

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 2022

Moulsford Preparatory School Trust Limited

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Moulsford Preparatory School Trust Limited

Governors, Officers and Advisers for the year ended 31 August 2022

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
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
R W Kapp
Mrs A V Cutts (appointed 1 September 2021)
Mrs L A Baldini (appointed 1 September 2021)
Mrs S A Morley (appointed 16 March 2022)

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 2022

The Governors present their annual report and the audited financial statements for the year ended 31 August 2022. 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 2022 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 April 2022.

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-two bursaries were awarded at an average of £9,446 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 2022

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.

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.

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 and girls.

Governors aim, through the School, to provide a first-class education to boys from the age of 3 to 13 and girls from the age of 3 to 7. The pupils 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 2022
- 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 in March 2022, the pastoral care provided by the School's Form Tutors, Heads of House and Year, and all aspects of the School were judged "**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 an average of 311 boys in the Prep School and 64 in the Pre-Prep.

The fees for the current year before the deduction of any means assisted bursaries and scholarships were as follows:

Pre-Prep - £4,200
Prep School - £6,275
Boarding - £7,850

Drama

The Drama budget has once again been spent on ensuring high-quality productions in years 5 and 7 while also improving the equipment we have available to use throughout the year on smaller events and to allow for performances in different spaces around the School.

The Year 7 production of *Annie* was a large-scale musical which involved hiring a live band to accompany the boys. This, along with needing an accompanist in rehearsals, meant costs were higher than in other years (although within a three-year cycle this evens out). We continue to ensure that productions are whole year group initiatives and often double-cast roles to allow for more involvement.

Major purchases include new wedge speakers and lighting t-bars to create a portable set-up of audio equipment for performance in the Sports Hall and Marquee. We have also purchased four headset microphones, two wireless handheld mics and a receiver unit so that future performances don't require such a large amount of equipment to be hired in.

Music

In July 2022, Trevor Bissell retired after 23 years' service as Director of Music. He remains part of the department in his new role as Music Administrator and continues to teach as a piano VMT and to accompany the Senior Choir in their performances. His experience of the running of the department is invaluable as plans are made to develop further the department he led so capably for the last two decades. Karen Braden, the incoming Director of Music acknowledges Trevor's support as the department begins a new phase.

The music department suffered the sad loss of Jude Watts in the summer term of 2022. Jude was a very valued member of the team and she is very much missed by all who knew her. It is right to note here her contribution to the department both as a violin VMT and as the much-respected conductor of the String Ensemble.

The Music Department's aims are to ensure that every child is given the opportunity to develop a love of music through a varied and challenging curriculum and with a range of performance opportunities throughout the year. The department is inclusive of all ability levels and committed to helping all boys discover their musical strengths and develop their potential.

Up to 75% of the boys learn an instrument on an individual basis, taking lessons from the twelve Visiting Music Teachers who come into school each week.

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We offer a whole range of instrumental studies, including all the main orchestral instruments, rock and folk instruments, piano and also classical singing and pop vocals.

The boys are also offered the opportunity to study for ABRSM Music Theory exams. We continue to award in excess of a hundred music certificates each year and exam entries and successes are a good indication of a thriving department.

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 showcased in all the main annual public events, such as the Carol Service and the Summer Concert, and enjoy the support of many of the VMTs.

The final aim of the Music Department is to identify, develop and showcase 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 wide range of styles with great confidence. The boys enjoy their music at Moulsford and are rightly proud of all they achieve in the year - this is a small department which contributes greatly to the life of the school thanks to the dedication and enthusiasm of staff and children alike.

With Karen Braden at the helm from September 2022, the Music Department enters a new and very exciting phase.

Sport

Sport is a central part of a Moulsford education, with the children learning so many invaluable life skills from sport such as: teamwork; resilience; learning to win and lose; regular healthy exercise; and sportsmanship. The sports programme is designed to ensure that all boys (at all ability levels) receive first class coaching and are given exposure to a broad variety of individual and team sports. This approach will also be extended to the girls joining Pre-prep next year.

The School believes in competitive sport, but the overriding objectives are twofold: providing opportunities for all boys; and developing sporting passions for life.

