

Charity registration number 310637

Company registration number 00068471 (England and Wales)

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Tara Leaver (Chair) Mr Jeremy Banks Mrs Kathryn Berens Mr David Flower Mr Nigel Garrett Mrs Janine Kochman Mr Andrew Logan Mr Jack Murray Mr Stuart Nicholls Mrs Modupe Omonijo Mr Geoffrey Parkin Mrs Emma Perkins	
Charity number	310637	
Company number	00068471	
Registered office	Godstowe Preparatory School Shrubbery Road High Wycombe Buckinghamshire United Kingdom HP13 6PR	
Auditor	Azets Audit Services Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ	
Bankers	National Westminster Bank Plc Svenska Handelsbanken AB Barclays Bank Plc	
Key executives	Headmistress Director of Finance & Operations Clerk to the Governors	Ms Kate Bailey M.A. (Hons) PGCE Mrs Samantha North Ms Hannah Miles
Website	www.godstowe.org	

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

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THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees, who are also Directors for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Constitution and Objects

The Godstowe Preparatory School Company Limited (the 'Company') was incorporated in 1900 as a company limited by shares, as defined by the Companies Act 2006, is registered in England and is also registered with the Charity Commission. The Company is governed by its Articles of Association.

The Company's objects, as set out in its Articles of Association, are to advance the education of young girls and boys by the provision of schooling (including nursery schooling). In pursuance of these objects for the public benefit, the Company's sole business is the operation of Godstowe Preparatory School (the 'School'), incorporating a nursery, 'pre-prep' department and main school, and it has established and administers bursaries, scholarships and other benefactions and acts as trustee and manager of property and gifts given in pursuance of these objects.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Company should undertake.

School Objectives and Activities

The School was established in 1900 with the principal objective of providing systematic education and training for young girls and boys so as to prepare them for subsequent education in public or other senior schools. The School operates with boarding houses and a nursery as envisaged in the original objects. The School also holds lectures, exhibitions, public meetings and classes calculated to advance the cause of education, which is also in accordance with the objects of the School.

The School aims to provide a first-class education to girls from age 3 to 13 and boys from age 3 to 7. It seeks to provide a structured educational environment that develops pupils' capabilities, competences and skills and gives them the confidence to go on to senior schools and succeed. The School promotes the academic, moral and physical development of its pupils through the academic curriculum, pastoral care, sport and other activities. The School provides an educational environment where each student can develop and fulfil their potential, building their self-confidence and instilling a desire to contribute to the wider community.

The School is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. Appropriate policies and procedures are in place to support this aim and all activities across the School are judged against this objective.

Mission Statement

The School's mission is to provide the necessary education and environment where the School values of kindness, respect, integrity and balance are embedded, to enable pupils to develop through a journey of self-assurance and personal achievement to ensure they become confident, happy and successful.

In doing so, the School aims to promote the best opportunities for pupils by providing a challenging curriculum and a wide range of extra-curricular activities, together with a stimulating and enjoyable boarding experience.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Structure, Governance and Management

The Board of Governors, or 'Council', is responsible for the overall management and control of the Company and the School. All members of Council are Trustees of the Charity, Directors of the Company and Governors of the School. Council meets at least three times per year. Currently Council has a Finance sub-committee which also meets three times a year and reports to Council. The purpose of this committee is to oversee all financial aspects of the School, working alongside the Director of Finance & Operations to ensure the School's short-term and long-term viability. Further sub-committees have been established - an Estates sub-committee to consider investment proposals in all their details, from financial through health and safety to logistics, an Education sub-committee to ensure that the School's curriculum, systems and activities deliver the best outcomes for pupils and a Revenue and Remuneration sub-committee to provide recommendations to Council on the annual review of staff remuneration and School fees. These sub-committees meet as and when appropriate. In addition, Governors are also assigned to oversee specific areas of the School's operations, for example, safeguarding and boarding.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs Tara Leaver (Chair)	
Mrs Kathryn Allner	(Resigned 19 March 2024)
Mr Jeremy Banks	(Appointed 28 November 2024)
Mrs Kathryn Berens	(Appointed 28 November 2024)
Mr David Flower	(Appointed 28 November 2024)
Mr Nigel Garrett	
Mrs Janine Kochman	(Appointed 28 November 2023)
Mr Andrew Logan	
Mr Jack Murray	
Dr Fiona Neale	(Resigned 31 August 2024)
Mr Stuart Nicholls	
Mrs Modupe Omonijo	
Mr Geoffrey Parkin	
Mrs Emma Perkins	
Mr Thomas Richardson-Bunbury	(Resigned 31 August 2024)
Mrs Geraldine Rogers	(Resigned 31 August 2024)
Mrs Sarah Stokes	(Resigned 31 August 2024)

