

NEWELLS SCHOOL TRUST LIMITED
(A Charitable Company Limited by Guarantee)

GOVERNORS' REPORT

AND

ACCOUNTS

YEAR ENDED 31 JULY 2021

Company number: 932584
Charity number: 307038

NEWELLS SCHOOL TRUST LIMITED

GOVERNORS

Mr G. Bush DL, MSc
Mrs W. Challen Cert. Ed
Mr. M.S. Colyer FCA
Mrs. J. Hamblett-Jahn MA
Mrs. S. Harris BEd
Mr. G.R. Miller MBE, FCBI
Mrs. J. Riley MA
Lady S. Soames MA
Mr. R. Soni FCA
Mr. M. Templeman (Chairman)

HEADMASTER

Mr R.C. Brown M.A.

BURSAR AND CLERK TO THE GOVERNORS

Ms. F.M. Thomson MA, FCCA

REGISTERED OFFICE

Brighton College
Eastern Road, Brighton
East Sussex BN2 0AL

AUDITORS

Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place
London
EC4R 1AG

BANKERS

HSBC Bank PLC
38 – 42 South Street
Haywards Heath
West Sussex RH16 4LU

Bank of Scotland PLC
600 Gorgie Road
Edinburgh
EH11 3XP

REGISTERED COMPANY NUMBER: 932584

REGISTERED CHARITY NUMBER: 307038

NEWELLS SCHOOL TRUST LIMITED

GOVERNORS' REPORT

YEAR ENDED 31 JULY 2021

The Governors present their annual report and financial statements for the year ended 31 July 2021. The Governors confirm that the financial statements comply with current statutory requirements, those of the governing documents and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Newells School Trust Limited is a company limited by guarantee and a registered charity and is governed by its Memorandum and Articles of Association. It operates as Handcross Park School. It has 100% ownership of a subsidiary: Handcross Park Commercial Services Limited which incorporates all the commercial trading activities of the School and the net surplus is transferred to the School annually by way of a gift aid donation.

Governors

The present Governors of the School, who are also the charity trustees and the directors of the Company for Companies Act purposes, who served during the year and since as indicated are:

Mr G. Bush DL, MSc
Mrs W. Challen Cert Ed
Mr. M.S. Colyer FCA
Mrs. S. Harris BEd
Mrs. J. Hamblett-Jahn
Mr. G.R. Miller MBE, FCBI
Mrs. J.A. Riley MA
Lady S. Soames MA
Mr. R. Soni FCA
Mr. M. Templeman (Chairman)

The Board of Governors meets at least 3 times a year and is joined by the Headmaster and Bursar.

New Governors are appointed to the Board after careful consideration for the key skills and experience that they can offer to the School. The Chairman has established a sub-committee, including the Headmaster to consider new appointments and each new Governor undertakes full Safeguarding Training and a thorough induction process including site visits and meetings with senior staff.

Organisation

The day-to-day management of the School is delegated to the Headmaster, Bursar and the Senior Management Team:

Headmaster Mr. R. C. Brown MA (Hons)

Bursar and Company Secretary Ms. F. Thomson MA (Hons), FCCA

Senior Management Team Ms. E. Lyle BSc (Deputy Head - Pastoral)- Resigned August 2021
Mr. E. Johnson BA (Hons) QTS (Senior Deputy Head)
Mr. J. Gayler BSc (Hons) (Head of Pre- Prep)
Mr. R. Clark BSc (Hons) MEd (Deputy Head Academic)
Mr. A. Davis BEd (Hons) (Head of Boarding)
Mrs. N. Lawrence BEd (Hons) (Head of Teaching & Learning)-Resigned August 2021
Ms. M Bliss BA (Hons) QTS (Head of Teaching & Learning)- Appointed September 2021

Remuneration is set by the Board with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. The School aims to recruit, subject to experience, at the lower to medium point within a scale, providing scope for rewarding excellence. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

NEWELLS SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 JULY 2021

STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

The objectives of the School are to provide high quality education for boys and girls up to the age of 13 years within a friendly, fulfilling and caring environment, for the public benefit and are specifically as follows:

- To provide a wealth of forward thinking educational opportunities for each individual member of the School
- To establish opportunities for each child to reach their individual academic potential
- To teach and encourage kindness and mutual respect within the community and the wider world
- To encourage each child to communicate with confidence and provide them with opportunities to develop this confidence
- To encourage a love of learning and to stimulate, stretch and challenge the pupils through excellent teaching
- To teach children to respect one another and one another's belongings
- To foster a high level of good behaviour and personal manners
- To encourage a harmonious working relationship between pupils and staff
- To encourage each individual to make the most of all the opportunities on offer at Handcross Park, both in and out of the classroom
- To equip each child with a sound knowledge of the past and wisdom for the future
- To prepare each individual for the next stage in their education and future lives
- To maintain sound financial management
- To be a supportive and caring employer

Handcross Park School believes that above all, a happy child is a productive child and we are proud of being a very friendly, family orientated School. The curriculum is broad and varied in order to give each child the opportunity to thrive.

Handcross Park School is a full and weekly boarding and day, co-educational school for children aged between 2 and 13 years, providing them with high quality education enabling them to move on to a top independent senior school for the next stage of their education.

The School has continued to operate Preparatory, Pre-Preparatory and Nursery departments.

The Governors have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

ACHIEVEMENTS AND PERFORMANCE

In line with the Government lockdown regulations due to the Coronavirus pandemic, the School was closed to most year groups in the spring term 2021 but all pupils, including International pupils who returned home, were able to use the digital online delivery of the successful remote learning platform. The established Google Classroom and experience gained from being a Google Reference School has greatly benefited the children's ability to easily move across to the remote learning platform. Pupils of keyworker children were permitted to attend school during the spring term lockdown.

