

Registered number: 02427105
Charity number: 803153

GADS HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

GADS HILL SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2021**

Governors	Mr P Savage, Headmaster Mrs K Hillocks, Chairman Mrs A Eggleton, Vice-Chairman Miss N Barker Mr O Basi Mrs M Dickens Reverend Canon P Kerr (resigned 20 September 2021) Mr S Martin Mr J Myatt Mr C Whittington Mr N Smith (appointed 30 November 2020)
Company registered number	02427105
Charity registered number	803153
Registered office	Gads Hill Place Gravesend Road Higham Kent ME3 7PA
Independent auditor	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH
Bankers	HSBC UK Bank PLC 84 New Road Gravesend Kent DA11 0AS
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG dgb Solicitors LLP Captains House Central Avenue Pembroke Chatham Maritime Kent ME4 4UF

GADS HILL SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2021

The Governors are pleased to present their annual Governors' report together with the financial statements of the school for the year ending 31 July 2021. The Annual report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

Our Mission

Our mission is to enable our students to enjoy school, to achieve good academic qualifications and to develop those personal attributes and qualities which will guide them on their journey through life.

Our Vision

Our vision is to be the first choice independent school for families in Kent who value a well-rounded education for their child. It is our intention that our students leave Gads Hill as confident, mature, articulate, pleasant and self-reliant young people who are well equipped to enter the world through a university education or career of their choice.

Our Values

We value Excellence, Enthusiasm, Friendship and Success. These attributes underpin all that we do. Our Mission and Vision are shaped by our commitment to educate children holistically, as articulated by our school motto: "First to thine own self be true".

Our Ethos

Children do well when they are happy at school and at Gads we pride ourselves on providing a friendly environment, where enthusiasm and hard work are the foundations for achieving success.

There is more to life than exam results alone and while Gads enjoys the reputation of receiving good GCSE results this is not our sole focus. We want to offer our pupils a foundation in life, working with them to become confident, motivated and articulate young people ready for the next stage in their education and life beyond

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Structure, Governance and Management

CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company is constituted under a Trust deed and is a registered charity with number 803153.

The charitable objects of the School as set out in the Articles of Association (as amended by Special Resolution dated 28 January 2009) are to advance education and training (including physical training) for the public benefit by provision of a school or schools in the county of Kent, in particular the school known as Gads Hill School, Higham, Kent.

CODE OF GOVERNANCE

The Board has recently established a Governance and Nominations Committee ("G&NC") and this group has led

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Objectives and activities (continued)

the Board in undertaking the Association of Governing Bodies of Independent Schools ("AGBIS") self review exercise which incorporates, and expands upon, the Charity Commission's Governance Code and Self-Assessment Checklist. Based on these results the Board, through G&NC, is driving forward a review and rationalisation of its committee structure, reporting lines and so on so as to ensure the charity operates as effectively and efficiently as possible, and in accordance with third-sector best practice.

METHOD OF APPOINTMENT OR ELECTION OF GOVERNORS

The management of the company is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

Under the Articles, the Headmaster is a governor. Two governors are appointed by The Dickens Fellowship (one of whom is a member of the Dickens family) and one by election as a chair or representative of The Friends of Gads Hill School (a separate registered charity) representing parents of pupils at the school. The remaining governors are elected at a general meeting and one-third of the elected governors, determined by length of service, retires by rotation each year, and may stand for re-election. Nominations for new governors are proposed on the basis of adding specialist skills to the governing body eg legal, financial, educational, medical, estates expertise and so on. This nominations process is led by the G&NC.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New governors are formally inducted into their roles through a series of briefings by the Chair, Headmaster and Clerk to the Governing Body, along with other members of the school's senior leadership team ("SLT") as appropriate. Governors are encouraged to visit the school regularly and are given an insight into previous meetings of the Board via minutes and the accompanying reports. The governors are offered further training through AGBIS and are informed of seminars held throughout the period that are thought to be beneficial to their governance.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The governors, as trustees of the charity and directors of the company, are legally responsible for the overall management and control of the school. They meet a minimum of four times per year, normally once per academic term and once at the commencement of the new school year. There are various sub-committees which meet as required to deal with particular areas of the school. The governors determine the general policy of the school. The day to day management of the school is delegated to the Headmaster.

