

REGISTERED COMPANY NUMBER: 01085850 (England and Wales)
REGISTERED CHARITY NUMBER: 309146

Report of the Governors and
Unaudited Financial Statements for the Year Ended 31 August 2021
for
Hemdean House School Limited

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for the Year Ended 31 August 2021

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The Governors, being also directors of the charitable Company, present their report together with the Financial Statements of the Charitable Company for the year ended 31 August 2021. The Report of the Governors is also the Directors' Report by s234 of the Companies Act 1985 and the Trustees' Reports as required by part VI of the Charitable Company's Memorandum and Articles of Association and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' (SORP 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Body

During the year the governing body has sought to strengthen itself with new governors by seeking individuals with a business or private education background. The school also has an accountant, and experienced headteacher, providing it with a balanced and varied set of skills. In addition, they have recruited a lawyer and a marketing director to further improve the balance of the team. The governing body remains small and going forward we hope to recruit several new governors to further expand the skills of the team.

Governor Training

New governors are less likely to have direct knowledge of the school and an induction programme has been introduced. All governors are made aware of the need for independence and confidentiality and to declare any conflict of interest which may arise between the school and their personal or business affairs. Governors are invited to attend school functions and are encouraged to spend time in school. Prize-giving, school plays and parents' evenings are additional times when governors come into school. This gives parents and teachers the opportunity to speak to the governors on an individual basis and raise any concerns that they may have. Even though our governors have a wide range of skills, if they feel that there are areas where their expertise does not cover the school's governance needs, they know that they can request suitable training. All governors are DBS checked and are fully aware of child protection procedures at the school, and undertake child protection training on a regular basis.

Organisational Structure

Under normal circumstances the Board of Governors meets six times a year (once per half term) to determine the general policy of the school. Discussions take place on school finance, school policy documents and the school development plan. Risk Management is constantly reviewed and the Head Teacher, Finance Officer, Data Manager and Site Manager are responsible for identifying risks and bringing them to the attention of the Board of Governors so that discussions take place regarding managing the school's policy towards mitigating those risks. The day-to-day management of the school is delegated to the headteacher, the senior leadership team and finance officer, who are each appointed by the Board and who are supported by the rest of the staff.

Over the course of this year the Governors met more frequently to make important decisions on the direction and future development of the school – this was often via Zoom. Moving forward, with increased numbers on the governing body, individual committees will be established to feed into the main governing body meetings.

Risk Management

The Governors are responsible for the management of the risks faced by the school. Risks are identified, assessed and controls established throughout the year. Through the risk management process established for the school, the Governors have taken all reasonable steps to satisfy themselves that the major risks identified have been adequately managed where necessary. The Governors conduct frequent reviews of major risks to the school and its activities. The school took on board all the advice offered by the Independent Schools Association along with the Department of Education with regard to constant reviews of the risk assessments and the health and safety policy due to Covid. The safeguarding policy was updated to reflect the issues that could arise from the delivery of on-line learning. The school continued to evaluate the risk from Covid following the 'Return to School' in June 2022. Each event had an individual risk assessment and it was some time before parents were invited back into the school to support pupil activities. The school completes a Risk Management audit on an annual basis.

Key risks faced by the Charity

During 2020 - 2021, pupil numbers have remained static, however the low pupil numbers threaten the ongoing viability of the school. The Board is continuing to invest in the school facilities and has implemented a marketing plan to bolster numbers in the across the school. Several of our international families had returned home and have made the decision not to return to the UK. The admissions officer has streamlined the admissions system and the head completes the parental tours. The school has accepted a number of pupils from the maintained sector where parents were concerned about the progress of their children.

The new governing board are continuing with a plan to put the school on a stronger financial footing and formulate a strategic plan for development. The on-site nursery is growing and pupils will begin to filter through to the reception class in the main school. The remote learning provision developed by the school staff has been widely shared in the community and as a result there has been increased interest in pupils joining the school. The school has also engaged with local businesses to promote the educational provision it has on offer.

PUBLIC BENEFIT

The school promotes public benefit locally and to the wider community in several ways. In particular the school:

- Educates some 60 - 70 pupils at minimal cost to the state, thereby creating a saving for the exchequer in the current year;
- Makes its premises available to the local community for sporting and cultural activities;
- Organises and hosts sporting fixtures in which invited local schools participate;
- Offers after school care and holiday care to our pupils and pupils from local schools;
- Is actively engaged in charitable work in the local community, which benefits not only the community but those pupils engaged in the work, by developing a sense of social responsibility;
- Provides bursary funding for deserving cases;
- Pays for training of its staff (including administrative employees) as part of their continuing professional development.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The main objective of the Charitable Company continues to be to ensure that Hemdean House School functions as an Independent Day School and that it continues to thrive in a competitive environment, providing a high standard of education for children between the ages of 4 and 11 and high quality out-of-hours care, before and after school and during school holidays.

