

**ELSTREE SCHOOL LIMITED**  
**(A Registered Company Limited by Guarantee)**

**ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**TOGETHER WITH GOVERNORS'**

**AND AUDITORS' REPORTS**

Registered Number: 690450

Registered Charity Number: 309101

# **ELSTREE SCHOOL LIMITED**

## **GOVERNORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

The Governors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 August 2021

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Charity Registration Number                    309101

Company Registration Number                690450

Governors                                        Mr J B Sunley (Chair)  
    Mrs E McGrath (Vice-Chair)  
    Mr J Dahl  
    Mr J Vincent  
    Mr S M Hill  
    Mrs J Lyons  
    Mrs E McKendrick  
    Mr N Murphy  
    Mr G A W Owston  
    Mrs J Joynson (Appointed 27<sup>th</sup> November 2020)  
    Mr A Pannell (Appointed 27<sup>th</sup> November 2020)  
    Mr R B Waller

Headmaster                                        Mr A C T Inglis

Bursar    Mrs J Burnett (Appointed 1<sup>st</sup> May 2021)

Address     Elstree School  
    Woolhampton  
    Reading  
    Berkshire  
    RG7 5TD

Bankers     Barclays Bank Plc  
    Newbury Business Centre  
    6 Market Place  
    Newbury  
    Berks  
    RG14 5AY

Auditors     Haymacintyre LLP  
    Registered Auditors  
    10 Queens Street Place  
    London  
    EC4R 1AG

## ELSTREE SCHOOL LIMITED

### GOVERNORS' REPORT

#### FOR THE YEAR ENDED 31 AUGUST 2021

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The Governors, who are also directors of the company and charity trustees, have pleasure in submitting their report and audited financial statements for the year ended 31 August 2021. The financial statements have been prepared in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities*, issued in 2015, applicable law and the company's governing document the Memorandum and Articles of Association.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### *Status and administration*

The School is incorporated as a charitable company limited by guarantee. The Governors determine the general policy of the school. The day to day management of the school is delegated to the Head and Bursar.

##### *The Governors who served during the year and up to the date of this report were:*

Mr J B Sunley (Chair)	Mr N Murphy
Mrs E McGrath (Vice-Chair)	Mr G A W Owston
Mr J Dahl	Mr R B Waller
Mr J Vincent	Mrs J Joynson (Appointed 27 <sup>th</sup> November 2020)
Mr S M Hill	Mr A Pannell (Appointed 27 <sup>th</sup> November 2020)
Mrs J Lyons	
Mrs E McKendrick	

##### *Recruitment and training of Governors*

Governors are recruited as and when necessary, bearing in mind the particular skills that need to be covered by the circumstances of the vacancy. The Chair consults the Board on the suitability of the candidates then, with the Board's agreement, approaches the person concerned. Upon appointment Governors are given a copy of the Memorandum and Articles of Association of Elstree School, together with the AGBIS handbook and are provided with a comprehensive induction visit to the School. Governors are encouraged to attend the training sessions provided by AGBIS or other appropriate bodies.

##### *Organisational management*

The Governors meet as a board at least four times a year to determine the general policy of the Charity and to review its overall management and control, for which they are legally responsible. The work of implementing most of the Board's policies is carried out by the Finance and General Purposes Committee, which meets at least two weeks before each meeting of the full board, specifically to review the budgets, the management accounts, the annual accounts and reports. For the purposes of the day-to-day management of the charity, the Governors give delegated powers to the Headmaster and the Bursar. There is an increasing level of communication between Governors and the Headmaster and teaching community at Elstree through the regular sub-committee meetings and informal communication.

All Governors are linked to a role within the School and meet as separate sub-committees, including Finance, Academic, Marketing, Pastoral care and Legal.

##### **Governor**

Mr J B Sunley (Chair)  
Mrs E McGrath (Vice-Chair)  
Mr S M Hill  
Mrs J Lyons  
Mr N Murphy  
Mr G A W Owston  
Mr R B Waller  
Mrs E McKendrick  
Mr J Vincent  
Mr J Dahl  
Mrs J Joynson (Appointed 27<sup>th</sup> November 2020)  
Mr A Pannell (Appointed 27<sup>th</sup> November 2020)

##### **Sub-committee**

Finance & General Purposes  
Governance  
Academic  
Health and Safety, Pastoral and Marketing  
Pastoral and Academic  
Finance & General Purposes, Academic  
Governance  
Academic  
Finance & General Purposes, Marketing  
Academic  
Academic  
Governance

## **ELSTREE SCHOOL LIMITED**

### **GOVERNORS' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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The Governors aim to provide market competitive salaries and recognise the need to pay higher salaries for exceptional candidates where this is in the interest of the School. Remuneration of the key management personnel is set by the Board, in conjunction with the Headmaster for the Bursar and Deputy Headmaster, using a number of criteria such as nature of role and responsibilities, sector salaries as indicated by various benchmark and other market reports, cost of living increases and trends in pay.

#### ***Structure and relationships***

Elstree School is a member of IAPS, ISBA and the BSA for the promotion and maintenance of standards and joins in peer group studies for the evaluation of quality and performance improvement methods. The School co-operates with as many charities as it can and seeks to widen public access to the education provided, to optimise the educational use of the cultural and sporting facilities, and to awaken in its pupils an awareness of the wider social context of the education they receive at the School.

#### **OBJECTS, PRINCIPAL ACTIVITY, OBJECTIVES AND PUBLIC BENEFIT**

##### ***Objects***

The objects of the company are to provide an outstanding education for boys and girls between the ages of 3-13. Within these objects the company also maintains its Grade 2 \* listed buildings which are considered to be of national importance, and any funds held in trust for special purposes in connection with the development of the School's facilities as well as for scholarships, bursaries, prizes and other educational purposes need to be appropriately managed. In the furtherance of these objects, the Governors seek to comply with the duty in s.4 of the Charities Act 2006 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under that Act.

