

**HOMEFIELD PREPARATORY
SCHOOL TRUST LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

Company Number: 00887719
Charity Number: 312753

Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

**HOMEFIELD PREPARATORY
SCHOOL TRUST LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

Contents	Page
Report of the Governors	1-8
Report of the Auditor	9-11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Financial Statements	15-23
Additional information for the Governors only	
Revenue Account	24
Schedule to the Revenue Account	25-26

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS

The Board of Governors present their annual and strategic report for the year ended 31st August 2023, in accordance with the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Company's Memorandum and Articles of Association, the Charity's governing document and the Charities Statement of Recommended Practice (SORP (FRS 102)) and Financial Reporting Standard 102.

REFERENCE & ADMINISTRATIVE INFORMATION

Homefield Preparatory School Trust Limited ("The School") is a charitable company registered in 1966, to run the school that was founded in 1870. The Charity registration number is 312753 and Company registration number is 00887719. The liability of its members is limited to £1 each by guarantee. The Company is Registered in England and Wales and its Registered Office and principal address are at Western Road, Sutton, Surrey SM1 2TE.

Directors and Board of Governors

The Directors of the Company, who are also the Charity Trustees and the School Governors, throughout the year and until the date of this report were:

Ms M Gardiner Boiling, MA (Cantab), Graduate LLB (Hons), DipABRSM (Chair)

Mr A Ahmed, BSc (Hons), MBA

Mr C Akojie, BSc ACA

Dr G M Bamford, BSc (Hons), PhD, CPsychol, FPsychol, PGCE

Mrs J Croke, BSc (Hons), ACMA

Mr S Everest, OBE (Deputy Chair)

Mrs Georgina Gillan LLB (Hons), MA Child Studies

Mrs M H Harris, BEd, MEd (Deputy Chair) - resigned 31 August 2023

Mrs Emma Rix BA (Hons), PGCE

Mrs J Whittingham BScEcon (Hons), MSc Fin - resigned 7 December 2022

Dr A H Wilcox, MA, MSc, LLM, MBA, MRCP, FRCPath

Registered office Homefield Preparatory School, Western Road, Sutton, Surrey SM1 2TE

Key Executives and Professional Advisors as at the date of signing of the Report

The Key Management Personnel are the Head, Bursar and the Senior Management Team:

Head: Mr A S Naismith BEd. (Hons) (effective 30 October 2023)

Bursar: Ms N Nwaejike, BAcc (Hons), FCA, Ass(CIPD)

Senior Mr Z Siva, BSc (Hons), PGCE (Acting Head until 29 October 2023)

Management Mrs Lisa Crook, B.Ed., M.A., N.P.Q.M.L. (Deputy Head Academic)

Team (SMT): Mr Edward Smith, B.A. (Hons.), Q.T.S. (Acting Deputy Head Pastoral)

Mrs Emma Field, B.A. (Hons.), Q.T.S. (Head of Lower School)

Bankers: Lloyds Bank plc, 49 High Street, Sutton, Surrey SM1 1DX

Auditors: Jacob Cavenagh & Skeet, 5 Robin Hood Lane, Sutton, Surrey SM1 2SW

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association and by the provisions of the Trust Deed. These were replaced by a revised set of Articles of Association by passing a special resolution at an Extra-ordinary meeting, held at Homefield Preparatory School, on 27th July 2021.

Governing Body

The Board of Governors comprises a minimum of 5 and a maximum of 15 Governors. The Board of Governors appoints new Governors in light of specific criteria and the needs created by retirements. Governor appointments are based on the need for the Board as a whole to have the skills and experience to determine the policies of the School and to monitor the implementation of those policies. A Governor shall be appointed for a term of four years and may twice be re - elected to serve a further term of four years following each re-election.

Governor Training

New Governors are inducted into the workings of the School, and also of the Company as a registered Charity, including Board Policy and Procedures. They receive guidance notes from a range of external services and sources including the Charity Commission, IAPS, AGBIS and ISBA. A Terms of Reference Document based on these collective guidelines has been adopted by the Board. The Governors each have their own areas of individual professional expertise and the Chair of Governors and the Clerk to the Governing Body identify and offer suitable training opportunities and courses. During the year several Governors attended courses and seminars. Pertinent information from such developmental sessions is circulated to all Governors.

Organisational Management

The Governors meet as a Board at least three times a year to determine the general policy of the Company and to review its overall management and control, for which they are legally responsible. There are Governors' committees for 'Education and Welfare' and 'Finance and General Purposes'. These Committees aim to meet at least once a term to consider a wide range of matters that have an impact on the School's development, operations, capital building programme and finance. Additional committees for 'Governance Oversight' and 'Bursary Oversight', meet as required. The minutes of committee meetings are produced for discussion at the Main Board meeting. Other committees can be set up from time to time for specific projects. The findings of these committees are briefed to the Main Board. Furthermore, the Chair of Governors meets weekly with the Head and can be called upon at any time by the Head, should the need arise. The day-to-day running of the School is delegated to the Head who is supported by the remainder of the Senior Management Team (SMT).

The Head oversees the recruitment of all educational staff whilst, under delegated authority, the Bursar oversees the recruitment of administrative and non-teaching support staff.