KEY MANAGEMENT PERSONNEL AND REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all governors of the charity. Remuneration details are disclosed in these financial statements. Aside from Governors, the other key management personnel are:

- Mr Paul Savage, Headmaster
- Dr Stephanie Burke, Director of Studies
- Mr Jack Tyler, Head of Seniors
- Miss Sam Long, Head of Juniors
- Mrs Vicky Grant, Head of Kindergarten
- Mr Barry Golding, Bursar, Clerk to the Governing Body and Company Secretary

The Board of Governors is responsible for approving the remuneration levels of all employees. The unremunerated governors approve the Headmaster's remuneration, the Headmaster being the only governor who receives remuneration for his role overseeing the day-to-day running of the school. The Governors' Staff Salary Review Board ("SSRB") sets the salaries individually for the Headmaster and Bursar. The other key management personnel are each paid on one of two SLT incremental pay scales set by the SSRB.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Objectives and activities (continued)

RISK MANAGEMENT

The governors have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

OTHER RELATIONSHIPS

The Headmaster is a member of the Independent Schools Association ("ISA"), and the School is a member of the Independent Schools' Bursars Association ("ISBA") and AGBIS. In addition to providing crucial support to the school and its various leaders, these organisations represent the independent education sector at a national level in contact with the Government and others. A number of our teachers are members of the Chartered College of Teaching ("CCT"). On completion of her three year term of office as a Council Member of the CCT, Dr Burke was asked to stay on as Chair of their Education Research and Journal Committee. During the year she gained Chartered Teacher (Leader) status, was an Associate Lecturer with Coventry University and a Visiting Tutor for trainee teachers with EQualitas.

Achievements and performance

a. 2020/21: The Year in Review

Our objectives for 2020/21 were:

- To ensure the continued viability of Gads Hill School in the face of the global Covid-19 pandemic, ensuring safety for the whole school community and high-quality education and outcomes for our pupils across the school;
- Prevent any negative impact of Covid-19 on attainment at Key Stage 4;
- Extend the work already done on "One Curriculum" to see it develop as a diverse and global, 21st century curriculum for all;
- Review the Inclusion Department so as to ensure its readiness to support the above objective as it is rolled out from Autumn 2022;
- To recover our financial reserves to at least the Governors' usual policy of a minimum of £500,000 in available cash;
- To move to a model of 5-year high-level strategic planning;
- Establish a long-term plan for resources, estates and infrastructure.

b. Achieving the Objectives set for 2020/21

- We ensured the continued viability of Gads Hill School in the face of the global Covid-19 pandemic, ensuring safety for the whole school community and high-quality education and outcomes for all pupils across the school by implementing the comprehensive mitigation measures contained within a regularly updated school Risk Assessment. This included staff training for the creation and delivery of an on-site testing laboratory on pupils' return to the school after holidays in the autumn and spring terms, in addition to an adapted school day and curriculum to reduce viral spread. When the school site was closed to the majority of pupils from January until March 2021, we delivered an outstanding online learning programme, resourced through Microsoft Teams, Zoom and our own website (progress assessment on pupils' return in the summer indicated only marginal impact on collective academic attainment), while also continuing to accommodate in school and provide for large (and growing) numbers of pupils considered to be vulnerable or the children of critical workers.
- We prevented any negative impact of Covid-19 on attainment at Key Stage 4 by ensuring a full and robust curriculum offering during periods of Distance Learning and delivering staff training on the concept of a recovery curriculum, using guidance from Professor Barry Carpenter and the Chartered College of Teaching, as well as the use of retrieval practice in the classroom and principles of differentiation for

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

- children as different places in their learning. During the Autumn term teachers carefully monitored and assessed pupils, following a period of Distance Learning or part-time school attendance, and produced plans for interventions as needed. The Data Working Group continued to meet termly to review whole-school attainment data and to report to Governors. Our regular programme of assessment and reporting recommenced, though was then disrupted by further school closures, with our parents evenings moving successfully online. We worked hard to work with exam boards following the late provision of approved assessment materials and implemented all exam board guidance and regulations to ensure students received fair and accurate centre assessed grades. Our Key Stage Four and Key Stage Five information evenings were held virtually to ensure that students still received access to our independent qualified careers advisor.
- We extended the work already done on "One Curriculum" to see it develop as a diverse and global, 21st century curriculum by all by continuing the use of Knowledge Organisers throughout the school and the production of Topic Overviews for each subject for each half term. This enabled a collation of our whole school curriculum for the first time, after which we were able to review our curriculum in order to:
 - o Ensure we are making the most of being a through school, reviewing whether our subjects progress through the school in a logical and deliberate manner;
 - o Review our curriculum for 'intelligent interdisciplinarity'; and
 - o Review our curriculum for the diversity we want it to deliver.
 - We reviewed the Inclusion Department so as to ensure its readiness to support the above objective as it is rolled out from Autumn 2022 by redefining the entire team from scratch as a truly cross-school department with responsibility for the full inclusion of all our pupils from ages 3 to 16. The department is led by the Inclusion Leader, a member of SLT, and in addition to Inclusion Assistants the team is complemented by our full-time School Nurse, Mrs Louise Furby RGN RM.
 - We recovered our financial reserves to at least the Governors' usual policy of a minimum of £500,000 in available cash by: working sympathetically but proactively with debtors to agree affordable, reasonable payment plans to maximise cash inflow; and controlling more closely than ever expenditure and capital projects to reduce cash spend. Pleasingly, cash at 31 July 2021 was up 58% to £656,010 (2020: £415,429).
 - We moved to a model of 5-year high-level strategic planning by undertaking an SLT strategic planning day during the Easter 2021 break which resulted in the production of a strategic plan for the school – "Towards 2027" (available on the school website) – which was adopted by the Board in summer 2021. The plan comprises four strands:
 - o Governance and Staffing;
 - o Curriculum and Pupils;
 - o Facilities and Premises; and
 - o Community and Social Action.
 - We established a long-term plan for resources, estates and infrastructure by appointing a local firm of architects (Clay Architecture Ltd) to work with us on revisiting the currently consented scheme for renewed accommodation for our senior school, potentially with a view to arriving at a much more phased, affordable and deliverable scheme with greater and more appropriate use by the community, wider public, local schools and so on of our primary heritage asset – Gads Hill Place.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