The School was proud to be able again to financially assist families during the second lockdown through fee rebates during the spring term and by the continuation of a hardship fund from kind donations received from parents to support families at the school experiencing financial difficulties as a result of the pandemic.

The School's reputation remains very strong – locally, nationally and internationally. The School was delighted to be awarded the 'Prep School of the Year' at the Independent Schools of the Year Awards 2020 and was also shortlisted for the 'Boarding School of the Year' at the TES Awards 2021. Handcross Park is also proud to have been awarded 'Best Prep School for Pastoral Care' by the Week Independent Schools Guide 2021.

Once again, the School appears in the Tatler Schools Guide 2022 and the Good Schools Guide 2021/2022.

The School successfully met all regulations in the last ISI Compliance Inspection in June 2018. This was a compliance only inspection and as such reports only whether the school meets all its regulatory standards including the National Minimum Standards for Boarding. The School was delighted with the outcome.

NEWELLS SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 JULY 2021

Academically, all our Year 8 leavers gained places at their first-choice senior schools, with 42% (2020:29%) of our leavers achieving scholarships.

There have been several national and local sporting achievements during the year although sport disciplines have been understandably adversely affected by the Covid-19 pandemic. During the spring and summer term national lockdown period there were no fixtures with local schools and no team sports although physical activity was still very much encouraged through the PE/Games remote curriculum.

Pupils performed a music concert in the summer term which was recorded and shared with parents. Weekly drama and music showcases were shown to Prep pupils during Friday morning tutor times. Around 45% of school pupils took peripatetic music lessons, and of those 28 (2020:32) pupils took ABRSM music exams and 13 (2020:32) took Trinity music exams from grades 1 to 7, with a 98.5% pass rate. In the spring term all music and Lamda exams were cancelled due to the pandemic.

The Arts continue to play a major part in the life of the School, and successful drama productions are performed at every age group with all children involved. Highlights last year include the musical 'Godspell' by Stephen Schwartz which is based on the Gospel according to Mathew, the Lower School production of 'Wind In the Willows' which was filmed as a promenade piece on different locations around the school and the Middle School production of 'Be More Kind' which is a devised piece focusing on the theme of kindness and wellbeing inspired by the book 'The Boy. The Mole, The Fox and The Horse' by Charlie Mackesy and the song 'Be More Kind' by Frank Turner. There are currently 90 pupils participating in LAMDA lessons across the school from year 2 to year 8 with a 100% pass rate. In our July exams 96% of those were distinctions.

November 2021 pupil numbers remain high: 388 (2020: 379); 39 in the Nursery, 88 in the Pre-Prep and 261 in the Prep School, including 52 (2020:47) in the Boarding House.

The Modern Foreign Languages department continues to flourish and is gaining a reputation for excellence. Handcross Park is one of very few schools nationally to teach the top three spoken languages in the world – Spanish, Mandarin and of course English. With French and Latin also available, the pupils are fully prepared for an increasingly globalised world.

Additional opportunities for public benefit have been integrated into the School Development Plan and successfully implemented throughout the year. Specific examples are referenced throughout the report. The School was pleased to be able to support keyworker children throughout the lockdown period and offered a holiday club supervision service for nursery and keyworker children over the February half term, including a hot meal. The school also donated PPE, goggles and bags to the local surgery and nursing home and continued to support the local Handcross village foodbank.

The School benefits from the generosity of Friends of Handcross Park School (the Parent Association), which is independently run, and whose continuing support we greatly appreciate. The Friends' main events were planned to be the May Ball, annual bonfire evening and the summer fayre, all of which sadly had to be cancelled due to the Pandemic. The Pre Prep pupils greatly enjoyed the Christmas Fayre in the autumn term which was organised by the Friends Association and which raised funds for the purchase of Pre Prep library books. During the year the Friends also purchased a World Map Interactive Display, drama equipment and a cricket bowling machine.

The School Shop trades through the subsidiary company and continues to enable the parents to purchase school uniform at reasonable prices. It has continued to expand its range of items on sale during the year to sell the whole range of school uniform and ancillary equipment. Since the lockdown period sales have been fulfilled following individual fitting appointments and email orders with onsite fittings available from July 2021 onwards. The residential let over the summer holiday period did not take place due to International travel restrictions but is planned to resume in the future. Other site facility lets such as the swimming pool hire and facility hire for holiday day camps resumed in the summer 2021 once it was considered safe to do so and in line with insurance guidance and Covid-19 risk assessments.

The School has undertaken extensive repairs and development works, with continuing investment in the facilities and infrastructure across the whole site. Following the economic challenges and uncertainty due to the pandemic all project expenditure and CAPEX was carefully considered. Essential maintenance was undertaken on improvements in site drainage and lighting and the School purchased the Portakabin units and 2 College Close for use as staff accommodation.

NEWELLS SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 JULY 2021

Bursaries

The School provided financial assistance to parents, who would not otherwise have been able to send their children to the School, amounting to £247,563 (2020: £252,826). A hardship fund was created from parent donations of £10,304 (2020: £12,458) which was used in the year to support families who were struggling to pay the fees due to the impact of the Covid-19 pandemic.

Total fee remission including sibling discounts and agency fees amounted to £496,712 (2020: £514,292). It is the policy of the School that all new applicants for financial assistance are means-tested, and that existing recipients submit an application form each year for the School to ascertain the level of support available for the ensuing year. Families seeking Covid -19 hardship assistance were asked to complete a separate application form. The School welcomes pupils from all backgrounds and provides financial assistance to gifted children from poorer economic backgrounds to allow them access to this excellent education.

Use of Facilities

The School has continued its commitment to contribute to the community and in normal times permits extensive use of the School's facilities to be made by outside sports clubs and community entities such as Scouts and the Samaritans, especially welcoming the local primary schools to use the swimming pool and the village's junior football teams to use our grass pitches every week free of charge. Local residents from the community have been invited to enjoy the School Fireworks event (postponed during the pandemic) and local teams utilise the All Weather Pitch for football training. Once the pandemic lockdown restrictions were lifted in early summer 2021, these lets resumed.

