

Moulsford Preparatory School Trust Limited

Registered Company Number: 894361 (England and Wales)
Registered Charity Number: 309643

Moulsford Preparatory School Trust Limited
(A Company Limited by Guarantee)

Report and Audited Financial Statements
for the year ended 31 August 2021

Moulsford Preparatory School Trust Limited

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Moulsford Preparatory School Trust Limited

Governors, Officers and Advisers for the year ended 31 August 2021

Governors

The School's Governors, who are also the Charity's Trustees and the Company's Directors, are listed below. They have all served in office throughout the year, except where indicated.

E L A Boddington
T J C Garnier
Mrs G M Crane (retired 31 August 2021)
Mrs C E Dreyer (retired 31 August 2021)
J B Friend (retired 31 August 2021)
J S Moule
Mrs C Miles-Kingston
R Bussell
T Phelps
T Davis
Mrs A E Bonney
Mrs S Russell
Mrs T M H Player (appointed 16 September 2020)
R W Kapp (appointed 16 September 2020)
Mrs A V Cutts (appointed 1 September 2021)
Mrs L A Baldini (appointed 1 September 2021)

Key personnel and advisers

Headmaster: B Beardmore-Gray

Company secretary and bursar: J R W Wilder

**Principal address and
Registered office:** Moulsford Preparatory School
Moulsford-on-Thames
Oxon
OX10 9HR

Auditors: Wenn Townsend
Chartered Accountants
Victoria House
10 Broad Street
Abingdon
OX14 3LH

Bankers: Lloyds TSB plc
Bank House
Wine Street
Bristol
BS1 2AN

Solicitors: BDB Pitmans
47 Castle Street
Reading
Berkshire
RG1 7SR

Moulsford Preparatory School Trust Limited

Governors' Annual Report (including Directors' Report and Strategic Report) for the year ended 31 August 2021

The Governors present their annual report and the audited financial statements for the year ended 31 August 2021. The Governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Trust.

Reference and administrative information

Moulsford Preparatory School Trust Limited (the School), is a charitable company limited by guarantee, company registration number 894361, charity registration number 309643. The liability of each member in the event of winding up is limited to £1. At 31 August 2021 there were 14 members.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Company is governed in accordance with its Memorandum and Articles of Association, last amended in June 2002.

Governing Body

The members of the Governing Body are detailed on page 1. The full board who form the Governing Body meet at least 3 times a year. Various Governors also sit on the School's Finance, Legal & Estates Committee which also meets 3 times a year. There is also an annual strategy meeting involving all Board members at which the School's development plan is reviewed.

Recruitment and training of Governors

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. The Governing body is elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as wide a mix as possible of relevant expertise. Members usually serve for three years and are eligible for re-election

Governors had a presentation by AGBIS during the year. The training included an update on all recent legislation changes as well as a review of the role of a Governor. A number of the Governors attended training or seminars during the year. Both the Chairman and the Clerk to the Governors also encourage Governors to attend relevant seminars, for example on Boarding, Health & Safety and Child Protection.

Organisational structure and management

The Governors determine the general policy and objectives of the School. They appoint a Chairman and, as detailed earlier, there is one operational sub-committee that supports the Board of Governors, the Finance, Legal & Estates Committee. In addition, the School's Health & Safety Committee has one Governor as a member who reports to the Governing Body. There are also Governors who have specific responsibilities for boarding, child protection, EYFS, accessibility, sustainability, estate and marketing.

The day to day management of the School is delegated to the Headmaster, B Beardmore-Gray, the Bursar, J R W Wilder and the senior management team (SMT).

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Key management personnel

The Governors consider that they, together with the Headmaster, the Bursar and the SMT comprise the Key Management Personnel.

Pay and remuneration of the Head and the Bursar is set by the Finance, Legal & Estates Committee and is kept under annual review

Organisational Management

The Governors determine the general policy of the School which is set out in the School's development plan, updated annually or more often as required. The day to day running of the School is delegated to the Headmaster, supported by senior staff. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the School is undertaken within the policies and procedures approved and regularly reviewed by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority, the Bursar oversees the recruitment of administrative and non-teaching support staff. The Headmaster and Bursar are invited to attend Governors' meetings.

Other Relationships

The Headmaster is a member of the Independent Association of Preparatory Schools which is an opportunity to share expertise, knowledge and experience across the independent school sector. The School is also a member of the Association of Governing Bodies of Independent Schools and Governors regularly attend events and training days. The School is also a member of the Independent Schools' Bursars Association.

Bursary policy

The Governors view bursary awards as vital in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to all who meet the general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example, in the case of redundancy.

In assessing means the School takes a number of factors into consideration including family income, investments and savings and family circumstances; for example, dependant relatives and the number of siblings. However, the School does not have any endowments and in funding these awards the School has to be mindful to ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range from 10% to 100% remission of fees. In the last year thirty-nine bursaries were awarded at an average of £8,322 each.