c. Other Activities and Achievements in 2020/21 and Useful Information

COVID-19

All mitigation measures and online learning were delivered by the school without access to any of the DfE's funding, additional staffing or technology-for-schools programmes which were part of the Government's Covid-19 response.

PUPIL NUMBERS, CLASS SIZES AND FEES

Average pupil numbers and class sizes for the year are set out below along with the fees charged.

Section	Year Group	Average pupils	Average class size	Standard termly fee	Standard annual fee
Kindergarten	KN (Nursery)	20	19	£3,239.00	£9,717.00
	KR (Reception)	18	17	£3,239.00	£9,717.00
	K1 (Year 1)	17	17	£3,811.00	£11,433.00
	K2 (Year 2)	20	19	£3,811.00	£11,433.00
	Overall (Nursery to Year 2)	75	18		
	<i>Overall (Nursery to Year 2 in 2019/20)</i>	<i>80</i>	<i>16</i>		
Juniors	J3 (Year 3)	24	11	£4,040.00	£12,120.00
	J4 (Year 4)	25	12	£4,040.00	£12,120.00
	J5 (Year 5)	32	16	£4,040.00	£12,120.00
	Remove (Year 6)	28	14	£4,040.00	£12,120.00
	Overall (Years 3 to 6)	109	13		
	<i>Overall (Years 3 to 6 in 2019/20)</i>	<i>101</i>	<i>13</i>		
Seniors	Shell (Year 7)	27	13	£4,324.00	£12,972.00
	Lower 4th (Year 8)	37	19	£4,324.00	£12,972.00
	Upper 4th (Year 9)	30	15	£4,566.00	£13,698.00
	Lower 5th (Year 10)	22	22	£4,566.00	£13,698.00
	Upper 5th (Year 11)	31	16	£4,566.00	£13,698.00
	Overall (Years 7 to 11)	147	16		
	<i>Overall (Years 7 to 11 in 2019/20)</i>	<i>138</i>	<i>15</i>		
Whole School - Overall		331	16		
<i>Whole School - Overall (2019/20)</i>		<i>319</i>	<i>15</i>		

Pupil numbers remained pleasingly on target with 3.76% growth in total pupil numbers over the year before. Fee levels were on average 3.99% higher than those charged in the preceding year. In an effort to support families further through the Coronavirus pandemic, 2020/21 fees were held at 2019/20 levels and hence we are now even more competitively priced against other independent senior schools in the area than before.

EXPANSION OF OUR SENIOR SCHOOL

In 2020/21, based on increasing demand and scholarship uptake, we expanded our Senior School to three form entry (from two) so as to accommodate increased demand for places at Gads Hill School.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

ACADEMIC PERFORMANCE

Significant achievements include:

- 100% of pupils gained a grade 9-4 in English Language;
- 97% of pupils gained a grade 9-4 in Mathematics;
- 81% of pupils gained a grade 9-4 in Science (Double Award) and we entered two students for the first time for triple science, achieving 100% grades 9-5
- More students achieved a grade 4 or above in all subjects, with the exception of history at 3.2% lower, than nationally.
- More students achieved a grade 5 or above in all subjects except English literature, history and PE, than nationally. This year all students were awarded a grade for English Literature compared to previous years when not all students have been entered for this subject.
- All BTEC music students passed their qualification.
- Combined Cadet Force ("CCF") pupils gained diplomas from The Institute of Leadership and Management, a BTEC in Teamwork and Personal Development, Duke of Edinburgh Awards and First Aid qualifications.
- More Gads pupils than ever before complete drama qualifications with the London Academy of Music and Dramatic Art ("LAMDA") on their solo and small group pathways with LAMDA now offered to years 5-11.

