

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

**GOVERNORS' REPORT**

**AND**

**ACCOUNTS**

**YEAR ENDED 31 JULY 2022**

Company number: 932584  
Charity number: 307038

## NEWELLS SCHOOL TRUST LIMITED

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### GOVERNORS

Mr G. Bush DL, MSc  
Mrs W. Challen Cert. Ed  
Mr. M.S. Colyer FCA (Resigned 22 February 2022)  
Mrs. E. Dobson MA, CIMA (Appointed 22 February 2022)  
Mr A. Ford BA (Appointed 14 June 2022)  
Mrs. J. Hamblett-Jahn MA  
Mrs. S. Harris BEd  
Mr. G.R. Miller MBE, FCBI (Deceased 6 April 2022)  
Mrs. J. Riley MA  
Lady S. Soames MA (Oxon)  
Mr. R. Soni FCA  
Mr. M. Templeman (Chairman)

### HEADMASTER

Mr R.C. Brown M.A.

### BURSAR AND CLERK TO THE GOVERNORS

Ms. F. 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 2022**

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The Governors present their annual report and financial statements for the year ended 31 July 2022. 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" 2<sup>nd</sup> Edition, effective 1 January 2019.

#### **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 (Resigned 22 February 2022)  
Mrs. E. Dobson MA, CIMA (Appointed 22 February 2022)  
Mr A. Ford BA (Appointed 14 June 2022)  
Mrs. J. Hamblett-Jahn MA  
Mrs. S. Harris BEd  
Mr. G.R. Miller MBE, FCBI (Deceased 6 April 2022)  
Mrs. J. Riley MA  
Lady S. Soames MA (Oxon)  
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.

#### **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.

## NEWELLS SCHOOL TRUST LIMITED

### GOVERNORS' REPORT (continued)

YEAR ENDED 31 JULY 2022

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#### 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 Mr. E. Johnson BA (Hons) QTS (Senior Deputy Head)  
Mr. R. Clark BSc (Hons) MEd (Deputy Head Academic)  
Mr. C. Cripps MSc (Deputy Head Pastoral)  
Mr. J. Gayler BSc (Hons) (Head of Pre- Prep) (Resigned 31 December 2021)  
Mrs. P. Parry BA (QTS) (Head of Pre Prep) (Appointed 1 January 2022)  
Mr. A. Davis BEd (Hons) (Head of Boarding)(Retired 31 August 2022)  
Ms. M Bliss BA (Hons) QTS (Head of Teaching & Learning) (Appointed 1 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 benchmarks produced for the sector 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, on a salary 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.

#### 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.

## **NEWELLS SCHOOL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

#### **YEAR ENDED 31 JULY 2022**

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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.

#### **PUBLIC BENEFIT**

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.

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 and include providing means tested bursaries to families who may otherwise be unable to pay the school fees.

The School was pleased to be able to support families facing financial hardship following the pandemic and continues to actively support the local Handcross village foodbank. The School provides Mandarin teaching to the local primary school and allows them to utilise the school grounds for their sporting events and swimming lessons.

#### **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 and local teams utilise the All Weather Pitch for football training.

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 2021, autumn 2021 half term, Easter 2022 and summer 2022 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.

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.

#### **ACHIEVEMENTS AND PERFORMANCE**

The School has continued to attract a strong pupil base from a diverse range of backgrounds, including International families from around the world. The success of the Google Classroom remote learning platform during the Government lockdown due to the Coronavirus pandemic has continued to attract pupils and the School is proud to lead as a Google Reference School. The School applies the latest technology, including Chromebooks and other ICT tools, to enhance the learning experience of all our pupils.

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 2019 and we were awarded BEST PREP FOR INNOVATION (2020), BEST PREP FOR PASTORAL CARE (2021) and BEST PREP FOR BOARDING (2022) by The Week Independent Schools Guide.

Once again, the School appears in the Tatler Schools Guide 2023 and the Good Schools Guide 2022/2023.

## **NEWELLS SCHOOL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

#### **YEAR ENDED 31 JULY 2022**

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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.