Key Management Personnel

The Governors consider that they, together with the Head, the Bursar, the Deputy Heads and the Head of Lower School Department comprise the Key Management Personnel. The Governors give of their time freely and the pay and remuneration of the Head and senior staff is set by the Governors and is kept under annual review. A number of criteria are used in setting pay:

- nature of the role and responsibilities
- personal performance based on annual appraisals
- salaries in the region
- the sector average salary for comparable positions
- trends in pay

Key Management Personnel (continued)

In recent years, flexible pay across both state and private sector has affected the ease of recruitment to certain roles. We offer appropriate incentives to encourage enhanced performance in a fair and responsible manner but remain sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit the best qualified and experienced staff and provide scope to reward them for excellence. The Governors have, however, given delegated authority to the Head to pay higher salaries for exceptional candidates where this is in the interest of the School.

Relationships

The School is a member of the IAPS, AGBIS, and ISBA for the promotion, maintenance and delivery of excellence in education to the age of 13. The School actively contributes to the local community in a number of different ways, as detailed below under Public Benefit.

Risk Management

The Key Management Personnel continually review the School's activities, with regard to any major risks that may arise and ways to manage them. Detailed considerations of risk are delegated to the Senior Management Team of the School. The key risks are reviewed at each of the Governing Body Main Boards.

The Governors consider the principal risks and uncertainties facing the charity and their plans and strategies for managing these risks to be:

- **Losing key members of staff:** The Senior Management team is considered to be of particular value. Retention strategies and succession planning have been considered, as have notice and handover periods, as well as a strengthened middle management, to help alleviate any issues. Homefield have recently recruited a new Head and additional measures and support have been introduced to ensure a smooth transition into the role.
- **Sources of income:** The principal source of income for the School is pupil fees. The current economic climate and associated increase in the cost of living has negatively impacted household finances for our families. This has resulted in a decrease in the number of pupils on roll. This risk is managed by continued focus on delivering academic and pastoral excellence to drive demand, highly focused marketing activities to increase pupil numbers and the offer of short-term financial support to current families to aid retention. Now that the building works are complete, plans have also begun to establish additional income streams through lettings.
- **Recruitment and retention of high calibre teaching and support staff:** This risk is managed through the provision of competitive salary and benefits for all staff, robust retention strategies and the strengthening of the School's middle management to improve succession planning.
- **Potential change of charitable tax relief status:** The Governors are aware of the possible challenges that the independent school sector could face were there to be a change of government at the next general election given the anticipated amendments in government policy regarding charitable tax reliefs.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

STRATEGIC REPORT

Objectives

The Objects of the Company, in accordance with its Articles of Association and the Charity's governing document, allow for the education of boys up to the age of 13 years.

Strategic Aim and Intended Effect

At Homefield we aim to provide a safe and happy environment, with a real depth of specialist teaching, to enable academic success. We invest in an ambitious curriculum for all our boys. This goes beyond English, maths and the sciences. Quality and vitality inform the humanities, the arts and sport. This breadth and depth ensures a wider fulfilment of our boys' individual potential, in 'hand, head and heart'.

We seek to develop deeper study skills and aptitudes toward learning, such as research or collaboration, in order to inspire independent thinkers who work well with others and are eager for challenge. Well-being within our community sets us on this caring path.

We aspire to be a truly cosmopolitan school, with a rich diversity both, reflecting and supporting our place as a charity within the wider community of London. We aim for a generous education of knowledge and skill, but also ethical character so that our boys not only 'do well' but 'do good'. With roots in the nineteenth Century, our mission embraces the 21st where well-being and civic virtue are key to our school's character and success.

Objectives for the Year

The Board's main objective continued to be to educate all the School's pupils to achieve their maximum individual potential in all of the academic and extra-curricular opportunities offered throughout the School. Our strategy for achieving this was and is to maintain a commitment to the delivery of best practice, exemplified by a strong teacher-to-pupil ratio and by seeking to meet the individual needs of all pupils.

Principal Activity

The School's principal activity continues to be that of running a preparatory school for boys.

Volunteers

The School is grateful to those parents who assist by accompanying pupils on various school trips throughout the year on a voluntary basis. Members of the Board and members of the Homefield Association devote their time for the benefit of the School on a totally voluntary basis.

Homefield Preparatory School also benefits from the generosity of the Homefield Association and from parents, for their contribution to the success of the School.

Public Benefit

The Governors are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011 and, in setting the School aims and objectives and planning the School's activities, the Governors have given careful consideration to the Charity Commission's guidance on public benefit. The School includes, within its objectives, the delivery of excellence in education for boys between the ages of 4 and 13 to prepare them for their further studies and for life in the world beyond school. The Governors ensure this charitable purpose is carried out for the public benefit by working to ensure, wherever possible, that the opportunity for a first class education is available to all who are sufficiently talented and would benefit from being part of the School.

