

Company Number 00571803
Charity Number 312739

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
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YEAR ENDED 31 AUGUST 2022

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BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
SCHOOL INFORMATION
YEAR ENDED 31 AUGUST 2022

GOVERNORS, DIRECTORS AND CHARITY TRUSTEES:

The Governors present their report and the audited accounts for the year ended 31st August 2022. The accounts comply with current statutory requirements, the requirements of the charity's governing document and the requirements of the Charities SORP (FRS 102).

Bute House operates as a charitable company limited by guarantee (for further details see page two below).

The Governors of Bute House Preparatory School for Girls are the School's charity trustees under charity law and the directors of the charitable company. The Governors who served during the year and subsequently are detailed below:

Governors & / Committees:	Finance	Bursary	Nominations	Education
Mr J Beckett (Chair)	*	*	*	
Mrs S Bailes (resigned 16.12.21)	*		*	*
Mrs A Barron				*
Mrs A Thomson (resigned 24.11.22)		*		
Miss K Kerr	*		*	
Mrs S Kooros		*		
Mr M Perry	*	*		*
Mrs P McAndrew (Vice-Chair)		*	*	
Dr M Sherman				
Mr J Brough (appointed 22.04.21)				*
Mr R Watney (appointed 26.08.21)	*			

An asterisk (*), indicates membership of a Committee. Other ad hoc committees operate as required. The Finance Committee's full title is the Finance, Operations & Risk Committee.

HEAD

Ms Sian Bradshaw

BANKERS

Barclays Bank PLC
 1 Churchill Place
 Canary Wharf
 London
 E14 5HP

Lloyds Bank PLC
 25 Gresham Street
 London
 EC2V 7HN

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
SCHOOL INFORMATION
YEAR ENDED 31 AUGUST 2022

SOLICITORS

Veale Wasborough Vizards LLP
24 King William Street
London
EC4R 9AR

AUDITOR

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

BURSAR

Mr Leigh Ward BA MBA (resigned 30.09.22)
Mr Michael Rae (Interim cover from 01.10.22)

CLERK TO THE GOVERNORS AND COMPANY SECRETARY

Mrs C Rimmer

REGISTERED OFFICE

Bute House
Luxemburg Gardens
London W6 7EA

Company Registration Number 00571803
Charities Registration Number 312739

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED

GOVERNORS' REPORT YEAR ENDED 31 AUGUST 2022

GOVERNORS' REPORT

PRINCIPAL ACTIVITY, STRATEGIC AIM AND INTENDED EFFECT

Principal Activity

Bute House operates as a charitable company ("the Company") limited by guarantee, and accordingly its constitution is set out in its Memorandum and Articles of Association. The objects of the company are 'to advance education, including, without limitation, by conducting the school known as Bute House Preparatory School for Girls and any other school or schools, for girls or boys, as the Governors may think fit; and purposes incidental or ancillary to the same'.

The powers of the Company are set out in the Articles, which may be exercised only in promoting its objects. The powers set out in the documents relate primarily to the acquisition, use and disposal of assets of the Company, including investments in funds not immediately required for the Company's charitable purposes.

Governing Body

The School's Governors are its Directors and Charity Trustees. They are required under the Articles of Association to serve as members of the Company. They are elected at a meeting of the Directors. New Directors are recommended to the Governors by the Nominations Committee on the basis of the skills and experience which he or she would bring to the Governing body.

Governors serve terms of office of four years from the date of their appointment and are eligible for re-election for one further term of office of four years. The Governors who served during the year are shown on page one.

Mr Robert Watney, who was appointed on 26th August 2021, is a Liveryman of the Mercers' Company. The Mercers' Company, as the trustee of the St Paul's Schools Foundation, owns the freehold of the land on which the School stands, and has granted in 1998 a 125-year lease. Seven Governors are parents of past pupils.

Recruitment, Induction and Training of Governors

Governors are selected by reference to their eligibility, personal competence and specialist skills. The Governors can appoint between 5 and 15 Governors. On appointment new Governors are inducted into the workings of the Governors and of the School via a formal process. The induction pack provided to Governors includes a number of School documents and policies including;

- "Guidelines for Governors," a booklet produced by the Association of Governing Bodies of Independent Schools.
- Keeping Children Safe in Education Part 1
- Charity Commission booklet CC3: The Essential Trustee
- Charity Commission Guidance on Charitable Purposes and Public Benefit
- Charity Commission Guidance on decision making
- Charities Governance Code for larger Charities

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

- The Essential Trustee – Six Main Duties

Individual Governors attend tailored training courses in key aspects of school governance and management run by such bodies as AGBIS (Association of Governing Bodies of Independent Schools), IAPS (Independent Association of Preparatory Schools) and ISBA (Independent Schools' Bursar's Association). In addition Governors have attended safeguarding training provided for all staff at the School or an online course.

