

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (SOFA: Incorporating an Income and Expenditure account)

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
INCOME FROM:			
Charitable Activities			
School fees receivable	2	4,446,264	4,190,678
Registration fees and other income	3	303,091	199,722
Donations and Grants		3,306	19,515
Other trading activities			
Rental income		5,966	6,395
Investments	4	97,844	15,153
Total income		<u>4,856,471</u>	<u>4,431,463</u>
EXPENDITURE ON:			
Charitable Activities			
School's operations		5,154,132	4,318,867
Total expenditure	5	<u>5,154,132</u>	<u>4,318,867</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR AND MOVEMENT IN FUNDS			
		(297,661)	112,596
Fund balances at 1 September 2022		5,190,749	5,078,153
FUND BALANCES at 31 August 2023		<u>4,893,088</u>	<u>5,190,749</u>

There were no acquisitions or discontinued activities during the year. There were no other recognised gains or losses during the year. There was no restricted income or expenditure in 2022 or 2023. The accompanying notes form part of these financial statements.

The expenditure includes an exceptional sum of £549,929 representing depreciation on premises as a result of a capital development project (Project R.Ed) no longer preceding. The £549,929 covers actual expenditure on Project R.Ed over previous accounting periods which had been capitalised but has now been written off.

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

BALANCE SHEET

Company Registration No. 00621311

AT 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		2,817,008		3,259,527
CURRENT ASSETS					
Debtors	9	70,352		182,406	
Cash at bank and in hand		<u>3,424,440</u>		<u>3,325,701</u>	
		3,494,792		3,508,107	
CREDITORS: Amounts falling due within one year	10	<u>(1,166,812)</u>		<u>(1,365,185)</u>	
NET CURRENT ASSETS			2,327,980		2,142,922
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,144,988</u>		<u>5,402,449</u>
CREDITORS: Amounts falling due after more than one year	11		(251,900)		(211,700)
NET ASSETS			<u><u>4,893,088</u></u>		<u><u>5,190,749</u></u>
The funds of the charity are represented by:					
Unrestricted funds:	12				
General funds			4,475,088		3,772,749
Designated funds			418,000		1,418,000
			<u><u>4,893,088</u></u>		<u><u>5,190,749</u></u>

The accounts were issued and approved by the board of Trustees on 21 November 2023 and signed on their behalf by:

Mrs G Haddon
Director

Mr P Kempe
Director

The accompanying notes form part of these financial statements

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
Net cash inflow from operations					
Net cash provided by operating activities	(i)		311,618		525,106
Cash flows from investing activities:					
Payments for tangible fixed assets		(310,723)		(439,069)	
Investment income		<u>97,844</u>		<u>15,153</u>	
Net cash used in investing activities			<u>(212,879)</u>		<u>(423,916)</u>
Change in cash and cash equivalents in the reporting period			98,739		101,190
Cash and cash equivalents at the beginning of the period			3,325,701		3,224,511
Cash and cash equivalents at the end of the reporting period	(ii)		<u><u>3,424,440</u></u>		<u><u>3,325,701</u></u>

(i) RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net movement in funds	(297,661)	112,596
Depreciation charges	753,242	218,116
Increase in debtors	112,054	(60,242)
Decrease in creditors	(158,173)	269,789
Investment income	(97,844)	(15,153)
Net cash inflow from operating activities	<u><u>311,618</u></u>	<u><u>525,106</u></u>

(ii) Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash	3,424,440	3,325,701
Total cash and cash equivalents	<u><u>3,424,440</u></u>	<u><u>3,325,701</u></u>

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) Basis of accounting

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 (FRS102) (Charities SORP Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The School meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Critical accounting judgements and key sources of estimation uncertainty

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

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

In the view of the Trustees, no assumptions concerning future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment of their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements, except for the fact that it is no longer considered appropriate to accrue for teachers' holiday pay or to recognise as a prepayment any time teachers have spent in preparing for the following academic year.

c) Going concern

The accounts have been prepared on a going concern basis. The Trustees review the financial information for the School and consider whether the School is a going concern for a period of at least 12 months from the date of approval of the accounts. The Trustees have assessed the major risks to which the School is exposed, in particular those related to the operations and finances of the School. However, through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, the Trustees are satisfied that systems are in place to manage the exposure to the major risks and consider it appropriate for the going concern basis to be adopted for these accounts.

d) School fees receivable and similar income

Fees receivable and other fees are accounted for in the year in which the service is provided. Fees receivable represent fees less assisted places and allowances and other income derived from the School's continuing activities.

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (continued)

e) Investment income

Investment income from bank balances and fixed interest securities is accounted for on an accruals basis.

f) Voluntary sources, grants and donations

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

g) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the School's bad debt policy.

h) Pension costs

The School participates in the Teachers' Pension Scheme ("TPS") but the scheme was (with effect from 1 September 2022) closed to new entrants following partial withdrawal. The School also contributes to separate defined contributions schemes for members of staff.