Public Benefit (continued)

The Governors recognise the financial commitment made by parents. For those who are unable to pay the full costs, the Governors view bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. The School welcomes means-tested bursary applications. Under the School's bursary policy, all applications for financial support are considered, based on personal and means-tested circumstances. In assessing suitability, the child should meet the school's normal entry requirements, where attention is given to both their academic progress and their potential. With limited funds, bursary support is offered to those considered likely to make academic progress and to benefit from participating in the school's wider, extra-curricular activities. All bursary applications are assessed by the Head and Bursar with overview from at least two Governors. Hardship monies are allocated on a short term basis giving priority to the continuity of education of those pupils already at the School and at key stages of their educational journey. All criteria and policies relating to concessions are kept under review and are updated when necessary. The Governors recognise the need to continually provide for bursaries and to allocate bursary funds.

The School supports a number of pupils through the Bursary Scheme although there is no specific endowment for this purpose. During the year ended 31 August 2023, a total of £43,260 (2022: £61,975), was spent on providing bursarial support for three pupils. This included one 'Looked After Child (LAC) on a full bursary covering all fees and costs, who came from the partnership that Homefield has developed with Sutton Virtual School. Sutton Virtual School acts as a local authority champion to promote the progress and educational attainment of Looked After Children. Furthermore, the school extended its charitable aims in this area through partnership with Harrow Senior School and Sutton Virtual School to provide one-to-one tuition for nine additional LACs using the 'Lumina' online learning platform. Nine of our qualified teachers provided weekly support, pro bono, to resource this successful project. We will extend this charitable work into the next academic year.

During the year the School will normally provide scholarships, grants, prizes and other awards from both restricted funds and unrestricted funds - the former being subject to the particular conditions made by the original donor. In common with other Independent Schools, Homefield Preparatory School makes these awards based on the educational potential of the pupil or evidence of exceptional abilities which will contribute to our co-curricular activities. The total of all types of scholarships provide during the year was £11,116 (2022: £13,818).

As part of our emphasis on attracting and retaining high calibre staff, we offer a fee remission scheme for members of staff choosing to educate their children at the School.

A total of £2,025 (2022: £1,774) was also raised in the year to support a variety of charities. Those charities included The Children's Trust, Comic Relief, Jeans for Genes, Guide Dogs for the Blind and NSPCC. A number of these were chosen by the pupils and a large donation of appropriate food stuffs was made to Sutton food bank by parents and pupils of the school, again this year.

The School has continued its significant charitable outreach to other schools in the last year. Over 4000 education professionals have downloaded the toolkit we designed, in partnership with Sutton Local Authority (LA), to encourage the inclusion of children in care within independent settings. The previous Head provided a keynote speech at Independent Association of Prep Schools Heads Conference in September 2022.

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS (continued)

Public Benefit (continued)

The School continues to attach great importance to its contribution to the wider community. The Governors confirm that they have complied with the duty to provide public benefit as laid down in Section 4 of the Charities Act 2011; in particular, they have given due regard to the revised General Guidance issued by the Charity Commission in September 2013. A number of the Senior Management Team volunteer their time to either other charitable organisations, local community groups or sport clubs: The Deputy Head (Academic) was a governor at Medway GST School and the Deputy Head (Pastoral) is a member of the Roehampton University SMB, which is used to offer feedback and develop Teacher training programmes, school placements and Mentor/Mentee systems. The previous Head (until 31 August 2023) is a Trustee of the Royal Society of Arts and continued to lend his qualified executive coaching skills to charitable endeavour organised by 'Love Your Coaching' and supported by the Independent Schools Council to provide pro-bono coaching for head teachers. The new Head (effective 30 October 2023) is the Lead Headteacher Ambassador for Youth Sports Trust.

Operational Performance of the School

The Board is pleased to report the achievement of its pupils in attaining their highest potential as measured by value added criteria; examination results and their successful graduation to their preferred senior school. As with previous years, the 2022-23 academic year was an extremely successful one.

The CATS scores for the boys in Year 6 and Year 8 showed that the majority were above the national age-related standards. Year 8 pupils had a 100% pass rate at Common Entrance and obtained places for their chosen senior schools. Across a new Common Entrance Syllabus 73% scored A* and A across core subjects. 85% scored A* and B. In all, 27 Scholarship awards were offered to Year 6 and Year 8 pupils by highly-respected senior schools. 30 places were offered at local Grammar Schools.

The School also performs at a highly developed level in sport, maths, music and art. Homefield boys have competed at local and county levels over a variety of different sports. In music, boys have performed in National competitions and have showcased the talent within the department with participation in numerous senior school orchestral and choral days.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net income for the year amounted to £397,886 (2022: £515,034).

Reserves

The Board has established a general reserve policy to afford some protection to the School and its charitable programme and to provide time to adjust to changing financial circumstances. This is detailed in Note 19.

Investment Powers and Policy

The investment powers and policy are governed by the Articles of Association, which permit surplus funds to be invested in any investments, security or property as may be thought fit and as may be prescribed by law.

The School's investment objective is to maximise the return on its investment funds while maintaining maximum security and a high degree of liquidity. To meet this objective, the School invests any surplus funds in call deposits with a high security rating and either fixed interest rates or with a fixed relationship to base rate.