None of the Trustees has any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Organisational Management

The day-to-day management of the School is delegated to the Headmistress, who is supported by the Director of Finance & Operations and other members of the senior leadership team. The Headmistress, the Director of Finance & Operations and the Clerk to the Governors attend Council and Finance sub-committee meetings. Other sub-committees will be attended by either the Headmistress or the Director of Finance and Operations and Governors nominated as members. Other members of School staff also attend meetings on occasion, according to their responsibilities.

Recruitment and Training of Governors

Governors are appointed by agreement at a full Council meeting. Suitable candidates for new governors are identified by existing Governors or key executives of the School followed by a formal recruitment process, with a recommendation presented to Council. New Governors are introduced to the workings of the School through an induction programme. Council has periodic training up-date events.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Employment Policy

The Company is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees takes place at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the Company.

Public Benefit

In setting objectives and planning, the Governors give careful consideration to the Charity Commission's guidance on public benefit.

The Company is a charity which seeks to benefit the public through the pursuit of its stated aims. Fees are set at a level to ensure the financial viability of the School and at a level that is consistent with Council's aim of providing a first-class education for the School's pupils. In setting the fees the Governors take into account future plans for the School, the current economic and political climate and the ability of parents to meet their financial commitments.

The School welcomes pupils from all backgrounds. The School is non-selective but aims to ensure that pupils can cope with the pace of learning and thus benefit from the education provided. An individual's economic status, ethnicity, race, religion or disability does not form part of the School's assessment process.

The Governors are committed to their policy with regard to allowing those who cannot afford the current fees to gain access to the first-class education provided by the School. Council is determined not to dilute the quality of the education currently provided while still offering assisted places in defined circumstances. With this in mind, Council has put in place the provision of means tested bursaries (assisted places) for able children from families who are less well-off, and the bursaries granted in the current year were worth £279,266 (2023: £208,552).

The School does not have endowments and, in funding bursary awards, the Governors are mindful that a balance must be struck between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards. The Governors seek to maximise the number of bursaries awarded each year whilst remaining within the constraints both of the foregoing and being able to identify suitable beneficiaries.

Social Investments

The School is part of the wider local community and the Governors are keen that staff and pupils participate in that community.

During the year, pupils raised thousands of pounds for various children's charities under the direction of a charity officer. The School regularly meets with the local church in High Wycombe to coordinate services held in town and at the School. The Governors have allowed the School to be used as an examination centre at no cost and the local community is allowed to use the School's facilities where appropriate. Wycombe District Swim Club uses the School's swimming pool complex when not in use by the School at a discount to commercial rates. Hamilton Road Primary School pupils use the pool regularly without charge. The neighbourhood watch and local residents' association both use the School's premises on a regular basis at no charge. The School continues to co-operate with the local fire brigade by allowing an annual fire drill to be carried out in one of the boarding houses.

Council is very aware that the security of pupils is of primary importance and thus the School is always careful to vet fully any outside use of the School's facilities but, subject to this consideration, is keen to build further partnerships with the local community.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Strategy

The Governors are responsible for setting a strategy for achieving the School's objectives. The focus of the strategy is the development of the pupils and their continued high level of academic achievement, whilst supporting them pastorally, covering a range of pupil ability and enabling each child to fulfil their potential. In taking forward the strategy, the Governors:

- Review and benchmark the School's academic syllabus, teaching practices and academic results;
- Ensure that the range of co- and extra-curricular activities available to pupils is stimulating and challenging;
- Ensure that the school fosters a culture of acceptance and understanding, so all girls and staff feel valued, welcome and secure;
- Ensure high standards of safeguarding, pastoral care and wellbeing;
- Invest in technology and the infrastructure of the School;
- Co-operate and share resources with local schools; and
- Continue to review and develop methods for awarding bursaries and scholarships to ensure wider access to pupils from all backgrounds.