The School makes available all its buildings, including the main house where the rooms are let out during the weekends and holidays for wedding receptions and other engagements.

In the summer 2020, autumn 2020 half term and summer 2021 holidays a national firm, Active Education Ltd, used our facilities to provide both outdoor and indoor holiday activities to both pupils of the School and children from elsewhere in the local community. East Grinstead Hockey Academy have also used the All Weather Pitch in the past year to coach local pupils and two weekly swimming academies coached children in the school pool. This use of facilities resumed once Covid-19 restrictions were eased in the summer 2021.

A number of educational projects have been undertaken to share best practice with local schools from both the State and Independent sector. There has been shared educational experience in particular around ICT with Google training seminars. Close links have been formed with Handcross Primary School who have used the school pool for swimming lessons, together with the pitches for their sports days. This relationship will continue and the sharing of resources encouraged in line with current government guidance on safe operations.

FINANCIAL REVIEW AND RESULTS FOR THE PERIOD

The Governors regularly review the finances, budgets and cash flows as part of the effective stewardship of the School. The financial results of the School for the year ended 31 July 2021 are shown on page 12, and disclose a surplus for the period of £214,657 (2020: surplus of £311,729) which is in line with Governors' expectations. The current surplus reflects the strong pupil numbers, robust reaction to financial uncertainty during the pandemic lockdown and tight cost control including deferral of project expenditure following strategic decisions which include:

- i) expensing significant improvement works in modernising boarding and operational spaces at both the Prep and the Pre-Prep;
- ii) a commitment to parents not to increase fees in the current academic year in light of economic uncertainty; and
- iii) the impact of offering means tested bursaries as a demonstration of the School's regard to public benefit.

Donations were received to the Development and Bursary Funds during the year of £56,343 (2020: £52,839)

The Subsidiary company, Handcross Park Commercial Services Limited transferred £49,511 (2020: £49,333) by way of a Gift Aid donation to the School at the year end. Revenue is generated from school uniform shop sales, holiday club provision and facility hire. Due to the pandemic there was no residential facility let during the year.

NEWELLS SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 JULY 2021

There were additions to fixed assets of £595,255 during the year (2020: £17,880); which comprised of the purchase of the previously leased Portakabin classrooms and additional boarding staff accommodation.

The Governors are keen for the School to both attract and retain the best teaching and key support staff and set salaries and other remuneration in order to achieve this. Terms for the most senior management are considered by the Finance and Development Committee annually. The total amount of remuneration, benefits and pensions paid to key management was £254,367 (2020: £243,278).

Key Performance Indicators

The key performance indicators used by the management and Governors when considering the strategy for the school include: pupil demand; academic and extra-curricular success against anticipated outcomes; forecast cash flow and facility headroom; and prioritised areas of spending.

The School has prepared a number of scenarios that consider the school's cash position, sources of income and planned expenditure. This includes the impact of Coronavirus on operations together with assumptions around recovery thereafter. These scenarios consider reduced pupil numbers, delayed fee payment, reduced fees and potential bad debts as well as the impact on costs from the measures taken so far. Sensitivity around these assumptions has also been considered in our forecasting. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the trustees believe that the school has adequate resources to continue its activities in the foreseeable future and have therefore considered it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

Borrowings

Borrowings consisted of a loan during the year with Brighton College who in 2010 provided a 5 year financing facility of £750,000 for a refurbishment programme. Repayments of the loan were deferred until after the repayment of the HSBC loan for the All Weather Pitch in July 2018. The first annual repayment instalment of four commenced in October 2018. The capital balance owed by the School as at 31 July 2021 amounted to £187,500 (2020: £375,000), as disclosed in note 9. This facility is provided at a rate of 5% p.a.

During the year a loan of £279,375 was drawn from HSBC for a term of 10 years to purchase 2 College Close for staff accommodation. This mortgage was provided at a rate of 1.97% over the Base Rate and is secured over the property. The capital balance owed as at 31 July 2021 amounted to £260,354 (2020: £NIL) as disclosed in note 9.

A back up overdraft facility of £250,000 is provided by the School's bankers but was not utilised in the year.

Freehold properties

In the opinion of the Governors, the value of the freehold land and permanent buildings is substantially more than the book value but no useful purpose would be served by undertaking a revaluation.

Reserves Policy

At 31 July 2021, the total unrestricted funds of the School amounted to £3,383,948 (2020: £3,136,131). Of this £49,511 (2020: £49,333) has been designated as a Bursary Fund, with the remainder being designated as the Property Fund representing the funds invested in land and buildings. The total Fee Support Funds amount to £97,439 (2020: £130,599).

Free reserves, defined as total unrestricted funds having eliminated the net book value of unrestricted fixed assets, are (£555,596) (2020: (£494,701)). The charity does not use free reserves to manage the business but focuses on cash and the governors monitor this via management accounts and regular cash flow forecasts prepared by the Bursar. At the year end, the governors are satisfied that given the current pupil numbers and the budget forecasts, the operating cash flow and reserves held are appropriate and in line with the longer term strategy of the School.

NEWELLS SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 JULY 2021

In recent years, significant expenditure has been made to improve and modernise facilities at the School. This has been financed from the General Fund and through appeals, loans and working capital. It is the School's policy to finance a continued programme of investment in the School's facilities through a combination of donations, borrowings and operational surpluses. The analysis of assets attributable to the Funds is shown in note 13 to the accounts. These assets are sufficient to meet the School's obligations. The reserves policy is reviewed on an annual basis by the Governors.

Principal Risks and Uncertainties

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

The School has created a risk register which is reviewed annually by the Governors, listing all likely risks and assigning a numeric quantifier based on the likelihood after control and the impact of the risk. Plans to reduce the likelihood and then mitigate the impact are identified for each risk described and further actions put in place where required.

