

NEWLAND HOUSE SCHOOL TRUST LIMITED
(A Registered Company Limited by Guarantee)

GOVERNORS' REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2021

Company Registered No. 1004580
Charity Registered No. 312670

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2021

The Governors present their report and audited financial statements for the year ended 31 August 2020.

REFERENCE AND ADMINISTRATIVE INFORMATION

Newland House School Trust Limited is incorporated as a company limited by guarantee, number 1004580 and is a registered charity, number 312670. The Registered Office and principal address of the Company is at Newland House School, Waldegrave Park, Twickenham, TW1 4TQ.

GOVERNORS

The Governors are the directors of the company and also the charity trustees and those who served during the year and since were:

A T Gumpert	
M D Battle	(resigned July 2021)
R L Burden	
Mrs S V Bryce	(appointed September 2021)
Mrs B W Canham	(resigned September 2020)
H H Cook	(resigned December 2020)
Mrs J L Higgins	
M Jopling	
J Lunnon	
H K Mann	
Mrs D Masters	(resigned June 2020)
J R Peachey	(appointed September 2021)
J M A Ross	
Mrs G Hobday	

OFFICERS AND ADVISERS

Head	C Skelton
Bursar and Company Secretary	E Bell
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank Plc Leicester LE87 2BB
Solicitors	Veale Wasbrough Vizards 86 Fetter Lane London EC4A 1AD

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association dated 12 March 1971.

Governing Body

The Governors, who are also required under the Articles to serve as members of the Trust, are elected at a full Governors Meeting on the basis of nominations received from individual Governors paying due regard to eligibility, personal competence, specialist skills, availability and diversity of the governing body.

Governors' Training

New Governors are apprised of the workings of the School, and also of the Company as a registered charity, including policy and procedures by the Chairman and the Secretary to the Trust. Opportunities are made available for Governors throughout the year to attend training workshops and seminars via the Secretary to the Trust.

Organisation

The Governors meet at least 4 times per year to determine the general policy of the school. The responsibility for academic standards and the day to day operation of the school is delegated to the Head whilst the Company Secretary as Bursar is responsible for financial, property and administration matters. The Governing Body includes the following policy sub-committees: Education, Estates, HR, Health & Safety (and Child Protection), and Finance & General Purposes.

Key Management Remuneration

The Governors rely on the Senior Leadership Team (SLT), including the Head and Bursar for the operation of the school and the SLT is considered to be the key management group within the school. The SLT consists of; the Head, Bursar, Deputy Head -Pre Prep, Deputy Head, Deputy Head -Academic, Admissions Manager and HR Manager. Key management remuneration is set by the Remuneration Committee, consisting of governors from the Finance and General Purposes Committee and the Chair of Governors.

OBJECTIVES, AIMS AND PRINCIPAL ACTIVITIES

Strategic Aim and Intended Effect

The objects for which the trust is established are to promote and provide for the advancement of education and in connection therewith to conduct and carry on, acquire and develop in the United Kingdom any boarding or day school or schools for the education of children of either sex or both sexes. The school's policy is for boys and girls to attain the highest academic levels whilst also benefiting from a broad curriculum of sporting, musical, artistic and other activities to develop their interests and abilities and to prepare them for the senior school of their choice.

On-going Objective

The Governors' main objective continues to reflect the desire to maintain the stability and success of a co-educational family school by investing for the future and for the benefit of pupils. The key element of the Trust's present strategy revolves around the continuing review of the school's facilities to ensure that they meet the needs of current and future pupils.

Charities Act and Public Benefit

The Governors recognise their responsibilities in providing and demonstrating public benefit. The School has and continues to demonstrate a number of areas of public benefit within its core charitable objective. The identifiable benefits include both the provision of means-tested bursaries and a range of community activities. Further details are set out in the Public Benefit section of this report.

The Governors, similarly to those of other independent school charities, have taken note of the sub sector guidance provided by the Charity Commission and are aware of the Charity Commission assessments into public benefit at independent schools. They will continue to work with the ISC and ISBA to encourage and demonstrate effective public benefit.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR 2020-21

The trust has continued to operate as a preparatory school for boys and girls and has offered education to pupils aged between 3 and 13 years.