Principal Risks and Uncertainties and Risk Management

Risk Management

Council keeps the School's activities under regular review and closely monitors risks that arise from time to time and the effectiveness of the controls and other means by which those risks are mitigated. The key controls include:

- Formal agendas for all Council and sub-committee meetings, together with detailed terms of reference for all such committees;
- Clear responsibilities and duties defined for Governors overseeing a particular aspect of the School's operations;
- Comprehensive strategic planning, budgeting and management accounting, together with frequent review of performance against those plans and budgets;
- Established organisational structures, lines of reporting and internal controls, including specified levels of authorisation and approval;
- The maintenance of a detailed strategic risk register;
- Formal written policies; and
- Vetting procedures for the protection of children.

In addition, the Governors can establish additional sub-committees to deal with specific risks as they arise.

Principal Risks and Mitigation

The two principal risks for UK independent schools are:

- A reduction in demand for pupil places; and
- Significant increases in the cost of school operations.

These risks are created or exacerbated by the following factors or a combination of them:

- **UK political factors** – the threatened loss of the existing VAT exemption on school fees and the charitable relief on business rates for independent schools crystallised following the UK general election in July 2024 and the ensuing budget in October 2024. At the same time significant increases in employment costs were introduced. The effects these factors will have on the UK independent school sector in terms of demand for school places and the costs of school operations are expected to be substantial but will not be fully understood or felt for some time.
- **Geopolitical and economic uncertainty** – threatened and actual global conflicts together with political developments and, previously, the Covid pandemic have created widespread economic disruption, leading to a range of inflationary factors, loss of consumer confidence and reductions in disposable income. As a result, there has been, and remains, substantial upward pressure on school fees and parental concerns over their affordability.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Council has placed significant focus on these risks over the past year and continues to do so. Mitigating actions have included:

- Ensuring the quality of the education services provided to pupils remains at a very high standard, thereby maintaining the attractiveness and competitive position of the School;
- Applying rigorous financial discipline to the School's operations to minimise the cost of delivering those services without any impact on their quality. This has included a restructuring of the staff resources of the School and additional caution in committing to capital projects; and
- Reviewing and augmenting the marketing operations of the School to ensure maximum appropriate geographical coverage and awareness of the School's services.

Through the risk management processes and controls established for the School, the Governors are satisfied that all major risks, including those relating to health and safety, have been identified and are being adequately managed. It is recognised, however, that such processes and controls can only provide reasonable but not absolute assurance that major risks have been adequately mitigated.

Future Plans

The main focus for the future continues to be the regular review and updating of Council's strategic plan to ensure it remains the school of choice for those seeking single sex prep-school education, with the option for boarding, up to the age of 13. This plan considers the academic, extra-curricular, pastoral and boarding elements of the School's offering and the facilities required to support this.

The plan also covers the School's IT provision. Having delivered greater integration of IT on a day-to-day basis into the classroom during the Covid pandemic, the benefits that technology can deliver are well understood and, accordingly, the Governors recognise the importance of keeping the School's IT provision up-to-date and fit for purpose for both the delivery of high quality and progressive education together with the support functions necessary to achieve this. However, it is also recognised that the costs related to these improvements need to be carefully managed.

Review of Achievements and Performance for the Year

The educational performance of the School during the year continues to deliver results that allow leavers to be offered places at their first choice of senior school. Furthermore, 23 scholarships, awards and distinctions were offered to pupils for their next schools. The senior leadership team continues to provide clear and enthusiastic direction for the School in challenging times and has received strong supportive feedback from parents.

The success of the School has been recognised in the year by the School having been nominated for and achieved the following awards:

- Awarded Boarding School Association's "Supporting Junior Boarders" Award
- Listed in the top 10 Prep Schools in the UK in the Carfax Education Index
- Finalist for Talk Education's "Creative and Performing Arts" category
- Finalist for Talk Education's "Environmental Achievement" category
- Finalist in Education Choices Magazine's "Inclusive Opportunities in Art and Music" category
- School's Early Years Team finalists in the "Most Creative Learning Through Play" category of Muddy Stiletto's Best Schools Awards
- School Nursing Team awarded the BSA Seacole Standard 2024
- First place in Local Senior School STEAM challenge for pupils, with Godstowe being the only girls prep school taking part

Pupil numbers were 397 compared with 433 the year before. Whilst these numbers are lower than the school would have preferred, given the uncertainty created by the economic and political situation, this was not unexpected. As a result, strategies are being implemented to improve pupil numbers through increased recruitment of new pupils as well as retention of existing pupils.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Once again, the efforts of all the staff across the School has been well received by the parents and the Governors appreciate the dedication and commitment of the whole school team.