Organisational Management

Responsibility for the overall management and organisation of the School rests with the Governors, who meet at least termly. They are supported in carrying out their responsibilities by committees largely made up of Governors, including the Education Committee and Finance, Operations and Risk Committee, which meet at least once a term prior to the Governors' meeting. The Bursary Committee and the Nominations Committee meet as required.

The day to day management of the School is delegated to the Head supported by the Deputy Head and Bursar, and this group together with the Assistant Head (Academic), the Assistant Head (Staff Wellbeing & Data Assessment Lead) form the school's key management. Staff salaries are reviewed annually by Governors.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

The operational performance of the School and its achievements against the context of the School's aims is led by the Head.

The principal achievements during the year:

- The 11+ results remain very good. In the academic year 2021-2022, sixty two girls sat the 11+ examinations and 48 scholarships or exhibitions were awarded. Again, over a quarter of the girls were offered places at St Paul's Girls' School. Nearly a sixth of the leavers went to boarding schools, one girl moved out of London and went to Brighton College, while the rest went to a good variety of London Day Schools. The boarding schools included Wycombe Abbey, Cheltenham Ladies and St Swithun's.
- The data for Summer 2022 shows that 39% of the Year 6 girls achieved higher or much higher than expected attainment score. In English, this figure was 21%.
- Ten pupils, performed particularly well in the Junior Maths Challenge (aimed at Y7 & Y8) getting gold awards and these plus three others were invited to the follow-on rounds of the Kangaroo and the prestigious Junior Olympiad.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

At the Primary Maths Challenge we had 10 pupils receiving a gold award and 20 more receiving a silver award.

- Over a fifth of the pupils took LAMDA and of these 100% obtained either a merit or a distinction this academic year.
- 43% of pupils who have taken ABRSM exams internally have successfully attained Grade 3 or above, and 2 pupils are aiming for Grade 8.

Notable Sports Achievements 2021-22

The School had a successful Netball season, in which Year 5A won the St George's Ascot Tournament and were unbeaten in any of their matches. Year 6A won the Newland House Tournament and the South Regionals, which qualified them for the Nationals. Meanwhile the Years 5 B & 5C won their respective LEH Tournaments and Years 6B & 6 C won their respective Hoe Bridge Tournaments.

At Cross Country the School won the Ealing Borough CC and as a result 3 of our girls were selected to represent Hammersmith at the London Youth Games.

At Gymnastics we had another successful year, winning the British Floor and Vault competition and achieving third place at the Nationals. We also won the Milano Regional Gymnastics and got third place nationally.

In IAPS regional Swimming, eight swimmers and four relay teams got through to the National Finals. At the London League North of the River our team came first, securing a place at the Grand Final of the London League. The School won the Grand Final.

At Athletics at the Regionals we won the first place in both 200m and 800m and the winners went on to represent London at IAPS Nationals.

PUBLIC BENEFIT AND COMMUNITY RELATIONSHIPS

Public Benefit

The School's key public benefit is delivered through the provision of an education for 4-11 year-old girls. The School is also committed to broadening access to the School by offering eligible parents/guardians means-tested financial support with the payment of school fees. Such support is known as a bursary and bursaries may be awarded in the form of a discount of up to 100 per cent of tuition fees payable together with a uniform allowance and support towards the cost of residential visits, depending on the financial circumstances of applicants. The School is cognisant of the importance of making sure that a girl awarded a bursary would benefit from the education provided by the School. Bursary awards will be offered for pupils on entry:

- Who meet the School's normal entry requirements, and
- Whose parents have demonstrated their inability to afford a full fee-paying place. A means testing process is in place.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

There were five Bursary awards granted in the current year.

The Governors give careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplemental guidance on public benefit in relation to the advancement of education and on fee-charging. The School is a registered charity and is very involved in seeking wider benefits for the public in line with its educational objectives.

The Bute House Explore Programme continues to develop a range of public benefit programmes, and reaches out to all local primary schools with programmes and activities to enrich learning across the curriculum and beyond. Examples are below:

- The school has an established Saturday School, which uses its own teaching and support staff to develop and run the Saturday School programme for children identified by local primary Heads who would most benefit from the programme. Bute House staff are involved in delivering the non-core public benefit programme, giving up their time to commit their expertise and talent to create the best experiences and opportunities for all the children who participate.
- The School also held a Sing Together event for 200 local children; and separately held a Getting to Know Each Other festival for reception children, to promote emotional, social and physical development. This took place on Brook Green and 180 local children attended. In the Spring Term it also ran Royal Institute Maths Masterclasses for six local state schools.