Teaching and Learning

Despite the ongoing Covid challenges, this was a very successful year. Children at the school continue to be taught in small classes by excellent teachers. The quality of pastoral care remains excellent and children are happy and their wellbeing looked after. The school maintains an effective balance between focused attention on the academic subjects and the breadth of curriculum required to deliver an all-round education. The children at Newland House make excellent progress in all areas of school life and achieve highly.

The core subjects of Mathematics, English and Science remain at the centre of the school curriculum. In Mathematics, secure conceptual understanding is developed before linking to the abstract and English is based around children reading proficiently and understanding the meaning and themes within increasingly complex texts. In both of these areas, our children continue to achieve highly. Science lessons involve developing the children's skills of scientific enquiry.

The creative arts continue to be well-represented. Two- and three-dimensional art projects inspire children, including clay projects for Years 5 and 7. In Design and Technology, children from Year 3 and above continue to work in the DT laboratory using a combination of materials. Music remains a strength at the school and Drama this year has been given an increase in curriculum time to reflect its importance for children's development.

The humanities remain an integral part of a child's education at Newland House, with our curriculum looking at the Geography and History of both the local area also events and concepts of national and international significance. This occurs throughout the school. A topic-based approach continues to be used in the Pre-Prep- an example would be a unit of work about the Great Fire of London encompassing all subjects in Year 2- whereas there is a more discrete approach with the older children.

The school continues to give significant lesson time for children to learn a foreign language- French. The emphasis remains on speaking and listening to ensure that children are able to understand and be understood. Latin from Year 6 and above provides children with cultural and linguistic reference on which many other subjects stand.

Sport and physical education remain a fundamental part of school life. There has been an increased move this year towards gender neutrality in our sporting offering- our summer sport is now cricket for both boys and girls, and girls' football is being increasingly taught and enjoyed. Following the winter lockdown, fixtures against other schools were again a significant part of children's education- all boys and girls in the Prep played cricket for the school in girls, boys and mixed teams.

Children's cultural development remains a significant aspect of school life with an emphasis on recognising and celebrating the diversity within the school community and beyond. In Nursery for example our youngest children learn about Diwali and Chinese New Year to name but two.

Trips, visits and special events

Despite the period of lockdown, and the ongoing restrictions, a large number of scheduled residential and educational day trips still took place. These included a Year 8 field study day at the River Tillingbourne to collect data for a research project. In addition, the Year 7 pupils visited Salisbury Cathedral and the Year 5 pupils participated in a teambuilding exercise at Horseshoe Lake. Years 6, 7 and 8 also went on residential trips in the Summer Term to activity centres.

For children within the Pre-Prep, we had a number of visitors coming into school to allow the children understand the topics that they learn about in more depth. A castle workshop for year 1 proved popular, as did a visit by a local guide dog into Reception classes.

Co-curricular

An extensive clubs programme remains a vital part of a Newland House child's education. These take place before school, during lunch break and after school. Some are subject based, for example sport squad training or extension art club, whereas others are more wide reaching. Dance club is ever popular in both the Prep and Pre-Prep parts of the school as is the STEM club (Science, Technology, Engineering and Maths) and Chess club to name but a few.

Music was again significantly represented with seven different choirs and host of ensembles and groups. The year culminated with a fabulous 'Proms in the Playground'.

Within the sporting field, extra-curricular activities were centred around more specific interests, such as tennis and fencing, as well as to help develop children's skills- for example netball club for all Prep children.

Senior School Transition

All leavers gained entry to competitive, selective secondary schools with many receiving awards for academic and non-academic excellence; in the year 2020/21 children gained a total of 28 scholarships.