Due to the uncertainty created by the current economic climate and in particular some significant increases in costs, particularly in catering, Council remains cautious when determining capital expenditure plans. Accordingly, there have been no major projects carried out during the year, although several more minor replacements and repairs have been completed. The wider investment plan for the future is being kept under review and decisions will be made dependent on needs and the financial strength of the School.

Financial Review

Results for the Year

The net deficit for the year was £363,055 compared with net income of £14,303 in the previous year. The current economic climate continues to create challenges for the School in both managing its costs and protecting its income, as parents' personal finances are also under challenge. This situation has been exacerbated by the threat of removal of VAT exemptions on school fees. In response, as noted in Principal Risks and Mitigation (above), the School has scaled back its commitment to capital projects and carefully reviewed the level of all its costs, including a restructuring of its staff resources, the cost of which was borne during the year.

Despite the impact of the net deficit for the year, cash generated from operations has remained healthy at £727,235 compared to £931,035 in the previous year, driven primarily by an increased level of fees paid in advance. This, together with continued prudent management of capital expenditure, resulted in cash balances at the end of the year improving to £4,336,986 (2023: £3,650,226).

Fundraising

Donations during the year amounted to £7,145 (2023: £29,802). Although there were no formal fund-raising campaigns carried out by the School during the year, 'Friends of Godstowe' (the parental charitable organisation) continued to play an invaluable role in raising funds for the School and the Governors are extremely appreciative of their efforts and the generosity of everyone who has contributed. These donations allow the School to bring forward plans and complete them earlier than would otherwise have been possible, or provide 'icing on the cake' items that are not considered essential but further enhance the pupil's experiences.

Investment Policies

The School does not have any external investments, but in line with our policy of diversifying financial risk the School divides its short-term cash deposits between its principal bankers. The Governors continue to keep this policy under careful review.

Reserve Levels and Policy

The Governors are mindful that the School does not have endowments and that the current economic climate makes the future somewhat uncertain.

The running costs of the School continue to rise, due to a number of inflationary factors. In addition, the financial dynamics of its operations make the School heavily dependent on pupil numbers and fee levels. With this in mind, the Governors need to ensure that the level of reserves is adequate to meet the running expenses of the School and to allow for future capital projects.

At the end of the year, the Company had total reserves of £9,856,897 (2023: £10,219,952) and unrestricted reserves of £9,174,381 (2023: £9,561,820). After adjusting for unrestricted functional fixed assets for the Company's own use, free reserves improved further to £224,310 (2023: £102,915) reflecting the continued careful prioritisation of capital expenditure. It remains the intention of the Governors to continue to improve the free reserves position as soon as possible. It is, however, recognised that, with the continuing uncertainty created by the risks faced by the School, this may not be achievable in the short term.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

It is the policy of the Company that its cash balances and access to additional liquidity should be maintained at a level equivalent to between three and six month's expenditure and significant management attention is given to forecasting and monitoring cash levels for this purpose. The Governors consider that maintaining cash reserves at this level will ensure that, in the event of a significant drop in cash generation from operations, they will be able to continue the School's current activities while consideration is given to ways in which additional funds may be raised or costs further reduced. This level of cash reserves has been maintained throughout the year.

Auditor

In accordance with the Company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the Company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



.....
Mrs Tara Leaver (Chair)

Date: 28/11/2024
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THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees, who are also the Directors of The Godstowe Preparatory School Company Limited for the purpose of company law, are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the Company for that year.