As part of the emphasis on attracting and retaining high calibre staff, the School offers a reduction in fees for staff members who choose to educate their children at the School.

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Governors' Annual Report (including Directors' Report and Strategic Report) for the year ended 31 August 2021

Statement of Governors' responsibilities

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year 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 income and expenditure of the charitable company for the 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 accounts on the going concern basis unless it is inappropriate to assume 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.

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Risk management

The Governors are responsible for the overseeing of the risks faced by the School. Detailed considerations of risk are delegated to the Senior Management of the School. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of governance and management, law and regulation, external factors and human resources.

The main risks that the Governors have identified and the plans to manage those risks are:

- **Reputation.** The School's success is built on its reputation for the education and well-being of our pupils. The School manages this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.
- **Affordability.** The School's ability to continue is reliant on pupil fees and the ability to pay bills as they fall due. This risk is managed by marketing activity, having a reputation for academic excellence and active cash-flow management.

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- Curriculum. Academic excellence requires the most able teachers with state of the art facilities delivering the curriculum to students. The School manages this risk by combining attractive salaries with on-going investment in our estate and an approach to enrolment that works with supportive parents whose children have an appetite for learning.
- Response to COVID Challenge. The School has managed the risk created by the pandemic by offering the children excellent education over the internet.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and activities

The objectives of the Trust are to carry on or manage day and/or boarding schools in the UK for the advancement of education and development of boys.

Governors aim, through the School, to provide a first-class education to boys from the age of 4 to 13. The boys leave Moulsford to join a broad range of destination schools. The School seeks to provide a structured educational environment that develops our pupils' capabilities, competences and skills. The School promotes the academic, moral and physical development of our pupils through our academic curriculum, pastoral care, the arts, sporting and other activities. The School provides an educational environment where each student can develop and fulfil his potential, building their self-confidence and inculcating a desire to contribute to the wider community. In so doing, the School prepares the pupils for the opportunities, responsibilities and experiences of later life.

The objectives are set to reflect the educational aims and the ethos of the School. It is important to maintain and enhance the academic success of the School.

This objective is, however, set in the context of the broader goals Governors set for the School and its pupils.

- to broaden the academic curriculum
- to enhance and improve the co-curricular provision for pupils
- to continue to develop the first-class pastoral care the school provides for pupils
- to provide continuing support of pupils already in receipt of fee assistance through bursaries
- to continue to offer the same level of financial support as last year to new entrants in September 2021
- to play our part in the life of our local community through our community access programmes

ETHOS AND POLICIES

Ethos: a caring school serving our local community and society

Moulsford Preparatory School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the School and at a level that is consistent with the aim of providing a first-class education to boys.

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The School welcomes pupils from all backgrounds. To admit a prospective pupil the Headmaster needs to be satisfied that the School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the School and parents that potential pupils can cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

The School is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. The School will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

The School welcomes all children who can make the most of the opportunities offered and can flourish in its caring environment. The Governors and staff are firmly committed to inclusivity and to giving every child the best possible start in life. The School wishes to ensure that account is taken of the particular individual needs of each boy and to help individuals reach their full potential.

The School is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment.

In the last Independent Schools' Inspectorate report, the pastoral care provided by the School's Form Tutors, Heads of House and Year, was described as "**excellent**".

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. The School maintains regular contact with parents throughout the year through informal contacts and through the newsletter.

The School also has a system of student champions who are involved in assisting senior teaching staff in enforcing the very vigorous no bullying policy.

Access Policy

It is important to the School that access to the education the school offers is not restricted to those who can afford the fees. The School believes the pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps the pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

The bursary policy contributes to a widening of access to the education offered and the facilities enjoyed.

Financial planning policy

Timely financial planning is often the key for many parents who are hoping to send their children to Moulsford Preparatory School and there are a number of outside agencies available to help those who wish to fund educational costs through regular contributions.

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Pupil numbers and fees

Educational activities are carried out through the Prep School and the Pre-Prep School. The School had 295 boys in the Prep School and 77 in the Pre-Prep.

The fees for the current year before the deduction of any means assisted bursaries and scholarships were raised incrementally each term due to the effects of COVID, as follows:

Pre-Prep - £3,955 Autumn term, £3,995 Spring term, £4,075 Summer term
Prep School - £5,910 Autumn term, £5,970 Spring term, £6,090 Summer term
Boarding - £7,395 Autumn term, £7,470 Spring term, £7,620 Summer term

Due to COVID, the fees were reduced for the Spring term to reflect the reduction in the School's costs as the boys were educated at home over the internet.

Drama

The impact of COVID-19 on Performing Arts subjects has meant that there have been some changes to the delivery and scope of the subject compared with previous years. The Year 5 production was filmed without an audience and distributed electronically to parents. Similarly, major changes and budgetary decisions were implemented to ensure the Year 7 production could take place. These included separating each Form Group within the year from one another, filming the production in order to limit live audience members, using the marquee as an outdoor venue instead of the theatre, and removing songs from the production.