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2021

Response to Covid19

With the school building being closed to all children for the majority of the Spring Term, delivering our in-school offering to children at home was again vital. Although nothing can fully replicate children learning, socialising and playing together, we were justifiably proud of the way that our children's education continued remotely. All year groups were taught within live lessons by their teachers and feedback given via email or webinar. Beyond lessons, form time and assemblies were also part of the daily offering, as well as one-off events such as 'Creative Day' in which teachers offered sessions on topics like cookery, jewellery making and modelling.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Income increased from £5,573,846 to £6,063,251. There was an increase in expenditure from £5,485,739 to £5,736,990. The net surplus for the year was £326,261 (2020: £88,107). The designated funds now stand as follows:

a.	Property Fund	£4,904,831
b.	Discretionary Fund	£400,211

The principal source of income is fees which account for 98% of total income. The Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of our School. As a charity the parents of our pupils have the assurance that the income of the School must be applied for educational purposes.

Freehold Properties

The Governors have obtained a current market valuation of all the freehold land and buildings in 2015, which confirmed that the value is substantially in excess of book value.

POLICIES

Reserves Policy

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

In common with other independent schools, the Governors have invested substantial sums into the school buildings in recent years, most notably the new Pre-Prep which opened in September 2016 and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils.

A designated fund, the Property fund, is endowed by amounts appropriated out of income each year to provide a fund for the replacement and improvement of the existing properties and this is represented by the approximate level of the investment in the property. At 31 August 2021 the balance on this fund was £4,904,831. The Governors created a discretionary fund during the year with a transfer of £556,109 to fund improvements to the Prep School building. At 31 August 2021 the balance on this fund was £400,211. All school funds are unrestricted.

At 31 August 2021 the School's free reserves were £2,148,126, as following significant investment in the pre-prep building the majority of reserves are held within fixed assets.

Bursaries

Bursaries are granted to pupils who may not otherwise have the opportunity to receive an independent school education. This support, which is available on a needs basis as determined by the Finance and General Purposes Committee, reduces annual gross fee income.

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2021

Public Benefit

The Governors continue to look at activities that will strengthen the School's links with the local community and provide public benefit. Due to COVID restrictions during the year many external organisations were not able to use the school's facilities however they are due to resume in the Autumn of 2021. The School made available its music facilities free of charge to a local community choir and acted as a music examination centre.

A local yoga group based in Teddington have benefitted from using the school facilities during the year. Facilities have also been made available at weekends and during the school holidays to provide rugby, football, drama, music, art and multi activity camps for children in the local community

The Otaker Kraus Music Trust is a local charity which benefitted from using the school music facilities at weekends during the year.

Throughout the year fund raising activities were organised by the school to benefit the Head Boy and Head Girl's chosen charity, Streetinvest.

The school operates the Early Years Funding initiative in conjunction with the London Borough of Richmond upon Thames to assist eligible pupils in their Nursery and Reception years.

FUNDRAISING APPROACH AND PERFORMANCE

The Governors are aware of the Charities (Protection and Social Investment) Act 2016 and recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The School only raises funds from parents, staff and those with a personal connection to the school and does not undertake fundraising campaigns to members of the public, nor does it use the services of third party fundraisers. The School considers the origin of unsolicited donations and legacies. £5,078 of donations income was received in the 2021 financial year.

RISK MANAGEMENT

The Governors are responsible for identifying, assessing and mitigating potential risks that may affect the School. The Risk Register is reviewed annually to ensure all risks are identified and controls established to provide robust mitigation.

In response to the COVID-19 pandemic the Governors met at key points to agree to the school closure and remote learning provision and the associated risk assessments which were updated to comply with Government guidance and the requirements of the school's insurers.

The Governors continue to keep the School's activities under review and consider the major risks faced in each of the principal areas of the School's operations. In the opinion of the Governors the charity has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operations.