##### ***Principal activity***

The Charity principally provides all-round education at Elstree for boys and girls between the ages of 3-13. The Charity is committed to an education which develops the academic, physical, creative, social and spiritual potential in all its pupils. All its activities and policies are geared to this aim. This is developed further by participation in the Elstree Award (the School's version of the Duke of Edinburgh Award) which is for boys and girls in Years 6, 7 and 8. This initiative develops citizenship and community spirit.

##### ***Objectives for the year***

The Board's strategic aim as a charitable independent school is the focus and sustained attainment of the highest levels of academic performance in a safe and happy environment, the development of pupil numbers in line with a wider-access admissions policy, the continuation of summer and winter lettings provision which is putting the School's facilities to good use when not otherwise needed, the development of sustainable and appropriate boarding opportunities and the greater involvement of all pupils in the full range of extra-curricular activities. Through the successful implementation of these objectives, public benefit and access to the School will be enhanced. The Board also looks to broaden the academic curriculum, continually enhance the range of sporting, creative arts, musical and pastoral opportunities and increase the school's involvement in and contribution towards the local community.

##### ***Key management personnel remuneration***

Key management personnel remuneration is determined by the Full Board of Governors against sector benchmarking and in consideration of other relevant information (i.e. geographical factors). Any revisions must be agreed by the Full Board.

## **ELSTREE SCHOOL LIMITED**

### **GOVERNORS' REPORT (Continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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##### *Strategy*

The Governors are responsible for agreeing a long-term strategy that is designed to place the school in the best possible position to achieve the objectives set out above. These include:

- continuing to review the School's academic policies in the light of national academic benchmarks and independent inspectors' reports. We also review the academic syllabus, teaching methods and exam results;
- ensuring the co-curricular activities on offer to pupils are outstanding and actively contributing to the development, social skills and spiritual awareness of the children;
- investing in the infrastructure and technology of the School. In recent years significant investment has been made in sports facilities, science buildings, Pre-Prep, music facilities and the main assembly hall. The School's strategic planning review highlights art and design and technology as the next areas for development; and
- there has also been significant development in the school's dining room, with a complete redecoration, new flooring and lighting and new furniture. The external windows have been full refurbished and redecorated inside and out.
- with the move to full co-education in 2020 and girl numbers nearing 60 across the school, there has also been significant investment in a wide range of girls' facilities. A new girls' dormitory and new shower room was created from a previous house tutor flat, new girls changing facilities in the sports hall and a new Head of Girls Games has been appointed.
- a major refurbishment of Hillcrest Cottage (Staff accommodation) was completed in April 2021

##### *Bursaries and scholarships*

The value of bursaries, scholarships and allowances in the year amounted to £634,848 (2020: £339,038). There is a Bursary Policy. The Governors make these awards based on the individual needs and abilities of the child and of his/her parents. The Governors are always willing to explore any method of helping to maintain the continuity of the educational experience for a pupil where there is evidence of family hardship. Three pupils received 100% of the boarding element of the fee, one pupil received 66% of the boarding fee, one pupil received 50% of the boarding fee, Three pupils received 90% of the day fee, whilst fifteen pupils received in excess of 70%. During the year, 71 children were financially assisted in some way.

##### *Equal opportunities*

The School welcomes pupils from all backgrounds and needs to be able to satisfy itself that it can fully and adequately prepare every pupil for entry to senior school through at least the Common Entrance process. Entrance interviews, in person, or for an overseas pupil on Zoom, and assessments are undertaken to satisfy the School and the prospective parents that their child can cope with the academic demands, the pace of the lessons and that he/she can benefit from the education on offer. The race, gender, religion or disability of a child has no bearing on the assessment decision. In cases where a child or member of staff is or becomes disabled, every effort is made to accommodate these needs.

##### *Widening of access – education related activities*

The School welcomes children from all backgrounds and it prepares pupils for entry to senior school through Common Entrance or Scholarship process. Widening of access to the School is achieved by the Schools' Foundation Awards and bursaries, granted to parents who would not normally be able to afford the School's fees, and by directing the families of those in need to suitable external funding sources. During the year 71 pupils benefitted from a fee remission.

The school provides local nurseries and primary schools with regular access to its facilities. The school organises a variety of different events, including a den-building day, a 'Mini Olympics' afternoon, a Year 2 Football Festival and a Primary Schools Cross Country Event. Covid-19 restrictions have meant that some events had to be postponed or cancelled. A number of pupils at the school take part in the Restless Triathlon at Bradfield College, raising money for one of the school's chosen charities, as well as the Restless Development charity, supporting children in Africa.

Partners for Active Leisure Scheme (PALS) is a West Berkshire Charity which uses the school's facilities throughout the year and which benefits from activities being led by the Year 7 pupils as part of their Elstree Award.

## ELSTREE SCHOOL LIMITED

### GOVERNORS' REPORT (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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##### *Widening of access – other community links*

The Charity recognises its role in the context of the wider community, to continually increase access to its facilities and its education; many activities are organised with this in mind.

The public organisations listed hereafter have benefited from the use of the Schools' facilities as a sporting educational or entertainment venue: Kennet Badminton Club, Bucklebury Badminton Club, St Mary's Badminton Club, Newbury and District Badminton Association, Serious Cricket, British Shintaido, London Irish Rugby in the Community Scheme, Mortimer and West End Cricket Club, Racing Line Running.

In addition, the following charities have benefited from donations or fundraising events held at the school: PALs, Charlie Waller Trust, St Peter's Church, Riding for the Disabled, Brain Tumour Trust, NSPCC, SSAFA, The Children's Society, Born Free foundation, St Michael's Hospice, TISCA, Marie Curie, Royal National Children's Foundation and Naomi House.

Children and Staff support a variety of charities:

- Pre-Prep tree planting for the Woodland Trust
- Inter-house cross-country event to raise money for St. Michael's Hospice
- Mental Health Awareness Week, including a staff member completing '7in7' (7 marathons in 7 days) to raise money for the Charlie Waller Trust.
- NSPCC
- Weekly chapel collections for a variety of charities from the local area.
- Gift Fair (Year 6 Elstree Award Pupils support)
- Food was collected and donated to the West Berkshire Food Bank

## **STRATEGIC REPORT**

### **Operational Performance**

Elstree provides a safe, secure environment for children to achieve their potential in any given field. We hope to educate children in a familiar, friendly, supportive and encouraging environment where they can be treated as individuals but learn to live in a community. The emphasis is on building confidence, developing talent and maximising potential. In the Pre-Prep, it is our aim to make children's first experiences of learning positive and inspiring so that they develop a thirst for learning.