Other qualifications achieved include:

- Emergency First aid at Work: 31 students
- Bronze Duke of Edinburgh award: 10 students
- Silver Duke of Edinburgh award: 6 students
- LAMDA:
 - o Grade 8 Gold: 1 student
 - o Grade 5: 3 students
 - o Grade 3: 5 students
- Music grades:
 - o Grade 4 Drumming: 1 student

A new programme for More Able, Gifted and Talented ("MAT") students in Shell and L4 (Years 7 and 8) was developed and delivered. This offered evidence-based best practice for stretching and challenging our increasingly academic intake. A new policy for identifying MAT students was developed in consultation with our Inclusion lead and the new programme was well received by pupils and parents.

WHOLE-SCHOOL CURRICULUM REVIEW

Our first review of our whole-school curriculum took place during our Summer Inset day when staff met in subject-groups across the whole-school for the first time to review and discuss progression of their subject throughout a child's journey through Gads. Staff were assigned to subject groups and completed a variety of tasks individually and in small groups that focused on overall vision for their subject (this structure also made sure our Inset day was Covid safe by avoiding large groupings). In subject groups, staff got to meet together for the first time from across the school to focus on subject-specific discussion. These subject groups produced a first draft of a 'subject vision document' for each subject taught across the school which they then revisited during a Monday CPD session this term. These documents outline for parents and students the main purpose of the subject, key principles and values, the main 'big ideas' or key concepts students will encounter in the subject, and a brief summary of the knowledge, understanding and disposition expected to be evident as pupils learn the subject. This activity encouraged teachers to really think deeply about what was important about their subject and presents it in a way which is clear to pupils and parents. Subject groups also worked this term on producing an overview of all topics taught throughout the school to review the sequencing of content across our one curriculum. A further programme of curriculum review was planned (and took place) in the 2021-2022 academic year.

As part of our ongoing curriculum review we explored options to expand the offering at Key Stage 4, particularly

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

in recognition of the increase of academic ability of our senior school intake, largely as a result of the Charles Dickens' scholarships. After rigorous discussion amongst leadership, the decision was made to offer an additional Psychology GCSE outside of the option blocks in our first experiment into a blended learning approach to GCSE. An external company was employed to facilitate the delivery of the GCSE, alongside in-person weekly teaching from one of our own teaching staff, for the first cohort to commence in the 2021-22 academic year.

Our humanities curriculum at Key Stages 1-2 was reviewed and strengthened. Students in J3-Remove received three 'humanities' lessons a week which cycle through termly projects which we found were heavily history-based. We found that this led to students thinking that they 'don't do' history, geography or RE despite having the opportunity to be taught in some years by our specialist history teacher. We planned that from September 2021 we would move to more distinct lessons, providing one clear geography, history and RE lesson per week for J3-Remove. Each subject will progress through its own curriculum and we hope that using the language 'history, geography and RE' will help students to have a greater appreciation for the different disciplines and prepare them better for transition into seniors. Kindergarten will continue with the term 'topic' but with a greater focus on using the language 'science, history, geography, RE' so students are able to better articulate their learning. A working group was led by a member of staff during the summer term to prepare for the transition from humanities to distinct geography, history and RE lessons in the Junior school from September. The development of the new curriculum was evidence-based and used the April 2021 DfE and Ofsted subject reports and recommendations.

CURRICULUM EXPANSION AND DEVELOPMENT

We expanded resources for our popular Food and Nutrition GCSE course with the development of plans for a new, larger teaching kitchen plan, enabling more students to opt for this subject and resulting in us being able to continue to deliver our track record of giving all students their first choice of GCSE options.

Our first two entries for triple science, and the restructure of the science curriculum to prepare all students for triple science entries, with both candidates achieving grades 9-5 in each of the three sciences.

REVIEW OF KINDERGARTEN AND JUNIOR SCHOOL REPORTING SYSTEMS

This review resulted in improvements made to ensure clearer communication to parents, more efficient data entry for teachers, and more useful progress data to inform teaching and interventions.

INITIAL TEACHER TRAINING ("ITT")

We successfully trained two teachers who joined the profession by achieving Qualified Teacher Status ("QTS"). One qualified to teach primary school children aged 7 to 11; the other qualified to teach secondary Geography.