The principal controls used by the School are:

- Formal Agendas for all Board and Sub-Committee meetings, including a range of standing agenda items
- Terms of Reference for all Committees
- Comprehensive strategic planning, financial forecasting, budgeting and management accounting
- Established organisational structures and lines of reporting
- Comprehensive formal written policies
- Clear financial authorisation limits
- Safeguarding procedures, as required by law, for the protection of the children
- Sufficient and appropriate training for governors and key staff

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The key business impacts and associated mitigations identified are:

Economic Factors:

- The increasing cost of the Teachers' Pension Scheme which is a defined benefit scheme – continuing review of staff pension arrangements
- The widening gap between rich and poor – an appropriate bursary policy
- Affordability in the Independent School sector - sensible fee structure and appropriate bursary policy
- Increased cost of energy resources – robust budgeting
- Macro-economic instability – sensible fee structure and appropriate bursary policy
- Internet-based or cyber-attacks – appropriate network systems and highly qualified IT staff

Political factors:

- Changing governmental and public attitudes to independent education – ability to demonstrate community value in the school and its assets, provision of means-tested bursaries
- Ensuring the school keeps up to date with political, legislative changes to regulatory compliance – appropriate training for staff and governors and use of external audit and expertise

Legal factors:

- Employment law changes – seminar attendance for staff and advice from lawyers
- Regulatory compliance becoming more challenging – senior staff reactive to changing Government and ISI requirements

Internal:

- Reputational damage – good and timely communication between governors, staff and parents
- Governance – strategic plan, training for Governors, use of external advisors, membership of AGBIS and ISBA
- Financial Control – financial procedures, oversight by those charged with governance, monthly management accounts
- Academic Standards – monitoring by Education Committee and key staff.

FUTURE PLANS

The School continues to invest in digital learning opportunities across the curriculum.

The Governors will continue to implement improvements and upgrades to the existing buildings and support infrastructure where necessary, based on sound prioritisation and financial prudence. The refurbishment programme for the Prep part of the school commenced in the summer of 2021 and the second and third phase is being scheduled for 2021/2022 and 2022/2023.

The Governors are conscious of the pressures in Years 7 and 8 in the Prep School sector in the locality and continue to monitor trends and parental appetite for retention of pupils in these year groups. The School will be rolling out an updated offering for children who stay into Years 7 and 8, which will provide them with what they need as they move into their senior schools and beyond.

The School continues to review the teaching and learning offering it gives to its pupils and will be investing in high-quality professional development opportunities for all of its staff, to ensure excellence in this area.

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2021

AUDITORS

Messrs Haysmacintyre LLP have expressed their willingness to continue in office as auditors.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the Governors' responsibilities for the accounts from those of the auditors as stated in their report.

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 company and of the profit or loss of the company for that period. In preparing those financial statements, the Governors are required to;

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles of the Charities SORP;
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Governors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, the financial position of the company at any time, and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the company's corporate assets and those of its trust funds and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of error, fraud and irregularities.

So far as each of the Governors is aware at the time the report is approved:

- a. There is no relevant audit information of which the company's auditors are unaware; and
- b. The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors' Report, incorporating the Strategic Report, was approved by the Governors at its meeting on and signed on its behalf by:



A T Gumpert
Chairman of Governors

9th December 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWLAND HOUSE SCHOOL TRUST LIMITED

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and the charitable company's net movement in funds, including the 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 group'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 governors are responsible for the other information. The other information comprises the information included in the Governor's 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Governor's Report (which incorporates 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 included within the Governors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

NEWLAND HOUSE SCHOOL TRUST LIMITED

Matters on which we are required to report by exception

In the light of the 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 Governor's Report (which incorporates 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors for the financial statements

As explained more fully in the governors' responsibilities statement set out on page 7, the governors 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and Charity Commission's general guidance and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and consider other factors such as payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Testing journals posted during the year; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NEWLAND HOUSE SCHOOL TRUST LIMITED**

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.

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.



Kathryn Burton (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 17 December 2021