The Covid 19 pandemic has had a global financial impact and the situation continues to evolve, creating challenges for the School against a changing economic landscape. The School and its management team have put in place precautionary safety measures to reduce the risk from the virus and have employed specialist risk assessors to periodically visit the school to critically review and advise on the risk reduction measures that have been put in place. The safety of our staff, pupils and wider community are of paramount concern during this ongoing crisis.

The School successfully offered remote learning through the effective use of Google Classroom during the spring term lockdown period. A rebated fee model was offered as part of a reviewed financial plan which included utilisation of the Government Job Retention Scheme for support staff, deferral of project expenditure and a reduction in non-essential expenditure. The School has carefully monitored cash flows and considers that there are no going concern considerations.

Another high risk is that of economic recession (both UK and Global) which could impact pupil numbers. This is mitigated by the promotion of the School as a premium place of learning, adding value to the children's development together with its caring culture, location and beautiful site. Pupil numbers for both day and boarding places continue to remain healthy in the following academic year 2021-22.

PLANS FOR THE FUTURE

Future plans for the development of the school are exciting. A five-year development plan has been put in place which includes further significant investment in classrooms, Pre Prep marquee replacement and a Learning Resource Centre. Further refurbishments of existing boarding areas are planned together with the creation of additional dormitories, comfortable common room space and new bathroom facilities. Additional investment in IT will be undertaken, maintaining and enhancing the first class provision of technology available at the School. The School telephone system will be upgraded with a new switchboard, network phone system and virtual hosting to improve efficiencies. There is an ongoing maintenance plan around the site including parking facility enhancements with the addition of a new hard parking surface to allow the safe collection and drop off of pupils in their 'Covid bubble' year groups. Coronavirus precautionary safety measures continue to be implemented with investment in signage, PPE and hand sanitiser stations across the site.

All of the improvements have been and continue to be facilitated by maintaining pupil numbers and fee income enabling greater investment in facilities, pupil welfare and the highest quality teaching staff.

The Governors intend to build on the successful relationships with local schools to further widen the contribution to the local community. This will include developing new links with the community for the use of the School grounds and facilities. A relationship with a local nursing home has allowed pupils to develop social community links and future events for pupils to entertain elderly residents are planned once it is safe to recommence. The school is proud to be involved with the Handcross Pantry food bank scheme.

The School is keen to further develop the environmental green agenda and to encourage both staff and pupils to do as much as possible to foster green credentials including the use of green energy, refurbish and build using only environmentally friendly building designs and to encourage pupils as part of their day to day activities to reuse, recycle and respect the environment. A tree is planted within the grounds for every new pupil that joins the school as part of the popular 'Grow with Me' policy. The School has created a new pupil led 'Eco' Council who are striving with support to achieve the Eco-Schools Green Flag award.

NEWELLS SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

YEAR ENDED 31 JULY 2021

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Governors is aware at the time the report is approved:

- there is no relevant audit information of which the company'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.

AUDITORS

Haysmacintyre LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

The Governors' Report incorporating a Strategic Report, was approved by the Board of Governors at its meeting on 25 November 2021 and signed on its behalf by:



M. Templeman
Chairman

Handcross Park School,
Handcross
West Sussex
RH17 6HF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NEWELLS SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Newells School Trust Limited for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Charity Balance Sheets, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 the charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report (incorporating the strategic 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to independent schools, higher education and further education provision regulation including Independent Schools Inspectorate, Ofsted, charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to voluntary and other income and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing the income recognition around the year end to assess whether income had been recognised in the correct accounting period; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

Use of our report

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



Richard Weaver

Senior Statutory Auditor

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London

EC4R 1AG

21 January 2022 2021

NEWELLS SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 JULY 2021

	Notes	Unrestricted Funds General £	Designated £	Restricted £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS FROM:						
Charitable activities						
School fees	1	5,426,727		(10,304)	5,416,423	5,311,069
Extras and disbursements		203,153			203,153	203,620
Registration fees		28,781			28,781	36,536
Additional Grants		67,245			67,245	154,051
Voluntary income						
- Development Fund income				360	360	380
- Fee support Funds				40,000	40,000	30,000
- General Donation Income		63,715		15,983	79,698	87,812
Other trading activities						
- Lettings income					-	159
Interest receivable		179			179	2,982
Total Income		<u>5,789,800</u>	<u>-</u>	<u>46,039</u>	<u>5,835,839</u>	<u>5,826,609</u>
EXPENDITURE ON:						
Charitable Expenditure						
School operating costs						
- Teaching costs		2,603,087		625	2,603,712	2,566,477
- Welfare costs		477,930			477,930	460,892
- Premises costs		1,199,686		2,198	1,201,884	1,111,957
- Support costs		1,306,181			1,306,181	1,338,802
		<u>5,586,884</u>	<u>-</u>	<u>2,823</u>	<u>5,589,707</u>	<u>5,478,128</u>
Raising Funds						
Other Expenditure				2,856	2,856	279
Finance costs		28,619			28,619	36,473
Total Expenditure	3	<u>5,615,503</u>	<u>-</u>	<u>5,679</u>	<u>5,621,182</u>	<u>5,514,880</u>
NET INCOMING RESOURCES BEFORE TRANSFERS		<u>174,297</u>	<u>-</u>	<u>40,360</u>	<u>214,657</u>	<u>311,729</u>
Transfer between funds		(174,297)	247,817	(73,520)	-	-
NET MOVEMENT IN FUNDS		<u>-</u>	<u>247,817</u>	<u>(33,160)</u>	<u>214,657</u>	<u>311,729</u>
Balance brought forward at 1 August 2020		<u>-</u>	<u>3,136,131</u>	<u>130,599</u>	<u>3,266,730</u>	<u>2,955,001</u>
Unrestricted Reserves Balance carried forward at 31 July 2021		<u>-</u>	<u>3,383,948</u>	<u>97,439</u>	<u>3,481,387</u>	<u>3,266,730</u>

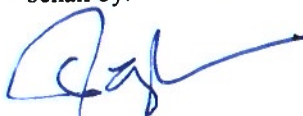
The notes on pages 17 to 26 form part of these accounts.