Fundraising

In line with the reporting requirements included in the Charities Act 2016 the Governors are pleased to confirm that all fundraising is done in compliance with best fundraising practice. All fundraising activities follow traditional methods such as cake sales and "mufti days". During the year 2022-2023, we did not employ any professional fundraisers. There were no complaints or criticisms during the year about our fundraising activities.

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS (continued)

FUTURE PLANS

The number of pupils on roll at the School decreased over the year by about 7% by the end of the summer term. This reflects the ongoing impact of increased inflation on family finances and is exacerbated by the uncertainty over the potential change to the charitable tax relief status of the Independent School sector of should there be a change in government at the next general election. Additional attention will be paid to the Marketing and Admissions function within the school to ensure the recruitment and retention of pupils. Homefield has committed to at least one Open Day per term and will also attend the Independent Schools Fair in November 2023 to raise the profile of the school. The School's Strategic Development Plan was agreed by the Governors in December 2018 and is subject to an annual review by the Governors. The Board continues to strategically plan for the future through a programme of development and investment to:

- provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- ensure the teaching facilities for our pupils are of a high quality;
- provide a happy and secure pastoral environment, in which all pupils are offered opportunities for leadership and service to others;
- offer all pupils the opportunities of experiencing a broad range of intellectual, cultural, sporting and wider-community influences;
- increase the capability of the School to offer education to children whose parents are unable to afford full fees, particularly Children Looked After;
- support members of staff, particularly middle managers, with opportunities to develop of their skills and careers;
- ensure that the School plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also Charitable Trustees and Directors of Homefield Preparatory School Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the 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 trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its operations.

The Governors are responsible for keeping proper accounting records which 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 of fraud and other irregularities. The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

REPORT OF THE GOVERNORS (continued)

AUDITORS

A resolution proposing the reappointment of Jacob Cavenagh & Skeet as auditors will be put to the Governors at a Main Board meeting.

Disclosure on information to auditors

To the knowledge and belief of the Board, there is no relevant information that the Company's auditors are not aware of, and the F and GP Committee and School executive have taken all the steps necessary to ensure the Board is aware of any relevant information, and to establish that the Company's auditors are aware of the information.

ACKNOWLEDGEMENTS

The Board records its thanks for the continued excellence in pastoral, academic and administrative standards delivered by all the staff.

The Governors would like to thank Mr Towers for all he has done for the School over the last eight years and wish him success for his future endeavours. They would also like to thank Mr Siva for taking on the role of Acting Head for the first half of the Autumn term 2023. Mrs Harris and Mrs Whittington have retired as Governors since the last report. The Governors wish to thank them for their dedicated service to Homefield Preparatory School.

Approved by the Board of Governors on 5 December 2023 and signed on its behalf by:



Ms M Gardiner Boiling
Chairman

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Homefield Preparatory School Trust Limited (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Governors' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Governors' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included with the governors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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

As explained more fully in the governors' responsibilities statement, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 governors are responsible for assessing the charity'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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation 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 and the Charities Act 2011. We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED (continued)

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items and management override of controls. In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates, agreeing financial statement disclosures to underlying supporting documentation, evaluating the internal controls, reviewing trustees' minutes and identifying and testing journal entries.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:
<http://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 and regulations made under that Act. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Miriam Hickson FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 15 December 2023

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account) FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023			2022		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
Income from:							
<i>Donations</i>		335	23,000	23,335	1,552	-	1,552
<i>Other trading activities</i>							
School shop		103	-	103	299	-	299
<i>Investments</i>		5,442	-	5,442	172	-	172
<i>Charitable activities</i>							
Fees receivable		4,478,592	-	4,478,592	4,481,277	-	4,481,277
Extras chargeable		104,486	-	104,486	172,556	-	172,556
<i>Other income</i>							
Sundry income		9,200	-	9,200	9,538	-	9,538
Early loan repayment		206,176	-	206,176	-	-	-
Total income		<u>4,804,334</u>	<u>23,000</u>	<u>4,827,334</u>	<u>4,665,394</u>	<u>-</u>	<u>4,665,394</u>
Expenditure on:							
<i>Raising funds</i>							
Cost of goods sold		2,012	-	2,012	195	-	195
<i>Charitable activities</i>							
School operating costs		4,427,436	-	4,427,436	4,150,165	-	4,150,165
Total expenditure	2	<u>4,429,448</u>	<u>-</u>	<u>4,429,448</u>	<u>4,150,360</u>	<u>-</u>	<u>4,150,360</u>
Net income/(expenditure)	3	374,886	23,000	397,886	515,034	-	515,034
Transfers between funds	13,14	<u>23,000</u>	<u>(23,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		397,886	-	397,886	515,034	-	515,034
Reconciliation of funds							
At 1 September 2022		<u>9,473,916</u>	<u>3,446</u>	<u>9,477,362</u>	<u>8,958,882</u>	<u>3,446</u>	<u>8,962,328</u>
Balance carried forward							
At 31 August 2023		<u>9,871,802</u>	<u>3,446</u>	<u>9,875,248</u>	<u>9,473,916</u>	<u>3,446</u>	<u>9,477,362</u>

All recognised gains and losses are reflected through the Statement of Financial Activities and no separate Statement of Total Recognised Gains or Losses is presented.