Strategic Aim and Intended Impact

Hemdean House's strategic aim is the attainment of the highest academic levels and it strives to encourage self-confidence, independence, power of expression, an enthusiasm for learning and an appreciation of what can be achieved through work, creativity and self-discipline. We are committed to supporting our staff in their teaching and providing exciting and fulfilling programmes of study for our pupils, who are cherished and whose needs are met, including preparation for Senior School. Above all, it is important that our children enjoy their time at Hemdean, feel safe and supported, develop a sense of responsibility and show consideration towards others. We want parents to feel confident that their children are happy and safe in school and that they are being supported and challenged as appropriate, in order to achieve their potential. Entry into senior schools has been a success and the school operates a specific 11+ curriculum in order to prepare the pupils for the various entrance examinations.

Annual Objectives

This year we have focussed on the following objectives:

- To maintain the school's high academic performance and its music, drama and sporting achievements;
- To increase pupil numbers to a level which generates a surplus of income over expenditure sufficient to enable the school to maintain and improve its standards and to develop the school;
- To continue to build mutually supportive links with other schools in the locality and to encourage greater community access to the school's facilities outside school hours;
- To ensure the school remains a safe environment;
- To widen our extra-curricular activities, thereby enriching the learning experience of our pupils.
- Ensure all areas of governance are covered and monitored on a regular basis.

Strategies to achieve the Annual Objectives

The main strategies are:

- To provide a high standard of education for children up to the age of 11 within an environment which promotes creativity, self-discipline, and mutual respect;
- To be mindful of the impact of the pandemic on the mental health of all members of the school community;
- To ensure that the staff are constantly updating their skills by attending various training courses and through staff development programs and by encouraging peer observation to enable the sharing of good classroom practice;
- To ensure all posts are filled by highly qualified, experienced staff;
- To ensure staff feel valued and are supported by the governors;
- To follow guidelines and statutory

Grant making

Approximately 20% of Hemdean House pupils receive some help towards school fees.

Volunteers

The Hemdean House PTA is an organisation which is established to support the school and achieve this by providing a full programme of charitable events ongoing throughout the academic year. The funds raised assist the school in a variety of ways, such as the purchase of one-off items of equipment that would otherwise be unaffordable.

Additionally, the school is well supported by a small group of parental volunteer helpers who support the school in a variety of practical ways. None of the Governors are remunerated.

Determination of Senior Pay

Senior Pay is benchmarked against equivalent roles in the private and public education sector, to ensure that the school receives value for money with regards to remuneration. Pay continues to be below the level approved by the Government.

Pay rises and any bonuses will always be considered in the light of the school's financial performance and situation, so no increase or bonus would be authorised if it posed any threat to the school's future viability.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Financial performance

The fabric of the buildings has continued to be improved. Funds has been deployed in the maintenance of the premises and in updating equipment, particularly to ensure full compliance with fire safety regulations.

The policy of the Governors is to seek to generate a surplus of income over expenditure that enables the school to continue a programme of refurbishment and development. As a result, the governors considered the sale of the business to a third party. After guidance from the Charities Commission the school entered into an agreement with a third party who acquired the land and the school will pay rent on this land from September 2022. In addition, a nursery has been established on site (not owned by the school) which works closely with the Headteacher and is a basis for pupil recruitment for the school.

The Governors are committed to building up reserves, as part of their ongoing business plan, so that said reserves reach a level where there are sufficient funds to cover any reasonable contingency and ensure that the school can always cover its financial obligations.

Operational Performance

The school has continued to invest in the site and its premises for long term sustainability, and to provide a safe environment for pupils.

Finally, Hemdean academic staff have maintained the school's academic focus, continuing to provide high standard teaching with a strong pastoral focus. Year 6 pupils all achieve a place at a school of their choice.

The average number of pupils in the school remained static during the year at around 80. However, the significant progress in the three key areas above, provide a solid base from which the school can continue to build and grow from September 2021.

Future Plans

Our main plans for the academic year 21/22 are:

- To ensure the Head is provided with the support and assistance necessary to enable them to carry out their duties professionally and effectively.
- To provide a culturally, physically, spiritually and socially enriching environment where each member of the community is appreciated as a unique individual;
- To increase pupil numbers, through having a strong offering and effective marketing;
- To ensure our gifted and talented pupils are challenged, while continuing to support and encourage those less able pupils and those with EFL;
- To improve our provision for pupils with learning difficulties and reviewing the cost structure of this service;
- To ensure that all staff have training in teaching children with special educational needs;
- To raise the staff and pupil awareness of the importance of sustainability in the use of resources;
- To continue to improve the school grounds and facilities, especially for children with special needs;
- To maintain and increase the contracts for the hire of our new hall during the evenings and weekends, thus providing facilities for the wider community, raising the profile of the school and increasing our income;
- Staff training continues to be a priority, and staff will have the opportunity to attend courses on various educational issues;
- To build links with Reading Borough Council and other schools to help with staff training.