All pupils will continue to have discrete Drama lessons of between thirty minutes and one hour each week. These lessons consist of a range of topics drawing on both the artistic and practical purposes of the subject. There are also plans to reintroduce theatre trips when appropriate.

Productions during 2020-2021:

October 2020 – Year 5 play (whole year group) – 'Roald Dahl's Revolting Rhymes'. An acted retelling of each of Roald Dahl's stories in which all Year 5 children were involved.

March 2021 – Year 7 play (whole year group) – 'The Wizard of Oz': A whole year group play performed over 3 nights. The play was split into thirds with each of the three Year 7 forms responsible for acting out a section. All children were given speaking lines. The major costs came from the use of an external filming company who also edited the finished video. External hire of audio and lighting equipment was also required. It was directed by Ash Edwards and Tiffany Squire.

Music

The Music Department's aims are to give every child a broad music education, including playing an instrument and becoming musically literate, singing and listening skills and a general appreciation of music. Up to 75% of the boys continue to opt to learn an instrument on an individual basis, taking lessons from the twelve Visiting Music Teachers, who come into school each week. The School offers a whole range of instrumental studies, including all the main orchestral instruments, rock and folk instruments and also classical singing and pop vocals. The boys are also offered the opportunity to study for ABRSM Music Theory exams. The School continues to award in excess of a hundred music certificates each year! Thankfully, all VMT's have resumed face-to-face teaching. The instrumental tuition program is once again gaining momentum, and numbers have resumed almost to their pre-pandemic levels

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The Department also offers a wide range of extra-curricular activities, including junior and senior choirs, pop choir, orchestra and jazz, percussion and string ensembles. These ensembles are spread across the main annual public events, such as the Carol Service and the Summer Concert, and enjoy the support of many of the VMTs. Opportunities to develop and showcase these ensembles have been increased this year, due to the easing of COVID restrictions.

The final aim of the Music Department is to identify, develop and show case musical talent, in all its diverse forms, and, wherever it presents itself. This results in a wealth of boys willing and able to perform in a range of public events, copious examination successes and a good smattering of music scholarship awards from the senior schools we feed.

Sport

Sport is a vital part of life at Moulsford, and while the School believes it is important to play to win, at Moulsford we regard the taking part – the teamwork, learning to win and lose, the development of self-esteem and social skills, the healthy exercise, as well as the fun – as equally valuable. Teaching boys to be sporting, not just those who are sporty, is one of the School's main aims. The School wants every boy to leave Prep school having enjoyed playing and with experience of many different games, while developing the sporting skills necessary to appreciate the value of 'sport for life'. Inspiring boys to reach their potential in sport, no matter what their ability, is what school sport is all about. 'Sport for all' is built into the Moulsford sporting ethos, but at the same time, the School feels that this should not preclude the importance of pushing on the more elite sportsmen and (women) within a school setting.

The School believes that attitude towards sport is equally as important as ability within sport. The School's sporting key values which the boys strive towards are endeavour, enjoyment, humility, resilience and teamwork. This is highlighted to boys showing this in abundance each week by awarding the "Lion Heart Award". The School strives to arrange a comprehensive fixture list each term which enables strong competition and the chance for as many boys as possible to represent the School. This has been strengthened this year with the initiative of having larger squads and the importance of rotation. This allows a larger number of boys the opportunity to play, train and develop at a higher level.

Over the past three years, not including the time lost to COVID, the opportunities to represent the School across the major sports has been raised by 21%. This means that there are more boys representing the School on a regular basis than ever before. As a byproduct of focussing on inclusivity and having experienced coaches across all ability ranges, the win/draw ratio of school fixtures has also risen in major sports, showing a high quality of opportunity and coaching throughout the School.

Boarding

As with many elements of school and life in general, 2020-2021 was a rather disjointed year for the Boarding House. The School was delighted to be open for much of the year however, initially with a reduced capacity and strict measures in place to fulfil risk assessment protocols. Nonetheless, it was ultimately a successful year, with a high proportion of our Year 8 leavers once again in the house at least two nights per week, and a return to the normal high occupancy of the Summer Term.

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September 2021 saw record numbers for the start of a school year, with more than 50 boarders in the house, something that the School is really proud of, in view of the challenges caused by COVID in marketing the house to parents and the inability to run boarding trials through the previous academic year. In line with national trends, the School is seeing increased demand for two-night (flexi) boarding, whilst continuing to promote the full weekly boarding offering. It has been particularly lovely to see a significant intake in Year 6 this September 2021, with twelve Year 6 boys in the house, as of the start of term.

A successful first time Friday night trial boarding evening was at least partly to thank, with a high proportion of our new boarders signing up having enjoyed that night in the Summer Term. The School has now established a really healthy pattern of trial boarding, with a night each term dedicated to trial boarding, as well as the opportunity for the Year 4 boys to board during Activities Week in the Summer Term.

The School has seen fairly significant turnover of boarding staff, with a number of experienced members of staff moving off site, or to other schools, in recent years. The current boarding staff group is young and energetic, with close pastoral care, as well as breadth of activity offering in the evenings continuing to be prioritised through leadership and the team as a whole.