We strive for academic excellence for each child. We aim to provide help and support to enable them to achieve their best and reach their potential becoming self-regulated learners. The Elstree Learner Profile outlines the academic values and aspirations we have for every pupil.

We prepare pupils thoroughly for the next stage of their education and to maintain strong links with the major senior schools.

We equip all pupils with essential life skills: hard work, tolerance, kindness, pride in themselves, resilience and enthusiasm.

We promote and develop a broad range of opportunities in all areas of the school – Academic, Music, Drama, Art, D.T. and Sport. Our Co-Curricular programme of activities, boarding clubs and Elstree Award further enhance the opportunities for our pupils. Elstree is a 'preparatory' school in the broadest sense of the word.

We aim to give pupils a confidence in their own ability, a sense of moral and spiritual awareness and a positive set of values that will equip them with resilience and enable them to be mentally happy. Assemblies and weekly church services provide a values-led education with time to reflect. They also develop an awareness of the wider world through community activities, termly lectures, outreach, charity work and leadership development.

We have been delighted with the feedback on our teaching and the pupil progress made during our 'Remote Learning Programme' which we delivered over the course of the Lent term 2021.

### **Achievements and Performance:**

- The school has developed an exciting new Digital Learning Strategy, which includes all pupils in Years 7 & 8 using a Microsoft Surface device to complement existing traditional learning strategies. Teachers increasingly use technology appropriately to enhance learning outcomes.
- There have been exciting developments to the curriculum, with the introduction of formal Spanish lessons in Years 5 & 6, and a Spanish club in Years 3 & 4.
- All pupils now have drama lessons and 35 take part in weekly LAMDA lessons.
- A new structure to the school day in the Prep School has the main academic lessons timetabled at the front end of the day, thus maximising the learning outcomes for the pupils. The latter part of the day is now reserved for enrichment activities, the Gifted & Able programme and prep for the senior pupils.
- In the Pre-Prep there are 8 clubs that the children can choose to participate in. There are 24 activities on offer each week in the prep school. The school promotes and develops a broad range of opportunities in all areas – Academic, Music, Drama, Art, D.T. and Sport. These include a Co-Curricular programme of activities, Headmaster's Project, boarding clubs and Elstree Award.
- Pupils are thoroughly prepared for the next stage of their education and the school maintains strong links with the major senior schools. The Headmaster and Senior Master-External Relations guide parents through the process supported by: Senior School Presentation in Year 5, Individual meetings with parents to discuss senior school choices and pupil progress. Pupils are prepared for their senior school assessments and interviews with

## ELSTREE SCHOOL LIMITED

### GOVERNORS' REPORT (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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tailored lessons, covering online assessments, interview workshops, academic enrichment talks and debating. Senior school representatives are invited to the school to give talks, preach in church services and to referee inter-school matches. Pupils also take part in many senior school activity days (music, art, drama, academic and sport), which further build-up the strong links between Elstree and the senior schools.

- The school prides itself on giving pupils a confidence in their own ability by celebrating all levels of achievement in all areas of school life. The children gain a real sense of moral and spiritual awareness and a positive set of values that will equip them with resilience and enable them to be mentally happy. Assemblies and weekly church services provide a values-led education with time to reflect. They also develop an awareness of the wider world through community activities, termly lectures, outreach, charity work and leadership development. The 'family' lunch service provides an informal way for pupils and staff to engage in interesting conversation, outside the classroom.
- Appointment of a new Bursar, Head of HR and Marketing Manager
- Throughout the school, over 130 music lessons take place each week, and pupils are further encouraged to participate in regular informal and formal concerts.
- A successful Cultural Diversity Week was held, which included a Black Lives Matter performance from the Gifted and Able Drama Group.
- The school is further developing an 'open door' culture to teaching and an enquiry approach to teaching and learning, supporting colleagues with their career development and the curriculum development. Also supporting learners with a robust tracking, support system and developed Revision Study Skills programme (September 2020).
- Pupil tracking and SEN information is on iSAMS and has been made much more accessible for teaching staff. There is enhanced communication with the Head of LDD (Learning Development Department) in morning staff briefings. LDD information is updated more regularly and shared with teaching colleagues.
- The mentoring system for the Year 8s adds an extra layer of pastoral support. The school has introduced a pastoral traffic lights board in the staff work room to highlight children of concern. It has also introduced a weekly pastoral meeting that focuses on monitoring our more vulnerable children, behaviour logs, staff welfare, etc. throughout the whole school (Prep and Pre-Prep).
- Further development of the Elstree Award and providing a comprehensive leadership programme for Years 6, 7 & 8 and strengthening links with the local community.
- Opportunities for public speaking have increased with events such as the Declamations Competitions and the Poetry Performance afternoon. We have also introduced a senior (Year 8) and Middle School (Year 6) debate and Elstree Award Presentations in Year 7 and Headmaster's Debate topics.
- The school has maintained its 'Green Flag Status' and this has further increased the pupils' awareness of eco-issues.