Community Relationships

The school continues to support the local community association and provides use of the Hall for its Annual Quiz. It also arranges free-to-access bike workshops to Brook Green and runs workshops and competitions to encourage cycling to school in our community.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School reported a surplus of £265,070 (2021: deficit of £92,235) from its normal operating activities in the year, and a restricted income deficit of £6,922 (2021: surplus £10,783). After taking account the loss in value of restricted fund investments and the actuarial gain in pensions, the net result for the year is a surplus of £274,073 (2021: deficit of £81,078).

The movement in the net financial position year on year reflects an increase in the number of pupils, while the 2021 figures were impacted by a high level of cleaning costs, due to Covid-19 and recruitment costs. The School continues to pay rental to the Mercers' Company for the land on which the school stands.

Pupil numbers were higher in the academic year, up from 302 to 305. They are anticipated to rise significantly in the future. Total operating expenditure rose year on year to £5.909mn (2021: £5.521mn), and staffing costs accounted for 65% of total expenditure (2021: 70%).

Restricted funds of £49,450 (2021: £21,300), were received during the year.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

Net assets increased to £7,878,408 (2021: £7,604,335) and overall, the Governors are satisfied with the financial position of the School in relation to its ongoing commitments.

INVESTMENT POLICY

The School does not have significant investments apart from its cash holdings. The School currently minimises the investment risk by applying its treasury policy which includes:

Permitted investments:

- UK Deposits on demand
- UK Term deposits
- UK certificates of Deposit issued by UK banks

Counterparties

- Investments are only with UK institutions with a short-term rating of P1, A1 or F1.

Concentration risk

- Utilising more than one financial institution
- Funds are placed for a maximum of one year

Funds during the year were deposited with Barclays Bank PLC, and/or Lloyds TSB Bank plc in line with the above policy, £158,111 (2021: £176,968) also remained with the Charities Aid Foundation. Interest generated was constrained by the continuing low level of UK interest rates.

RESERVES POLICY

The Governors regularly review the level and nature of the reserve funds of the School.

At 31 August 2022 the School had free reserves of £1,194,491 (2021: £772,139), an increase of £0.4mn. The School also had a fixed asset fund of £6,554,164 (2021: £6,695,521), while the balance of the bursary fund was £nil as at 31 August 2022 (2021: £nil).

The Governors' long term intention is to maintain the free reserves to cover unforeseen risks. Currently this is targeted at the equivalent of approximately one term's expenditure, however due to Covid_19 the level is currently sitting at just over two month's expenditure, an increase on the previous year. It is the Governor's intention to build up the free reserve back to the level of one term's expenditure. Governors are also committed to maintaining and developing the School's premises and equipment which are key to delivering the School's aims.

The Governors believe that the School has adequate financial resources and is well placed to manage its business risks. The School's planning process, including financial projections, has taken into consideration the current economic climate on the Schools key sources of income and planned expenditure. The Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future, and is able to meet its objectives through a remote teaching programme should a further closure of schools be required in a future lockdown

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

caused by the COVID-19 pandemic. They believe that there are no material uncertainties that call into doubt the School's ability to continue. The accounts have therefore been prepared on the basis that the School is a going concern.

PLANS FOR THE FUTURE

The School's key objective is to educate all its pupils in a challenging, happy and supportive environment, to be at the forefront of educational development, and to place its leavers in schools appropriate to their personalities and their abilities. The School is well placed to meet these objectives through the continued investment in staffing and premises. The School's Partnerships work with the local community continues to be expanded.

RISK MANAGEMENT

The Governors have assessed the major risks to which the School is exposed, in particular those relating to the operations and finances of the School, and are satisfied that systems are in place to manage exposure to those major risks within acceptable bounds. The School's risks are documented in a Risk Register which will continue to be reviewed and updated on a termly basis. Risks and controls are also regularly reviewed by the Finance, Operations & Risk Committee.

FUNDRAISING

The Governors take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on the school's activities. The School has not undertaken fundraising activity in the current year.

The School follows the Fundraising Regulator's Code of Practice, has established a Fundraising Committee and has a Fundraising Policy and anti-money laundering policy in place. The majority of fundraising is from current and past parents and alumni, as well as connected organisations.

The school does not actively solicit donations from the general public more widely, and will not accept donations from anyone who does not have a connection with the School, in line with its Fundraising Policy.

The Governors are not aware of any complaints made in respect of fundraising during the period.

PRINCIPAL RISKS AND UNCERTAINTIES

Major risks to the School are considered to come from any physical or emotional harm to the pupils or staff, to the School's reputation, damage to its fabric, from its ability to attract and retain good staff, or from a serious incident. To help deal with these issues:

- All staff sign a safeguarding statement and all pupils' health is monitored on pupils' files and on an accident database which reports to the Health & Safety Committee termly.
- Staff health and safety is monitored and staff reminded termly of their legal obligations to work in a safe and healthy manner.
- Governors annually assess staff salaries and benefits to ensure staff are adequately rewarded.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

- Reputational risk is assessed from all the key standpoints, financial and legal advice is taken as required, also a PR company advises on potential media issues arising.
- In terms of fabric damage, comprehensive insurance is maintained for all likely scenarios and a ten-year Maintenance Plan is in place.
- In terms of a serious incident affecting human safety or the school environment, the School has a Crisis Management Plan in place, which is updated and tested periodically.