There were no discontinued or acquired activities during the current or preceding year.

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023		2022	
		£	£	£	£
Net cash inflow from operating activities	20		200,768		971,754
Returns on investments and servicing of finance					
Interest received		5,442		172	
Early loan repayment fee		206,176		-	
Interest payable		(49,990)		(10,338)	
			161,628	(10,166)	
Capital expenditure					
Payments to acquire tangible fixed assets		(200,756)		(1,519,993)	
Receipts from sales of tangible fixed assets		-		17,600	
			(200,756)	(1,502,393)	
Financing activities					
Proceeds of new bank loans		-		2,939,000	
Repayment of bank loans		(1,310,851)		(439,000)	
			(1,310,851)	2,500,000	
(Decrease)/Increase in cash			(1,149,211)	1,959,195	

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2023	2022
	£	£
(Decrease)/Increase in cash in the year	(1,149,211)	1,959,195
Movement in net funds	(1,149,211)	1,959,195
Net funds brought forward	2,868,061	908,866
Net funds carried forward	<u>1,718,850</u>	<u>2,868,061</u>

ANALYSIS OF CHANGES IN NET FUNDS

	Brought forward	Cashflows	Carried forward
	£	£	£
Cash at bank	2,868,061	(1,149,211)	1,718,850
Bank loans	(2,485,000)	1,310,851	(1,174,149)
	<u>383,061</u>	<u>161,640</u>	<u>544,701</u>

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 ACCOUNTING POLICIES

Homefield Preparatory School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Homefield Preparatory School, Western Road, Sutton, Surrey SM1 2TE. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Basis of accounting**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. Homefield Preparatory School Trust Limited meets the definition of a public benefit entity under FRS 102.

(b) **Fixed assets**

Depreciation has been charged on a straight line basis to reduce the cost of fixed assets to estimated realisable/residual value over their useful lives. The rates charged are:

School buildings – 2 - 20% (from the date brought into use)
Furniture and equipment – 25%
Motor vehicles – 20%
Computer equipment – 33.3%

No depreciation has been provided on land.

(c) **Stocks**

Stocks are stated at the lower of cost and net realisable value, and comprise goods for resale.

(d) **Income**

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

(e) **Fees receivable, extras chargeable and interest receivable**

These are all accounted for on a receivable basis. Fees received for education to be provided in future years are carried forward as deferred income.

(f) **Gains/(losses) on investments**

Both realised and unrealised gains/(losses) on investments are reflected through the Statement of Financial Activities.

(g) **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

(h) **Charitable expenditure**

This comprises all expenditure directly related to the objects of the Charity, and the related support costs, including governance costs, which comprise all the expenditure on the management and the administration of the Charity, including an appropriate portion of the Head's and Bursar's time.

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

1 ACCOUNTING POLICIES (continued)

- (i) **Pension costs**
The School makes pension contributions for teaching staff through the scheme operated by the Teachers' Pension Agency. Contributions are made to personal pension plans for other staff at the discretion of the Board. All costs are charged to the statement of financial activities in the period in which they are incurred.
- (j) **Operating leases**
Rentals applicable to operating leases where substantially all benefits and the risks of ownership remain with the lessor are charged to the Statement of Financial Activities over the period of the lease.
- (k) **Going concern**
The financial statements have been prepared on a going concern basis, on the basis that no material uncertainties exist that cast significant doubt upon the charity's ability to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.
- (l) **Employee benefits**
The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.
- (m) **Cash and cash equivalents**
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.
- (n) **Debtors**
Fees and extras receivable and accrued income are included at the settlement amount due. Prepayments are valued at the amount prepaid.
- (o) **Creditors and provisions**
Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount.
- (p) **Financial instruments**
The charity only has financial assets and 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.

2 EXPENDITURE ON:

	School operating costs £	Governance costs £	Total 2023 £	Total 2022 £
Administration and general	658,162	39,632	697,794	556,991
Educational	2,529,244	24,665	2,553,909	2,422,136
Establishment	463,148	-	463,148	514,726
Housekeeping	370,798	-	370,798	328,038
School shop	2,012	-	2,012	195
Depreciation	341,787	-	341,787	328,274
	<u>4,365,151</u>	<u>64,297</u>	<u>4,429,448</u>	<u>4,150,360</u>

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

3 NET INCOME	2023	2022
	£	£
This is stated after charging:		
Auditors' remuneration – statutory audit	6,600	5,940
– termly and annual accounts	4,372	4,663
– payroll services	7,370	7,791
Depreciation	341,787	328,274

4 STAFF COSTS	2023	2022
	£	£
Staff costs during the year amounted to:		
Wages and salaries	2,189,774	2,061,280
Social security costs	226,111	220,917
Pension costs (see Note 18)	361,157	356,631
	<u>2,777,042</u>	<u>2,638,828</u>

The average number of employees during the year was as follows:	2023	2022
	No	No
Teaching	45	44
Estates	8	7
Administration	<u>9</u>	<u>9</u>
	<u>62</u>	<u>60</u>

The number of employees whose emoluments amounted to over £60,000 in the year were as follows:

	2023	2022
	No	No
£60,001 - £70,000	2	2
£80,001 - £90,000	1	-
£120,001 - £130,000	1	1

Employer pension contributions of £62,585 (2022: £56,401) were made in respect of the above.