CONTINUING PROFESSIONAL DEVELOPMENT ("CPD") FOR STAFF

The Director of Studies, Dr Burke, led an evidence-based, robust review of CPD provision across the school as it was in Summer term 2021, leading to a complete restructure of CPD and a new focus and investment in professional learning for teachers for 2021/22. Professional development for teachers is proven to improve student outcomes and retention and is therefore something which it is worthwhile investing in. While the existing approach to CPD provided some good opportunities for pedagogical and subject-specific learning, we needed to move towards a programme of learning for teachers that is focused, progressive rather than ad-hoc, iterative, implemented in practice, and reviewed. The review was based upon the Teacher Development Trust review model and resulted in a report of recommendations for changes and investment in a new approach to professional learning for teachers at Gads Hill School to be implemented during 2021/22.

CHARLES DICKENS ACADEMIC SCHOLARSHIPS

Autumn Term 2020 saw the fourth wave of Charles Dickens ("CD") academic scholars commence in the senior school, with a further 11 of the most able children in the area receiving this form of fee assistance. Of particular note, one pupil joined us this year from a local maintained primary school, having achieved a 100% CD Scholarship, and another candidate already at Gad's Hill School was awarded the same level of Fee Assistance,

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

bringing to three the number of Charles Dickens Scholars receiving 100% Fee Assistance.

OTHER FORMS OF FEE ASSISTANCE

Significant increases in both the proportion of gross fee income used to provide fee assistance, and the proportion of families benefiting from some of fee assistance are set out elsewhere in this report.

Governors keep under review our policies for all forms of fee assistance to ensure that as many suitable pupils as possible can benefit from the education offered at Gads Hill School even if their family financial circumstances would otherwise preclude this.

PUBLIC BENEFIT

The school educated an average of 183 primary- and 147 secondary-age pupils during 2020/21 at no cost to the public purse (excepting, of course, the exceptional emergency Government funding to protect jobs during the Covid-19 pandemic). The absolute minimum it would have cost public funds to educate these pupils at the Government's minimum per pupil funding levels^[1] would be £1.421M (2020: £1.296M). The real savings to the public purse, however, are considerably greater when the value of capital grants, VAT reclaims and so on are taken in to account. All our staff live in Kent, Medway or one of the adjoining London Boroughs and hence our support to the local economy as the employer of nearly 100 people is significant. Support of our local economy has been increased further by choosing local suppliers for food produce wherever possible, taking more trips to local sites and attractions, and so on.

Despite planned events during 2020/21 being curtailed severely by the Coronavirus pandemic, our CCF Contingent took their usual place at the Remembrance Day events in Higham, along with a number of other events

As ever, children across the school raised money through House events for their chosen charities. The school also opened its facilities to a number of local schools and organisations using facilities such as our climbing wall and shooting range.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

b. Reserves policy

RESERVES AND FINANCIAL HEALTH

The governors review regularly the finances of the school and plan for future years. In common with other independent schools, governors have invested substantial sums into new and improved buildings and facilities in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Although as shown on the balance sheet the school's free reserves (unrestricted reserves less fixed assets) are at a negative balance of £2,815,658, this illustrates the extent of the investment in our school, which is common practice for schools in the sector which have to finance their own capital investment plans. The governors consider that, given the strength of the charity's balance sheet, the stable cash flow from healthy student rolls (including the managed impact of the current Covid-19 pandemic), the ongoing popularity of our school, and our strong relationship with bankers, there is no current need to build up a free reserve.

As was fully expected when Governors took actions outlined elsewhere to deal with the Covid-19 pandemic, the school's cash balances were depleted, and much lower than originally planned, at 31 July 2020 but, again as planned, rebounded strongly in the year to 31 July 2021.

c. Principal risks and uncertainties

The Board of Governors is responsible for the management of risks faced by the school. Each year the SLT and Board identify and assess risks and implement controls to mitigate against these. Key controls implemented by the school include:

- Formal agenda and papers for all Board and committee activities
- Strategic planning, budgeting and management accounting
- Structured financial and other forecasting (eg pupil numbers) for future years
- Established organisational structure and understood lines of reporting
- Formal written policies

d. Principal funding

The principal funding of the school is from school fees.

APPROACH TO FUNDRAISING

Fundraising income remains low, however the school does not specifically target resources for this source of funding. This year the school received donations amounting to £nil (2020: £30,680). No fundraising complaints (2020: £nil) were received during the year.