NEWLAND HOUSE SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
INCOME FROM					
Charitable activities					
Fees receivable	2	5,793,295	-	5,793,295	5,345,068
Sustainable transport initiatives		20,350	-	20,350	14,329
Other educational income	3a	167,731	-	167,731	71,389
Grants & donations	3b	60,206	-	60,206	118,740
Raising funds: rents and lettings		20,176	-	20,176	19,645
Investments		743	-	743	4,675
Profit on sale of assets		750	-	750	-
Total income		<u>6,063,251</u>	<u>-</u>	<u>6,063,251</u>	<u>5,573,846</u>
EXPENDITURE					
Charitable activities					
		<u>5,735,952</u>	<u>1,038</u>	<u>5,736,990</u>	<u>5,485,739</u>
Total expenditure	4,5,6	<u>5,736,990</u>	<u>1,038</u>	<u>5,736,990</u>	<u>5,485,739</u>
NET (EXPENDITURE)/INCOME		<u>327,299</u>	<u>(1,038)</u>	<u>326,261</u>	<u>88,107</u>
Transfer between funds					
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>327,299</u>	<u>(1,038)</u>	<u>326,261</u>	<u>88,107</u>
Balances brought forward at 1 September 2020					
		<u>7,125,869</u>	<u>1,038</u>	<u>7,126,907</u>	<u>£7,038,800</u>
Balances carried forward at 31 August 2021					
	12	<u>7,453,168</u>	<u>-</u>	<u>7,453,168</u>	<u>£7,126,907</u>

The accompanying notes form an integral part of these accounts.


There were no recognised gains and losses other than those shown on the above Statement of Financial Activities.

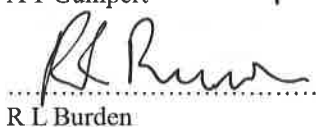
BALANCE SHEET

31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		9,677,663		9,773,016
CURRENT ASSETS					
Stock	8	4,530		-	
Debtors	9	120,728		134,695	
Cash at bank and in hand		2,462,743		1,597,165	
		<u>2,588,001</u>		<u>1,731,860</u>	
CREDITORS - due within one year	10	(1,255,509)		(1,328,102)	
NET CURRENT ASSETS			<u>1,332,492</u>		<u>403,758</u>
CREDITORS: due after more than one year	11		(3,556,987)		(3,049,867)
NET ASSETS			<u>7,453,168</u>		<u>7,126,907</u>
Represented by:					
GENERAL FUND	12		-		-
DESIGNATED FUNDS	12		7,453,168		7,125,869
RESTRICTED FUNDS			-		1,038
TOTAL FUNDS			<u>7,453,168</u>		<u>7,126,907</u>

The financial statements were approved and authorised for issue by the Board on 9th December 2021 and were signed below on its behalf by:


 A T Gumpert


 R L Burden

The accompanying notes form an integral part of these accounts.

NEWLAND HOUSE SCHOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Net cash provided by operations	A		762,867		682,347
Cash flows from investing activities:					
Deposit interest		743		4,675	
Loan interest payable		(58,888)		(77,979)	
Purchase of fixed assets		(254,026)		(98,623)	
Proceeds from sales		1,773			
Net cash (used in)/ provided by investing activities			(310,498)		(171,927)
Cash flows from financing activities:					
New loans		3,267,000		-	
Repayment of loans		(2,853,891)		(165,000)	
Net cash used in financing activities					(165,000)
Change in cash and cash equivalents in the reporting period	B		865,578		345,420
Net cash and cash equivalents at beginning of period			1,597,165		1,251,745
Net cash and cash equivalents at end of period			2,462,743		1,597,165

NOTES

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATIONS

	2021	2020
	£	£
Net (expenditure)/income	326,261	88,107
Depreciation charges	343,079	373,985
Bank interest	(743)	(4,675)
Bank loan interest payable	58,888	77,979
Debtors decrease/(increase)	13,967	(4,129)
Creditors (decrease)/increase	21,415	151,080
Net cash inflow from operating activities	1,175,976	682,347

B ANALYSIS OF MOVEMENTS IN NET DEBT

	2020	Cashflow	Non-Cash flow	2021
	£	£	£	£
Cash at bank and in hand	1,597,165	413,109	-	2,462,743
Loan – Barclays – due within one year	(184,564)	10,787	-	(173,777)
Loan – Barclays – due after one year	(2,669,327)	423,896	-	(3,126,223)
Total	(1,256,726)			(837,257)

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS

YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the 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) - second edition effective 1 January 2020.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 August 2021 and the comparative information presented in these financial statements for the year ended 31 August 2020. The financial statements are drawn up under the historical cost convention.