AUDITORS

Saffery Champness LLP have expressed their willingness to continue as auditors for the next financial year.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Bute House Preparatory School for Girls Limited for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 auditor is aware of that information.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governors of Bute House Preparatory School for Girls, including in their capacity as company directors approving the Strategic Report contained therein.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

This report was approved by the governors on 9/3 2023 and signed on their behalf by:

Jonathan Beckitt

.....
Jonathan Beckitt
Chair of Governors

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of Bute House Preparatory School for Girls Limited for the year ended 31 August 2022 which comprise the statement of financial activities, balance sheet, cash flow statement 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 charitable company's state of affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 the audit:

- the information given in the Governors' Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

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 Governors' Report and Strategic Report.

We have nothing to report in respect of the following matters where 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.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further the charity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charity's operations. We identified the most significant laws and

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

regulations to be the Independent Schools Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.


There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2022

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.


.....
Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street
Statutory Auditors London
 EC4V 4BE

Date: 15 March 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
School fees	2	5,782,837	-	5,782,837	5,246,820
Other educational income		284,657	-	284,657	81,231
Registration fees and other		59,006	-	59,006	69,793
Other activities to generate funds					
Investment income					-
Donations	3	-	49,450	49,450	21,300
Other activities	3	16,703	-	16,703	5,935
Total income		6,143,203	49,450	6,192,653	5,425,079
TOTAL EXPENDITURE ON					
Raising funds					
Financing costs	4	2,714	-	2,714	2,322
Charitable activities					
School operating costs and grants		5,875,419	31,515	5,906,934	5,518,933
Total expenditure	5	5,878,133	31,515	5,909,648	5,521,255
Net income/(expenditure) before gain/(loss) on investments		265,070	17,935	283,005	(96,176)
Net (losses)/gains on investments	9	-	(18,857)	(18,857)	14,724
Net income/(expenditure)		265,070	(922)	264,148	(81,452)
Actuarial gain/(loss) on defined benefit pension scheme	17	9,925	-	9,925	374
Transfers	12	6,000	(6,000)	-	-
Net movement in funds		280,995	(6,922)	274,073	(81,078)
Total funds brought forward		7,467,660	136,675	7,604,335	7,685,413
Total funds carried forward	13	7,748,655	129,753	7,878,408	7,604,335

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

All income and expenditure derives from continuing activities.

The notes on pages 19 to 36 form part of these financial statements.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible fixed assets	8		6,554,164		6,695,521
Investments	9		158,111		176,968
			<u>6,712,275</u>		<u>6,872,489</u>
Current assets					
Debtors	10	147,518		218,150	
Cash at bank and in hand		<u>3,393,035</u>		<u>2,631,085</u>	
		3,540,553		2,849,235	
Creditors: amounts falling due within one year	11	<u>(2,314,630)</u>		<u>(2,072,586)</u>	
Net current assets			1,225,923		776,649
Total assets less current liabilities			<u>7,938,198</u>		<u>7,649,138</u>
Creditors: amounts falling due after one year			-		-
Net assets before pension liability			<u>7,938,198</u>		<u>7,649,138</u>
Defined benefit pension scheme	17		(59,790)		(44,803)
Net assets			<u><u>7,878,408</u></u>		<u><u>7,604,335</u></u>
Funds					
<i>Unrestricted funds</i>					
General funds		1,194,491		772,139	
Fixed assets fund		6,554,164		6,695,521	
Bursary fund		-		-	
			<u>7,748,655</u>		<u>7,467,660</u>
<i>Restricted funds</i>			<u>129,753</u>		<u>136,675</u>
Total funds	12		<u><u>7,878,408</u></u>		<u><u>7,604,335</u></u>

The notes on pages 19 to 36 form part of these financial statements.

Approved by the Board of Governors and authorised for issue on 9 March 2023 and signed on its behalf by:

.....

Jonathan Beckitt
Chair

.....