BALANCE SHEET

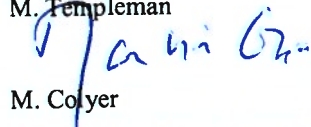
AS AT 31 JULY 2021

	Notes	31 July 2021		31 July 2020	
		£	£	£	£
INVESTMENTS	5		100		100
TANGIBLE FIXED ASSETS	6		3,939,544		3,630,832
CURRENT ASSETS					
Debtors	7	273,400		291,183	
Cash at bank and in hand		1,714,957		1,468,918	
		<u>1,988,357</u>		<u>1,760,101</u>	
CREDITORS - due within one year	8	<u>1,552,202</u>		<u>1,297,505</u>	
NET CURRENT ASSETS			<u>436,155</u>		<u>462,596</u>
CREDITORS - due after more than one year	9		<u>(894,412)</u>		<u>(826,798)</u>
NET ASSETS			<u>3,481,387</u>		<u>3,266,730</u>
RESTRICTED FUND	10		97,439		130,599
UNRESTRICTED FUNDS					
- Designated	11		3,383,948		3,136,131
- General Fund	12		-		-
TOTAL FUNDS	13		<u>3,481,387</u>		<u>3,266,730</u>

Approved and authorised for issue by the Board of Governors at its meeting on 25th November 2021 and signed on its behalf by:



M. Templeman



M. Colyer

The notes on pages 17 to 26 form part of these accounts

NEWELLS SCHOOL TRUST LIMITED

CASHFLOW STATEMENT

AS AT 31 JULY 2021

	Note	2021		2020	
		£	£	£	£
Net cash inflow from operating activities	14		1,064,701		487,528
Cash flows from investing activities					
Interest received		179		2,982	
Purchase of tangible fixed assets		(595,255)		(17,880)	
Investment in Subsidiary		-		-	
Loss on disposal of tangible fixed assets		-		-	
Net cashflow from investing activities			(595,076)		(14,898)
Financing					
Repayment of loans		(208,453)		(187,500)	
Interest paid		(15,133)		(20,313)	
Net cashflow from financing activities			(223,586)		(207,813)
Increase in cash			246,039		264,817
Cash and cash equivalent at the beginning of the period			1,468,918		1,204,101
Cash and cash equivalent at the end of the period			1,714,957		1,468,918

Reconciliation of net debt	01/08/2020	Cashflows	31/07/2021
	£	£	£
Cash at bank and in hand	1,468,918	246,039	1,714,957
Loans	(375,000)	(72,853)	(447,853)
Total	<u>1,093,918</u>	<u>173,186</u>	<u>1,267,104</u>

The notes on pages 17 to 26 form part of these accounts

NEWELLS SCHOOL TRUST LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31 JULY 2021

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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 2016.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

At the time of approval of the annual Report, the Covid-19 pandemic continues to evolve and the long-term impact on the charity, in common with other businesses, is unknown. The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as employment of staff. The charity currently holds significant cash balances supplemented, if need be, by an overdraft facility. Demand for school places at Handcross Park School remains strong, with historically high numbers enrolled for the academic year 2021/21. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the Governors believe the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

The School is a Public Benefit Entity Registered as a charity in England and Wales and a Company limited by guarantee. It was incorporated on 23 May 1968 (company number 00932584) and registered as a charity on 5 June 1969 (charity number 307038).

As at 31 July 2021 the School had one wholly owned subsidiary, Handcross Park Commercial Services Limited which traded during the year. Consolidation is prepared at a higher level within Brighton College.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

a. Basis of Accounting

The accounts have been prepared under the historical cost convention.

b. Incoming Resources

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

Investment income is accounted for on an accruals basis.

Rental income (including incentives received or paid) for operating leases are recognised in profit or loss on a straight line basis over the lease term.

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified.

Grant income from the Coronavirus Job Retention Scheme is accounted for on an accruals basis.

NEWELLS SCHOOL TRUST LIMITED

ACCOUNTING POLICIES (continued)

YEAR ENDED 31 JULY 2021

c. Resources expended

Resources expended are accounted for on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Central costs which cannot be directly allocated are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

d. Fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost, including any incidental expenses of acquisition.

Depreciation is provided on fixed assets to write off their cost over estimated useful lives at the following rates:

Freehold buildings	- 2% on cost per annum
Site Facilities	- 5% on cost per annum
New buildings, fixtures & fittings	- 8% on cost per annum
Motor vehicles	- 20% on cost per annum

e. Funds

Unrestricted: these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated: these are funds set aside by the trustees out of unrestricted general funds for specific purposes or projects.

Restricted: these are funds that can only be used for particular restricted purposes within the objects of the charity.

f. Pension Schemes

The School operates two pension schemes. Contributions to the schemes are charged to the income and expenditure account as they are incurred. Further details are given in note 19.

Unless teaching staff elect to opt out, they join the Teachers Superannuation Scheme administered by the Teachers' Pension Agency. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102 therefore, the Scheme is accounted for as a defined contribution scheme.

The School operates a defined contribution pension scheme for teaching and non-teaching personnel whereby the assets of the schemes are held separately from those of the School in an independently administered fund.

The School's contributions, are charged in the period which the salaries to which they relate are payable.

g. Operating Lease Rentals

Rentals paid in respect of assets held under operating leases are charged to the statement of financial activities as they fall due.