The School is a Public Benefit Entity registered as a charity and company in England and Wales, it was incorporated on 12 March 1971 (charity number 312670 and company registration number 1004580).

Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Governors 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 Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to 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.

Fees and similar income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contribution received from restricted funds, are accounted for in the period in which the service is provided.

Donations

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

Investment income

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

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

Expenditure

Charitable activities costs represent costs directly associated with the provision of education and related support costs. Expenditure is allocated to each expense heading on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Debtors

School fee 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.

Creditors and provisions

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.

Depreciation

Depreciation is provided on freehold permanent buildings at two per cent per annum after allowing for £1,679,000 being the estimated cost of land included in the original purchase.

Short leasehold property is being depreciated over the term of the lease, being 40 years from 29 June 2012.

Depreciation is provided on other fixed assets to write off their cost on a straight-line basis over their estimated useful lives, subject to annual review, as follows:

Furniture, fittings and equipment	- 7 to 20 years
Motor vehicles	- 5 years
Computers	- 4 years
Plant & Climate Control systems	- 10 years
Software (management systems)	- 10 years
Artificial Playing Surfaces	- 10 years

General Fund

The general fund is unrestricted and represents accumulated surpluses and gifts received towards capital expenditure.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

Property Fund

Amounts are designated equal to the net book value of the School's land and buildings, including properties in the course of construction, less bank loans, up to the value of general funds available.

Governors' Discretionary Fund

Amounts are appropriated out of income from time to time to provide a designated fund to improve the fabric of the prep school building.

Operating Leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the income and expenditure account as incurred.

Employee Benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pensions

The company operates two contributory pension schemes for substantially all staff. The Teachers' Pension Scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The School operates a defined contribution pension scheme for non-teaching staff and the pension charge represents the amounts payable by the School to the fund in respect of the year.

Government Grants

JRS Government Grants are accounted for in the year in which employees were placed on temporary leave.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

2.	FEES RECEIVABLE	2021	2020
		£	£
	Tuition fees	5,953,864	5,565,097
	Less: Scholarships, bursaries and other allowances	(160,569)	(220,029)
		<u>5,793,295</u>	<u>5,345,068</u>

3a.	OTHER EDUCATIONAL INCOME	2021	2020
		£	£
	Registration fees	14,600	14,801
	Retained deposits	-	984
	After school and holiday clubs	106,455	52,836
	Other	46,676	2,768
		<u>167,731</u>	<u>71,389</u>

3b.	GRANTS, DONATIONS & LEGACIES	2021	2020
		£	£
	Other donations & grants	41,571	92,971
	JRS Government Grants	18,635	25,769
		<u>60,206</u>	<u>118,740</u>

4. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs	Other	Depreciation	Total
	2021	2021	2021	2021
	£	£	£	£
Charitable activities:				
School operating costs				
Teaching	3,436,618	224,715	118,071	3,779,403
Welfare	-	304,965	-	304,965
Premises	238,654	451,906	225,008	1,102,520
Support costs of schooling	333,333	157,881	-	491,214
Finance costs	-	58,888	-	58,888
	<u>4,008,605</u>	<u>1,385,306</u>	<u>343,079</u>	<u>5,736,990</u>

	Staff Costs	Other	Depreciation	Total
	2020	2020	2020	2020
	£	£	£	£
Charitable activities:				
School operating costs				
Teaching	3,310,915	244,623	171,874	3,727,412
Welfare	-	241,373	-	241,373
Premises	318,363	554,178	202,111	1,074,652
Support costs of schooling	297,270	67,053	-	364,323
Finance costs	-	77,979	-	77,979
	<u>3,926,548</u>	<u>1,185,206</u>	<u>373,985</u>	<u>5,485,739</u>