Academically, all our Year 8 leavers gained places at their first-choice senior schools, with 47% (2020:42%) of our leavers achieving scholarships.

Handcross Park is keen to ensure that all our pupils are 'future ready' and we incorporate a robust leadership programme within the curriculum that focuses on the skills of collaboration, communication, creativity, problem solving and teamwork.

The School is now again able to offer a full fixtures programme to all pupils in years 3 to 8 following the end of the Covid pandemic precautionary restrictions. The School is fielding 15 boys and 16 girls teams each term, with all pupils able to access fixtures against local school teams most weeks. There are a number of County and Regional team players in the pupil body in football, hockey, athletics and cross country (boys and girls), plus some individuals competing at a good level in golf, table tennis and horse riding.

The Arts continue to play a major role in the life of the School, and successful drama productions are performed at every age group with all children involved. Drama continues to build in popularity both with pupils and parents who understand its importance and the skills that it helps to develop. As well as the termly Drama Showcases our successful drama productions allow all pupils to take part. Highlights last year included Lord of the Flies adapted by Nigel Williams adapted from the 1954 novel by William Golding, the Lower School production of the musical 'Rock Bottom' and the Middle School production of the musical 'Star Wars', all of which were performed to full houses.

There are currently 90 pupils participating in LAMDA lessons across the school from year 2 to year 8 and last year saw 103 examinations with a 100% pass rate, with 92% of those being distinctions and the remaining being merits. Last year also saw a number of theatre trips, a visiting theatre company workshop for year 8 pupils and some upper school pupils had the opportunity to work with a professional actor.

Pupils performed a music concert in the summer term which was performed live to a full audience. 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 42 (2021:28) pupils took ABRSM music exams and 24 (2021:13) took Trinity music exams from grades 1 to 7, with a 98.5% pass rate.

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 being prepared for an increasingly globalised world.

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 the very popular annual bonfire evening and the summer fayre. 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 lawn mower, wooden building blocks, cameras for the art department and musical instruments.

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 returning 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 current facility hire remains strong.

The School has undertaken extensive repairs and development works, with continuing investment in the facilities and infrastructure across the whole site. Within the year the School undertook capital improvement works to clad the Humanities building and refurbish the classrooms which has greatly enhanced the building and learning environment for pupils. Project expenditure has included a new car park, refurbishment of the nursery playground and prep school playground, chimney repairs and refurbishment of kitchen facilities.

## 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 2022 are shown on page 12, and disclose a surplus for the period of £327,831 (2021: surplus of £214,657) which is in line with Governors' expectations. The current surplus reflects the strong pupil numbers, robust reaction to financial uncertainty and tight cost control including deferral of capital expenditure following strategic decisions which include:

- i) expensing significant improvement works in modernising operational spaces at both the Prep and the Pre-Prep;
- ii) a commitment to balance the needs for excellent education with parent affordability; 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 £3,347 (2021: £56,343). There were no complaints in relation to fundraising activities..

There were additions to fixed assets of £286,621 during the year (2021: £595,255); which comprised of cladding and refurbishment costs for the previously leased Portakabin classrooms.

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 £267,870 (2021: £254,367).

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 in conjunction with the Headmaster at Brighton College and the Headmaster consider new appointments and each new Governor undertakes full Safeguarding Training and a thorough induction process including site visits and meetings with senior staff.

### 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 the current political and economic uncertainty, increases in energy costs and inflationary pressures on operations. 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.

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.

### Bursaries

The School provided financial assistance to parents, who would not otherwise have been able to send their children to the School, amounting to £201,694 (2021: £247,563). During the Covid pandemic a hardship fund was created from parent donations of £10,304 which was fully utilised within the prior year to support families who were struggling to pay the fees.

Total fee remission including sibling discounts and agency fees amounted to £447,478 (2021: £496,712). 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. 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.