The summer of 2021 saw Justin Friend step down after five years of whole-hearted service, not just as a Governor, but specifically as Boarding Governor. His ambition for Moulsford Boarding was always so clear to see.

It has been fantastic to welcome Luisa Baldini 'on board' as the new Boarding Governor, and the School has been delighted to have already spent quality time with Luisa, discussing the continued development of the boarding product and already benefiting from her input.

Summer 2022 will see the end of the Nobles' tenure in the Boarding House and the School is delighted to be handing over the house to Jake Albon and Chantal Percival, who will bring such close and personal care to the pastoral side of Moulsford Boarding. There is significant handover period to use productively, and the School has already been liaising closely with Jake and Chantal.

School Alumni or Old Moles

The Old Moles Society was started in October 2005 for the purpose of keeping old boys in contact with Moulsford and with each other. The society is open to all old boys, governors, and members of staff, past and present, and the boys are registered before they leave the School. All communications are on-line.

All past newsletters are available on the website, together with an email directory giving the email addresses and information of those who elect to have their details made accessible. There are 800 registered former pupils and over 600 Friends on Facebook with some overlap.

The School has employed Marium Owens in November 2021 to raise the profile of the Old Moles.

Transport

The School has frozen the main bus charges for the last three years and has frozen the minibus charges to encourage parents to use the service.

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Charitable activities and local community relationships

The Governors, as the Charity's trustees, have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

A wide range of clubs have used the School's sports hall whenever COVID regulations have allowed.

The School has close links with Moulsford village and prints the monthly village news magazine free of charge, which goes to every household in the village. The School also cuts the grass on the village recreational ground and has previously subsidised new playground equipment.

Moulsford maintains strong links with a group of 6 local primary schools. Despite the impact of COVID, which has made collaborative working more difficult, the School has continued to forge relationships through regular communication. Online, virtual events have been opened up to the schools and their local communities, including talks on Autism and E-Safety. The School looked at the way the linked schools approach wellbeing and support parents, and offered a free package with Teen Tips to one school to further support them with theirs.

Forest School is an area where we work very closely with a couple of our linked schools. We put a State primary school in touch with one of the School's Forest School teachers and have offered help with equipment for their Forest School area. The School's Forest School lead takes a group of infant school children to Moulsford's Forest School area every week, providing transport and equipment. Both schools really value this.

Charity events to fundraise for a local free school were advertised to our school community and a number of staff took part in the 10k to help raise funds for the school.

We are in collaboration with another primary school regarding sharing sets and props from the school productions. Further afield, some school equipment that was surplus to Moulsford's requirements has been given to a school in need.

Later this year, the School is hoping to host a school for swimming lessons to support their non and weak swimmers in Year 6.

During 2020-21 Moulsford charity activities were badly affected by the COVID pandemic however the School did continue to raise money for the Rivertime Trust which enables groups of children from four state funded or free schools to experience the river. This is an excellent example of how the state and independent sectors can work closely with each other to give opportunities to children in state education who would not normally be able to access them.

Volunteers

The Parents' Association helped with fundraising and cultural activities during the year and the Governors would like to thank the Association for its continuing and valuable support for the School.

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STRATEGIC REPORT

Achievements and performance

Operational performance of the School

The School has been close to full during the last year with an average of 372 pupils. Year 8 leavers in 2021 won 15 Scholarships or exhibitions.

Financial review

The financial statements show net incoming resources for the year on School activities of £357,468 (2020 - £239,813).

The surplus for the year has been reduced by the reduction in fees for the Autumn and Spring terms and the effects of the mandatory increase in the employer contribution to the teachers' pension fund.

The principal source of income is fees accounting for 98% of the School's income. The Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the School.

In addition to the very substantial benefits the School brings to its pupils, the local community and society through the education offered, the bursary programme creates a social asset without cost to the Exchequer.

Developments and Maintenance

The School continues to invest considerable funds in the maintenance and continual improvement of existing facilities and infrastructure.

Reserves policy

Reserves and financial health

The Governors regularly review the finances, budgets and spend against budget together with a monthly cash flow analysis as part of the effective stewardship of the School.

The Governors recognise that the level of reserves fluctuates during periods of investment in the School estate and the arrangements with our bank are in place to provide an adequate 'safety net' should it be required.

Investment Policy and performance

Investment activities are managed in line with the requirements of the Trustee Act 2000. The Governors at this moment are using surplus funds to reduce debt and any other funds are placed on short term deposit with our bank, Lloyds.

Pension Liability

The Governors are satisfied that existing cash flows are sufficient to meet any anticipated increases in costs. The Pension liability has been reported within the accounts in accordance with accounting

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standard FRS 102. For our non-teaching and support staff the School offers a money purchase plan (defined contribution scheme) which is operated by Aviva.