The School contributes to a defined contributions scheme administered by The Pensions Trust ("TPT") which is only open to non teaching staff. Two members of staff are in a separate defined benefits scheme within the TPT scheme. The School now also contributes to APTIS (an Aviva Pension trust for independent schools). This defined contributions scheme is open to all members of staff.

TPS is an unfunded state pension scheme. The contributions made by the School and teachers do not go into a segregated pension fund. Instead they fund the pensions of teachers across the country who have already retired. Unlike private pension schemes there are no funds ringfenced for the School or its employees. As the School's share of TPS cannot be identified the pension costs are accounted for as if it were a defined contribution scheme.

i) Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold buildings - 2% straight line basis
Improvement to properties - 10% straight line basis
Computer equipment - 25% straight line basis
Fixtures and fittings - 10% straight line basis
Motor vehicle - 25% reducing balance basis

j) Financial Instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (continued)

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

m) Leasing commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

n) Creditors

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Fund Accounts

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and have not been designated for other purposes.

Designated funds are set aside by the Trustees for their specific purposes.

p) Taxation

The Company is a registered charity and as such is exempt from income tax and corporation tax under the provisions of section 478 of the Corporation Tax Act 2010. There is a similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

Note 2 FEES RECEIVABLE

	Total 2023 £	Total 2022 £
Fees receivable consists of		
Gross fees	4,557,643	4,310,314
Less: Assisted places and staff concessions	(111,379)	(119,636)
	<u>4,446,264</u>	<u>4,190,678</u>

Note 3 REGISTRATION FEE AND OTHER INCOME

	Total 2023 £	Total 2022 £
Registration and other fees including initial deposits forfeited	132,784	81,776
Sundry income	24,912	8,013
Clubs income	145,395	109,933
	<u>303,091</u>	<u>199,722</u>

Note 4 INVESTMENTS - BANK AND OTHER INTEREST

	Total 2023 £	Total 2022 £
Bank interest	97,844	14,913
Interest on late fees	-	240
	<u>97,844</u>	<u>15,153</u>

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

Note 5 ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 6) £	Depreciation (note 8) £	Other Costs £	Total 2023 £
Charitable expenditure				
Teaching	2,369,463	-	853,304	3,222,767
Welfare	50,170	-	370,971	421,141
Premises	101,333	203,313	34,075	338,721
Project R.Ed	-	549,929	-	549,929
School administration and governance	455,295	-	166,279	621,574
Total expenditure	2,976,261	753,242	1,424,629	5,154,132

Support costs, included within Other costs, are allocated on the basis of staff headcount.

The depreciation charge for the year of £753,242 above includes £549,929 written off in relation to Project R.Ed.

b) Governance included in support costs

	2023 £	2022 £
Remuneration paid to auditor for audit services (excluding VAT)	13,900	13,625
Remuneration paid to auditor for non-audit services (excluding VAT)	1,725	2,725
	15,625	16,350

Trustees were reimbursed expenses of £19 in the year (2022: £98).

PRIOR YEAR

	Staff costs £	Depreciation £	Other Costs £	Total 2022 £
Charitable expenditure				
Teaching	2,250,599	-	740,217	2,990,816
Welfare	44,751	-	321,807	366,558
Premises	96,857	218,116	29,558	344,531
School administration and governance	472,718	-	144,244	616,962
Total expenditure	2,864,925	218,116	1,235,826	4,318,867

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

Note 6 STAFF COSTS

	2023	2022
	£	£
The aggregate payroll costs for the year were:		
Wages and salaries	2,354,019	2,247,969
Social security costs	246,986	243,198
Pension costs	375,256	373,758
	<u>2,976,261</u>	<u>2,864,925</u>

	2023	2022
	£	£
Total amount of employee benefits (including employer pension contributions) of key management personnel:	<u>228,170</u>	<u>221,603</u>

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	2023	2022
	No	No
£70,001 - £80,000	1	1
£90,001 - £110,000	1	1

The average number of employees during

	2023	2022
	No	No
Teaching	53	51
Office and non-teaching staff	11	12
	<u>64</u>	<u>63</u>

Note 7 TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the current or preceding year.