## **ELSTREE SCHOOL LIMITED**

### **GOVERNORS' REPORT (Continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **Pupil Achievements:**

##### Academic Scholarships

Our academic profile is diverse, ranging in most years from a MIDYIS overall score at the end of Year 7 from 135+ to 85. The children are prepared for a wide range of different and diverse senior schools and entry requirements, and parental expectation is high. The diverse nature of the children's talents and abilities and the school's ability to prepare the children for these awards are reflected in a range of prestigious awards to some top senior schools over the last year:

Academic Exhibition to Winchester College

Music Exhibition to Winchester College

Academic Scholarship to Dauntsey's

Academic Scholarship to Harrow

Academic Scholarship to Abingdon

Academic Exhibition to Charterhouse

Art Scholarship to St. Edward's

Sports Scholarship to Radley

Drama Scholarship to Radley

Sport Scholarship to Bradfield

Music Scholarship to Bradfield

All-rounder Scholarship to Lord Wandsworth

#### **Boarding**

The boarding experience enhances pupils' learning and achievement by:

- Encouraging self-discipline in matters of punctuality, time management, tidiness, care of property and personal hygiene.
- Promoting positive relationships with all peers and adults.
- Encouraging independence and good manners.
- Encouraging sharing and accepting valid decisions.
- Encouraging a sense of responsibility and leadership roles (E.g., Dorm Captains, table takers, etc.).
- Promoting the constructive use of free time.
- Promoting a positive moral attitude and developing a sense of citizenship and community spirit.
- Approximately every 2/3 weeks a 'Star Boarder' is celebrated in Prayers (assembly) to recognise pupils that are developing in the manner outlined above.
- A resident boarding academic tutor supports the children and is available to them throughout the week and if there is extra work they need to catch up on, it is then co-ordinated by them. Every Sunday evening the Housemaster and the Academic Tutor go through Spellings and General Knowledge for the following week.
- There is a full programme of activities, which take place on the weekend to enrich the boarding experience. These range from Laser Tag, to Mountain biking to 'Big Weekends' when an entire Year Group would board.

## ELSTREE SCHOOL LIMITED

### GOVERNORS' REPORT (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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#### FINANCIAL REVIEW

##### *Results for the year*

The final deficit for the year was £245,406 (2020: £107,946) to include total donations received of £36,326 during the period. The School was placed in lockdown in January 2021 following a rise in Coronavirus cases in the UK and this resulted in a reduced fee charged for the Summer Term. In total, net fees received in the year were £108,366 more than 2020, which itself was impacted by Covid-19, (£551,072 less than 2019) and total expenditure in the year was £55,650 more than 2020, resulting in the School returned a trading deficit. Lettings income in the year was £6,658 less than 2020 (£64,939 less than 2019) due to the reduction of the Summer 2021 residential bookings due to Covid-19 restrictions and a number of cancelled community sports hirers for the same reason

##### *Reserves policy and level*

The reserves policy of the School has been based on the School's objectives. Its main aim is to achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to fund the School's building maintenance programme. The policy's specific requirement is:

The maintenance of a liquid reserve to provide cover for unexpected but unavoidable items of expenditure which cannot be funded from current income. In this respect, it is important to realise that certain of the School's reserves are in the form of fixed assets, which would take time to realise.

The School's total funds at 31 August 2021 was £6,142,457 (2020: £6,387,863), represented by £7,715,046 (2020: £7,732,042) of fixed assets (net of depreciation) less net borrowings which together with accumulated surpluses were used towards their funding.

The School's intention is to build up its reserves to a level in line with the above policy over a ten year period.

##### *Freehold property*

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.

##### *Fundraising*

The School is fortunate to have the Friends of Elstree running fundraising events during the year including the annual bonfire and fireworks in November, Gift Fair in October and Summer Fair in June. An annual old pupil reunion is organised by the School and is well supported.

##### *Risk Management*

The Governors regularly assess the major risks to which the School is exposed, in particular those related to its operations and finances, and are satisfied that there are systems in place to mitigate exposure to such risks. The Risk Register for Governors is reviewed annually. The risks identified are considered by the Governors to be typical in nature of a privately funded prep school.

The Governors consider the major risks to the School to be:

- The fees becoming unaffordable due to economic pressures;
- Increased competition from both independent and state schools; and
- An unforeseen material damage to the school's reputation.

The key controls used to mitigate these risks include:

- Good governance procedures to ensure effective planning and monitoring;

## **ELSTREE SCHOOL LIMITED**

### **GOVERNORS' REPORT (Continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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- Financial planning, accounts report and monitoring; and
- Formal risk policies, risk registers and risk management procedures.

The financial statements are approved during a period when there is continued uncertainty surrounding the impact of Coronavirus (Covid-19). The School's response has been to implement its contingency planning arrangements for such events to ensure it can continue to meet its stated charitable objectives following the closure of UK schools by Central Government in January 2021. The School reduced fees in the Summer Term to reflect the change to remote teaching and digital learning and has also undertaken a comprehensive cost-saving exercise. The ultimate long term financial impact of Covid-19 on the School is not yet quantifiable as there may be further interventions in the provision of education.

#### **PLANS FOR THE FUTURE**

##### **Infrastructure**

The Governors have invested substantial sums into the school's infrastructure in recent years. During the year significant investment was made into improving the Dining room facilities for all pupils. As part of the ongoing development of the School move to being fully co-educational there has been ongoing development of girls boarding, changing and toilet facilities. A major refurbishment of Hillcrest Cottage (Staff accommodation) was completed in April 2021.

##### **Community Links and Widening Access**

The Governors believe it is important that the school works with as many local charities and public organisations as it can. The school owns some incredible infrastructure and property which we endeavour to share as much as possible, whilst observing the primary objectives of the school. This optimises the educational and pastoral use of its academic and sporting facilities whilst it also increases the awareness pupils have of the wider social context of the education they receive.

The public organisations listed hereafter have benefited from the use of the Schools' facilities as a sporting educational or entertainment venue: Kennet Badminton Club, Bucklebury Badminton Club, St Mary's Badminton Club, Newbury and District Badminton Association, Serious Cricket, British Shintaido, London Irish Rugby in the Community Scheme, Mortimer and West End Cricket Club, Racing Line Running.

In addition, the following charities have benefited from donations or fundraising events held at the School: PALs, Charlie Waller Trust, St Peter's Church, Brain Tumour Trust, NSPCC, SSAFA, The children's society, Born Free foundation, TISCA, Marie Curie, Royal National Children's Foundation and Naomi House.