Moulsford embraces a philosophy that champions great attitude over innate ability. Our sporting key values, which the boys strive towards, are endeavour, enjoyment, humility, resilience and teamwork. We highlight this weekly through the "Lion Heart Award", which is awarded to boys that show an abundance of the school's values in training and matches. The school strives to arrange a comprehensive fixture list that enables strong competition and the chance for as many boys as possible to represent the school.

We have also continued to build on our hockey provision with the use of external facilities to allow more boys to have the opportunity to develop their own hockey before moving on to their senior schools. We have recently extended this into our junior section by adding a weekly hockey session for both Year 3 & 4. Our goal is to continue to raise the provision and profile of hockey across the school, which will only be possible with the extension and renewal of facilities.

Over the past four years, not including the time lost to COVID, the opportunities to represent the School across the major sports have risen by 24%. This means that there are more boys representing the School on a regular basis than ever before. As a by-product of focusing 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.

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Finally, it is important that we do not just build a lifelong love of sport but we also develop bodies that can endure an active lifestyle as pupils move into adulthood. We have been developing a well balanced athletic develop programme for all boys in PE over the past three years and we are now seeing the difference out on the sports fields. We seem to be developing children that generally move better than their counterparts do at other schools. Parents can also track their children's progress as each individuals athletic tracking scores.

Boarding

2021-2022 was another very positive year in the Boarding House. A great group of Year 8 boarders led from the front, creating a vibrant and caring atmosphere that was enjoyed by all in the house. The numbers in the Boarding House started strongly and grew consistently throughout the year, culminating in 53 boys boarding in some capacity during the Summer Term. There has been an upward trend on a national scale for boarding numbers since return from Covid, with British boarders accounting for 62% of the market and overseas student numbers accounting for 38%.

Trial boarding nights continue to be a success in the house, with a large uptake in numbers for both that took place this year. The second of the two trial nights was run by Mr & Mrs Albon, in preparation for them taking over the role of houseparents at the beginning of the next academic year. Moving forward the aim is to offer one trial night each term, to give as many boys in Years 5-7 the opportunity to experience boarding at Moulsford. The Year 4 boys also had an opportunity to spend a night in the Boarding house during activities week which gave them an early opportunity to gain some valuable experience of being away from home and get a taste of what the boarding experience at Moulsford is like.

A comprehensive handover took place between Mr Noble and Mr Albon covering all aspects of the job role. They met frequently throughout the spring and summer terms, discussing best practice and challenges that the Boarding house may face moving forward. They continue to meet on a regular basis in order to make the transition into the role as smooth as possible.

Numbers for the new academic year are healthy, with 45 boys signed up to board in some capacity during the Autumn term. This number is expected to increase as the year progresses, with many boys already expressing an interest in joining later on in the year. The option of flexi-boarding continues to grow in popularity both at Moulsford and in the national boarding sector as a whole. Close consideration will have to be given to ensure that the experience for these boarders is the best one possible, whilst also maintaining consistency and a sense of family for our full time boarders.

Alumni relations – Engaging with Old Moles

The aim of the Alumni Relations team, brought in in November 2021, is to develop a strong and engaged wider Moulsford community, which includes alumni, former parents, current and former staff as well as Governors.

A new digital platform *Old Moles Connect* was developed and launched to the community in April 2022 and has since attracted 342 registrations from Old Moles. The website is populated with alumni news stories, school and staff articles, as well as career spotlights from Old Moles. It enables users to contact fellow Old Moles, view and register for reunion events, as well as browse a catalogue of school magazines and old photos. From the platform, e-newsletters are sent out every half term to communicate with a database of 1,900 people. The open click through rates of communications have been encouragingly high (average 62% open rate + 15% click through rate – both well above average education sector rates), showing a community keen to engage.

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The first Old Moles London Drinks was held in May and enjoyed by the younger Old Moles in their 20s and 30s, who were joined that evening by long-serving former staff Mike Higham and Steve Dismorr, as well as a number of current staff. The planned September event, the 60 Years Celebration, for which 300 people had registered, was postponed following the death of the Queen, and has been rescheduled for September 2023.