## **NEWELLS SCHOOL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

#### **YEAR ENDED 31 JULY 2022**

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#### **Borrowings**

Borrowings consisted of a loan with HSBC for the purchase of 2 College Close for staff accommodation in October 2020. This loan facility was for £279,375 repayable over 10 years and secured on the property. Repayments are made monthly and the capital balance owed by the school at 31 July 2022 was £235,204 (2021 £260,354), as disclosed in note 9. This facility is provided at a rate of 1.97% over the Base rate.

A loan with Brighton College for financing a refurbishment project in 2010 of £750,000 was repaid with the final instalment of £187,500 during the year. The capital balance owed by the School as at 31 July 2022 amounted to £Nil (2021: £187,500), as disclosed in note 9. This facility was provided at a rate of 5% p.a.

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

#### **Reserves Policy**

At 31 July 2022, the total unrestricted funds of the School amounted to £3,787,848 (2021: £3,383,948). Of this £52,246 (2021: £49,511) 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 restricted Fee Support Funds amount to £21,370 (2021: £97,439).

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.

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.

#### **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.

#### **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 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 had a global financial impact and continues to create challenges for the School. The School and its management team have continued to place the safety of our staff, pupils and wider community as its paramount priority and therefore continue to implement precautionary measures that may be necessary to reduce the risk from the virus.

Another high risk is that of economic recession (both UK and Global) which could impact pupil numbers. The current cost of living crisis and high energy costs cause uncertainty. 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 2022-23.

**NEWELLS SCHOOL TRUST LIMITED**

**GOVERNORS' REPORT (continued)**

**YEAR ENDED 31 JULY 2022**

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**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 new Learning Resource Centre. The replacement of the existing Terrapin English Classrooms with a 3-storey brick building will add valuable additional classroom space and will provide an immersive, 360 degree interactive classroom. Further refurbishments of existing boarding areas are also 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. There is an ongoing maintenance plan around the site including upgrading fixed wiring and enhancing playground facilities.

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. The school is also proud to be involved with the Handcross Pantry food bank scheme and continues to support.

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.

**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 15 November 2022 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**

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**Opinion**

We have audited the financial statements of Newells School Trust Limited for the year ended 31 July 2022 which comprise Statement of Financial Activities, the Charity Balance Sheet, 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 2022 and of the charitable company's net movement in funds, including the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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 Governors' 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 Governors' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Governors' Report have 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 Governors' Report (which incorporates the strategic report and the directors' report).

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### NEWELLS SCHOOL TRUST LIMITED (Continued)

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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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement (set out on page 8), 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 such as Independent Schools Inspectorate regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and Charity Commission's general guidance, 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 Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax and VAT.

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;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations or postings with unusual descriptions;
- Reviewing the income recognition around the year end to assess whether income had been recognised in the correct accounting period; and

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NEWELLS SCHOOL TRUST LIMITED (Continued)**

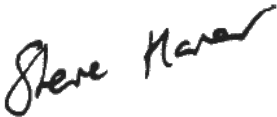
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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://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.



Steven Harper (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
Date: 23 November 2022