##### **Coronavirus**

The financial statements are approved during a period when there is continued uncertainty caused by the ongoing Coronavirus (Covid-19) pandemic both in the United Kingdom and internationally. Following the Government's decision to close all UK schools in January 2021, Elstree decided to reduce Summer Term fees to reflect the change to remote learning and also to undertake a cost rationalisation exercise through all departments. Revised cashflow forecasts and a revised income statement for future years have been produced and reviewed by the Board of Governors. Through appropriate consideration of risks associated with the financial impact of the Coronavirus including the mitigating actions already taken in terms of costs savings identified, the Governors of Elstree consider it appropriate for the going concern basis to be adopted for these accounts.

## ELSTREE SCHOOL LIMITED

### GOVERNORS' REPORT (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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#### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also Directors of Elstree School for the purposes of company law) are responsible for preparing the Governors' Report incorporating the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The auditors Haysmacintyre LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be submitted to the Annual General Meeting.

The Governors' Report incorporating a Strategic Report was approved by the Board of Governors on 10<sup>th</sup> December 2021 and signed on its behalf by:



Mr J B Sunley  
Chairman

Elstree School  
Woolhampton  
Berkshire  
RG7 5TD

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELSTREE SCHOOL LIMITED**

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### **Opinion**

We have audited the financial statements of Elstree School Limited (the 'Company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Forecast 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 August 2021 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 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### **Other information**

The governors 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 strategic report and 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 strategic report and the directors' report included within the Governors' Report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELSTREE SCHOOL LIMITED**

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### **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).

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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

As explained more fully in the governors' responsibilities statement set out on page 10, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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 the Health & Safety Acts and the Education Act 2002, 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 and the Charities Act 2011, and consider other factors such as payroll tax.

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 posting inappropriate journal entries to revenue and management bias in accounting estimates. 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 with unusual descriptions; 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ELSTREE SCHOOL LIMITED**

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**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.



Thomas Wilson (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors  
Date: 12/12/21

10 Queen Street Place  
London  
EC4R 1AG

**ELSTREE SCHOOL LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	31 August 2021 £	31 August 2020 £
<b>Income from:</b>					
<b>Charitable activities:</b>					
Fees receivable	1	3,856,720	-	3,856,720	3,748,354
Other educational income	2a	138,348	-	138,348	121,441
<b>Other trading activities:</b>					
Lettings income		22,108	-	22,108	28,766
<b>Grants, donations and legacies</b>	2b	66,376	20,000	86,376	287,866
<b>Bank and other interest</b>	3	17	-	17	563
<b>Other income</b>		6,063	-	6,063	10,757
<b>Total income</b>		<u>4,089,632</u>	<u>20,000</u>	<u>4,109,632</u>	<u>4,197,747</u>
<b>Expenditure on:</b>					
<b>Raising funds:</b>					
Finance and other costs	4	19,397	-	19,397	107,398
<b>Charitable activities</b>					
School operating costs:					
Teaching costs		2,320,672	-	2,320,672	2,440,156
Welfare		475,610	-	475,610	368,142
Premises		810,174	-	810,174	700,471
Support costs of schooling		735,490	-	735,490	689,526
<b>Total expenditure</b>	5	<u>4,361,343</u>	<u>-</u>	<u>4,361,343</u>	<u>4,305,693</u>
Net income/(expenditure)before transfers		(271,711)	20,000	(251,711)	(107,946)
Transfers between funds	14	70,000	(70,000)	-	-
<b>Net income/(expenditure)</b>		<u>(201,711)</u>	<u>(50,000)</u>	<u>(251,711)</u>	<u>(107,946)</u>
Gains on investments		6,305	-	6,305	-
<b>Net movement in funds</b>		<u>(195,406)</u>	<u>(50,000)</u>	<u>(245,406)</u>	<u>(107,946)</u>
Balance brought forward at 1 September 2020		6,337,863	50,000	6,387,863	6,495,809
Balance carried forward at 31 August 2021	14	<u>6,142,457</u>	<u>-</u>	<u>6,142,457</u>	<u>6,387,863</u>

All recognised gains and losses are included in the Statement of Financial Activities.

The accompanying notes form an integral part of the financial statements.

The Statement of Financial Activities for the comparative period is presented in Note 20.

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	31 AUGUST 2021		31 AUGUST 2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	8		7,715,046		7,732,042
Investments	9		16,100		9,795
			<u>7,731,146</u>		<u>7,741,837</u>
<b>CURRENT ASSETS</b>					
Debtors					
Fees and extras in arrears		677,571		806,242	
Other debtors, stocks and prepayments	10	127,530		160,538	
		<u>805,101</u>		<u>966,780</u>	
Cash at bank and in hand		483,766		380,441	
		<u>1,288,867</u>		<u>1,347,221</u>	
<b>CREDITORS - due within one year</b>					
Fees received in advance for Autumn term 2021		1,415,856		1,208,946	
Other creditors	11	537,175		575,756	
		<u>1,953,031</u>		<u>1,784,702</u>	
<b>NET CURRENT LIABILITIES</b>			(664,164)		(437,481)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,066,982		7,304,356
<b>CREDITORS - due after more than one year</b>	12		(924,525)		(916,493)
<b>NET ASSETS</b>	14		<u>6,142,457</u>		<u>6,387,863</u>
Represented by:					
Unrestricted funds	14		6,142,457		6,337,863
Restricted	14		-		50,000
<b>TOTAL FUNDS</b>			<u>6,142,457</u>		<u>6,387,863</u>

The financial statements were approved by the Board of Governors and authorised for issue on 10<sup>th</sup> December 2021 and signed on their behalf by:

*James B Sunley*

Mr J B Sunley

*G A W*

Mr G A W Owston

)

)

) GOVERNORS

)

The accompanying notes are an integral part of this balance sheet.