Future Plans (*continued*)

- To broaden the skillset of the governing body, so that we have the appropriate educational and professional expertise
- To appoint a clerk of the Governors;
- To develop a robust training programme for all Governors – delivered by AGBIS.

Governors Responsibilities

Company law requires the Governors to prepare Financial Statements for each financial year, that give a true and fair view of the Charitable Company's state of affairs and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those Financial Statements the Governors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Charitable Company will continue to operate.

The Governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company and to ensure that the Financial Statements comply with the Companies Act 1985. The Governors 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.

The Governors confirm that, so far as they are aware, there is no relevant audit information of which the Charitable Company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by order of the Board of Governors on 25th June 2022 and signed on its behalf by:



.....
J Buxton - Governor

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
01085850 (England and Wales)

Registered Charity number
309146

Registered office

Hemdean Road
Caversham
Reading
Berkshire
RG4 7SD

Governors

The governors who served during the year, unless otherwise stated, were as follows:

R. Roy
J. Buxton
S. Manser
K. Gracie-Langrick
J. Carter

Officers

Head: H. Chalmers

Deputy Heads: K.Ramchand

Company Secretary: None

Insurance brokers

Access Insurance
Selsdon House
212-220 Addington Road
South Croydon,
London,
CR2 8LD

Solicitors

Field Seymour Parkes
1 London Street
Reading
Berkshire
RG1 4PN

Independent Examiners

Blue Peak Consulting Limited
Wyvols Court,
Basingstoke Road,
Swallowfield,
Reading
RG7 1WY

Independent Examiner's Report to the Trustees of
Hemdean House School Limited
for the Year Ended 31 August 2021

Independent examiner's report to the trustees of Hemdean House School Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

SM Jackson

SM Jackson
ACCA
WORKING NUMBERS LIMITED
12 St Mary's Road
Mortimer Common
Reading
RG7 3UE

Date: 20 June 2022

Hemdean House School Limited

Statement of Financial Activities
for the Year Ended 31 August 2021

	Unrestricted Fund Year Ended 31 August 2021 £	Restricted Fund Year Ended 31 August 2021 £	Total Funds Year Ended 31 August 2021 £	Total Funds Year Ended 31 August 2020 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies				-
Charitable activities				
Fees receivable	587,297	-	587,297	635,819
Ancillary income	100,715	-	100,715	96,588
Other Income	37,560	-	37,560	27,012
Investment income	2 15,546	-	15,546	20,304
Total	<u>741,118</u>	<u>-</u>	<u>741,118</u>	<u>779,723</u>
EXPENDITURE ON				
Charitable activities				
Administrative	3 738,412	-	738,412	780,969
Total	<u>738,412</u>	<u>-</u>	<u>738,412</u>	<u>780,969</u>
Net gains/losses on investments	-	-	-	-
NET INCOME/(EXPENDITURE)	<u>2,706</u>	<u>-</u>	<u>2,706</u>	<u>(1,246)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	280,063	-	280,063	281,309
TOTAL FUNDS CARRIED FORWARD	<u>282,769</u>	<u>-</u>	<u>282,769</u>	<u>280,063</u>

The notes on pages 12 to 16 form part of these financial statements

Hemdean House School Limited

Statement of Financial Position
As at 31 August 2021

	Notes	Unrestricted Fund 31 August 2021	Restricted Fund 31 August 2021	Total Funds 31 August 2021	Total Funds 31 August 2020
FIXED ASSETS					
Tangible assets	6	23,359	-	23,359	34,971
CURRENT ASSETS					
Debtors	7	270,874	-	270,874	316,665
Cash at bank and in hand		149,640	-	149,640	134,714
TOTAL CURRENT ASSETS		<u>420,514</u>	<u>-</u>	<u>420,514</u>	<u>451,379</u>
CREDITORS					
Amounts falling due within one year	8	(161,104)	-	(161,104)	(206,287)
NET CURRENT ASSETS/(LIABILITIES)		<u>259,410</u>	<u>-</u>	<u>259,410</u>	<u>245,092</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		282,769	-	282,769	280,063
NET ASSETS		<u>282,769</u>	<u>-</u>	<u>282,769</u>	<u>280,063</u>
Funds	9				
Unrestricted Funds				282,769	280,063
Restricted Funds				-	-
TOTAL FUNDS				<u>282,769</u>	<u>280,063</u>