10 Queen Street Place  
London  
EC4R 1AG

**NEWELLS SCHOOL TRUST LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME & EXPENDITURE ACCOUNT**

**YEAR ENDED 31 JULY 2022**

	Notes	Unrestricted Funds General £	Designated Funds £	Restricted £	Total 2022 £	Total 2021 £
<b>INCOME FROM:</b>						
<b>Charitable activities</b>						
School fees	1	6,310,435		(250)	6,310,185	5,416,423
Extras and disbursements		332,332			332,332	203,153
Registration fees		33,864			33,864	28,781
Additional Grants		3,600			3,600	67,245
<b>Voluntary income</b>						
- Development Fund income				360	360	360
- Fee support Funds					-	40,000
- General Donation Income		58,469		2,987	61,456	79,698
<b>Other trading activities</b>						
- Other income		703			703	-
<b>Interest receivable</b>		403			403	179
<b>Total Income</b>		<u>6,739,806</u>	<u>-</u>	<u>3,097</u>	<u>6,742,903</u>	<u>5,835,839</u>
<b>EXPENDITURE ON:</b>						
<b>Charitable Expenditure</b>						
School operating costs						
- Teaching costs		2,800,383		1,987	2,802,370	2,603,712
- Welfare costs		572,905			572,905	477,930
- Premises costs		1,428,693		750	1,429,443	1,201,884
- Support costs		1,588,349			1,588,349	1,306,181
		<u>6,390,330</u>	<u>-</u>	<u>2,737</u>	<u>6,393,067</u>	<u>5,589,707</u>
<b>Raising Funds</b>						
Other Expenditure				360	360	2,856
Finance costs		21,645			21,645	28,619
<b>Total Expenditure</b>	3	<u>6,411,975</u>	<u>-</u>	<u>3,097</u>	<u>6,415,072</u>	<u>5,621,182</u>
<b>NET INCOME</b>		327,831	-	-	327,831	214,657
Transfer between funds		(327,831)	403,900	(76,069)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>-</u>	<u>403,900</u>	<u>(76,069)</u>	<u>327,831</u>	<u>214,657</u>
Balance brought forward at 1 August 2021		<u>-</u>	<u>3,383,948</u>	<u>97,439</u>	<u>3,481,387</u>	<u>3,266,730</u>
Balance carried forward at 31 July 2022		<u>-</u>	<u>3,787,848</u>	<u>21,370</u>	<u>3,809,218</u>	<u>3,481,387</u>

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

## BALANCE SHEET

AS AT 31 JULY 2022

	Notes	31 July 2022		31 July 2021	
		£	£	£	£
INVESTMENTS	5		100		100
TANGIBLE FIXED ASSETS	6		3,911,050		3,939,544
<b>CURRENT ASSETS</b>					
Debtors	7	333,649		273,400	
Cash at bank and in hand		2,000,117		1,714,957	
		<u>2,333,766</u>		<u>1,988,357</u>	
<b>CREDITORS - due within one year</b>	8	<u>(1,570,906)</u>		<u>(1,552,202)</u>	
<b>NET CURRENT ASSETS</b>			<u>762,860</u>		<u>436,155</u>
<b>CREDITORS - due after more than one year</b>	9		<u>(864,792)</u>		<u>(894,412)</u>
<b>NET ASSETS</b>			<u>3,809,218</u>		<u>3,481,387</u>
<b>RESTRICTED FUND</b>	10		21,370		97,439
<b>UNRESTRICTED FUNDS</b>					
- Designated	11		3,787,848		3,383,948
- General Fund	12		-		-
<b>TOTAL FUNDS</b>	13		<u>3,809,218</u>		<u>3,481,387</u>

Approved and authorised for issue by the Board of Governors at its meeting on 15 November 2022 and signed on its behalf by:

M. Templeman



E. Dobson



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

**NEWELLS SCHOOL TRUST LIMITED**

**CASHFLOW STATEMENT**

**AS AT 31 JULY 2022**

	Note	2022		2021	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	14		604,112		1,064,701
<b>Cash flows from investing activities</b>					
Interest received		403		179	
Purchase of tangible fixed assets		(286,621)		(595,255)	
Investment in Subsidiary		-		-	
Loss on disposal of tangible fixed assets		-		-	
<b>Net cashflow from investing activities</b>			(286,218)		(595,076)
<b>Financing</b>					
Repayment of loans		(25,150)		(208,453)	
Interest paid		(7,584)		(15,133)	
<b>Net cashflow from financing activities</b>			(32,734)		(223,586)
<b>Increase in cash</b>			<u>285,160</u>		<u>246,039</u>
Cash and cash equivalent at the beginning of the period			1,714,957		1,468,918
Cash and cash equivalent at the end of the period			<u>2,000,117</u>		<u>1,714,957</u>

<b>Reconciliation of net debt</b>	<b>01/08/2021</b>	<b>Cashflows</b>	<b>Non-Cashflows</b>	<b>31/07/2022</b>
	£	£	£	£
Cash at bank and in hand	1,714,957	285,160	0	2,000,117
Loans due less than 1 year	(218,456)	212,649	(22,131)	(27,938)
Loans due more than 1 year	(229,397)	0	22,131	(207,266)
	<u>1,267,104</u>	<u>497,809</u>	<u>0</u>	<u>1,764,913</u>

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

## NEWELLS SCHOOL TRUST LIMITED

### ACCOUNTING POLICIES

#### YEAR ENDED 31 JULY 2022

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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).