5 REMUNERATION OF GOVERNORS AND KEY MANAGEMENT PERSONNEL

No remuneration was paid to any of the Governors during the year. Two Governors (2022: one) were reimbursed £119 (2022: £12) for travelling expenses during the year.

Remuneration of key management personnel is as follows:

	2023	2022
	£	£
Aggregate remuneration	<u>501,134</u>	<u>452,106</u>

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

6 TAXATION

The Company is registered with the Charity Commission as an educational Charity and is exempt from taxation on its charitable activities.

7 FIXED ASSETS

	<i>Freehold property</i>		<i>Furniture</i>	<i>Motor</i>	<i>Computer</i>	<i>Total</i>
	<i>Land</i>	<i>Buildings</i>	<i>and</i>	<i>vehicles</i>	<i>equipment</i>	
	£	£	£	£	£	£
Foundation value/Cost						
At 1 September 2022	66,000	11,362,272	645,041	19,554	543,543	12,636,410
Additions	-	188,151	48,794	-	17,049	253,994
Disposals	-	-	-	-	(1,722)	(1,722)
At 31st August 2023	<u>66,000</u>	<u>11,550,423</u>	<u>693,835</u>	<u>19,554</u>	<u>558,870</u>	<u>12,888,682</u>
Depreciation						
At 1 September 2022	-	1,459,144	488,518	16,946	503,040	2,467,648
Charge for the year	-	232,023	78,581	2,608	28,575	341,787
Released on disposals	-	-	-	-	(1,531)	(1,531)
At 31 August 2023	<u>-</u>	<u>1,691,167</u>	<u>567,099</u>	<u>19,554</u>	<u>503,084</u>	<u>2,807,904</u>
Net book value						
At 31 August 2023	<u>66,000</u>	<u>9,859,256</u>	<u>126,736</u>	<u>-</u>	<u>28,786</u>	<u>10,080,778</u>
At 31 August 2022	<u>66,000</u>	<u>9,903,128</u>	<u>156,523</u>	<u>2,608</u>	<u>40,503</u>	<u>10,168,762</u>

A loan facility was granted on 3 August 2020 and are secured by a fixed charge over the school's freehold land and buildings. The carrying value of the assets charged was £9,925,256 at the balance sheet date. The loan facility was made available in an aggregate amount of £2,500,000. Amounts of £625,000, £625,000 and £1,250,000 were drawn down in August 2022 with interest payable at 2.70% fixed for 5 years, 2.76% fixed for 10 years and 2.77% fixed for 15 years respectively. Interest reverts to a floating rate after the fixed interest rate period. All amounts are repayable within 15 years from 1 August 2022. The £1,250,000 loan was repaid early in March 2023.

The Board considers that the current value of the freehold property is likely to be materially higher than the carrying value as shown in the accounts. However, without the benefit of a professional valuation the Board is not in a position to quantify the difference. The Board considers that the cost involved in obtaining a professional valuation out of charitable funds would not be of sufficient benefit to the School to warrant the expense.

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

8 INVESTMENTS	2023		2022	
	£	£	£	£
Unlisted investment at cost				
Homefield School Enterprises Ltd	<u>2</u>		<u>2</u>	
Total Investments		<u>2</u>		<u>2</u>

Homefield School Enterprises Limited is a wholly owned subsidiary of Homefield Preparatory School Trust Limited, which was incorporated on 30 April 2013. It has remained dormant to 31 August 2023.

9 DEBTORS	2023	2022
	£	£
Fees debtors	20,018	18,551
Other debtors	13,156	2,939
Prepayments	<u>40,298</u>	<u>53,096</u>
	<u>73,472</u>	<u>74,586</u>

10 CREDITORS: Amounts falling due within one year	2023	2022
	£	£
Bank loans	77,995	137,001
Fees received in advance	419,701	591,730
Taxes and social security costs	-	53,565
Accruals	76,477	148,619
Other creditors	<u>327,527</u>	<u>356,916</u>
	<u>901,700</u>	<u>1,287,831</u>

11 CREDITORS: Amounts falling after more than one year	2023	2022
	£	£
Bank loans	<u>1,096,154</u>	<u>2,347,999</u>
Amounts are repayable by instalments over the following periods:		
Within one year	77,995	137,001
Within two to five years	695,156	1,026,966
After five years	<u>400,998</u>	<u>1,321,033</u>
	<u>1,174,149</u>	<u>2,485,000</u>

Loan details are disclosed in note 7.