**ELSTREE SCHOOL LIMITED**

**CASH FLOW STATEMENT**

**YEAR ENDED 31 AUGUST 2021**

	<b>2021</b>		<b>2020</b>	
	£	£	£	£
<b>Cash flows from operating activities</b>				
Net (expenditure)/income	(245,406)		(107,946)	
Gains on investments	(6,305)			
Depreciation	170,330		151,774	
Loss on disposal	-		5,950	
Interest received	(17)		(563)	
Interest paid	17,673		16,302	
Decrease in debtors	161,679		210,787	
Increase/(Decrease) in creditors	227,928		(342,548)	
		<u>325,882</u>		<u>(66,244)</u>
<b>Cash flows from investing activities</b>				
Purchase of tangible fixed assets	(153,334)		(175,068)	
Interest received	17		563	
		<u>(153,317)</u>		<u>(174,505)</u>
<b>Cash flows from financing activities</b>				
Interest paid	(17,673)		(16,302)	
Drawdown of new loans	-		564,724	
Repayment of loans	(51,567)		(76,172)	
		<u>(69,240)</u>		<u>472,250</u>
Increase of cash in the year		<u>103,325</u>		<u>231,501</u>
Cash and cash equivalents at the beginning of the year		<u>380,441</u>		<u>148,940</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>483,766</u>		<u>380,441</u>

	<b>2020</b>	<b>Cashflow</b>	<b>Non-Cashflow</b>	<b>2021</b>
	£	£	£	£
<b>Analysis of movements in net debt</b>				
Cash at bank and in hand	380,441	103,325	-	483,766
Barclays Loan due within one year	(51,614)	(51,567)	51,142	(52,039)
Barclays loan due after one year	(527,785)	-	50,992	(476,793)
Coronavirus Business Interruption Loan (CBIL) due within one year	(50,000)	-	-	(50,000)
CBIL due after one year	(200,000)			(200,000)
<b>Total</b>	<u>(448,958)</u>	<u>(51,758)</u>	<u>103,134</u>	<u>(295,066)</u>

## ELSTREE SCHOOL LIMITED

### ACCOUNTING POLICIES

#### FOR THE YEAR ENDED 31 AUGUST 2021

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The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice ("SORP"), Financial Reporting Practice applicable in UK and Republic of Ireland (FRS 102) second edition effective 1 January 2020 and the Companies Act 2006.

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.

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 21 April 1961 (company number 00690450) and registered as a charity on 21 July 1961 (charity number 309101). The School's registered office is Elstree School, Woolhampton, Reading, Berkshire, RG7 5TD.

**a. Accounting convention**

The accounts have been prepared under the historical cost convention.

**b. Income**

Income from charitable activities is accounted for in the year in which the services are provided. Fees receivable are stated after deducting allowances.

Donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the school is considered probable.

Lettings income is recognised in the Statement of Financial Activities on a straight line basis over the lease term.

Job Retention Scheme Government Grants are accounted for in the year in which employees were placed on temporary leave.

**c. Expenditure**

Expenditure is accounted for on an accruals basis, discounted to present value for longer-term liabilities, and is summarised under functional headings in the Statement of Financial Activities, with the irrecoverable element of value added tax included with the item of expense to which it relates.

**d. Fixed assets and depreciation**

Building improvements, furniture and equipment are capitalised and carried in the Balance Sheet at historical cost.

Depreciation is provided on freehold buildings in use at one per cent per annum after exclusion of land and residual values. An impairment review is carried out to ensure the net book value in the financial statements do not exceed the value in use of the freehold buildings.

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

Furniture and equipment	- 4% on cost
Laundry equipment	- 25% on written down value
Motor vehicle and garden equipment	- 20% on written down value
Computers	- 25% on cost

**e. Fund accounting**

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

**f. Special repairs fund**

An amount is set aside for special repairs on the basis of expected future requirements. The cost of these repairs is charged against this fund as incurred.

## ELSTREE SCHOOL LIMITED

### ACCOUNTING POLICIES (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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**g. Operating leases**

Rentals payable are charged on a time basis over the lease term.

**h. Pension schemes**

In the year to 31 August 2020 the School contributed to the Teachers' Pension Scheme. This Scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the Scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

From 1 September 2020 the School exited the Teachers' Pension Scheme and entered the APTIS scheme, a defined contribution scheme. The pension cost charge represents the amount of the contributions payable to the scheme in respect of the year. The company also contributes to personal pension schemes for non-teaching staff and these contributions are charged to the profit and loss account in the year in which they are incurred.

**i. Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. 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. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

**j. Going concern**

Governors are aware and acknowledge financial challenges remain and the impact of Covid-19 is an ongoing risk. More specifically, the reliance of strong pupil numbers are essential as the School does not yet maximise its non-fee income potential. Governors have analysed the implications of a drop in pupil numbers of 20 and in these circumstances staff payroll costs will need to be identified together with a review of capital expenditure commitments to ensure the School remains a going concern.

Having reviewed the updated cashflow forecasts, Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

**k. 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.

**ELSTREE SCHOOL LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2021**

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<b>1. FEES</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees receivable consist of:		
Gross fees	4,491,568	4,087,392
Less: Total bursaries, scholarships and allowances	(634,848)	(339,038)
	<u>3,856,720</u>	<u>3,748,354</u>
<b>2a. OTHER EDUCATIONAL INCOME</b>	<b>2021</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Extras and disbursements	113,028	110,583
Registration fees	25,320	10,858
	<u>138,348</u>	<u>121,441</u>
<b>2b. GRANTS, DONATIONS &amp; LEGACIES</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Donations	36,326	85,625
Job Retention Scheme Government Grants	50,050	202,241
	<u>86,376</u>	<u>287,866</u>
<p>The School claimed the above amount under the Coronavirus Job Retention Scheme during the period and is considered government support.</p>		
<b>3. INTEREST RECEIVABLE</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank deposits	17	563
	<u>17</u>	<u>563</u>
<b>4. FINANCE AND OTHER COSTS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank charges	6,057	15,563
Bank interest	17,673	16,302
Fees in advance discount	5,927	2,224
Bad debt (credit)/expense	(10,260)	73,309
	<u>19,397</u>	<u>107,398</u>