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, there are economic pressures with rising inflation and high energy costs 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 2022/23. 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 2022 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 and therefore the School does not prepare consolidated accounts.

#### **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. Income**

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.

## NEWELLS SCHOOL TRUST LIMITED

### ACCOUNTING POLICIES (continued)

YEAR ENDED 31 JULY 2022

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#### c. Expenditure

Expenditure is 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 Pension 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 2022**

**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 any discount crystallised in the year is included in the Statement of Financial Activities.

**NOTES TO ACCOUNTS**

<b>1. SCHOOL FEES</b>			<b>2022</b>	<b>2021</b>	
			<b>£</b>	<b>£</b>	
Gross fees receivable			6,757,663	5,913,135	
Less sibling discounts, scholarships and bursaries			(410,500)	(476,912)	
Less agency commission			(37,228)	(30,104)	
Add bursaries from restricted funds			250	10,304	
			<u>6,310,185</u>	<u>5,416,423</u>	
Net fees receivable					
<b>2. OPERATING EXPENDITURE</b>			<b>2022</b>	<b>2021</b>	
			<b>£</b>	<b>£</b>	
Charitable expenditure includes:					
Auditor's remuneration			12,600	12,000	
Operating Leases			23,087	25,646	
Depreciation			315,115	286,543	
			<u>350,802</u>	<u>324,189</u>	
<b>3. ANALYSIS OF TOTAL EXPENDITURE</b>					
	<b>Staff Costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
				<b>£</b>	<b>£</b>
<b>Charitable activities</b>					
Teaching costs	2,447,820	354,550		2,802,370	2,603,712
Welfare	71,523	501,382		572,905	477,930
Premises	397,689	716,639	315,115	1,429,443	1,201,884
Support costs	1,086,287	502,062		1,588,349	1,306,181
	<u>4,003,319</u>	<u>2,074,633</u>	<u>315,115</u>	<u>6,393,067</u>	<u>5,589,707</u>
<b>Raising Funds</b>					
Other expenditure		360		360	2,856
Finance costs		21,645		21,645	28,619
	<u>4,003,319</u>	<u>2,096,638</u>	<u>315,115</u>	<u>6,415,072</u>	<u>5,621,182</u>

Finance costs include interest payable on loans of £7,584 (2021: £15,133).

One (2021: One) Governor was reimbursed travel expenses of £71 (2021: £120).

**NEWELLS SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (continued)**

**YEAR ENDED 31 JULY 2022**

**3. ANALYSIS OF TOTAL EXPENDITURE (continued)**

	Staff Costs £	Other £	Depreciation £	2021 Total £	2020 Total £
<b>Charitable activities</b>					
Teaching costs	2,359,706	244,006		2,603,712	2,566,477
Welfare	71,483	406,447		477,930	460,891
Premises	339,995	575,346	286,543	1,201,884	1,111,958
Support costs	916,091	390,090		1,306,181	1,338,802
	<u>3,687,275</u>	<u>1,615,889</u>	<u>286,543</u>	<u>5,589,707</u>	<u>5,478,128</u>
<b>Raising Funds</b>					
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>286,543</u>	<u>5,621,182</u>	<u>5,514,880</u>

**Support Costs comprise:**

	2022 £	2021 £
Staff costs	1,086,287	916,091
IT costs	124,888	92,971
Motor Vehicle costs	44,535	31,394
Marketing costs	65,470	58,081
Governance costs	12,671	12,120
Other costs	254,498	195,524
	<u>1,588,349</u>	<u>1,306,181</u>

**4. EMPLOYEE INFORMATION**

	2022 £	2021 £
Staff costs:		
Salaries and wages	3,185,365	2,928,148
Social security costs	302,821	272,026
Pension contributions	515,133	487,101
	<u>4,003,319</u>	<u>3,687,275</u>

During the year there were no termination payments made (2021: £Nil). There was £Nil (2021: £Nil) outstanding at the year end.