Mark Perry
Chair of Finance Committee

Company registration number 00571803

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED

**CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2022**

	2022		2021	
	£	£	£	£
Cash flows from operating activities:				
Net cash provided by/(used in) operating activities	<i>(see below)</i>	976,548		413,954
Cash flows from investing activities:				
Purchase of property, plant and equipment		<u>(214,598)</u>		<u>(132,716)</u>
Net cash provided by/(used in) investing activities		(214,598)		(132,716)
Cash flows from financing activities:				
Repayment of bank loan		<u>-</u>		<u>-</u>
Net cash provided by/(used in) financing activities				-
Change in cash and cash equivalents in the reporting period		<u>761,950</u>		<u>281,238</u>
Cash and cash equivalents at the beginning of the period		2,631,085		2,349,847
Cash and cash equivalents at the end of the period		<u>3,393,035</u>		<u>2,631,085</u>
 <u>Reconciliation of net income/(expenditure) to net cash flow from operating activities</u>				
Net income/(expenditure) for the reporting period		264,148		(81,452)
Adjustments for:				
(Gains)/losses on investments		18,857		(14,724)
Non- cash movement on Independent Schools' Pension Scheme		9,925		374
Depreciation charges		326,234		316,395
Loss/(profit) on the sale of fixed assets		29,721		714
(Increase)/decrease in debtors		70,633		35,922
Increase/(decrease) in creditors		257,030		156,725
Net cash provided by/(used in) operating activities		<u>976,548</u>		<u>413,954</u>
 <u>Analysis of changes in net debt:</u>				
	At the start of year	Cash flows		At the end of year
Cash	<u>2,631,085</u>	<u>761,950</u>		<u>3,393,035</u>
	2,631,085	761,950		3,393,035

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 AUGUST 2022

Charity information

Bute House Preparatory School for Girls is a registered charity (No. 312739) and company (No. 00571803) which is incorporated and registered in England and Wales. The address of the registered office is Bute House, Luxemburg Gardens, London, W6 7EA.

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability of members in respect of the guarantee is limited to £1. At 31 August 2022, the total of such guarantees was £11 (2021: £11).

1. Accounting policies

1.1 Basis of accounting

The accounts have been prepared in accordance with the Companies Act 2006 and the 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements are prepared on the historical cost basis excepting the revaluation of investments.

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

The Charity constitutes a public benefit entity as defined by FRS 102.

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 as outlined in the Statement of Governors' Responsibilities.

1.2 Income

Fees receivable and similar earned income are credited to the Statement of Financial Activities (SOFA) in the year for which they are due. Deferred income represents amounts received for future periods and is released to the SOFA in future periods when the service is provided.

Fees due in respect of Bursary Students are deducted from fee income and a transfer is made from the Bursary Fund to the General Reserve to cover the Bursary Fee income, when funds are available.

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

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

Gifts of assets and services are recognised at the time of receipt at their value to the charity when the benefit is reasonable, measurable and quantifiable.

1.3 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The School is not registered for VAT and accordingly expenditure is shown gross of VAT.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Governance costs are those incurred in connection with the administration of the charity and in compliance with constitutional and statutory requirements.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold premises	over 50 years on cost
<i>Plant and equipment:</i>	
Computer equipment	33% per annum
Fixtures, fittings and equipment	10% per annum

Assets purchased which cost less than £500 are not capitalised and are expensed to the Statement of Financial Activities in the year in which they are purchased.

The School negotiated with the Mercers' Company to grant a new lease for 125 years which took effect from 24 December 1997. Amortisation of the School's premises is charged over 50 years on a straight line basis, with effect from 1 September 1998.

1.5 Investments

Fixed asset investments held for charitable purposes are stated at market value. Unrealised gains and losses arising on the revaluation of fixed asset investments during the year are credited or charged to the Statement of Financial Activities under 'Unrealised gain on investments'.

1.6 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.

1.7 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

1.8 Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

1.9 Funds

General funds are unrestricted funds available for use at the discretion of the Governors to further the general objectives of the School that have not been designated for other purposes.

Designated funds, comprising the fixed asset fund which is maintained at the amount of net tangible fixed assets and the bursary fund, are unrestricted funds that have been set aside by the Governors for particular purposes.

Restricted funds are funds that the School has received subject to specific restrictions imposed by the donor.

1.10 Pension costs

The School contributes to two independently administered defined benefit pension schemes: the Teachers' Pension Defined Benefit Scheme and the Independent Schools Pension Scheme (ISPEN). The school contributes to these schemes at rates set by the schemes' actuaries and advised to the School by the scheme's administrators. The schemes are multi-employer pension schemes and it is not possible to identify the assets and liabilities of the schemes which are attributable to the School. The School also contributes to one defined contribution scheme, contributions by the School are accrued as they fall due.

1.11 Taxation

The School is a registered charity and its income is not liable to taxation as it is applied to wholly charitable purposes.