**ELSTREE SCHOOL LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**5. TOTAL EXPENDITURE**

	<b>Staff costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Total</b>
				<b>£</b>
<b>Charitable activities</b>				
School Operating Costs:				
Teaching costs	2,098,573	149,945	72,154	2,320,672
Welfare	116,837	358,773	-	475,610
Premises	295,585	416,413	98,176	810,174
Support costs of schooling	384,169	351,321	-	735,490
	<u>2,895,164</u>	<u>1,276,452</u>	<u>170,330</u>	<u>4,341,946</u>
<b>Cost of raising funds:</b>				
Finance and other costs	-	19,397	-	19,397
	<u>2,895,164</u>	<u>1,295,849</u>	<u>170,330</u>	<u>4,361,343</u>
	<u><u>2,895,164</u></u>	<u><u>1,295,849</u></u>	<u><u>170,330</u></u>	<u><u>4,361,343</u></u>
				<b>2020</b>
	<b>Staff costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Charitable activities</b>				
School Operating Costs:				
Teaching costs	2,202,804	178,619	58,733	2,440,156
Welfare	107,054	261,088	-	368,142
Premises	327,982	279,448	93,041	700,471
Support costs of schooling	388,676	300,850	-	689,526
	<u>3,026,516</u>	<u>1,020,005</u>	<u>151,774</u>	<u>4,198,295</u>
<b>Cost of raising funds:</b>				
Finance and other costs	-	107,398	-	107,398
	<u>3,026,516</u>	<u>1,127,403</u>	<u>151,774</u>	<u>4,305,693</u>
	<u><u>3,026,516</u></u>	<u><u>1,127,403</u></u>	<u><u>151,774</u></u>	<u><u>4,305,693</u></u>

**6. OPERATING PROFIT**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging:		
Auditors remuneration:		
For audit	16,920	16,320
For other services	1,860	1,800
Depreciation	170,330	151,774
Governors' expenses reimbursed	-	428
Operating lease expense	22,925	24,626
	<u>22,925</u>	<u>24,626</u>
	<u><u>22,925</u></u>	<u><u>24,626</u></u>

**ELSTREE SCHOOL LIMITED****NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2021**

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<b>7. STAFF COSTS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Total Staff Costs:		
Salaries and wages	2,357,669	2,407,107
Social security costs	216,453	234,300
Pension contribution	277,457	385,109
Termination payments	43,585	-
	<u>2,895,164</u>	<u>3,026,516</u>
	<b>2021</b>	<b>2020</b>
The average weekly number of employees during the year was made up as follows:		
Teaching	50	48
Other	37	40
	<u>87</u>	<u>88</u>
The number of employees who had emoluments exceeding £60,000 were:	<b>2021</b>	<b>2020</b>
£70,000 - £79,999	-	1
£90,000 - £99,999	1	-
£100,000 - £109,999	1	1

Total remuneration of key management personnel was £342,217 (2020: £305,323).

No governors received remuneration (2020: £nil) during the year ended 31 August 2021.

**ELSTREE SCHOOL LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**8. TANGIBLE FIXED ASSETS**

The movement of tangible fixed assets were as follows:

	<b>Freehold property £</b>	<b>Furniture and equipment £</b>	<b>Laundry equipment £</b>	<b>Motor vehicle and garden equipment £</b>	<b>Computers £</b>	<b>Total £</b>
<b>COST</b>						
At 31 August 2020	8,578,219	882,736	14,803	131,843	311,595	9,919,196
Additions	39,630	26,523	-	10,763	76,418	153,334
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	<u>8,617,849</u>	<u>909,259</u>	<u>14,803</u>	<u>142,606</u>	<u>388,013</u>	<u>10,072,530</u>
<b>DEPRECIATION</b>						
At 31 August 2020	1,301,088	491,867	14,803	107,697	271,699	2,187,154
Charge for the year	85,885	29,422	-	12,291	42,732	170,330
Disposals	-	-	-	-	-	-
	<u>1,386,973</u>	<u>521,289</u>	<u>14,803</u>	<u>119,988</u>	<u>314,431</u>	<u>2,357,484</u>
<b>NET BOOK VALUE</b>						
At 31 August 2021	<u>7,230,876</u>	<u>387,970</u>	<u>-</u>	<u>22,618</u>	<u>73,582</u>	<u>7,715,046</u>
At 31 August 2020	<u>7,277,131</u>	<u>390,869</u>	<u>-</u>	<u>24,146</u>	<u>39,896</u>	<u>7,732,042</u>

Transfers from Assets under construction to Furniture and equipment relate to assets completed before the year end.

**9. INVESTMENTS**

	<b>Total £</b>
<b>Listed investments</b>	
Market value as at 1 September 2020	9,795
Unrealised gains	6,305
	<u>16,100</u>
Market value as at 31 August 2021	<u>16,100</u>

**10. OTHER DEBTORS**

	<b>31 August 2021 £</b>	<b>31 August 2020 £</b>
Prepayments and accrued income	121,315	137,135
Other debtors	6,215	23,403
	<u>127,530</u>	<u>160,538</u>

**ELSTREE SCHOOL LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

<b>11. OTHER CREDITORS - due within one year</b>	<b>31 August 2021 £</b>	<b>31 August 2020 £</b>
Trade creditors	115,004	129,377
Payroll taxes and social security costs	54,205	54,819
Other creditors	56,850	90,734
Accruals and deferred income	22,827	25,287
Pupil deposits	21,850	22,750
Composition fees (see note 13)	165,400	197,008
Bank loan	101,039	55,781
	<u>537,175</u>	<u>575,756</u>

<b>12. OTHER CREDITORS - due after more than one year</b>	<b>31 August 2021 £</b>	<b>31 August 2020 £</b>
Bank Loan	476,793	527,785
Pupils' Deposits	161,740	136,950
Composition fees (see note 13)	85,992	5,925
Coronavirus Business Interruption Loan	200,000	245,833
	<u>924,525</u>	<u>916,493</u>

**Bank Loan**

The loan from Barclays is charged at base rate plus 2.5%. The capital element of the loan is repayable in the following years:

Within one year	51,039	51,614
Within one to two years	53,411	53,412
Within two to five years	423,382	474,373
More than five years	-	-
	<u>527,832</u>	<u>579,399</u>

The loan is secured by a legal charge over the School property.