FUTURE PLANS

The Governors intend to continue their current strategy of maintaining the School's position in a competitive market by investing to provide high quality education for the pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

The Headmaster and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for pupils' development.

Future plans are financed from a combination of borrowings and fee income. The Governors need to maintain an equitable balance ensuring the current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as the current pupils benefit today from the investment made in the past.

Maintaining and, where necessary, developing the fabric and facilities of the School are central to the School's strategy. Present plans are primarily focused on the new Pre-Prep facilities which should be ready for use in autumn 2022.

Environmental issues are also a high priority and the School is making all the buildings more energy efficient, seeking the more efficient use of water and supporting local recycling initiatives.

Statement of disclosure of information to auditors

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The Auditors, Wenn Townsend, will be proposed for re-appointment at the forthcoming Annual General Meeting.

In approving the Report of the Governors, we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by the Board of Governors on 24 November 2021 and signed on its behalf by

E L A Boddington
Chairman of Governors

Moulsford Preparatory School Trust Limited

Independent Auditor's Report to the members of Moulsford Preparatory School Trust Limited

Opinion

We have audited the financial statements of Moulsford Preparatory School Trust Limited (the 'charitable company') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

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Independent Auditor's Report to the members of Moulsford Preparatory School Trust Limited

Other information

The other information comprises the information included in the Governors' annual report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the Governors' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report (incorporating the strategic report and the directors' report) 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Moulsford Preparatory School Trust Limited

Independent Auditor's Report to the members of Moulsford Preparatory School Trust Limited

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement set out on page 4, 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We enquire of management and those charged with governance around actual and potential litigation and claims;
- We enquire of staff to identify any instances of non-compliance with laws and regulations;
- We review the minutes of meetings of those charged with governance;
- We review the financial statement disclosures and test to supporting documentation to assess compliance with applicable laws and regulations;
- We perform audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

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

Moulsford Preparatory School Trust Limited
Independent Auditor's Report
to the members of Moulsford Preparatory School Trust Limited

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.

Deborah Pluck BA FCA (Senior Statutory Auditor)
For and on behalf of
Wenn Townsend
Chartered Accountants and Statutory Auditor
Victoria House
10 Broad Street
Abingdon
Oxon
OX14 3LH

Date: 4 February 2022

Moulsford Preparatory School Trust Limited

**Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended 31 August 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income					
Income from charitable activities:					
School fees receivable	3	5,828,876	-	5,828,876	5,367,314
Donations and grants	4	56,651	3,980	60,631	179,513
Interest receivable		729	-	729	5,939
Other	5	<u>63,099</u>	<u>-</u>	<u>63,099</u>	<u>62,084</u>
Total income		<u>5,949,355</u>	<u>3,980</u>	<u>5,953,335</u>	<u>5,614,850</u>
Expenditure					
Charitable activities:					
School operating costs	6	5,577,584	2,855	5,580,439	5,356,282
Interest payable	9	<u>15,428</u>	<u>-</u>	<u>15,428</u>	<u>18,755</u>
Total expenditure		<u>5,593,012</u>	<u>2,855</u>	<u>5,595,867</u>	<u>5,375,037</u>
Net income	7	356,343	1,125	357,468	239,813
Change in fair value of loans	25	<u>594</u>	<u>-</u>	<u>594</u>	<u>20,968</u>
		356,937	1,125	358,062	260,781
Other gains	25	<u>4,186</u>	<u>-</u>	<u>4,186</u>	<u>3,061</u>
Net movement in funds		361,123	1,125	362,248	263,842
Reconciliation of funds:					
Funds brought forward		<u>7,309,345</u>	<u>16,114</u>	<u>7,325,459</u>	<u>7,061,617</u>
Total funds carried forward	17,18	<u>7,670,468</u>	<u>17,239</u>	<u>7,687,707</u>	<u>7,325,459</u>

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing operations.

Moulsford Preparatory School Trust Limited

**Balance Sheet
At 31 August 2021**

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	11	9,124,890	8,561,566
Current assets			
Debtors	12	1,371,837	1,409,054
Cash at bank and in hand		<u>830,797</u>	<u>882,013</u>
		2,202,634	2,291,067
Creditors: Amounts falling due within one year	13	<u>(2,972,398)</u>	<u>(2,760,969)</u>
Net current liabilities		<u>(769,764)</u>	<u>(469,902)</u>
		8,355,126	8,091,664
Creditors: Amounts falling due after more than one year	15	<u>(667,419)</u>	<u>(766,205)</u>
Net assets		<u>7,687,707</u>	<u>7,325,459</u>
Unrestricted funds			
General funds	17	7,565,468	7,244,345
Designated funds	17	<u>105,000</u>	<u>65,000</u>
		7,670,468	7,309,345
Restricted funds	18	<u>17,239</u>	<u>16,114</u>
Total funds	19	<u>7,687,707</u>	<u>7,325,459</u>

Approved by the Board of Governors on 24 November 2021 and signed on its behalf by