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

4. ANALYSIS OF TOTAL EXPENDITURE (continued)	2021 £	2020 £
Other costs:		
Educational Supplies	242,173	151,073
Games	107,387	91,930
Catering	266,495	203,571
Sustainable transport scheme	6,030	5,364
Rent, rates insurance	297,418	269,172
Building, ground and household maintenance	176,373	174,080
Services	91,333	102,890
Professional	18,593	36,884
General	2,268	115,506
Bad debts	2,132	(66,669)
Web enhancement	2,800	9,400
Playing fields expenditure	-	(1,364)
Governance costs	19,950	15,390
Bank loan interest	58,888	77,979
	<u>1,291,831</u>	<u>1,185,206</u>

5. STAFF COSTS	2021 £	2020 £
Wages and salaries	3,145,359	2,997,447
Social security costs	317,924	307,412
Pension contributions	545,322	570,999
Redundancy payments	-	50,690
	<u>4,008,605</u>	<u>3,926,548</u>

	2021 No.	2020 No.
The average number of employees in the year was:		
Teaching	86	78
Others	30	25
	<u>116</u>	<u>103</u>

The Governors received no remuneration or reimbursement of expenses during the year (2020: £nil).
Employees received remuneration exceeding £60,000 as shown below:

	2021 No.	2020 No.
£60,000 – £69,999	4	4
£70,000 – £79,999	-	-
£80,000 - £89,999	1	1
£100,000- £109,999	-	-
	<u>5</u>	<u>5</u>

The total remuneration paid to key management in the year was £468,457 (2020: £453,042).

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

6. NET MOVEMENT IN FUNDS	2021	2020
	£	£
Net movement in funds is stated after charging:		
Depreciation	343,079	373,985
Operating lease rentals:		
buildings	192,438	215,000
other	5,379	8,967
Bank loan interest	58,888	77,979
Auditors remuneration:		
Audit	14,250	13,500
Other services	5,700	1,150
Governors' liability insurance	-	107
	<u> </u>	<u> </u>

7. TANGIBLE FIXED ASSETS

The movement of tangible assets was as follows:

	Freehold land & permanent buildings	Short leasehold property	Furniture, equipment & computers	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2020	9,148,265	2,101,664	1,773,478	95,693	13,119,100
Additions	31,959	-	199,843	17,694	249,496
Disposals	-	-	(205,000)	(12,000)	(217,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2021	9,180,224	2,101,664	1,768,321	101,387	13,151,596
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 September 2020	835,939	1,459,209	955,243	95,693	3,346,084
Charge for the year	172,453	52,555	118,071	-	343,079
	-	-	(205,000)	(10,230)	(215,230)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2021	1,008,392	1,511,764	868,314	85,463	3,473,933
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value					
At 31 August 2021	8,171,831	589,900	907,007	15,924	9,677,663
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2020	8,312,326	642,455	818,235	-	9,773,016
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The leasehold property is held on a 40 year lease from 29 June 2012.

The School's loans as detailed in note 10 are secured on the school's property

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

8. Stock	2021	2020
	£	£
Finished goods and goods for resale	4,530	-
	<u>4,530</u>	<u>-</u>
9. DEBTORS – due within one year	2021	2020
	£	£
Fees and extras in arrears	28,595	15,682
Prepayments and accrued income	71,057	70,774
Other debtors	21,076	48,239
	<u>120,728</u>	<u>134,695</u>
10. CREDITORS - due within one year	2021	2020
	£	£
Fees received in advance	700,055	793,591
Deposits	66,387	54,491
Trade creditors	120,819	57,714
Accruals	48,607	50,374
Other creditors	76,073	106,491
Other taxation and social security	77,340	74,588
Pensions Trust scheme liability (see note 15)	60,924	6,289
Bank Loan	105,304	184,564
	<u>1,255,509</u>	<u>1,328,102</u>
Fees in advance related to the forthcoming financial year.		
11. CREDITORS - due after more than one year	2021	2020
	£	£
Deposits	395,290	380,540
Bank Loan	3,161,697	2,669,327
	<u>3,556,987</u>	<u>3,049,867</u>

A £3.3 million loan facility was arranged with Barclays Bank in June 2021. Interest is charged at 2.1% per annum above base rate. The loan is secured by a charge on the School's properties. Repayments are over a 13 year term by 51 instalments of principal and interest of £43,444 payable quarterly.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