NEWELLS SCHOOL TRUST LIMITED

ACCOUNTING POLICIES (Continued) and NOTES TO ACCOUNTS

YEAR ENDED 31 JULY 2021

h. Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently amortised. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. The School has an advance fees scheme whereby parents and others may make advance payments which provide for a set contribution each term towards the pupils' fees. The capital portion outstanding is recognised as a liability and the amount of discount crystallised in the year is included in the Statement of Financial Activities.

NOTES TO ACCOUNTS

1. SCHOOL FEES			2021	2020
			£	£
Gross fees receivable			5,913,135	5,825,361
Less sibling discounts, scholarships and bursaries			(466,608)	(456,739)
Less agency commission			(30,104)	(57,553)
Net fees receivable			<u>5,416,423</u>	<u>5,311,069</u>
2. OPERATING EXPENDITURE			2021	2020
			£	£
Charitable expenditure includes:				
Auditor's remuneration			12,000	11,400
Operating Leases			25,646	23,651
			<u>37,646</u>	<u>35,051</u>
3. ANALYSIS OF TOTAL RESOURCES EXPENDED			2021	2020
	Staff Costs	Other	Total	Total
	£	£	£	£
Charitable activities				
Teaching costs	2,359,706	244,006	2,603,712	2,566,477
Welfare	71,483	406,447	477,930	460,892
Premises	339,995	575,346	286,543	1,111,957
Support costs	916,091	390,090	1,306,181	1,338,802
	<u>3,687,275</u>	<u>1,615,889</u>	<u>5,589,707</u>	<u>5,478,128</u>
Raising Funds				
Other expenditure		2,856	2,856	279
Finance costs		28,619	28,619	36,473
	<u>3,687,275</u>	<u>1,647,364</u>	<u>5,621,182</u>	<u>5,514,880</u>

Finance costs include interest payable on loans of £15,133 (2020: £20,313).

One (2020: Two) Governor was reimbursed travel expenses of £120 (2020: £105).

NEWELLS SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 JULY 2021

3. ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)

	Staff Costs £	Other £	Depreciation £	2020 Total £	2019 Total £
Charitable activities					
Teaching costs	2,333,433	233,044	-	2,566,477	2,516,297
Welfare	65,895	394,997	-	460,892	547,853
Premises	360,177	474,962	276,818	1,111,957	1,264,299
Support costs	901,325	437,477	-	1,338,802	1,384,123
	<u>3,660,830</u>	<u>1,540,480</u>	<u>276,818</u>	<u>5,478,128</u>	<u>5,712,572</u>
Raising Funds					
Other expenditure	-	279	-	279	10,206
Finance costs	-	36,473	-	36,473	46,045
	<u>3,660,830</u>	<u>1,577,232</u>	<u>276,818</u>	<u>5,514,880</u>	<u>5,768,823</u>

4. EMPLOYEE INFORMATION

	2021 £	2020 £
Staff costs:		
Salaries and wages	2,928,149	2,908,762
Social security costs	272,026	264,663
Pension contributions	487,100	487,405
	<u>3,687,275</u>	<u>3,660,830</u>

During the year there were no termination payments made (2020: £30,134 being payment in lieu of notice of £11,906 and a compromise amount of £18,228). There was £Nil (2020: £Nil) outstanding at the year end.

Remuneration of key management personnel was £254,367 (2020: £243,278).

	2021 No.	2020 No.
The average number of employees during the year was made up as follows:		
Teaching	46	46
Teaching Assistants & Sports coaches	37	37
Administrative, Welfare and Premises Support	43	42
	<u>126</u>	<u>125</u>

The number of full time equivalent employees during the year was made up as follows:

Teaching	40	40
Teaching Assistants & Sports coaches	26	24
Administrative, Welfare and Premises Support	31	29
	<u>97</u>	<u>93</u>

The number of higher paid employees was:

£70,000 - £80,000	1	1
£110,000-£120,000	1	1
	<u>2</u>	<u>2</u>

The number with retirement benefits accruing in defined contribution schemes was 1 (2020: 1) and defined benefit schemes was 1 (2020: 1).

NEWELLS SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 JULY 2021

5. INVESTMENTS

	Investment in subsidiary company £
Cost	100
Additions	-
At 31 July 2021	100
	<u>100</u>
Net Book Value at 31 July 2021	100
	<u>100</u>

The following was a subsidiary undertaking of the charitable company:

	Country of incorporation	Class of share capital	Holding	Principle activity
Handcross Park Commercial Services Limited	England & Wales	Ordinary	100%	Facilities hire

The aggregate of the share capital and reserves as at 31 July 2021 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves £	Profit £
Handcross Park Commercial Services Limited	100	Nil
	<u>100</u>	<u>Nil</u>

The summary financial performance of the subsidiary is:

	2021 £	2020 £
Turnover	186,289	177,492
Cost of sales and administrative costs	(136,778)	(128,159)
Net Profit	49,511	49,333
Amount Gift aided to the charity	(49,511)	(49,333)
Retained in the subsidiary	-	-
	<u>-</u>	<u>-</u>

The assets and liabilities of the subsidiary were:

Fixed assets	15,666	-
Current assets	81,583	105,006
Current liabilities	(97,149)	(104,906)
Total net assets	100	100
	<u>100</u>	<u>100</u>
Capital and Reserves	100	100
	<u>100</u>	<u>100</u>

NEWELLS SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 JULY 2021

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Furniture, fittings equipment and Computers £	Motor Vehicles £	Total £
COST				
At 1 August 2020	5,623,702	298,095	66,025	5,987,822
Additions	595,255	-	-	595,255
At 31 July 2021	<u>6,218,957</u>	<u>298,095</u>	<u>66,025</u>	<u>6,583,077</u>
DEPRECIATION				
At 1 August 2020	2,171,617	138,675	46,698	2,356,990
Charge for the year	257,538	23,329	5,676	286,543
At 31 July 2021	<u>2,429,155</u>	<u>162,004</u>	<u>52,374</u>	<u>2,643,533</u>
NET BOOK VALUE				
At 31 July 2020	<u>3,452,085</u>	<u>159,420</u>	<u>19,327</u>	<u>3,630,832</u>
At 31 July 2021	<u><u>3,789,802</u></u>	<u><u>136,091</u></u>	<u><u>13,651</u></u>	<u><u>3,939,544</u></u>