E L A Boddington
Chairman of Governors

Registered Company Number: 894361

The notes on pages 20 to 31 form part of these financial statements

Moulsford Preparatory School Trust Limited

**Statement of Cash Flows
for the year ended 31 August 2021**

	Note	2021 £	2020 £
Cash inflow from operating activities	20	1,081,372	576,759
Interest paid		<u>(15,428)</u>	<u>(18,755)</u>
Net cash flow from operating activities		<u>1,065,944</u>	<u>558,004</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(1,014,749)	(448,944)
Sale of tangible fixed assets		-	12,250
Interest received		<u>729</u>	<u>5,939</u>
Net cash flow from investing activities		<u>(1,014,020)</u>	<u>(430,755)</u>
Cash flow from financing activities			
Net loan repayments		(103,140)	(103,140)
Net cash flow from financing activities		<u>(103,140)</u>	<u>(103,140)</u>
Net (decrease)/increase in cash and cash equivalents		(51,216)	24,109
Cash and cash equivalents at 1 September 2020		<u>882,013</u>	<u>857,904</u>
Cash and cash equivalents at 31 August 2021		<u>830,797</u>	<u>882,013</u>

Moulsford Preparatory School Trust Limited

Notes to the Financial Statements for the year ended 31 August 2021

1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

a) Basis of preparation

Moulsford Preparatory School Trust Limited constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

b) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

School fees receivable represent amounts invoiced in respect of pupils' schooling, less bursaries and allowances and are credited to the Statement of Financial Activities in the year to which they relate. Deferred income represents fees receivable billed in advance for the Michaelmas term following the year under review.

c) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of obligation can be measured reliably. Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

d) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful economic life as follows:

Freehold buildings	2%	on a straight-line basis
Facilities	5%	on a straight-line basis
Furniture & equipment	10%	on a straight-line basis
Vehicles	10%	on a straight-line basis
Computers	25%	on a straight-line basis

Freehold buildings and facilities under construction are not depreciated until commissioned. Where the life of an asset is able to be determined with reasonable accuracy and is over 3 years, it is normally capitalised, otherwise the item is written off to revenue.

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2021**

e) Leases and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the SoFA so as to produce constant periodic rates of charge on the net obligations outstanding in each period. Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis, over the life of the lease.

f) Pension

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme. The School also runs a defined contribution scheme for its non-teaching staff.

Contributions to both schemes are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

g) Fund accounting

Unrestricted general funds

These are funds which can be used in accordance with the objects at the discretion of the Governors.

Designated funds

These are funds set aside by the Governors out of unrestricted general funds for specific future purposes or projects.

Restricted funds

These are funds which 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 a particular restricted purpose.

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

h) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Moulsford Preparatory School Trust Limited

Notes to the Financial Statements (continued) for the year ended 31 August 2021

j) Derivatives

Derivative financial instruments are initially measured at fair value at the date on which the derivative contract is entered into and are subsequently measured at fair value through income or expenditure. The charity uses derivatives to mitigate interest rate risk associated with variable rate loans. The fair value of these is determined by the Governors.

k) Going concern

The financial statements have been prepared on a going concern basis as the Governors believe that no material uncertainties exist. The Governors have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements, including a revision of expectations for the potential impact of COVID-19 on the charity. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. At the balance sheet date there were 14 members.

3. Income from school fees

The income from school fees comprises:

	2021 £	2020 £
Gross fees	6,156,219	5,693,253
Less: Total scholarships, bursaries and allowances	<u>327,343</u>	<u>325,939</u>
	<u>5,828,876</u>	<u>5,367,314</u>

4. Donations and grants

Included within donation income is £56,651 (2020 - £159,547) of Government grants relating to the Coronavirus Job Retention Scheme.

5. Other income

	2021 £	2020 £
Rent received	21,488	22,530
Functions income	15,268	18,380
Other	<u>26,343</u>	<u>21,174</u>
	<u>63,099</u>	<u>62,084</u>

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2021**

6. School operating costs

	2021	2020
	£	£
Teaching	3,812,301	3,638,932
Welfare	628,295	619,924
Premises	743,353	698,586
Support	367,027	369,340
Governance	<u>29,463</u>	<u>29,500</u>
	<u>5,580,439</u>	<u>5,356,282</u>

7. Net income for the year

	2021	2020
	£	£
Net income is stated after charging:		
Depreciation – owned assets	451,425	442,686
Loss on disposal of assets	-	(3,451)
Operating lease costs - not equipment	39,107	25,709
Auditors' remuneration - audit fees	7,710	7,200
- other services	<u>3,000</u>	<u>3,000</u>

8. Analysis of staff costs, Governor remuneration and expenses, and the cost of key management personnel

	2021	2020
	£	£
Wages and salaries	3,104,458	3,013,843
Social security costs	312,209	312,586
Pension costs (see note 24)	<u>521,542</u>	<u>498,067</u>
	<u>3,938,209</u>	<u>3,824,496</u>

None of the Governors received remuneration, travel expenses or other benefits in relation to the current or preceding year.