Transport

The School operates a number of bus routes to try to reduce the number of car journeys. The School has also invested in a car journey sharing app for parents to try and reduce the School's carbon footprint.

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.

The charity ethos at Moulsford continues to be broadening the boys' awareness of lesser known charities on both a national and international stage. It is also our aim to help the boys develop an altruistic approach to community both locally and globally and demonstrate compassion and empathy for those less fortunate and in need. This year, for the first time, each of the four School houses have chosen a charity to support for this academic year. They are as follows:

- Amundsen – SSNAP
- Bering – Emmaus Oxford
- Cabot – Sport in Mind
- Drake – Marine Conservation Society

There are specific fundraising events, both within the year groups and across all cohorts, throughout the year, where the boys will have the chance to promote their house charity and raise both awareness and funds. We also continue to support Mary's Meals by sponsoring a school in Liberia. Each year we aim to raise approximately £7,500 to ensure the children that attend Virginia Assembly of God Mission School receive a meal every day. We do this by organising 3 events every year, one in each term, specifically to support Mary's Meals, namely: The Moulsford Mudder, Moulsford Boys' Cake Off and Moulsford's Got Talent. Last year we also organised The Ridgeway Rhino bicycle ride. Across all four events we raised over £8,000 for Mary's Meals.

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.

As restrictions around COVID-19 have eased, we have been able to do more work with primary schools in the local area. It has been wonderful to move away from virtual events and start to do things in person, once again. Moulsford has worked closely with three primary schools, in particular, and maintains regular contact with four others. We are also looking to create partnerships with another school in Didcot, which we feel would be beneficial. Forest School continues to be an area that works well for school collaborations. Children from Checkendon Primary School joined our Reception class sessions for a term, which led to one of their staff members training to be a Forest School teacher in order to continue this provision in the future. They reported being very inspired by their sessions with Richard Squire. In addition, weekly sessions with a group of Year 2 children from St Nicholas' Infants School in Wallingford have continued into this academic year. They have

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struggled to provide this kind of opportunity for their children due to issues around transport and this is a common theme amongst the local schools. In light of this, Moulsford has helped provide transport for the choir at St John's Primary School to attend the Festival of Voices event, held each year at Dorchester Abbey. We also took their Year 3 class up to the Earth Trust at Wittenham Clumps so they could enjoy an Iron Age experience day being run by their teachers. They were delighted and said that without our help they wouldn't have been able to do it at all. The same trip led to us firing their Iron Age clay pots in our school kiln.

State Schools have to report the number of non-swimmers in Years 5 and 6 to the Government and swimming forms part of their P.E. curriculum. However, the cost of lessons, hiring a pool, and transporting children makes it very difficult for them to achieve. Moulsford provided a weekly swimming session for non-swimmers in these year groups from St John's Primary School. We transported them to and from Moulsford and our qualified swimming teachers took the sessions, which ran for 6 weeks. We have already discussed repeating this with them in the summer.

We have given advice to Checkendon, regarding their IT provision. Having received a grant to upgrade their equipment, Tiffany Squire visited the school to see what might work best for them in the future. The school had already had some advice from an IT company but felt that it didn't come from an educational perspective. Talking with Tiffany helped them to get the best out of their budget for the educational needs of the children.

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.

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 375 pupils. Year 8 leavers in 2022 won 5 Scholarships or exhibitions.

Financial review

The financial statements show net incoming resources for the year on School activities of £533,040 (2021 - £357,468).

The principal source of income is fees accounting for 99% 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.

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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.

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 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.

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.

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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 14th March 2023 and signed on its behalf by

E L A Boddington
Chairman of Governor

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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 2022, 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 2022, 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.