7. DEBTORS

	2021 £	2020 £
Fees and extras in arrears	51,443	29,266
Intercompany amounts due from Subsidiary undertaking	71,322	81,144
Other debtors and prepayments	150,635	180,773
	<u>273,400</u>	<u>291,183</u>

8. CREDITORS: due within one year

	2021 £	2020 £
Bank loans and overdraft	30,957	-
Trade creditors	273,167	109,096
Amount Due to Brighton College	205,090	216,242
Other taxes and social securities	-	-
Other creditors	672,355	607,073
Accruals	311,030	262,365
Composition Fees paid in advance	59,603	102,729
	<u>1,552,202</u>	<u>1,297,505</u>

NEWELLS SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 JULY 2021

9. CREDITORS: - due after more than one year	2021 £	2020 £
<i>Bank loans</i>		
Amounts due after five years	120,666	-
Amounts falling due within five years	139,688	-
Less amounts falling due within one year	(30,957)	-
	<u>229,397</u>	<u>-</u>
<i>Amounts due to Brighton College</i>		
Amounts falling due within five years	205,090	403,742
Less amounts falling due within one year	(205,090)	(216,242)
	<u>-</u>	<u>187,500</u>
<i>Composition Fees</i>		
Amounts falling due within five years	59,603	110,685
Less amounts falling due within one year	(59,603)	(102,729)
	<u>-</u>	<u>7,956</u>
<i>Pupil Deposits</i>	<u>665,015</u>	<u>631,342</u>
Total creditors due after more than one year	<u>894,412</u>	<u>826,798</u>

Composition Fees

Parents may enter into a contract to pay a lump sum towards the payment of future School tuition fees. The money may be returned subject to specific conditions on the receipt of one term's notice. On the basis pupils remain in the School, advance fees will be applied against future fees as follows:

	2021 £	2020 £
Within one year	59,603	102,729
Due between one to two years	-	7,956
	<u>59,603</u>	<u>110,685</u>

Summary of movements in liability:

	£
Balance at 1 August 2020	110,685
New contracts	123,111
Amounts used to pay fees	(174,193)
Balance at 31 July 2021	<u>59,603</u>

10. RESTRICTED FUNDS

	Development Fund £	Fee Support Funds £	Total £
Balance at 31 July 2020	-	130,599	130,599
Incoming resources	16,343	40,000	56,343
Transfer to Property Fund – Note 11	(16,343)	(73,160)	(89,503)
Balance at 31 July 2021	<u>-</u>	<u>97,439</u>	<u>97,439</u>

NEWELLS SCHOOL TRUST LIMITED**NOTES TO ACCOUNTS (continued)****YEAR ENDED 31 JULY 2021****10. RESTRICTED FUNDS (continued)**

Donations and other income relating to the General School appeals are added to the Development Appeal Fund. Transfers are made from the fund to the Property Fund in so far as funds are available up to the level of monies that have been applied for capital expenditure. Donations that are to be used to support the children of families who are otherwise unable to pay the fees are held in the Fee Support funds until applied to identified pupil fee accounts.

11. DESIGNATED FUNDS

	Property Fund £	Bursary Fund £	Total £
Opening balance 31 July 2020	3,086,798	49,333	3,136,131
Utilised for bursaries in the year	-	(49,333)	(49,333)
Transfer (to)/from General Fund – Note 12	231,296	49,511	280,807
Transfer from Development Fund – Note 10	16,343	-	16,343
	<u>3,334,437</u>	<u>49,511</u>	<u>3,383,948</u>
Closing balance 31 July 2021	<u>3,334,437</u>	<u>49,511</u>	<u>3,383,948</u>

The subsidiary gift aid donation and the net lettings income for the year is transferred to the Bursary Fund from the General Fund, in so far as funds are available, to be used towards bursaries for the following year.

Transfers are made to the Property Fund from the Development Appeal Fund and the General Fund, in so far as funds are available, so that the balance on the fund will be equal to (or less than, where funds are not available) the net book value of freehold land and buildings less any long term loans outstanding which were received to finance property expenditure. The purpose of this policy is to reflect the fact that general and appeal funds have been used to finance property improvements for School purposes.

12. GENERAL FUND

	2021 £	2020 £
Opening balance 31 July 2020	-	-
Net incoming/(outgoing) resources	174,297	281,349
Transfer from restricted fund – Note 10	73,520	77,889
Transfer to Property Fund – Note 11	(198,306)	(309,905)
Net transfer to Bursary Fund – Note 11	(49,511)	(49,333)
	<u>-</u>	<u>-</u>
Closing balance 31 July 2021	<u>-</u>	<u>-</u>

The movement in the prior year individual funds can be found within the 2020 Financial Statements.

NEWELLS SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 JULY 2021

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Investments & fixed assets £	Net current Assets £	Creditors due after more than one year £	Total £
Designated funds	3,939,644	338,716	(894,412)	3,383,948
Restricted Funds	-	97,439	-	97,439
	<u>3,939,644</u>	<u>436,155</u>	<u>(894,412)</u>	<u>3,481,387</u>

14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2021 £	2020 £
Net movement in funds	214,657	311,729
Depreciation	286,543	276,818
Interest receivable	(179)	(2,982)
Interest payable	15,133	20,313
(Increase)/decrease in debtors	17,783	12,490
Increase/(decrease) in creditors	322,311	(318,340)
Repayments of loans	208,453	187,500
Net cash inflow from operating activities	<u>1,064,701</u>	<u>487,528</u>

15. FINANCIAL INSTRUMENTS	2021 £	2020 £
Financial assets measured at amortised cost (a)	1,988,357	1,760,101
Financial assets measured at fair value (b)	100	100
Financial liabilities measured at amortised cost (c)	(2,006,352)	(1,381,268)
Net financial liabilities measured at amortised cost	<u>(17,895)</u>	<u>378,933</u>

- (a) Financial assets include cash, trade and fee debtors, staff loans, other debtors accrued income and amounts due from subsidiaries
- (b) Financial assets held at fair value include assets held as investments
- (c) Financial liabilities include bank loans, deposits, fees in advance, trade creditors, and other creditors.