In preparing these financial statements, the Trustees 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	-	7,145	7,145	-	29,802	29,802
Charitable activities	4	8,236,893	-	8,236,893	8,143,877	-	8,143,877
Investments	5	103,253	-	103,253	36,339	-	36,339
Total income		8,340,146	7,145	8,347,291	8,180,216	29,802	8,210,018
Expenditure on:							
Charitable activities	6	8,682,585	27,761	8,710,346	8,163,617	32,098	8,195,715
Net (expenditure)/income for the year/ Net movement in funds		(342,439)	(20,616)	(363,055)	16,599	(2,296)	14,303
Fund balances at 1 September 2023		9,516,820	703,132	10,219,952	9,500,221	705,428	10,205,649
Fund balances at 31 August 2024		9,174,381	682,516	9,856,897	9,516,820	703,132	10,219,952

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	10		9,627,700		10,114,150
Investments	11		4		4
			<u>9,627,704</u>		<u>10,114,154</u>
Current assets					
Debtors	12	1,789,538		1,884,863	
Cash at bank and in hand		4,336,986		3,650,226	
		<u>6,126,524</u>		<u>5,535,089</u>	
Creditors: amounts falling due within one year	13	<u>(4,562,748)</u>		<u>(3,902,642)</u>	
Net current assets			<u>1,563,776</u>		<u>1,632,447</u>
Total assets less current liabilities			<u>11,191,480</u>		<u>11,746,601</u>
Creditors: amounts falling due after more than one year	14		<u>(1,334,583)</u>		<u>(1,526,649)</u>
Net assets			<u><u>9,856,897</u></u>		<u><u>10,219,952</u></u>
Income funds					
Restricted funds	18		682,516		703,132
Unrestricted funds:					
General unrestricted funds		9,174,366		9,516,805	
Share capital		15		15	
		<u>9,174,381</u>		<u>9,516,820</u>	
			<u><u>9,856,897</u></u>		<u><u>10,219,952</u></u>

The financial statements were approved by the Trustees on 28/11/2024

Tara Leaver

Mrs Tara Leaver (Chair)
Trustee

Company registration number 00068471

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	21		727,235		931,035
Investing activities					
Purchase of tangible fixed assets		(137,447)		(241,607)	
Investment income received		103,253		36,339	
Net cash used in investing activities			(34,194)		(205,268)
Financing activities					
Repayment of bank loans		(57,642)		(66,110)	
Deposits		51,361		111,551	
Net cash (used in)/generated from financing activities			(6,281)		45,441
Net increase in cash and cash equivalents			686,760		771,208
Cash and cash equivalents at beginning of year			3,650,226		2,879,018
Cash and cash equivalents at end of year			<u>4,336,986</u>		<u>3,650,226</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Company information

The Godstowe Preparatory School Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Godstowe Preparatory School, Shrubbery Road, High Wycombe, Buckinghamshire, HP13 6PR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Company's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Company to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is provided on all fixed assets other than freehold land and is recognised so as to write off the cost of the fixed assets less their residual values on a straight line basis using the following estimated useful economic lives:

Freehold land and buildings	10 - 50 years
Fixtures and fittings	5 - 33 years
Motor vehicles	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. In the prior year the Company also contributed to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Company 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 Company. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. The company withdrew from the Teachers' Pension Scheme on 31 March 2023.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

3 Donations and legacies

	Restricted funds	Restricted funds
	2024	2023
	£	£
Donations and gifts	7,145	29,802

4 Charitable activities

	Charitable Income	Charitable Income
	2024	2023
	£	£
Fees receivable from tuition and boarding	8,135,485	8,068,936
Charitable rental income	101,408	74,941
	<u>8,236,893</u>	<u>8,143,877</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Deposit account interest	103,253	36,339

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

6 Charitable activities

	Charitable Expenditure 2024 £	Charitable Expenditure 2023 £
Staff costs	5,323,555	4,862,387
Depreciation and impairment	623,897	683,849
Teaching costs	336,698	326,809
Support service costs	1,798,031	1,799,750
Management and admin costs	548,573	440,366
Bank charges and interest	68,910	51,398
Bad debt expense	10,682	31,156
	<u>8,710,346</u>	<u>8,195,715</u>
Analysis by fund		
Unrestricted funds	8,682,585	8,163,617
Restricted funds	27,761	32,098
	<u>8,710,346</u>	<u>8,195,715</u>

7 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Teachers - Full time	41	40
Teachers - Part time	14	12
Admin - Full time	45	49
Admin - Part time	28	26
Total	<u>128</u>	<u>127</u>
Employment costs	2024 £	2023 £
Wages and salaries	4,394,867	3,929,637
Social security costs	386,679	367,711
Other pension costs	542,009	565,039
	<u>5,323,555</u>	<u>4,862,387</u>

Included within the above costs are redundancy payments amounting to £109,066 which were paid as part of the staff restructuring during the year.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	1

8 Trustees and key management personnel

No Trustees received remuneration or other benefits paid for by the Company for the year ended 31 August 2024 nor for the year ended 31 August 2023.