Moulsford Preparatory School Trust Limited

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: 14th March 2023

Moulsford Preparatory School Trust Limited

**Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended 31 August 2022**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income						
Income from charitable activities:						
School fees receivable	3	6,537,007	-	-	6,537,007	5,828,876
Donations and grants	4	-	-	2,995	2,995	60,631
Interest receivable		2,075	-	-	2,075	729
Other	5	<u>80,919</u>	<u>-</u>	<u>-</u>	<u>80,919</u>	<u>63,099</u>
Total income		<u>6,620,001</u>	<u>-</u>	<u>2,995</u>	<u>6,622,996</u>	<u>5,953,335</u>
Expenditure						
Charitable activities:						
School operating costs	6	5,960,522	51,772	11,044	6,023,338	5,580,439
Interest payable	9	<u>66,618</u>	<u>-</u>	<u>-</u>	<u>66,618</u>	<u>15,428</u>
Total expenditure		<u>6,027,140</u>	<u>51,772</u>	<u>11,044</u>	<u>6,089,956</u>	<u>5,595,867</u>
Net income/(expenditure)	7	592,861	(51,772)	(8,049)	533,040	357,468
Change in fair value of loans	25	<u>24,341</u>	<u>-</u>	<u>-</u>	<u>24,341</u>	<u>594</u>
		617,202	(51,772)	(8,049)	557,381	358,062
Other gains	25	<u>22,840</u>	<u>-</u>	<u>-</u>	<u>22,840</u>	<u>4,186</u>
Net movement in funds		640,042	(51,772)	(8,049)	580,221	362,248
Transfers		(138,000)	138,000	-	-	-
Reconciliation of funds:						
Funds brought forward		<u>7,565,468</u>	<u>105,000</u>	<u>17,239</u>	<u>7,687,707</u>	<u>7,325,459</u>
Total funds carried forward	17,18	<u>8,067,510</u>	<u>191,228</u>	<u>9,190</u>	<u>8,267,928</u>	<u>7,687,707</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 2022**

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	11		13,279,336		9,124,890
Current assets					
Debtors	12	1,433,762		1,371,837	
Cash at bank and in hand		<u>505,018</u>		<u>830,797</u>	
		1,938,780		2,202,634	
Creditors: Amounts falling due within one year	13		<u>(3,493,161)</u>		<u>(2,972,398)</u>
Net current liabilities			<u>(1,554,381)</u>		<u>(769,764)</u>
			11,724,955		8,355,126
Creditors: Amounts falling due after more than one year	15		<u>(3,457,027)</u>		<u>(667,419)</u>
Net assets			<u>8,267,928</u>		<u>7,687,707</u>
Unrestricted funds					
General funds	17		8,067,510		7,565,468
Designated funds	17		<u>191,228</u>		<u>105,000</u>
			8,258,738		7,670,468
Restricted funds	18		<u>9,190</u>		<u>17,239</u>
Total funds	19		<u>8,267,928</u>		<u>7,687,707</u>

Approved by the Board of Governors on 14th March 2023 and signed on its behalf by

E L A Boddington
Chairman of Governors

Registered Company Number: 894361

The notes on pages 21 to 32 form part of these financial statements

Moulsford Preparatory School Trust Limited

**Statement of Cash Flows
for the year ended 31 August 2022**

	Note	2022 £	2021 £
Cash inflow from operating activities	20	1,367,343	1,081,372
Interest paid		<u>(66,618)</u>	<u>(15,428)</u>
Net cash flow from operating activities		<u>1,300,725</u>	<u>1,065,944</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(4,615,679)	(1,014,749)
Interest received		<u>2,075</u>	<u>729</u>
Net cash flow from investing activities		<u>(4,613,604)</u>	<u>(1,014,020)</u>
Cash flow from financing activities			
Net loan receipts/(repayments)		<u>2,987,100</u>	<u>(103,140)</u>
Net cash flow from financing activities		<u>2,987,100</u>	<u>(103,140)</u>
Net (decrease)/increase in cash and cash equivalents		(325,779)	(51,216)
Cash and cash equivalents at 1 September 2021		<u>830,797</u>	<u>882,013</u>
Cash and cash equivalents at 31 August 2022		<u>505,018</u>	<u>830,797</u>

Moulsford Preparatory School Trust Limited

Notes to the Financial Statements for the year ended 31 August 2022

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
Plant & 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 2022**

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 2022

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. 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:

	2022 £	2021 £
School fees receivable	6,839,270	6,156,219
Less: Total scholarships, bursaries and allowances	<u>302,263</u>	<u>327,343</u>
	<u>6,537,007</u>	<u>5,828,876</u>

4. Donations and grants

Included within donation income is £nil (2021 - £56,651) of Government grants relating to the Coronavirus Job Retention Scheme.