The charity considers its key management personnel comprise the Governors, the Headmaster and the Bursar. The total amount of employee benefits received by key management personnel is £270,181 (2020 - £289,592).

The average monthly number of employees and full time equivalent (FTE) during the year was:

	2021	2021	2020	2020
	Number	FTE	Number	FTE
Teaching	69	63	62	59
Domestic	19	16	21	16
Administration	<u>11</u>	<u>10</u>	<u>11</u>	<u>10</u>
	<u>99</u>	<u>89</u>	<u>94</u>	<u>85</u>

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2021**

8. Analysis of staff costs, Governor remuneration and expenses, and the cost of key management personnel (continued)

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021	2020
	Number	Number
£60,001 - £70,000	2	2
£90,001 - £100,000	1	1
£120,001 - £130,000	1	-
£131,001 - £140,000	-	1

9. Interest and similar charges

	2021	2020
	£	£
Bank loans and overdrafts	<u>15,428</u>	<u>18,755</u>

10. Taxation

The charity is exempt from taxation on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11. Tangible fixed assets

	Freehold land £	Freehold buildings £	Assets under construction £	Plant & equipment £	Total £
Cost					
At 1 September 2020	79,703	9,917,059	395,972	2,130,764	12,523,498
Additions	-	83,423	784,287	147,039	1,014,749
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,862)</u>	<u>(88,862)</u>
At 31 August 2021	<u>79,703</u>	<u>10,000,482</u>	<u>1,180,259</u>	<u>2,188,941</u>	<u>13,449,385</u>
Depreciation					
At 1 September 2020	-	2,800,471	-	1,161,461	3,961,932
Charge for the year	-	224,471	-	226,954	451,425
On disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,862)</u>	<u>(88,862)</u>
At 31 August 2021	<u>-</u>	<u>3,024,942</u>	<u>-</u>	<u>1,299,553</u>	<u>4,324,495</u>
Net book values					
31 August 2021	<u>79,703</u>	<u>6,975,540</u>	<u>1,180,259</u>	<u>889,388</u>	<u>9,124,890</u>
31 August 2020	<u>79,703</u>	<u>7,116,588</u>	<u>395,972</u>	<u>969,303</u>	<u>8,561,566</u>

Tangible fixed assets with a net book value of £8,235,502 (2020 - £7,592,263) have been pledged as security for liabilities of the charity.

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2021**

12. Debtors

	2021	2020
	£	£
Fees	1,323,013	1,409,054
Prepayments	<u>48,824</u>	<u>-</u>
	<u>1,371,837</u>	<u>1,409,054</u>

13. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Secured bank loans	82,340	84,084
Trade creditors	268,779	149,183
Refundable deposits	35,700	34,800
Derivative financial instruments	8,858	9,449
Accruals	59,338	46,797
Taxation and social security	132,232	145,441
Fees paid in advance	259,949	347,467
Deferred income (see note 14)	<u>2,125,202</u>	<u>1,943,748</u>
	<u>2,972,398</u>	<u>2,760,969</u>

14. Deferred income

	2021
	£
Balance at 1 September 2020	1,943,748
Amount released to incoming resources	(1,943,748)
Michaelmas term 2021 fees invoiced	<u>2,125,202</u>
Balance at 31 August 2021	<u>2,125,202</u>

Moulsford Preparatory School Trust Limited
Notes to the Financial Statements (continued)
for the year ended 31 August 2021

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

	2021	2020
	£	£
Secured bank loans (falling due in less than 5 years)	372,132	371,533
Secured bank loans (falling due after 5 years)	20,269	122,859
Refundable deposits	261,100	254,300
Derivative financial instruments	<u>13,918</u>	<u>17,513</u>
	<u>667,419</u>	<u>766,205</u>

The bank loans are secured on the freehold property. The payment terms and interest rates of each creditor for which an amount falls due after 5 years are given in note 16.

16. Borrowings

The aggregate amount of bank loans are as follows:

	2021	2020
	£	£
Due within one year or less	82,340	84,084
Due between one and two years	86,220	87,418
Due between two and five years	285,912	284,115
Due after five years	<u>20,269</u>	<u>122,859</u>
Total due	<u>474,741</u>	<u>578,476</u>
Included in current liabilities	<u>82,340</u>	<u>84,084</u>
Included in creditors due after more than one year	<u>392,401</u>	<u>494,392</u>

All bank loans were repaid after the year-end.

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2021**

17. Unrestricted funds

2021	1 September 2020	Total income	Total expenditure	Transfers	31 August 2021
General reserves:	7,244,345	5,949,355	(5,588,232)	(40,000)	7,565,468
Designated funds:					
Incentive bonuses	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>105,000</u>
	<u>7,309,345</u>	<u>5,949,355</u>	<u>(5,588,232)</u>	<u>-</u>	<u>7,670,468</u>
2020	1 September 2019	Total income	Total expenditure	Transfers	31 August 2020
General reserves:	7,023,405	5,594,884	(5,338,944)	(35,000)	7,244,345
Designated funds:					
Incentive bonuses	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>65,000</u>
	<u>7,053,405</u>	<u>5,594,884</u>	<u>(5,338,944)</u>	<u>-</u>	<u>7,309,345</u>

The Incentive bonuses Fund is identified by Governors for the payment of future bonuses to key employees.