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

Note 8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Property improvements £	Fixture and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2022	4,259,108	759,860	777,287	580,484	6,376,739
Additions	7,348	252,914	34,563	15,898	310,723
At 31 August 2023	<u>4,266,456</u>	<u>1,012,774</u>	<u>811,850</u>	<u>596,382</u>	<u>6,687,462</u>
Depreciation					
At 1 September 2022	1,595,897	420,107	573,986	527,222	3,117,212
Charge for the year	605,510	85,137	29,741	32,854	753,242
At 31 August 2023	<u>2,201,407</u>	<u>505,244</u>	<u>603,727</u>	<u>560,076</u>	<u>3,870,454</u>
Net Book Value					
At 31 August 2023	<u>2,065,049</u>	<u>507,530</u>	<u>208,123</u>	<u>36,306</u>	<u>2,817,008</u>
At 31 August 2022	<u>2,663,211</u>	<u>339,753</u>	<u>203,301</u>	<u>53,262</u>	<u>3,259,527</u>

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

Note 9 DEBTORS

	2023	2022
	£	£
Fees receivable	1,326	125,147
Prepayments and accrued income	29,779	54,623
Other Debtors	39,247	2,636
	<u>70,352</u>	<u>182,406</u>

Note 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Fees in advance and Deposits	1,069,914	1,132,243
Trade creditors	22,194	86,810
Accruals	25,933	16,350
Other tax and social security	-	61,477
Other creditors	48,771	68,305
	<u>1,166,812</u>	<u>1,365,185</u>

Note 11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Deposits	251,900	211,700
	<u>251,900</u>	<u>211,700</u>

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

Note 12 TOTAL UNRESTRICTED FUNDS

	Balance 1 September 2022 £	Income £	Expenditure £	Transfers between funds £	Balance 31 August 2023 £
General fund					
Unrestricted - General fund	3,772,749	4,856,471	(4,281,423)	127,291	4,475,088
Designated funds					
Norah K Read Assisted Places Fund	18,000	-	-	-	18,000
Means Tested Assisted Places Fund	150,000	-	(66,868)	66,868	150,000
Development Fund	250,000	-	(255,912)	255,912	250,000
Project R.Ed Fund	1,000,000	-	(549,929)	(450,071)	-
	1,418,000	-	(872,709)	(127,291)	418,000
	5,190,749	4,856,471	(5,154,132)	-	4,893,088

TOTAL UNRESTRICTED FUNDS
(PRIOR YEAR)

	Balance 1 September 2021 £	Income £	Expenditure £	Transfers between funds £	Balance 31 August 2022 £
General fund					
Unrestricted - General fund	3,700,153	4,431,463	(3,818,833)	(540,034)	3,772,749
Designated funds					
Norah K Read Assisted Places Fund	18,000	-	(9,685)	9,685	18,000
Means Tested Assisted Places Fund	150,000	-	(53,081)	53,081	150,000
Development Fund	210,000	-	(170,856)	210,856	250,000
Project R.Ed Fund	1,000,000	-	(266,412)	266,412	1,000,000
	1,378,000	-	(500,034)	540,034	1,418,000
	5,078,153	4,431,463	(4,318,867)	-	5,190,749

The Norah Read Assisted Places Fund (established in memory of the School's founder) exists to provide means tested assistance to parents of pupils already attending the School who experience a change in their financial circumstances.

The Means Tested Assisted Places Fund was established to provide means tested assistance with fees for pupils attending the School from the September following their 7th birthday.

The Development Fund has been established in order to allocate financial resources to medium term property improvements including fixtures and fittings.

Project R.Ed is no longer being considered by Governors and therefore all costs associated with this project have been written off during 2022/23.

WOODFORD GREEN PREPARATORY SCHOOL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

Note 13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Long-term creditors	Total 2023
	£	£	£	£
General funds	2,817,008	1,909,980	(251,900)	4,475,088
Designated funds	-	418,000	-	418,000
Total funds	<u>2,817,008</u>	<u>2,327,980</u>	<u>(251,900)</u>	<u>4,893,088</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Tangible fixed assets	Net current assets	Long-term creditors	Total 2022
	£	£	£	£
General funds	3,259,527	724,922	(211,700)	3,772,749
Designated funds	-	1,418,000	-	1,418,000
Total funds	<u>3,259,527</u>	<u>2,142,922</u>	<u>(211,700)</u>	<u>5,190,749</u>

Note 14 CAPITAL COMMITMENTS

The Head, together with the Trustees, continues to implement the Development Plan for the School. The School had no capital commitments at 31 August 2023 (2022: £83k in respect of alterations to the School's buildings).

Note 15 RELATED PARTY TRANSACTIONS

During the year Trustees incurred travel expenses of £19 (2022: £98). During the year total donations received from the Trustees amounted to £Nil (2022: £232). There were no other related party transactions in the current or preceding year.

Note 16 PENSION COMMITMENTS

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (the "TPS") for its teaching staff. The potential financial impact of further increases in employer contributions to the Teachers' Pension Scheme has been mitigated by the implementation of "phased withdrawal" whereby the School's participation in the Scheme was closed to new entrants with effect from 1st September 2022. The pension charge for the year includes contributions payable to the TPS of £373,054 (2022: £309,186) and at the year-end £Nil (2022 - £Nil) 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. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The Government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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

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

Until the cost cap mechanism review 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.

APTIS

The School now also contributes to APTIS (an Aviva Pension trust for independent schools). This defined contributions scheme is open to all members of staff.