Impairment losses charged to financial assets measured at amortised cost in the year amounted to £Nil (2020: £Nil).

16. RELATED PARTY TRANSACTIONS

Neither the Governors nor persons connected with them received any remuneration or other related party transaction from the School.

The School has obtained Governors indemnity insurance cover at a cost of £101 (2020: £101).

At the balance sheet date an amount of £205,090 (2020: £403,742) was owed to Brighton College by the School, being the loan creditor of £187,500 as disclosed in note 9 and a Group Fund contribution of £17,590 (2020: £28,742). During the year ended 31 July 2021 interest was paid on the loan of £10,938 (2020: £20,313) being the charge for 2021 (2020: includes charge for 2020).

NEWELLS SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 JULY 2021

17. FRIENDS OF HANDCROSS PARK

The Friends donated equipment and other facilities during the period amounting to £2,856 (2020: £215).

18. TAXATION

Newells School Trust Limited is a charity and is entitled for the current year to the exemptions provided by Section 505 Income and Corporation Taxes Act 1988.

19. PENSION SCHEME

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £408,620 (2020: £413,553) and at the year-end £31,011 (2020 - £33,045) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The School also makes contributions to a money purchase scheme for non-teaching staff. The School's contributions for the period were £77,236 (2020: £73,304).

NEWELLS SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 JULY 2021

20. OPERATING LEASE COMMITMENTS

Total minimum lease payments under operating leases:-

	Total 2021 £	Total 2020 £
Less than one year	23,260	25,412
Between 2 – 5 years	55,685	77,085
More than 5 years	0	1,918
	<u>78,945</u>	<u>104,415</u>

21. ULTIMATE PARENT UNDERTAKING

The company is controlled by Brighton College, a charity registered in England and Wales (No. 307061) and a company limited by guarantee (No. 7663). The Governors consider Brighton College to be the company's ultimate parent undertaking. The smallest and largest group in which the results of the company are consolidated is that headed by Brighton College. The statutory accounts of Brighton College are available from the registered office of the company at Brighton College, Eastern Road, Brighton, BN2 0AL.

22. CAPITAL COMMITMENT

At the year end 2021 the school had commenced works to refurbish the modular classroom block. The building works were completed in September 2021 by AW Spaces Ltd for the contracted price of £247,754. This was capitalised in September 2021 and £13,579 (2020: Nil) was recorded as work in progress at the year end.

23. CONTINGENT LIABILITY

In December 2020 the School purchased the previously leased classrooms from Portakabin for the agreed sum of £168,000, as an addition to fixed assets. This was disclosed in the prior year as a contingent liability as it was an 'intention to purchase' arrangement with Portakabin whereby a deposit of £30,000 was recorded in prepayments and no rental was payable in the interim if the purchase proceeded otherwise the annual rental of £33,000 p.a. would apply for the interim period from September 2018.

24. STATEMENT OF FINANCIAL ACTIVITIES FOR THE 2020 YEAR END

	Notes	Unrestricted Funds General £	Designated £	Restricted £	Total 2020 £
INCOME AND ENDOWMENTS					
FROM:					
Charitable activities					
School fees	1	5,323,528	-	(12,459)	5,311,069
Extras and disbursements		203,620	-	-	203,620
Registration fees		36,536	-	-	36,536
Additional income		154,051	-	-	154,051
Voluntary income					
- Development Fund income		-	-	380	380
- Fee support Funds		-	-	30,000	30,000
- General Donation Income		65,353	-	22,459	87,812
Other trading activities					
- Lettings income		159	-	-	159
Interest receivable		2,982	-	-	2,982
Total Income		<u>5,786,229</u>	<u>-</u>	<u>40,380</u>	<u>5,826,609</u>

NEWELLS SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 JULY 2021

24. STATEMENT OF FINANCIAL ACTIVITIES FOR THE 2020 YEAR END (Continued)

	Notes	Unrestricted Funds General £	Designated £	Restricted £	Total 2020 £
EXPENDITURE ON:					
Charitable Expenditure					
School operating costs					
- Teaching costs		2,566,477	-	-	2,566,477
- Welfare costs		460,891	-	-	460,891
- Premises costs		1,101,958	-	10,000	1,111,958
- Support costs		1,338,802	-	-	1,338,802
		<u>5,468,128</u>	-	10,000	<u>5,478,128</u>
Raising Funds					
Other Expenditure		279	-	-	279
Finance costs		36,473	-	-	36,473
Total Expenditure	3	<u>5,504,880</u>	-	10,000	<u>5,514,880</u>
NET INCOMING RESOURCES BEFORE TRANSFERS					
		281,349	-	30,380	311,729
Transfer between funds		<u>(281,349)</u>	<u>359,238</u>	<u>(77,889)</u>	<u>-</u>
NET MOVEMENT IN FUNDS					
		-	359,238	(47,509)	311,729
Balance brought forward at 1 August 2019		<u>-</u>	<u>2,776,893</u>	<u>178,108</u>	<u>2,955,001</u>
Unrestricted Reserves Balance carried forward at 31 July 2020		<u>-</u>	<u>3,136,131</u>	<u>130,599</u>	<u>3,266,730</u>

The notes on pages 17 to 26 form part of these accounts.