1.12 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in accordance with FRS 102 requires the trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation, freehold building residual values and revenue recognition. The accounting in these areas of the accounts requires management to use judgement.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

		2022	2021
		£	£
2.	School fees		
	The school's fee income comprised:		
	Gross fees	5,867,601	5,398,643
	Less: Bursaries and grants	(103,014)	(173,123)
		5,764,587	5,225,520
	Add back: grants and bursaries paid by restricted funds	18,250	21,300
		5,782,837	5,246,820
3.	Other income		
		2022	2021
		£	£
	Donations:		
	Bursary Fund (restricted)	18,250	21,300
	Learning Powers (restricted)	6,000	-
	Mercers Trust Fund (restricted)	25,200	-
		49,450	21,300
	Other activities:		
	Facilities hired out by the School	16,703	5,935
	Donation income includes gift aid income on relevant donations.		
4.	Financing costs		
		2022	2021
		£	£
	Interest payable on bank loan		-
	Other interest payable	462	421
	Bank charges	2,252	1,901
		2,714	2,322

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

5. Analysis of total expenditure

2022	Staff costs	Other costs	Depreciation	Total
	£	£	£	£
Raising Funds				
Finance costs	-	2,714	-	2,714
Charitable activities				
School operating costs:				
Teaching	2,525,102	627,044	144,220	3,296,366
Welfare (including catering)	-	392,638	3,697	396,355
Premises	150,111	444,881	178,317	773,309
Support costs (note 6)	1,172,080	268,844	-	1,440,924
	<u>3,847,293</u>	<u>1,733,293</u>	<u>326,234</u>	<u>5,906,934</u>
Total Expenditure	<u>3,847,293</u>	<u>1,736,121</u>	<u>326,234</u>	<u>5,906,648</u>

Staff costs exclude Chartwells Independent staff of £198,262 (2021: £171,011).

2021	Staff costs	Other costs	Depreciation	Total
	£	£	£	£
Raising Funds				
Finance costs	-	2,322	-	2,322
Charitable activities				
School operating costs:				
Teaching	2,584,555	330,978	134,514	3,050,047
Welfare (including catering)	-	310,629	3,563	314,192
Premises	134,064	446,301	178,318	758,683
Support costs	1,141,832	254,179	-	1,396,011
	<u>3,860,451</u>	<u>1,342,087</u>	<u>316,395</u>	<u>5,518,933</u>
Total Expenditure	<u>3,860,451</u>	<u>1,344,409</u>	<u>316,395</u>	<u>5,521,255</u>

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

6. Governance costs included in support costs

	2022	2021
	£	£
<i>Current auditor</i>		
Auditor - Audit fees (current year)	13,250	12,300
- Audit fees (prior year under accrual)	-	900
Auditor - Non-audit fees	2,300	1,700
Governors' expenses	2,196	1,034
	17,746	15,934

The Governors receive no remuneration for their services.

Expenses reimbursed to Governors during the year amounted to £2,196 (2021: £1,034) for 11 Governors in total (2021: 11). Expenses related to travel and fees for training courses and seminars, and for subscriptions to the Governance magazine. Other expenses represent costs for the use of facilities and office space at St. Paul's Girls School.

7. Employee information

Total staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	2,976,239	3,016,665
Employer's national insurance	323,750	319,741
Employer's pension contributions	547,304	524,045
Total staff costs	3,847,293	3,860,451

In addition, the School paid £21,180 (2021: £1,799) to club coaches. Whilst club coaches are paid through the payroll, they are not regarded as employees of the School and so their costs have been excluded from the staff costs shown above.

Remuneration totalling £1,039,939 was paid to Key Management Personnel during the year (2021: £1,083,874). The key management personnel are defined on page 4.

Wages and salaries include a total of £nil (2021: £507) for redundancy payments during the year.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

The number of staff with emoluments in excess of £60,000 is set out below:

	2022	2021
	No	No
£60,000 - £70,000	8	7
£70,000 - £80,000	1	3
£90,000 - £100,000	1	-
£100,000 - £110,000	1	-
£120,000 - £130,000	1	-
£130,000 - £140,000	-	1

Ten of these employees are members of the Government's Teachers Pension Defined Benefits Scheme.

The total number of employees during the year, including full-time and part-time staff was:

	2022	2021
	No	No
Teaching	36	37
Teaching assistants	10	12
Non-teaching	29	32
	75	81

The total head count of employees during year, calculated on the basis of full time equivalents including those working under 30 hours per week was:

	2022	2021
	No	No
Teaching	33	33
Teaching assistants	10	12
Non-teaching	29	28
	72	73

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

8. Tangible fixed assets

	Leasehold premises £	Plant and Equipment £	Work in Progress £	Total £
Cost				
At 1 September 2021	8,915,907	1,545,765	-	10,461,672
Additions	-	201,506	13,092	214,598
Disposals	-	(86,735)	-	(86,735)
At 31 August 2022	8,915,907	1,660,536	13,092	10,589,535
Depreciation				
At 1 September 2021	2,784,262	981,889	-	3,766,151
Charge for the year	178,318	147,916	-	326,234
Disposals	-	(57,014)	-	(57,014)
At 31 August 2022	2,962,580	1,072,791	-	4,035,371
Net book value				
At 31 August 2022	5,953,327	587,745	13,092	6,554,164
At 31 August 2021	6,131,645	563,876	-	6,695,521

Barclays has a first legal charge over the leasehold property of the charity as a result of a loan. The bank loan was fully repaid in May 2019.