During the year there were no trustee expenses paid in relation to travel and subsistence nor for the year ended 31 August 2023.

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2024 £	2023 £
Aggregate compensation	647,374	618,163

9 Taxation

The Company is exempt from tax 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.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

10 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2023	12,986,325	4,556,953	30,711	17,573,989
Additions	66,770	51,927	18,750	137,447
Disposals	-	-	(4,000)	(4,000)
At 31 August 2024	13,053,095	4,608,880	45,461	17,707,436
Depreciation and impairment				
At 1 September 2023	4,749,773	2,679,355	30,711	7,459,839
Depreciation charged in the year	397,282	224,115	2,500	623,897
Eliminated in respect of disposals	-	-	(4,000)	(4,000)
At 31 August 2024	5,147,055	2,903,470	29,211	8,079,736
Carrying amount				
At 31 August 2024	7,906,040	1,705,410	16,250	9,627,700
At 31 August 2023	8,236,552	1,877,598	-	10,114,150

During the year ended 31st August 2022, the Company entered into a contract with its caterers for the provision of catering services for a term of seven years. As part of this agreement, the caterers assisted in the refurbishment of the School's kitchen and dining facilities by funding a proportion of the refurbishment cost and providing a loan on favourable terms for the remainder. Under the terms of the agreement, the benefit of the funding accrues evenly over the term of the contract and the loan is repayable over the same period. The cost of the refurbishment has been capitalised and is being depreciated over its estimated useful life in accordance with the Company's depreciation policy. At the end of the year, the outstanding balance of the loan and the unamortised amount of the funding benefit are included under Bank and other loans and Deferred income respectively, within creditors.

11 Fixed asset investments

	Other investments
Cost or valuation	
At 1 September 2023 & 31 August 2024	4
Carrying amount	
At 31 August 2024	4
At 31 August 2023	4

Fixed asset investments at the balance sheet date comprise the entire ordinary share capital of the Company's two UK registered dormant subsidiaries, High Wycombe Music Activities Limited and Godstowe Developments Limited.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

12 Debtors	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	1,514,270	1,685,584
Other debtors	41,494	4,747
Prepayments and accrued income	233,774	194,532
	<u>1,789,538</u>	<u>1,884,863</u>

13 Creditors: amounts falling due within one year	2024	2023
Notes	£	£
Bank and other loans	16 69,892	69,016
Other taxation and social security	111,347	91,512
Deferred income	15 2,365,718	2,666,474
Trade creditors	133,207	54,301
Fees received in advance	1,450,727	668,691
Deposits	217,722	60,500
Other creditors	148,990	197,544
Accruals	65,145	94,604
	<u>4,562,748</u>	<u>3,902,642</u>

14 Creditors: amounts falling due after more than one year	2024	2023
Notes	£	£
Bank loans and other loans	16 785,044	843,562
Deferred income	15 83,059	110,746
Deposits	466,480	572,341
	<u>1,334,583</u>	<u>1,526,649</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

15 Deferred income

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	2,365,718	2,666,474
Non-current liabilities	83,059	110,746
	<u>2,448,777</u>	<u>2,777,220</u>
Movements in the year:		
Deferred income at 1 September 2023	2,777,220	2,795,513
Released from previous periods	(2,666,474)	(2,657,081)
Resources deferred in the year	2,338,031	2,638,788
	<u>2,448,777</u>	<u>2,777,220</u>

Deferred income represents invoices issued before the year end for school fees in the following year and the unamortised funding benefit arising from the Company's catering contract (see Note 10).

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

16 Loans and deposits

	2024 £	2023 £
Bank and other loans - due in 1 year	69,892	69,016
Bank and other loans - 1-2 years	70,785	69,892
Bank and other loans - 2-5 years	192,260	215,108
Bank and other loans - over 5 years	521,999	558,562
	<u>854,936</u>	<u>912,578</u>
Deposits - due in 1 year	217,722	60,500
Deposits - 1-2 years	154,050	166,073
Deposits - 2-5 years	192,250	229,253
Deposits - over 5 years	120,180	177,015
	<u>684,202</u>	<u>632,841</u>
Bank and other loans	854,936	912,578
Deposits	684,202	632,841
	<u>1,539,138</u>	<u>1,545,419</u>
Payable within one year	287,614	129,516
Payable after one year	1,251,524	1,415,903
	<u>1,539,138</u>	<u>1,545,419</u>

Secured debts

On 8 August 2018, the Company entered into a 20 year term loan with National Westminster Bank Plc which is secured by a charge on certain freehold land and buildings. At 31 August 2024, £752,388 was still outstanding on this loan (2023: £784,393).