12 LEASING COMMITMENTS

Operating leases

The charitable company's total future minimum lease payments under operating leases at 31 August 2023 were payable as set out below:

	2023	2022
	£	£
Within one year	28,317	19,680
Within two to five years	<u>39,031</u>	<u>32,802</u>
	<u>67,348</u>	<u>52,482</u>

The operating lease charges for the year were:

	2023	2022
	£	£
Hire of plant and machinery	<u>21,839</u>	<u>21,555</u>

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

13 UNRESTRICTED FUNDS	Balances brought forward £	Income less expenditure £	Transfers £	Gains and losses £	Balances carried forward £
2023					
Designated funds:					
Tangible fixed asset fund	10,168,762	-	(87,984)	-	10,080,778
General reserve	(694,846)	374,886	110,984	-	(208,976)
Total unrestricted funds	<u>9,473,916</u>	<u>374,886</u>	<u>23,000</u>	<u>-</u>	<u>9,871,802</u>
2022					
Designated funds:					
Tangible fixed asset fund	8,883,743	-	1,285,019	-	10,168,762
General reserve	75,139	515,034	(1,285,019)	-	(694,846)
Total unrestricted funds	<u>8,958,882</u>	<u>515,034</u>	<u>-</u>	<u>-</u>	<u>9,473,916</u>
14 RESTRICTED FUNDS	Balances brought forward £	Income £	Expenditure £	Transfers £	Balances carried forward £
2023					
Early Years Training Grant	2,229	-	-	-	2,229
Playground grant	-	5,000	-	(5,000)	-
Homefield Association	-	18,000	-	(18,000)	-
School travel grant	1,217	-	-	-	1,217
Total restricted funds	<u>3,446</u>	<u>23,000</u>	<u>-</u>	<u>(23,000)</u>	<u>3,446</u>
2022					
Early Years Training Grant	2,229	-	-	-	2,229
School travel grant	1,217	-	-	-	1,217
Total restricted funds	<u>3,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,446</u>

The Playground grant and the Homefield Association income were given to the School to purchase a new Adventure Playground during the year. The funds have been transferred to fixed assets.

The Early Years Training grant was awarded to enable the nursery staff to gain additional qualifications.

The School Travel Grant was given for the continuation of the School Travel Plan.

The restricted funds are represented by cash.

15 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds £	Restricted funds £	Total funds £
2023			
Tangible fixed assets	10,080,778	-	10,080,778
Investments	2	-	2
Net current assets	887,176	3,446	890,622
Non-current liabilities	(1,096,154)	-	(1,096,154)
	<u>9,871,802</u>	<u>3,446</u>	<u>9,875,248</u>
2022			
Tangible fixed assets	10,168,762	-	10,168,762
Investments	2	-	2
Net current assets	1,653,151	3,446	1,656,597
Non-current liabilities	(2,347,999)	-	(2,347,999)
	<u>9,473,916</u>	<u>3,446</u>	<u>9,477,362</u>

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

16 CAPITAL COMMITMENTS

The School had capital commitments at the year end of £nil for construction work (2022: £363,323).

17 LIMITED LIABILITY

The Trust is limited by guarantee and does not have a share capital. The number of members at 31 August 2023 was 9 (2022: 11) and their liability on liquidation is limited to £1 each.

18 STAFF PENSIONS

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 £301,096 (2022: £304,896) and at the year-end £nil (2022: £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2022 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July

18 STAFF PENSIONS (continued)

2021, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2022 and the Government is currently analysing the responses.

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

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

Other Schemes

The school also makes contributions to a defined contribution schemes for non-teaching staff. The assets of these are held separately to those of the School in independently administered funds. Contributions paid during the year were £60,061 (2022: £51,735). At the year end £nil (2022: £ nil) was accrued in respect of these schemes.

19 RESERVES POLICY

The Unrestricted Funds are expendable at the discretion of the Board in furtherance of the objects of the School. In part, such funds have already been expended in providing the buildings and other tangible fixed assets of the School. Such assets, by their nature, are not readily realisable.

Accordingly, the Unrestricted Funds are intended to cover:

- The written down value of the tangible fixed assets of the School less any direct financing; and
- At least one term's running costs.

The General Reserve balance is in deficit this financial year as the reserves have been used to fund the capital build. Future surpluses should bring the reserves back into a positive balance in the upcoming months.

At the year end the balance on total funds was £9,875,248 of which £9,871,802 were unrestricted funds and £3,446 were restricted funds.

Over and above this basic requirement, the Board recognises the need, whenever possible, to build up the Unrestricted Funds in order that the School is in a position to:

- Repair, replace or enlarge the fabric of the building, as the existing structure will not last forever and may not always meet the School's ongoing requirement for space; and
- Purchase new equipment to meet existing and evolving education and other learning needs.

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

20 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023		2022	
	£	£	£	£
Net movement in funds		397,886		515,034
Depreciation	341,787		328,274	
Finance costs	-		(15,000)	
Loss/(profit) on disposal of fixed assets	191		(6,967)	
Interest receivable	(5,442)		(172)	
Early loan repayment fee	(206,176)		-	
Interest payable	<u>49,990</u>		<u>10,338</u>	
		180,350		316,473
Decrease in stock	1,781		-	
Decrease in debtors	1,114		37,289	
Decrease/(increase) in creditors	<u>(380,363)</u>		<u>102,958</u>	
		<u>(377,468)</u>		<u>140,247</u>
Net cash inflow from operating activities		<u>200,768</u>		<u>971,754</u>

21 GOVERNORS' INDEMNITY INSURANCE

As part of its overall insurance policy, the Company purchased Governors' liability insurance providing cover up to £2,000,000 in respect of claims arising from negligence, error or omission committed in good faith.