Structure, governance and management

a. Constitution

Gads Hill School is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Governors

The management of the Company is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Structure, governance and management (continued)

c. Financial risk management

The Governors have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

OBJECTIVES FOR 2021/22

The Board has set the following objectives for 2021/22:

- Governance and Staffing:
 - Develop sector-leading Professional Learning programme for teaching staff, including Early Career Teachers
 - Develop CPD programme for non-teaching staff
 - Re-instate Learning Review programme
 - Establish 5-year department development plans
 - Establish 5-year trajectory towards reduced Inclusion income
 - Review remuneration and reward for most excellent teachers
 - Establish effective estate management structure and processes
- Curriculum and Pupils:
 - Review admissions policy with enhanced focus on pupil suitability and expectations
 - Conduct first full review of One Curriculum
 - Develop critical oversight structure for (a) pupil achievement and (b) pupil personal development, including responsibility for evidencing and celebrating success
- Facilities and Premises:
 - Audit technology assets and establish investment plan
 - Finalise updated design brief for senior school accommodation
 - Develop interim estates improvement plan
- Community and Social Action:
 - Create environmental sustainability plan
 - Further links with local suppliers and businesses to explore alternative employment routes for pupils leaving the school
- Prepare effectively for an anticipated Regulatory Compliance Inspection at some point in 2021/22
- Restructure the school's middle leadership so as to meet current and anticipated need
- Review Admissions procedures better to define suitability criteria for prospective pupils of all ages, ensuring their needs can be met and gathering valuable attainment data to aid successful transition on commencement in the school
- Build on the whole-school curriculum review carried out this year by conducting and documenting our first review of "One Curriculum"
- Undertake and document a review of the school's approach to Equality, Diversity and Inclusion ("EDI") leading to an action plan to improve further this important dynamic within our community
- Further expand our GCSE offering by introducing GCSE Psychology

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GOVERNORS' REPORT (CONTINUED)
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Statement of Governors' responsibilities

The Governors (who are also the directors of the Company 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. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:



Mrs K Hillocks
(Chair of Trustees)

Date: 8.7.2022

GADS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL

Opinion

We have audited the financial statements of Gads Hill School (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 July 2021 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 United Kingdom, including the Financial Reporting Council'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 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 Governors with respect to going concern are described in the relevant sections of this report.

GADS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL (CONTINUED)

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 contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our 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.

We have nothing to report in respect of the following matters in relation to which 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 trustees

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 Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

GADS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiries of management about their own identification and assessment of the risks of irregularities;
- reviewing board minutes and making enquiries of management regarding any non-compliance with laws and regulations and fraud;
- reviewing the revenue, supplier payments and payroll systems for significant deficiencies or susceptibility to fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- reviewing journal entries, in particular any journal entries posted with unusual account combinations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

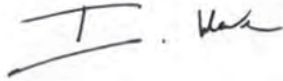
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

GADS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADS HILL SCHOOL (CONTINUED)



Ian Weekes (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 8 July 2022

GADS HILL SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	4	144,115	144,115	196,784
Charitable activities	5	3,755,028	3,755,028	3,349,818
Investments	6	506	506	1,567
Total income		<u>3,899,649</u>	<u>3,899,649</u>	<u>3,548,169</u>
Expenditure on:				
Provision of education	7	3,672,037	3,672,037	3,478,472
Total expenditure		<u>3,672,037</u>	<u>3,672,037</u>	<u>3,478,472</u>
Net movement in funds		<u>227,612</u>	<u>227,612</u>	<u>69,697</u>
Reconciliation of funds:				
Total funds brought forward		3,235,079	3,235,079	3,165,382
Net movement in funds		227,612	227,612	69,697
Total funds carried forward		<u>3,462,691</u>	<u>3,462,691</u>	<u>3,235,079</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 39 form part of these financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 02427105

BALANCE SHEET
AS AT 31 JULY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	6,278,349	6,365,177
Investments	13	-	1
		<u>6,278,349</u>	<u>6,365,178</u>
Current assets			
Debtors	14	118,949	165,848
Cash at bank and in hand		656,010	415,429
		<u>774,959</u>	<u>581,277</u>
Creditors: amounts falling due within one year	15	(605,604)	(514,028)
Net current assets		<u>169,355</u>	<u>67,249</u>
Total assets less current liabilities		<u>6,447,704</u>	<u>6,432,427</u>
Creditors: amounts falling due after more than one year	16	(2,912,945)	(3,117,833)
Net assets excluding pension liability		<u>3,534,759</u>	<u>3,314,594</u>
Defined benefit pension scheme liability	24	(72,068)	(79,515)
Total net assets		<u><u>3,462,691</u></u>	<u><u>3,235,079</u></u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	3,462,691	3,235,079
Total funds		<u><u>3,462,691</u></u>	<u><u>3,235,079</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

GADS HILL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 02427105

BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2021

Hillocks

Mrs K Hillocks

(Chair of Trustees)