Remuneration of key management personnel was £267,870 (2021: £254,367).

	2022 No.	2021 No.
--	-------------	-------------

The average number of employees during the year was made up as follows:

Teaching	46	46
Teaching Assistants & Sports coaches	39	37
Administrative, Welfare and Premises Support	43	43
	<u>128</u>	<u>126</u>

**NEWELLS SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (continued)**

**YEAR ENDED 31 JULY 2022**

**4. EMPLOYEE INFORMATION (Continued)**

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
The number of full-time equivalent employees during the year was made up as follows:		
Teaching	40	40
Teaching Assistants & Sports coaches	27	26
Administrative, Welfare and Premises Support	31	31
	<u>98</u>	<u>97</u>

The number of higher paid employees was:

£70,000 - £80,000	-	1
£80,000 - £90,000	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 (2021: 1) and defined benefit schemes was 1 (2021: 1).

**5. INVESTMENTS**

	<b>Investment in subsidiary company £</b>
<b>Cost</b>	<b>100</b>
Additions	-
	-----
<b>Net Book Value at 31 July 2022</b>	<b>100</b>
	=====

The following was a subsidiary undertaking of the charitable company:

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

**The summary financial performance of the subsidiary is:**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Turnover	215,929	186,289
Cost of sales and administrative costs	(163,074)	(136,778)
	<u>52,855</u>	<u>49,511</u>
Net Profit	52,855	49,511
Amount Gift aided to the charity	(52,855)	(49,511)
	<u>-</u>	<u>-</u>
Retained in the subsidiary	-	-
	=====	=====
The assets and liabilities of the subsidiary were:		
Fixed assets	12,641	15,666
Current assets	100,246	81,583
Current liabilities	(112,787)	(97,149)
	<u>100</u>	<u>100</u>
Total net assets	100	100
	=====	=====
Capital and Reserves	100	100
	=====	=====

**NEWELLS SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (continued)**

**YEAR ENDED 31 JULY 2022**

**6. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Furniture, fittings equipment and Computers £	Motor Vehicles £	Total £
<b>COST</b>				
At 1 August 2021	6,218,957	298,095	66,025	6,583,077
Additions	286,621	-	-	286,621
At 31 July 2022	<u>6,505,578</u>	<u>298,095</u>	<u>66,025</u>	<u>6,869,698</u>
<b>DEPRECIATION</b>				
At 1 August 2021	2,429,155	162,004	52,374	2,643,533
Charge for the year	286,112	23,327	5,676	315,115
At 31 July 2022	<u>2,715,267</u>	<u>185,331</u>	<u>58,050</u>	<u>2,958,648</u>
<b>NET BOOK VALUE</b>				
At 31 July 2021	<u>3,789,802</u>	<u>136,091</u>	<u>13,651</u>	<u>3,939,544</u>
At 31 July 2022	<u><u>3,790,311</u></u>	<u><u>112,764</u></u>	<u><u>7,975</u></u>	<u><u>3,911,050</u></u>

**7. DEBTORS**

	2022 £	2021 £
Fees and extras in arrears	102,700	51,443
Intercompany amounts due from Subsidiary undertaking	69,129	71,322
Other debtors and prepayments	161,820	150,635
	<u>333,649</u>	<u>273,400</u>

**8. CREDITORS: due within one year**

	2022 £	2021 £
Bank loans and overdraft	27,938	30,957
Trade creditors	245,269	273,167
Amount Due to Brighton College	35,363	205,090
Other creditors	777,256	672,355
Accruals	357,438	311,030
Composition Fees paid in advance	127,642	59,603
	<u>1,570,906</u>	<u>1,552,202</u>