The notes on pages 12 to 16 form part of these financial statements

Hemdean House School Limited

Statement of Financial Position - continued

At 31 August 2021

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Governors on 25th June 2022 and were signed on its behalf by:



.....
J Buxton - Governor

Hemdean House School Limited

Statement of Cash Flow
for the Year Ended 31 August 2021

		Year Ended 31 August 2021 £	Year Ended 31 August 2020 £
Cash flows from operating activities			
Cash used in operating activities	11	14,926	43,721
Cash flows from investing activities			
Proceeds from sale of land		-	-
Interest income		-	57
Purchase of tangible fixed assets		-	(5,586)
Impairment of tangible fixed assets		-	-
Cash used in investing activities		-	(5,529)
Cash flows from financing activities			
Loan Repaid		-	-
Cash used in financing activities		-	-
Increase/(decrease) in cash and cash equivalents in the year		14,926	38,192
Cash and cash equivalents at the beginning of the year		134,714	96,522
Cash and cash equivalents at the end of the year		149,640	134,714

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. The Governors of the company are actively working towards returning the school to profitability with business plans in place to achieve this.

2. INVESTMENT INCOME

	Year Ended 31-Aug-2021	Year Ended 31-Aug-2020
	£	£
Rents received	15,546	20,247
Deposit account interest	-	57
	<hr/> 15,546 <hr/>	<hr/> 20,304 <hr/>

3. TOTAL EXPENDITURE

	Year Ended 31-Aug-2021	Year Ended 31-Aug-2020
	£	£
Charitable activities		
Teaching	553,434	575,100
Premises	64,290	59,276
Support	103,799	133,203
Bank charges	-	584
Bad debts	5,277	1,648
Depreciation	11,612	11,158
	<hr/> 738,412 <hr/>	<hr/> 780,969 <hr/>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

5. STAFF COSTS

The average number of employees during the year was 25 (2020: 25).

6. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Computer Equipment £	Totals £
COST			
At 1 September 2020	131,999	166,837	298,836
Additions	-	-	-
At 31 August 2021	131,999	166,837	298,836
DEPRECIATION			
At 1 September 2020	101,339	162,526	263,865
Charge for the year	9,750	1,862	11,612
At 31 August 2021	111,089	164,388	275,477
NET BOOK VALUE			
At 31 August 2021	20,910	2,449	23,359
At 31 August 2020	30,660	4,311	34,971

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31-Aug-2021 £	31-Aug-2020 £
Trade debtors	166,482	110,712
Other debtors	104,392	205,953
	270,874	316,665

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31-Aug-2021 £	31-Aug-2020 £
Social security and other taxes	2,508	2,953
Other creditors	158,596	203,334
	161,104	206,287

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

9. MOVEMENT IN FUNDS

	1-Sept-20	Net movement in funds	31-Aug-21
	£	£	£
Unrestricted funds			
General reserve	280,063	2,706	282,769
Restricted funds			
Revaluation reserve	-	-	-
TOTAL FUNDS	<u>280,063</u>	<u>2,706</u>	<u>282,769</u>

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General reserve	741,118	(738,412)	-	2,706
Restricted funds				
Revaluation funds	-	-	-	-
TOTAL FUNDS	<u>741,118</u>	<u>(738,412)</u>	<u>-</u>	<u>2,706</u>

Comparatives for movement in funds

	1-Sept-19	Net movement in funds	31-Aug-20
	£	£	£
Unrestricted funds			
General reserve	281,309	(1,246)	280,063
Restricted funds			
Revaluation reserve	-	-	-
TOTAL FUNDS	<u>281,309</u>	<u>(1,246)</u>	<u>280,063</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General reserve	779,723	(780,969)	-	(1,246)
Restricted funds				
Revaluation funds	-	-	-	-
TOTAL FUNDS	<u>779,723</u>	<u>(780,969)</u>	<u>-</u>	<u>(1,246)</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2021.

11. RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year Ended 31 August 2021	Year Ended 31 August 2020
	£	£
Net movement in funds	2,706	(1,246)
Add back depreciation charge	11,612	11,158
Deduct investment income shown in investing activities	-	(57)
(Increase)/decrease in debtors	45,791	126,308
Increase/(debtors) in creditors	(45,183)	(92,442)
	<hr/> 14,926 <hr/>	<hr/> 43,721 <hr/>

12. LEASING ARRANGEMENTS

	2021	2020
	£	£
Between one and five years	150,000	75,000
In more than five years	300,000	360,000
	<hr/> 450,000 <hr/>	<hr/> 435,000 <hr/>

The above lease relates to the agreement the school entered into with a third party who acquired the land and the school will pay rent on this land from September 2022.