**Coronavirus Business Interruption Loan (CBIL)**

CBIL of £250,000 was drawn down in August 2020. There was a 12 month capital & interest holiday from this date. From August 2021, interest is charged at 2.75%. The capital element of the loan is repayable in the following years:

Within one year	50,000	4,167
Within one to two years	50,000	50,000
Within two to five years	150,000	150,000
More than five years	-	45,833
	<u>250,000</u>	<u>250,000</u>

**ELSTREE SCHOOL LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

<b>13. COMPOSITION FEES</b>	<b>31 August 2021 £</b>	<b>31 August 2020 £</b>
At 1 September 2020	202,933	158,713
Composition fees received	244,974	191,148
Applied to School fees	(194,545)	(142,551)
Discount applied	(1,970)	(4,377)
At 31 August 2021	<u>251,392</u>	<u>202,933</u>

<b>14. MOVEMENT IN FUNDS</b>	<b>General Revenue Account £</b>	<b>Designated Special Repairs Fund £</b>	<b>Restricted Fund £</b>	<b>Total £</b>
Balance at 31 August 2020	6,337,863	-	50,000	6,387,863
Surplus/(deficit) for the year	(271,711)	-	20,000	(251,711)
Transfer between funds	70,000	-	(70,000)	-
Gains on investments	6,305	-	-	6,305
Balances at 31 August 2021	<u>6,142,457</u>	<u>-</u>	<u>-</u>	<u>6,142,457</u>
Represented by:				
Fixed assets	7,715,046	-	-	7,715,046
Investments	16,100	-	-	16,100
Net current (liabilities)/assets	(664,164)	-	-	(664,164)
Long term liabilities	(924,525)	-	-	(924,525)
	<u>6,142,457</u>	<u>-</u>	<u>-</u>	<u>6,142,457</u>

During 2020-21, £50,000 was spent on IT development and therefore transferred to the General Revenue account. During the year the school received £20,000 of donations, which was restricted to Bursary support. Of which, £20,000 was allocated against bursaries in 2020-21 and therefore transferred to the General Revenue account.

	<b>General Revenue Account £</b>	<b>Designated Special Repairs Fund £</b>	<b>Restricted Fund £</b>	<b>Total £</b>
Balance at 31 August 2019	6,362,543	133,266	-	6,495,809
Surplus/(deficit) for the year	(151,809)	(31,137)	75,000	(107,946)
Transfer between funds	127,129	(102,129)	(25,000)	-
Balances at 31 August 2020	<u>6,337,863</u>	<u>-</u>	<u>50,000</u>	<u>6,387,863</u>
Represented by:				
Fixed assets	7,732,042	-	-	7,732,042
Investments	9,795	-	-	9,795
Net current assets/(liabilities)	(487,481)	-	50,000	(437,481)
Long term liabilities	(916,493)	-	-	(916,493)
	<u>6,337,863</u>	<u>-</u>	<u>50,000</u>	<u>6,387,863</u>

The School received £75,000 of donations in the year which were restricted to capital expenditure and IT development. Of which, £25,000 was spent in the year and therefore transferred to the General Revenue account.

**ELSTREE SCHOOL LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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**15. OPERATING LEASE COMMITMENTS**

At 31 August 2021 the School had the following minimum lease payments under non-cancellable operating leases:

	<b>31 August 2021 £</b>	<b>31 August 2020 £</b>
Within one year	19,685	19,887
Within two to five years	42,997	18,771
More than five years	-	-
	<u>          </u>	<u>          </u>

**16. PENSION COSTS**

In the prior year the school contributed £308,512 to the Teachers' Pension Scheme, a defined benefit pension scheme, for its staff and there were no contributions outstanding at the prior year balance sheet date. The school exited the Teachers' pension scheme from 1 September 2020 and entered the APTIS Scheme, a defined contribution scheme.

Contributions are also made to personal pension schemes for some employees, as they were in the year to 31 August 2020. Pension costs charged in the year to defined contribution schemes totalled £277,457 (2020: £6,567). There were no contributions outstanding at the balance sheet date.

**17. TAXATION**

The company is a registered charity and no taxation is payable on its income.

**18. LIABILITY OF MEMBER**

Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the Company contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

**19. RELATED PARTY TRANSACTIONS**

There are governors and members of the senior management team who are associated with the School by either having grand children or children who are pupils at the School. All transactions are at arm's length and in the normal course of business.

There are no further related party disclosure that require disclosure.

ELSTREE SCHOOL LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

20. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Unrestricted Funds School £	Other £	Restricted £	31 August 2020 £
<b>Income from:</b>				
<b>Charitable activities:</b>				
Fees receivable	3,748,354	-	-	3,748,354
Other educational income	121,441	-	-	121,441
<b>Other trading activities:</b>				
Lettings income	28,766	-	-	28,766
<b>Donations and legacies</b>	212,866	-	75,000	287,866
<b>Bank and other interest</b>	563	-	-	563
<b>Other income</b>	10,757	-	-	10,757
<b>Total income</b>	<u>4,122,747</u>	<u>-</u>	<u>75,000</u>	<u>4,197,747</u>
<b>Expenditure on:</b>				
<b>Raising funds:</b>				
Finance and other costs	107,398	-	-	107,398
<b>Charitable activities</b>				
School operating costs:				
Teaching costs	2,440,156	-	-	2,440,156
Welfare	368,143	-	-	368,142
Premises	669,334	31,137	-	700,471
Support costs of schooling	689,526	-	-	689,526
<b>Total expenditure</b>	<u>4,274,556</u>	<u>31,137</u>	<u>-</u>	<u>4,305,693</u>
Net(expenditure)/income before transfers	(151,809)	(31,137)	75,000	(107,946)
Transfers between funds	127,219	(102,129)	(25,000)	-
<b>Net (expenditure)/ income</b>	<u>(24,860)</u>	<u>(133,266)</u>	<u>50,000</u>	<u>(107,946)</u>
Balance brought forward at 1 September 2019	<u>6,362,543</u>	<u>133,266</u>	<u>-</u>	<u>6,495,809</u>
Balance carried forward at 31 August 2020	<u>6,337,863</u>	<u>-</u>	<u>50,000</u>	<u>6,387,863</u>