9. Fixed asset investments

	2022 £	2021 £
UK Managed Funds		
Market value at 1 September 2021	176,968	162,244
Unrealised investment gains/(losses)	(18,857)	14,724
Market value at 31 August 2022	158,111	176,968
Historical cost at 31 August 2022	120,799	120,799

The investment is held principally to provide income for the Sainsbury Fund (note 13).

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

10. Debtors

	2022	2021
	£	£
Fee debtors	49,161	29,678
Other debtors	(3,885)	1,742
Prepayments and accrued income	102,242	186,730
	147,518	218,150

Fee debtors relate to the cost of clubs, trips and other sundry costs in regard to summer term activities, billed in August and received in September.

Included within prepayments are amounts totalling £nil (2021: £13,334) in relation to periods after 31 August 2022 (ie debtors due in more than one year).

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	90,354	78,880
Accruals	76,067	38,276
Deferred income	217,746	201,764
Acceptance fees deposits	1,930,442	1,753,356
Other creditors	20	310
	2,314,629	2,072,586

Acceptance fee deposits

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2022 have been included within current liabilities.

Deferred income reflects payments received in advance for the Autumn term's fees. All income deferred in 2021 was released in 2022.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 AUGUST 2022

12. Statement of movement in funds

2022	Balance at 1 September 2021 £	Income	Expenditure	Transfers, actuarial gain, and loss on investments	Balance at 31 August 2022 £
Unrestricted Funds:					
General funds	772,139	6,143,203	(5,551,899)	(168,952)	1,194,491
Fixed asset fund	6,695,521	-	(326,234)	184,877	6,554,164
Bursary fund	-	-	-	-	-
Restricted Funds:					
Bursary fund	-	18,250	(18,250)	-	-
The Sainsbury Fund	123,410	-	-	(18,857)	104,553
Learning Powers Mercers Trust Fund	-	6,000	-	(6,000)	-
Saturday School	13,265	-	(13,265)	-	0
	7,604,335	6,192,653	(5,909,648)	(8,932)	7,878,408

2021	Balance at 1 September 2021 £	Income	Expenditure	Transfers, actuarial gain, and loss on investments	Balance at 31 August 2021 £
Unrestricted Funds:					
General funds	679,607	5,403,779	(5,179,619)	(131,628)	772,139
Fixed asset fund	6,879,914	-	(316,395)	132,002	6,695,521
Bursary fund	-	-	-	-	-
Restricted Funds:					
Bursary fund	-	21,300	(21,300)	-	-
The Sainsbury Fund	108,686	-	-	14,724	123,410
Saturday School	17,206	-	(3,941)	-	13,265
	7,685,413	5,425,079	(5,521,255)	15,098	7,604,335

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

The fixed assets fund represents the School's net investment in fixed assets, less any bank loan. The transfer to the fixed asset fund from general funds reflects the movement in the net book value of fixed assets in the year, less the movement in the amount in any bank loan.

The designated bursary fund represents funds set aside by the Governors to support the bursary scheme. The transfer from general funds to the designated bursary fund represents the bursaries funded by the designated funds.

The restricted bursary fund represents donations given to the School for bursaries as specified by the donors.

The Sainsbury Fund was established in 1991 to provide assistance with School fees to parents in cases of hardship. An established set of criteria exists for applications to the Hardship Fund, which are considered by the Bursary Committee of Governors.

Learning Powers relates to donations received to raise the profile of the school's 'Learning Powers'. The transfer relates to expenditure which has been capitalised and so the restriction has been met.

Mercers Trust Fund relates to donations received for a specific mental health and wellbeing project.

The Saturday School Fund represents donations received to set up and fund a Saturday school.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

13. Analysis of net assets between funds

2022	Tangible fixed assets £	Investments £	Other assets/ (liabilities) £	Total £
Unrestricted Funds:				
General funds	-	-	1,194,491	1,194,491
Fixed asset fund	6,554,164	-	-	6,554,164
Bursary fund	-	-	-	-
Restricted Funds:				
The Sainsbury Fund	-	158,111	(53,558)	104,553
Saturday School	-	-	-	-
Mercers Trust Fund	-	-	25,200	25,200
Total funds 2022	6,554,164	158,111	1,166,133	7,878,408

2021	Tangible fixed assets £	Investments £	Other assets/ (liabilities) £	Total £
Unrestricted Funds:				
General funds	-	-	772,139	772,139
Fixed asset fund	6,695,521	-	-	6,695,521
Bursary fund	-	-	-	-
Restricted Funds:				
The Sainsbury Fund	-	176,968	(53,558)	123,410
Saturday School	-	-	13,265	13,265
Total funds 2021	6,695,521	176,968	731,846	7,604,335

The liabilities included within The Sainsbury Fund represent the grants paid using unrestricted funds which will be transferred when the investment is realised.