NEWELLS SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 JULY 2022

9. CREDITORS: - due after more than one year	2022 £	2021 £
<i>Bank loans</i>		
Amounts due after five years	95,516	120,666
Amounts falling due within five years	139,688	139,688
Less amounts falling due within one year	(27,938)	(30,957)
	<u>207,266</u>	<u>229,397</u>
<i>Amounts due to Brighton College</i>		
Amounts falling due within five years	35,363	205,090
Less amounts falling due within one year	(35,363)	(205,090)
	<u>-</u>	<u>-</u>
<i>Composition Fees</i>		
Amounts falling due within five years	134,937	59,603
Less amounts falling due within one year	(127,642)	(59,603)
	<u>7,295</u>	<u>-</u>
<i>Pupil Deposits</i>	<u>650,231</u>	<u>665,015</u>
Total creditors due after more than one year	<u>864,792</u>	<u>894,412</u>

**Bank Loan**

The bank loan with HSBC for the purchase of 2 College Close is secured by a charge on that freehold property, repayable over a ten year period to 20 October 2030.

**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:

	2022 £	2021 £
Within one year	127,642	59,603
Due between one to two years	7,295	-
	<u>134,937</u>	<u>59,603</u>
<b>Summary of movements in liability:</b>		<b>£</b>
Balance at 1 August 2021		59,603
New contracts		254,074
Amounts used to pay fees		(178,740)
<b>Balance at 31 July 2022</b>		<u>134,937</u>

**NEWELLS SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (continued)**

**YEAR ENDED 31 JULY 2022**

**10. RESTRICTED FUNDS**

	<b>Development Fund £</b>	<b>Fee Support Funds £</b>	<b>Total £</b>
Balance at 31 July 2021	-	97,439	97,439
Income	3,347	-	3,347
Release to the General Fund– Note 12	(3,347)	(76,069)	(79,416)
	<u>-</u>	<u>21,370</u>	<u>21,370</u>
Balance at 31 July 2022	<u>-</u>	<u>21,370</u>	<u>21,370</u>

Donations and other income relating to the General School appeals are added to the Development 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**

	<b>Property Fund £</b>	<b>Bursary Fund £</b>	<b>Total £</b>
Opening balance 31 July 2021	3,334,437	49,511	3,383,948
Utilised for bursaries in the year	-	(49,511)	(49,511)
Transfer (to)/from General Fund – Note 12	397,818	52,246	450,064
Transfer from Development Fund – Note 10	3,347	-	3,347
	<u>3,735,602</u>	<u>52,246</u>	<u>3,787,848</u>
Closing balance 31 July 2022	<u>3,735,602</u>	<u>52,246</u>	<u>3,787,848</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 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**

	<b>2022 £</b>	<b>2021 £</b>
Opening balance 31 July 2021	-	-
Net income	327,831	174,297
Transfer from restricted fund – Note 10	76,069	73,520
Transfer to Property Fund	(351,654)	(198,306)
Net transfer to Bursary Fund – Note 11	(52,246)	(49,511)
	<u>-</u>	<u>-</u>
Closing balance 31 July 2022	<u>-</u>	<u>-</u>

The movement in the prior year individual funds can be found within the 2021 Financial Statements.

**NEWELLS SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (continued)**

**YEAR ENDED 31 JULY 2022**

<b>13. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2022</b>	<b>Investments &amp; fixed assets £</b>	<b>Net current Assets £</b>	<b>Creditors due after more than one year £</b>	<b>2022 Total £</b>
Designated funds	3,911,150	741,490	(864,792)	3,787,848
Restricted Funds	-	21,370	-	21,370
	<u>3,911,150</u>	<u>762,860</u>	<u>(864,792)</u>	<u>3,809,218</u>

<b>ANALYSIS OF NET ASSETS BETWEEN FUNDS 2021</b>	<b>Investments &amp; fixed assets £</b>	<b>Net current Assets £</b>	<b>Creditors due after more than one year £</b>	<b>2021 Total £</b>
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>