12. UNRESTRICTED FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
General funds	1,667,434	6,063,251	(5,735,952)	153,393	2,148,126
Designated funds					
Property fund	5,458,435	-	-	(553,604)	4,904,831
Governors' discretionary fund	-	-	-	400,211	400,211
	<u>7,125,869</u>	<u>6,063,251</u>	<u>(5,735,952)</u>	<u>-</u>	<u>7,453,168</u>
Restricted funds	1,038	-	(1,038)	-	-
	<u>7,126,907</u>	<u>6,063,251</u>	<u>(5,736,990)</u>	<u>-</u>	<u>7,453,168</u>
	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
General funds	-	5,545,878	(5,458,809)	1,580,365	1,667,434
Designated funds					
Property fund	7,038,800	-	-	(1,580,365)	5,458,435
Governors' discretionary fund	-	-	-	-	-
	<u>7,038,800</u>	<u>5,545,878</u>	<u>(5,458,809)</u>	<u>-</u>	<u>7,125,869</u>
Restricted funds	-	27,698	(26,930)	-	1,038
	<u>7,038,800</u>	<u>5,573,846</u>	<u>(5,485,739)</u>	<u>-</u>	<u>7,126,907</u>

Restricted funds

Restricted funds in the current year is made up of donations from parents to a hardship fund and to staff welfare. The fund also includes donations from the Parents' Association for specific purposes as agreed with the School.

Movement in restricted funds during the prior year was in relation to funds for an outdoor classroom. A transfer of £2,839 from restricted funds to unrestricted fund was made in the year to reflect the fact the funds had been utilised for capital expenditure.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Fixed Assets	9,677,663	-	9,677,663
Stock	4,530	-	4,530
Debtors	120,728	-	120,728
Cash at bank and in hand	2,462,743	-	2,462,743
Creditors – due in less than 1 year	(1,290,980)	-	(1,290,980)
Creditors – due in more than 1 year	(3,521,513)	-	(3,521,513)
	<u>7,453,168</u>	<u>-</u>	<u>7,453,168</u>
	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fixed Assets	9,773,016	-	9,773,016
Debtors	134,695	-	134,695
Cash at bank and in hand	1,596,127	1,038	1,597,165
Creditors – due in less than 1 year	(1,328,102)	-	(1,148,788)
Creditors – due in more than 1 year	(3,049,867)	-	(3,229,181)
	<u>7,125,869</u>	<u>1,038</u>	<u>7,126,907</u>

14. OPERATING LEASE COMMITMENTS

The school had the following future commitments under non-cancellable operating leases at August:

	2021		2020	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	192,438	14,528	192,438	5,379
Between two and five years	680,000	36,181	680,000	18,890
After five years	4,393,917	-	4,563,356	-
	<u>5,266,356</u>	<u>50,709</u>	<u>5,436,356</u>	<u>24,270</u>

Of the amounts expiring after five years disclosed above, £170,000 (reviewed every 5 years) is payable per annum until 28 June 2052.

15. TAXATION

The company is a registered charity and taxation is not payable on its charitable income.

16. PENSION COSTS

These are charged to the statement of financial activities as they arise.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £457,623 (2020: £286,531) and at the year-end £38,447 (2020: £38,586) 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 2020, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2020. 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 2020. 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 2020 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. A consultation was launched by the government on 16 July 2021, and closed to responses on 11 October 2021.

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 2020 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 2021 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 consultation and the cost cap mechanism review are 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 withdrew from TPS from September 2021

Pensions Trust Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

16. PENSION COSTS (continued)

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2021 to 31 January 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	31 August 2021 (£s)	31 August 2020 (£s)	31 August 2019 (£s)
Present value of provision		£2,934	£3,497

ASSUMPTIONS

Rate of discount	0.55	0.97
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The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2021

17. CAPITAL COMMITMENTS

At 31 August 2021 the School had commitments for future capital expenditure of £12,000 (2020: £nil) which had been contracted for.

18. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period (2020: no related party transactions).

19. LIABILITY OF MEMBER

Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the Company contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.