14. Capital commitments

The School had no capital commitments at the year end.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

15. Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the School for its property and office equipment. The property relates to a 125 year lease commencing 1997 from The Mercers' Company.

Under the terms of the lease rental income is chargeable from 25th December 2019 up to a maximum cap of 3% of revenue.

The Mercers' Company have carried out a rent review. The school has carried out its review and agreed with The Mercers' Company an annual rent of £83,500 per annum, to be reviewed every five years per the terms of the lease.

The disclosure below shows future payments being made at £83,500 p.a. in respect of this lease.

	2022	2022	2021	2021
	£	£	£	£
	Land and buildings	Other	Land and buildings	Other
Within one year	83,500	20,919	83,500	26,115
Between two and five years	334,000	73,218	334,000	74,038
In over five years	8,016,000	-	8,099,500	-
	8,433,500	94,137	8,517,000	74,038

16. Related party transactions

One Governor, R Watney, is a Liverymen of the Mercers' Company. The Mercers' Company, as the trustee of the St Paul's Schools Foundation, owns the freehold of the School, and granted in 1997 a 125-year lease.

The School buildings adjoin the playing field, netball courts and swimming pool of St. Paul's Girls' School. The School hires the tennis courts and swimming pool for regular use during term time and the use of the field one day per year for the annual Summer Fair and Sports Day through a standard letting agreement, £25,912 (2021: £5,546).

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 AUGUST 2022

17. Pension schemes

17.1 Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme for its teaching staff. The pension costs paid to TPS in the period amounted to £438,170 (2021: £444,966).

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 published in March 2019. As a result of this valuation the employer contribution rate increased from 16.48% to 23.6% from September 2019.

The scheme will next be subject to an actuarial valuation based on data as at 31 March 2021 in accordance with the updated version of the Directions, the results of which are expected to take effect from September 2023. The valuation will determine a revised employer contribution rate payable from this date.

17.2 Pensions Trust – Independent Schools' Pension Scheme

The company participates a multi-employer scheme which provides benefits to some 66 non-associated 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.

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.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 September 2022 to 30 June 2032:	£2,687,000 per annum (payable monthly and increasing by 3% on each 1 st September)
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Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. 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 September 2019 to 30 April 2030:	£2,387,357 per annum (payable monthly and increasing by 3% on each 1 st September)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the 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 2022 (£s)	31 August 2021 (£s)	31 August 2020 (£s)
Present value of provision	59,790	44,803	49,442

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 August 2022 (£s)	Period Ending 31 August 2021 (£s)
Provision at start of period	44,803	49,442
Unwinding of the discount factor (interest expense)	462	423
Deficit contribution paid	(4,828)	(4,688)
Re-measurements - impact of any change in assumptions	(9,925)	(374)
Re-measurements - amendments to the contribution schedule	29,278	-
Provision at end of period	59,790	44,803

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 August 2022 (£s)	Period Ending 31 August 2021 (£s)
Interest expense	462	423
Remeasurements - impact of any change in assumptions	(9,925)	(374)
Remeasurements - amendments to the contribution schedule	29,278	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 August 2022 % per annum	31 August 2021 % per annum	31 August 2020 % per annum
Rate of discount	4.31	1.09	0.90

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.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

17.3 Stakeholder scheme

In addition, the school participates in a stakeholder compliant scheme, which is available to non-teaching staff. The stakeholder compliant scheme is a defined contribution scheme. The pension charge for the year includes contributions to this scheme of £87,635 (2021: £76,259). As at the balance sheet date there were 34 active members of the scheme employed by the School. The school continues to offer membership of the scheme to its employees.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

18. Comparative statement of financial activities for 2021

	Unrestricted funds £	Restricted funds £	Total 2021 £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
School fees	5,246,820	-	5,246,820
Other educational income	81,231	-	81,231
Registration fees and other income	69,793	-	69,793
Other activities to generate funds			
Investment income	-	-	-
Donations	-	21,300	21,300
Other activities	5,935	-	5,935
Total income	5,403,779	21,300	5,425,079
TOTAL EXPENDITURE ON			
Raising funds			
Financing costs	2,322	-	2,322
Charitable activities			
School operating costs and grants	5,493,692	25,241	5,518,933
Total expenditure	5,496,014	25,241	5,521,255
Net income/(expenditure) before gain/(loss) on investments	(92,235)	(3,941)	(96,176)
Net gains/(losses) on investments	-	14,724	14,724
Net income/(expenditure)	(92,235)	10,743	(81,452)
Actuarial gain/(loss) on defined benefit pension scheme	374	-	374
Transfers	-	-	-
Net movement in funds	(91,861)	10,783	(81,078)
Total funds brought forward	7,559,521	125,892	7,685,413
Total funds carried forward	7,467,660	136,675	7,604,335