027) | - | - | (514,027) |
| Creditors due in more than one year | (3,117,833) | - | - | (3,117,833) |
| Provisions for liabilities and charges | (79,515) | - | - | (79,515) |
| | <u>3,235,079</u> | <u>-</u> | <u>-</u> | <u>3,235,079</u> |

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Endowment funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--|--|--|---|---------------------------------------|
| Tangible fixed assets | 6,444,608 | - | - | 6,444,608 |
| Fixed asset investments | 1 | - | 1,253 | 1,254 |
| Current assets | 750,127 | 545 | - | 750,672 |
| Creditors due within one year | (746,324) | - | - | (746,324) |
| Creditors due in more than one year | (3,200,619) | - | - | (3,200,619) |
| Provisions for liabilities and charges | (84,209) | - | - | (84,209) |
| | <u>3,163,584</u> | <u>545</u> | <u>1,253</u> | <u>3,165,382</u> |

18. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2020 £ | 2019 £ |
|--|---------------------|-----------------------|
| Net income for the year (as per Statement of Financial Activities) | 69,697 | 190,255 |
| Adjustment for: | | |
| Endowment investments net movements | 1,253 | (83) |
| Depreciation of tangible fixed assets | 129,190 | 112,607 |
| Interest paid | 127,365 | 21,592 |
| Decrease in stocks | - | 3,386 |
| Increase in debtors | (6,314) | (1,056) |
| (Decrease)/increase in creditors | (315,083) | 20,315 |
| Repayment of pension deficit | (4,694) | (7,181) |
| Net cash provided by operating activities | <u>1,414</u> | <u>339,835</u> |

19. Analysis of cash and cash equivalents

| | 2020 £ | 2019 £ |
|--------------|-----------------------|-----------------------|
| Cash in hand | 415,429 | 591,139 |
| Total | <u>415,429</u> | <u>591,139</u> |

20. Pension commitments

The school operates two pension schemes, one of which provides benefits based on a final or career average pensionable salary, while the other operates on the basis of a defined contribution levels from the employer and the employee.

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20. Pension commitments (continued)

Teaching staff belong to the Teachers' Pension Scheme "TPS". This is an unfunded defined benefit scheme operated by the Government with contributions calculated on an actuarial basis, but set in relation to the current service period only. In accordance with paragraph 28.11 of FRS 102 the contributions have been accounted for as if this were a defined contribution scheme. The employers contributions for the period rose from 16.48% to 23.58% from September 2019.

Some members of the support and administrative staff belong to The Independent Schools' Pension Scheme "ISPS". This scheme is run by Verity's Governors Limited. Verity is the governor of the Pensions Trust for Charities and Voluntary Organisations. Contributions are calculated as a percentage of employee's earnings. The contributions made by the employees are matched by the employer to the maximum of 4%. Employees are able to contribute more than this if they wish.

The pension charge for the period was £324,970 (2019 - £203,281). Outstanding contributions on the balance sheet amount to £32,216 (2019 - £23,596).

The school also paid a pension of £250 per month to a former Headmistress. It is committed to pay this for the remainder of her life. A provision of £23,596 (2019 - £23,596) for the pension is within other creditors.

The school has entered into an arrangement to repay the deficit of the multi-employer ISPS. The amount is repayable over 13 years, with the first repayment being made in September 2016. In the prior year this has been discounted to its net present value of £79,515. The effective interest charge will be unwound to the Statement of Financial Activities over the repayment period.

| | 2020 | 2019 |
|--|---------------|---------------|
| | £ | £ |
| Amounts due within one year | 7,447 | 7,243 |
| Amounts due between one and five years | 32,340 | 31,154 |
| Amounts due after 5 years | 39,728 | 45,812 |
| Total | 79,515 | 84,209 |

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21. Related party transactions

During the year, the School was invoiced for insurance services by The Waterhouse Group, a business in which Mr P Waterhouse, the father of governor Mrs K Hillocks, is the sole proprietor. The commission earned by The Waterhouse Group was £4,916 (2019 - £4,588).

During the year, the school paid for various expenses on behalf of The Charles Dickens Centre (Gads Hill) Limited £1,276 (2019 - £957). No amount was outstanding at the year end (2019 - £nil). A company in which there are common governors.

During the year, the school received donations of £nil (2019 - £30,680) from The Friends of Gads Hill School. During the year, the school paid for various expenses on behalf of The Friends of Gads Hill School totalling £3,496 (2019 - £6,767). £485 was outstanding at the year end (2019 - £1,258). A charity in which there are common governors.

During the year, the school paid for various expenses on behalf of The Dickens Trust totalling £1,725 (2019 - £nil). No amount was outstanding at the year-end (2019 - £nil).

During the year, the school made purchases totalling £178.50 from Rochester and Chatham Dickens Fellowship (2019 - £nil). No amount was outstanding at the year-end (2019 - £nil).