17 Share capital

	2024 £	2023 £
Ordinary share capital		
Issued and fully paid		
15 Ordinary B of £1 each	15	15
	<u>15</u>	<u>15</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

18 Restricted funds

The income funds of the Company include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 August 2024
	Balance at 1 September 2023	Incoming resources	Resources expended / depreciation charged	Transfers	
	£	£	£	£	£
Fixed assets funded from donations	700,245	-	(27,761)	5,145	677,629
Donations	2,887	7,145	-	(5,145)	4,887
	<u>703,132</u>	<u>7,145</u>	<u>(27,761)</u>	<u>-</u>	<u>682,516</u>

	Movement in funds				Balance at 1 September 2023
	Balance at 1 September 2022	Incoming resources	Resources expended / depreciation charged	Transfers	
	£	£	£	£	£
Fixed assets funded from donations	699,925	-	(29,795)	30,115	700,245
Donations	5,503	29,802	(2,303)	(30,115)	2,887
	<u>705,428</u>	<u>29,802</u>	<u>(32,098)</u>	<u>-</u>	<u>703,132</u>

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total Unrestricted funds		Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Fund balances at 31 August 2024 are represented by:						
Tangible assets	8,950,071	677,629	9,627,700	9,413,905	700,245	10,114,150
Investments	4	-	4	4	-	4
Current assets/(liabilities)	1,558,889	4,887	1,563,776	1,629,560	2,887	1,632,447
Long term liabilities	(1,334,583)	-	(1,334,583)	(1,526,649)	-	(1,526,649)
	<u>9,174,381</u>	<u>682,516</u>	<u>9,856,897</u>	<u>9,516,820</u>	<u>703,132</u>	<u>10,219,952</u>

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	19,597	23,951
Between two and five years	43,076	23,064
	<u>62,673</u>	<u>47,015</u>

21 Cash generated from operations

	2024 £	2023 £
(Deficit)/surplus for the year	(363,055)	14,303
Adjustments for:		
Investment income recognised in statement of financial activities	(103,253)	(36,339)
Other income	(27,686)	(27,686)
Depreciation and impairment of tangible fixed assets	623,897	683,849
Movements in working capital:		
Decrease/(increase) in debtors	95,325	(48,834)
Increase in creditors	502,007	345,742
Cash generated from operations	<u><u>727,235</u></u>	<u><u>931,035</u></u>

22 Analysis of changes in net funds

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	3,650,226	686,760	4,336,986
Bank and other loans	(912,578)	57,642	(854,936)
	<u>2,737,648</u>	<u>744,402</u>	<u>3,482,050</u>

23 Related party transactions

There were no related party transactions during the current year (2023: None).

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

24 Pension commitments

With effect from 1 April 2023, the Company contributes to a defined contribution scheme for the benefit of all its eligible and opted-in staff, run by The Royal London Mutual Insurance Society Limited ("Royal London"). Previously the Company participated in the Teachers' Pension Scheme ("TPS") for its teaching staff and contributed to the National Employment Savings Trust ("NEST") in respect of its eligible and opted-in non-teaching staff. The assets of all three schemes are held separately from those of the Company in independently administered funds.

The pension cost charge for the current year represents contributions payable by the Company to Royal London amounting to £542,009 (2023: £565,039, Royal London, TPS and NEST). At the year-end £77,440 was accrued in respect of contributions to Royal London (2023: £63,815).

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Opinion

We have audited the financial statements of The Godstowe Preparatory School Company Limited (the 'Company') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 Company's affairs as at 31 August 2024 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 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the 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 course of 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 our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the Directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the Directors of the Company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE GODSTOWE PREPARATORY SCHOOL COMPANY LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and 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 indicators of potential 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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

28/11/24

Chartered Accountants
Statutory Auditor

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Lynch Wood
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