18. Restricted funds

2021	1 September 2020	Total income	Total expenditure	31 August 2021
Bursary fund	13,238	-	(1,455)	11,783
Hardship fund	<u>2,876</u>	<u>3,980</u>	<u>(1,400)</u>	<u>5,456</u>
	<u>16,114</u>	<u>3,980</u>	<u>(2,855)</u>	<u>17,239</u>
2020	1 September 2019	Total income	Total expenditure	31 August 2020
Bursary fund	8,212	6,600	(1,574)	13,238
Hardship fund	<u>-</u>	<u>13,366</u>	<u>(10,490)</u>	<u>2,876</u>
	<u>8,212</u>	<u>19,966</u>	<u>(12,064)</u>	<u>16,114</u>

The Restricted Funds are from specific donations to the Trust.

The Bursary Fund is for the provision of bursaries.

The Hardship Fund is to pay the fees of children whose families have suffered financial loss as a result of COVID-19.

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2021**

19. Analysis of net assets between funds

	Unrestricted £	Restricted £	Total funds £
Fund balances at 31 August 2021 are Represented by:			
Fixed assets	9,124,890	-	9,124,890
Current assets	2,185,395	17,239	2,202,634
Creditors: Due within one year	(2,972,398)	-	(2,972,398)
Creditors: Due after one year	<u>(667,419)</u>	<u>-</u>	<u>(667,419)</u>
	<u>7,670,468</u>	<u>17,239</u>	<u>7,687,707</u>
	Unrestricted £	Restricted £	Total funds £
Fund balances at 31 August 2020 are Represented by:			
Fixed assets	8,561,566	-	8,561,566
Current assets	2,274,953	16,114	2,291,067
Creditors: Due within one year	(2,760,969)	-	(2,760,969)
Creditors: Due after one year	<u>(766,205)</u>	<u>-</u>	<u>(766,205)</u>
	<u>7,309,345</u>	<u>16,114</u>	<u>7,325,459</u>

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

	2021 £	2020 £
Net incoming for the year	358,062	260,781
Interest paid	15,428	18,755
Interest received	(1,323)	(26,907)
Depreciation of tangible assets	451,425	442,686
Loss on disposal of tangible assets	-	3,451
Decrease/(increase) in debtors	37,217	(173,085)
Increase in creditors	<u>220,563</u>	<u>51,078</u>
Net cash inflow from operating activities	<u>1,081,372</u>	<u>576,759</u>

21. Financial commitments

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £4,275,334 (2020 - £nil) which is in respect of the new Pre-prep building. The School is financing this with a loan from Handelsbanken.

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2021**

22. Operating leases

Total future minimum lease payments under non-cancellable operating leases in respect of property rental are as follows:

	2021	2020
	£	£
In one to five years	<u>241,630</u>	<u>230,489</u>
In more than five years	<u>1,022,625</u>	<u>1,060,500</u>

23. Related party transactions

There are no related party transactions during the year (2020 - £ nil).

24. Pension costs

Defined benefit scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £473,441 (2020: £454,945) and at the year-end £53,620 (2020 - £53,653) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination.

Moulsford Preparatory School Trust Limited

Notes to the Financial Statements (continued) for the year ended 31 August 2021

24. Pension costs (continued)

The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

The School is transferring from this pension scheme in 2022/23 to a defined contribution scheme.

Defined contribution scheme

The School also makes contributions for non-teaching staff. This is a separately administered defined contribution scheme. Employers' contributions totalling £48,101 (2020 - £43,122) were payable to this scheme for the year. At the year-end £nil (2020 - £10,047) was accrued in respect of contributions to this scheme.

25. Financial instruments

The carrying amounts of the charitable company's financial instruments are as follows:

	2021	2020
	£	£
Financial liabilities		
Measured at fair value through net income/expenditure		
Derivative financial instruments (notes 13 and 15)	22,776	26,962
Measured at amortised cost		
Bank loans (notes 13, 15 and 16)	474,741	578,476

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**Notes to the Financial Statements (continued)
for the year ended 31 August 2021**

25. Financial instruments (continued)

The income, expenses, net gains and net losses attributable to the charitable company's financial instruments are summarised as follows:

	2021	2020
	£	£
Income and expense		
Financial liabilities measured at fair value through net income/expenditure	15,428	18,755
Financial (gains) measured at amortised cost	(594)	(20,968)
Net gains and losses (including changes in fair value)		
Financial liabilities measured at fair value through net income/ expenditure	4,186	3,061

The charitable company uses derivative financial instruments to mitigate interest rate risk on its variable rate bank loans. The fair value is determined as the present value of future net interest payments/receipts.