22 RELATED PARTY TRANSACTIONS

During the year the school paid third parties £nil for training of the Governors (2022: £270).

No Governors had children who attended the School during the year (2022: one Governor). Fees payable and any discounts were charged and awarded on the same basis as for other parents and staff.

Two members of KMP had children who attended the School during the year (2022: one). Fees payable and any discounts were charged and awarded on the same basis as for other parents and staff.

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

REVENUE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2023
(for the information of the Governors only)

	2023		2022	
	£	£	£	£
Turnover				
Tuition fees	4,478,592		4,481,277	
Uniform shop sales	103		299	
Extra charges	104,486		88,090	
Meals	<u>-</u>		<u>84,466</u>	
		4,583,181		4,654,132
Other income				
Hall hiring revenue	6,800		3,988	
Donations	335		1,552	
Donations for restricted use (including from Homefield Association)	23,000		-	
Early loan repayment fee	206,176		-	
Sundry income	<u>2,400</u>		<u>5,550</u>	
		<u>238,711</u>		<u>11,090</u>
		4,821,892		4,665,222
<i>Deduct:</i> Expenditure (pages 25 & 26)		(4,429,448)		(4,150,360)
		<u>392,444</u>		<u>514,862</u>
<i>Add:</i> Interest receivable		<u>5,442</u>		<u>172</u>
Surplus for the year		<u>397,886</u>		<u>515,034</u>

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

SCHEDULE TO THE REVENUE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023

(for the information of the Governors only)

	2023		2022	
	£	£	£	£
Administration and general				
Accountancy	4,372		4,663	
Payroll costs	7,370		7,791	
Advertising	58,950		35,398	
Audit fee	6,600		5,940	
Matron's school flowers	1,013		121	
Minibus repairs and other expenses	32,547		25,123	
Legal and professional charges	66,576		21,474	
Medical supplies	2,017		1,026	
Office staff salary	360,824		336,906	
Office staff pension	32,324		31,034	
Admin Agency staff	187		550	
Staff uniforms	1,108		561	
Printing & stationery inc photocopying	6,857		3,045	
Admin Equipment hire	486		4,921	
Postage	732		1,144	
Functions & promotional events	2,428		7,812	
Photographs	325		-	
Staff recruitment expenses	16,970		28,186	
Subscriptions and membership	26,164		20,363	
Telephone	6,815		6,706	
Tips/gifts	574		1,115	
Bank charges	8,484		276	
Bank loan interest	49,990		10,338	
Safeguarding costs	<u>4,081</u>		<u>2,498</u>	
		697,794		556,991
Educational				
Scholarships	11,116		13,818	
Bursaries	43,260		61,975	
Sports facility hire and equipment	17,847		21,083	
Examination fees	11,851		13,194	
External Assessments (PIPS/MIDIS)	11,971		-	
Music	1,721		1,048	
Drama	2,290		-	
Library books	406		1,028	
School books and teaching aids	30,388		15,665	
Computer software, manuals & accessories	30,447		27,707	
Website	10,476		4,644	
Computer maintenance	34,395		43,476	
School stationery inc photocopying	15,747		19,627	
Teaching staff salary	1,890,418		1,810,699	
Teaching staff pension	321,651		320,979	
Educational Agency staff	16,540		19,655	
Agency recruitment costs	54,794		2,910	
Prizes	5,791		3,578	
Courses for teachers/staff development	17,785		14,072	
School trips	13,860		19,064	
Educational staff welfare	7,715		4,824	
School Inspection	<u>3,440</u>		<u>3,090</u>	
		<u>2,553,909</u>		<u>2,422,136</u>

HOMEFIELD PREPARATORY SCHOOL TRUST LIMITED

SCHEDULE TO THE REVENUE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023 (for the information of the Governors only)

	2023		2022	
	£	£	£	£
<i>Brought forward</i>		3,251,703		2,979,127
Establishment				
Depreciation of freehold buildings	232,023		223,046	
Depreciation of furniture and equipment	78,581		75,380	
Depreciation of minibuses	2,608		6,037	
Depreciation of computer equipment	28,575		23,811	
Loss/(profit) on disposal of fixed assets	191		(6,967)	
Ground subcontractor's costs	5,132		19,172	
Estate staff salary	164,643		134,592	
Estate staff pensions	7,182		4,618	
Insurance	46,126		51,828	
Light and heat	102,628		184,200	
Rates	25,754		22,557	
Water	10,089		5,821	
Refuse	(1,374)		8,946	
Repairs and renewals	54,311		57,819	
Service agreements	<u>48,466</u>		<u>32,140</u>	
		804,935		843,000
Housekeeping				
Cleaning and laundry	73,634		67,506	
Catering agreement	296,913		259,390	
Provisions	<u>251</u>		<u>1,142</u>	
		370,798		328,038
Uniform shop				
Opening Stock	1,781		1,781	
Purchases	231		195	
Closing stock	<u>-</u>		<u>(1,781)</u>	
		2,012		195
Total expenditure (page 24)		<u>4,429,448</u>		<u>4,150,360</u>