Date: 8-7-2022

The notes on pages 21 to 39 form part of these financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	598,207	1,414
Cash flows from investing activities		
Dividends, interests and rents from investments	506	-
Proceeds from the sale of tangible fixed assets	240	-
Purchase of tangible fixed assets	(53,825)	(49,759)
Net cash used in investing activities	(53,079)	(49,759)
Cash flows from financing activities		
Repayments of borrowing	(185,234)	(127,365)
Interest paid on loan	(119,313)	-
Net cash used in financing activities	(304,547)	(127,365)
Change in cash and cash equivalents in the year	240,581	(175,710)
Cash and cash equivalents at the beginning of the year	415,429	591,139
Cash and cash equivalents at the end of the year	656,010	415,429

The notes on pages 21 to 39 form part of these financial statements

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. General information

The company is a company limited by guarantee. The members of the company are the Trustees named in the front of the financial statements. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

The company is registered in England and Wales, registered number 02427105 and its registered office is:

Gads Hill Place,
Gravesend Road,
Higham,
Kent, ME3 7PA.

The company is a registered charity number 803153, its principal activity is the provision of education service.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Gads Hill School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements. After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. Whilst the school has a deficit on free reserves it has bank funding in place to cover this and future income streams to service that debt. The Governors therefore continue to adopt the going concern basis in preparing the financial statements.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 Fee income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarships, bursaries and other allowances. Interest income is accounted for on a receivable basis.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives,

Depreciation is provided on the following bases:

Freehold property	- 2% on cost
Motor vehicles	- 25% on cost
Fixtures and fittings	- 20% to 25% on cost

Land of £140,000 is not depreciated.

The governors consider that the freehold property will have an estimated residual value of £1.9 million after 50 years, depreciation is charged at 2% per annum on the balance.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Known bad debts are written off and provision is made for any considered to be doubtful. Trade debtors relates to income owed for charitable services provided.

2.10 Cash at bank and in hand

Cash at bank and 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.

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within Interest payable and similar charges.

Fees received in advance are carried forward for credit in the period to which they relate.

2.12 Financial instruments

The Company 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.

2.13 Pensions

The Company is a member of a multi-employer plan. Where it is not possible for the Company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. These are assessed annually and may vary each annum depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The school makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analysed historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment terms when making judgement to evaluate the adequacy of the allowance of doubtful debts.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	375	375
Government grants	143,740	143,740
	144,115	144,115
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Government grants	196,784	196,784
	196,784	196,784

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Fees receivable	3,504,674	3,504,674
Registration fees	12,240	12,240
Educational requisites income	129,881	129,881
Sundry income	108,233	108,233
	3,755,028	3,755,028

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Fees receivable	3,189,411	3,189,411
Registration fees	4,380	4,380
Educational requisites income	115,032	115,032
Sundry income	40,995	40,995
	3,349,818	3,349,818

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income - other foreign investments	506	506

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income - other foreign investments	1,567	1,567

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Education	2,270,874	2,270,874
Welfare	158,613	158,613
Premises	617,815	617,815
Administration	505,422	505,422
Interest payable	119,313	119,313
	<u>3,672,037</u>	<u>3,672,037</u>

	<i>Endowment funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Education	-	-	2,142,507	2,142,507
Welfare	-	-	151,743	151,743
Premises	1,253	545	551,370	553,168
Administration	-	-	502,135	502,135
Interest payable	-	-	128,919	128,919
	<u>1,253</u>	<u>545</u>	<u>3,476,674</u>	<u>3,478,472</u>

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

7. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £
Education	2,099,447	-	171,427	2,270,874
Welfare	137,783	-	20,830	158,613
Premises	200,565	140,655	276,595	617,815
Administration	321,462	-	183,960	505,423
Interest payable	-	-	119,313	119,313
	<u>2,759,257</u>	<u>140,655</u>	<u>772,125</u>	<u>3,672,037</u>

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £
Education	2,022,972	-	119,535	2,142,507
Welfare	130,218	-	21,525	151,743
Premises	159,859	129,190	264,118	553,167
Administration	325,311	-	176,825	502,135
Interest payable	-	-	128,919	128,919
	<u>2,638,360</u>	<u>129,190</u>	<u>710,922</u>	<u>3,478,472</u>

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Education	2,280,123	(9,250)	2,270,873
Welfare	137,783	20,830	158,613
Premises	477,160	140,655	617,815
Administration	480,277	25,146	505,423
Interest payable	119,313	-	119,313
	<u>3,494,656</u>	<u>177,381</u>	<u>3,672,037</u>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Education	2,142,507	-	2,142,507
Welfare	130,218	21,525	151,743
Premises	515,977	37,190	553,167
Administration	483,324	18,812	502,136
Interest payable	128,919	-	128,919
	<u>3,400,945</u>	<u>77,527</u>	<u>3,478,472</u>

9. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>14,350</u>	<u>12,000</u>

GADS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

10. Staff costs

	2021	2020
	£	£
Wages and salaries	2,211,441	2,118,508
Social security costs	198,937	193,061
Contribution to defined contribution pension schemes	348,879	326,791
	<u>2,759,257</u>	<u>2,638,360</u>

The average number of persons employed by the Company during the year was as follows:

	2021	2020
	No.	No.
Average number of full-time equivalent employees	<u>74</u>	<u>71</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

Key management personnel are considered to be the Governors of the school and their remuneration is disclosed above in note 11.