5. Other income

	2022 £	2021 £
Rent received	20,380	21,488
Functions income	35,419	15,268
Other	<u>25,120</u>	<u>26,343</u>
	<u>80,919</u>	<u>63,099</u>

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2022**

6. School operating costs

	2022	2021
	£	£
Teaching	3,945,058	3,812,301
Welfare	744,185	628,295
Premises	855,487	743,353
Support	440,792	367,027
Governance	<u>37,816</u>	<u>29,463</u>
	<u>6,023,338</u>	<u>5,580,439</u>

7. Net income for the year

	2022	2021
	£	£
Net income is stated after charging:		
Depreciation – owned assets	458,131	451,425
Loss on disposal of assets	3,102	-
Operating lease costs - not equipment	38,392	39,107
Auditors' remuneration - audit fees	8,800	7,710
- other services	<u>3,500</u>	<u>3,000</u>

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

	2022	2021
	£	£
Wages and salaries	3,261,334	3,104,458
Social security costs	339,484	312,209
Pension costs (see note 24)	<u>583,256</u>	<u>521,542</u>
	<u>4,184,074</u>	<u>3,938,209</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 £290,465 (2021 - £270,181).

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

	2022	2022	2021	2021
	Number	FTE	Number	FTE
Teaching	68	62	69	63
Domestic	21	16	19	16
Administration	<u>14</u>	<u>13</u>	<u>11</u>	<u>10</u>
	<u>103</u>	<u>91</u>	<u>99</u>	<u>89</u>

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2022**

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:

	2022	2021
	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

	2022	2021
	£	£
Bank loans and overdrafts	<u>66,618</u>	<u>15,428</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 2021	79,703	10,000,482	1,180,259	2,188,941	13,449,385
Additions	-	68,099	4,374,082	173,498	4,615,679
Disposals	-	-	-	(99,699)	(99,699)
Transfers	-	<u>5,554,341</u>	<u>(5,554,341)</u>	-	-
At 31 August 2022	<u>79,703</u>	<u>15,622,922</u>	-	<u>2,262,740</u>	<u>17,965,365</u>
Depreciation					
At 1 September 2021	-	3,024,942	-	1,299,553	4,324,495
Charge for the year	-	226,380	-	231,751	458,131
On disposals	-	-	-	(96,597)	(96,597)
At 31 August 2022	-	<u>3,251,322</u>	-	<u>1,434,707</u>	<u>4,686,029</u>
Net book values					
31 August 2022	<u>79,703</u>	<u>12,371,600</u>	-	<u>828,033</u>	<u>13,279,336</u>
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>

Tangible fixed assets with a net book value of £11,221,455 (2021 - £8,235,502) 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 2022**

12. Debtors

	2022	2021
	£	£
Fees	1,384,938	1,323,013
Prepayments	<u>48,824</u>	<u>48,824</u>
	<u>1,433,762</u>	<u>1,371,837</u>

13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Secured bank loans	250,000	82,340
Trade creditors	233,636	268,779
Refundable deposits	39,900	35,700
Derivative financial instruments	(91)	8,858
Accruals	290,010	59,338
Taxation and social security	158,908	132,232
Fees paid in advance	296,160	259,949
Deferred income (see note 14)	<u>2,224,638</u>	<u>2,125,202</u>
	<u>3,493,161</u>	<u>2,972,398</u>

14. Deferred income

	2022
	£
Balance at 1 September 2021	2,125,202
Amount released to incoming resources	(2,125,202)
Michaelmas term 2022 fees invoiced	<u>2,224,638</u>
Balance at 31 August 2022	<u>2,224,638</u>

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2022**

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

	2022	2021
	£	£
Secured bank loans (falling due in less than 5 years)	1,000,000	372,132
Secured bank loans (falling due after 5 years)	2,187,500	20,269
Refundable deposits	269,500	261,100
Derivative financial instruments	<u>27</u>	<u>13,918</u>
	<u>3,457,027</u>	<u>667,419</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:

	2022	2021
	£	£
Due within one year or less	250,000	82,340
Due between one and two years	250,000	86,220
Due between two and five years	750,000	285,912
Due after five years	<u>2,187,500</u>	<u>20,269</u>
Total due	<u>3,437,500</u>	<u>474,741</u>
Included in current liabilities	<u>250,000</u>	<u>82,340</u>
Included in creditors due after more than one year	<u>3,187,500</u>	<u>392,401</u>

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2022**

17. Unrestricted funds

2022	1 September 2021	Total income	Total expenditure	Transfers	31 August 2022
General reserves:	7,565,468	6,667,182	(6,027,140)	(138,000)	8,067,510
Designated funds:					
Incentive bonuses	105,000	-	(51,772)	78,000	131,228
Energy costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
	<u>7,670,468</u>	<u>6,667,182</u>	<u>(6,078,912)</u>	<u>-</u>	<u>8,258,738</u>
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>

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

The Energy costs Fund is identified by Governors for the payment of future energy costs.

18. Restricted funds

2022	1 September 2021	Total income	Total expenditure	31 August 2022
Bursary fund	11,783	2,995	(9,537)	5,241
Hardship fund	<u>5,456</u>	<u>-</u>	<u>(1,507)</u>	<u>3,949</u>
	<u>17,239</u>	<u>2,995</u>	<u>(11,044)</u>	<u>9,190</u>
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>

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 2022**

19. Analysis of net assets between funds

	Unrestricted £	Restricted £	Total funds £
Fund balances at 31 August 2022 are Represented by:			
Fixed assets	13,279,336	-	13,279,336
Current assets	1,929,590	9,190	1,938,780
Creditors: Due within one year	(3,493,161)	-	(3,493,161)
Creditors: Due after one year	<u>(3,457,027)</u>	<u>-</u>	<u>(3,457,027)</u>
	<u>8,258,738</u>	<u>9,190</u>	<u>8,267,928</u>
	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>

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

	2022 £	2021 £
Net incoming for the year	533,040	357,468
Interest paid	66,618	15,428
Interest received	(2,075)	(729)
Depreciation of tangible assets	458,131	451,425
Loss on disposal of tangible assets	3,102	-
Decrease/(increase) in debtors	(61,925)	37,217
Increase in creditors	<u>370,452</u>	<u>220,563</u>
Net cash inflow from operating activities	<u>1,367,343</u>	<u>1,081,372</u>

21. Financial commitments

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £nil (2021 - £4,275,334).

Moulsford Preparatory School Trust Limited

**Notes to the Financial Statements (continued)
for the year ended 31 August 2022**

22. Operating leases

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

	2022	2021
	£	£
In one to five years	<u>479,098</u>	<u>241,630</u>
In more than five years	<u>719,625</u>	<u>1,022,625</u>

23. Related party transactions

There are no related party transactions during the year (2021 - £ nil).

24. Pension costs

Defined benefit scheme

The School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £488,810 (2021: £473,441) and at the year-end £56,144 (2021 - £53,620) 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 2022

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.

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

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The School has transferred from this pension scheme in January 2023 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 £94,446 (2021 - £48,101) were payable to this scheme for the year. At the year-end £13,459 (2021 - £nil) 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:

	2022 £	2021 £
Financial liabilities		
Measured at fair value through net income/expenditure		
Derivative financial instruments (notes 13 and 15)	(64)	22,776
Measured at amortised cost		
Bank loans (notes 13, 15 and 16)	3,437,500	474,741

Moulsford Preparatory School Trust Limited
Notes to the Financial Statements (continued)
for the year ended 31 August 2022

25. Financial instruments (continued)

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

	2022	2021
	£	£
Income and expense		
Financial liabilities measured at fair value through net income/expenditure	66,618	15,428
Financial (gains) measured at amortised cost	(24,341)	(594)
Net gains and losses (including changes in fair value)		
Financial liabilities measured at fair value through net income/ expenditure	22,840	4,186

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.