<b>14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2022 £</b>	<b>2021 £</b>
Net movement in funds	327,831	214,657
Depreciation	315,115	286,543
Interest receivable	(403)	(179)
Interest payable	7,584	15,133
(Increase)/decrease in debtors	(60,249)	17,783
Increase/(decrease) in creditors	14,234	530,764
Net cash inflow from operating activities	<u>604,112</u>	<u>1,064,701</u>

**15. 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 £110 (2021: £101).

At the balance sheet date an amount of £35,363 (2021: £205,090) was owed to Brighton College by the School, being the loan creditor of £Nil (2021: £187,500) as disclosed in note 9 and a Group Fund contribution of £35,363 (2021: £17,590). During the year ended 31 July 2022 interest was paid on the loan of £1,563 (2021: £10,938) being the charge for 2022 (2021: includes charge for 2021).

**16. FRIENDS OF HANDCROSS PARK**

The Friends donated equipment and other facilities during the period amounting to £2,487 (2021: £2,856).

**17. 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.

**18. 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 £427,856 (2021: £408,620) and at the year-end £32,283 (2021 - £31,011) 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 2022 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. Following a public consultation, the Government have accepted three key proposals recommended by the Government actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 202 valuation 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 £87,277 (2021: £78,481).

**NEWELLS SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (continued)**

**YEAR ENDED 31 JULY 2022**

**19. OPERATING LEASE COMMITMENTS**

Total minimum lease payments under operating leases:-

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Less than one year	29,815	23,260
Between 2 – 5 years	58,323	55,685
	<u>88,138</u>	<u>78,945</u>

**20. 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.

**21. 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 £nil (2021: £13,579) was recorded as work in progress at the 2022 year end.

**22. STATEMENT OF FINANCIAL ACTIVITIES FOR THE 2021 YEAR END**

	<b>Notes</b>	<b>Unrestricted Funds</b>		<b>Restricted</b>	<b>Total 2021 £</b>
		<b>General £</b>	<b>Designated £</b>	<b>£</b>	
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
School fees	1	5,426,727		(10,304)	5,416,423
Extras and disbursements		203,153			203,153
Registration fees		28,781			28,781
Additional Grants		67,245			67,245
<b>Voluntary income</b>					
- Development Fund income				360	360
- Fee support Funds				40,000	40,000
- General Donation Income		63,715		15,983	79,698
<b>Other trading activities</b>					
- Lettings income					-
<b>Interest receivable</b>		179			179
<b>Total Income</b>		<u>5,789,800</u>	<u>-</u>	<u>46,039</u>	<u>5,835,839</u>

**NEWELLS SCHOOL TRUST LIMITED**

**NOTES TO ACCOUNTS (continued)**

**YEAR ENDED 31 JULY 2022**

**22. STATEMENT OF FINANCIAL ACTIVITIES FOR THE 2021 YEAR END (Continued)**

	Notes	General £	Designated £	Restricted £	2021 £
<b>EXPENDITURE ON:</b>					
<b>Charitable Expenditure</b>					
School operating costs					
- Teaching costs		2,603,087		625	2,603,712
- Welfare costs		477,930			477,930
- Premises costs		1,199,686		2,198	1,201,884
- Support costs		1,306,181			1,306,181
		<u>5,586,884</u>	<u>-</u>	<u>2,823</u>	<u>5,589,707</u>
<b>Raising Funds</b>					
Other Expenditure				2,856	2,856
Finance costs		28,619			28,619
Total Expenditure	3	<u>5,615,503</u>	<u>-</u>	<u>5,679</u>	<u>5,621,182</u>
<b>NET INCOME</b>		174,297	-	40,360	214,657
Transfer between funds		(174,297)	247,817	(73,520)	-
<b>NET MOVEMENT IN FUNDS</b>		<u>-</u>	<u>247,817</u>	<u>(33,160)</u>	<u>214,657</u>
Balance brought forward at 1 August 2021		<u>-</u>	<u>3,136,131</u>	<u>130,599</u>	<u>3,266,730</u>
Balance carried forward at 31 July 2021		<u>-</u>	<u>3,383,948</u>	<u>97,439</u>	<u>3,481,387</u>