11. Governors' remuneration and expenses

	2021	2020
	£	£
Mr P Savage	80,401	79,560

Remuneration of £80,401 (2020 - £79,560) and pensions contributions of £18,990 (2020 - £18,340) were paid in respect of the highest paid Governor.

During the year, retirement benefits were accruing to 1 Governors (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 July 2021, expenses totalling £310 were reimbursed or paid directly to Governors (2020 - £NIL).

GADS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2020	6,500,000	201,444	518,869	7,220,313
Additions	-	19,404	34,423	53,827
Disposals	-	(240)	-	(240)
At 31 July 2021	<u>6,500,000</u>	<u>220,608</u>	<u>553,292</u>	<u>7,273,900</u>
Depreciation				
At 1 August 2020	267,927	142,527	444,682	855,136
Charge for the year	89,069	21,079	30,507	140,655
On disposals	-	(240)	-	(240)
At 31 July 2021	<u>356,996</u>	<u>163,366</u>	<u>475,189</u>	<u>995,551</u>
Net book value				
At 31 July 2021	<u>6,143,004</u>	<u>57,242</u>	<u>78,103</u>	<u>6,278,349</u>
At 31 July 2020	<u>6,232,073</u>	<u>58,917</u>	<u>74,187</u>	<u>6,365,177</u>

Included in land and buildings is freehold land at valuation of £140,000 (2020 - £140,000), and listed buildings at a valuation of £1,906,573 (2020 £1,906,573).

13. Fixed asset investments

	Investments in subsidiary companies £
At 1 August 2020	1
Disposals	(1)
Net book value	
At 31 July 2020	<u>1</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	94,547	52,220
Other debtors	4,679	84,596
Prepayments and accrued income	19,723	29,032
	118,949	165,848

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	194,739	175,084
Trade creditors	163,638	21,303
Other taxation and social security	-	52,326
Other creditors	200,470	243,420
Accruals and deferred income	46,757	21,895
	605,604	514,028

16. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	2,912,945	3,117,833

The entire balance of bank loans shown above are secured by a legal charge over the freehold property of Gads Hill School. The loan is repayable in monthly instalments over the 15 year term. Interest is being paid each month at a rate of 2.44% above Base Rate.

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17. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>656,010</u>	<u>415,429</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

Statement of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Balance at 31 July 2021 £
Unrestricted funds				
Designated funds				
Charles Dickens Fund	50,000	-	-	50,000
Phase 2 New School Fund	152,620	-	-	152,620
	<u>202,620</u>	<u>-</u>	<u>-</u>	<u>202,620</u>
General funds				
General Funds - all funds	<u>3,032,459</u>	<u>3,899,649</u>	<u>(3,672,037)</u>	<u>3,260,071</u>
Total Unrestricted funds	<u><u>3,235,079</u></u>	<u><u>3,899,649</u></u>	<u><u>(3,672,037)</u></u>	<u><u>3,462,691</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 August 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 July 2020</i>
	£	£	£	£
Unrestricted funds				
Designated funds				
Charles Dickens Fund	50,000	-	-	50,000
Phase 2 New School Fund	152,620	-	-	152,620
	<u>202,620</u>	<u>-</u>	<u>-</u>	<u>202,620</u>
	<i>Balance at 1 August 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 July 2020</i>
	£	£	£	£
General funds				
General Funds - all funds	2,960,964	3,548,169	(3,476,674)	3,032,459
	<u>3,163,584</u>	<u>3,548,169</u>	<u>(3,476,674)</u>	<u>3,235,079</u>
Endowment funds				
Penelope Bow Award for research and discovery	1,253	-	(1,253)	-
	<u>545</u>	<u>-</u>	<u>(545)</u>	<u>-</u>
Restricted funds				
Penelope Bow Award endowment fund	545	-	(545)	-
	<u>3,165,382</u>	<u>3,548,169</u>	<u>(3,478,472)</u>	<u>3,235,079</u>
Total of funds	<u><u>3,165,382</u></u>	<u><u>3,548,169</u></u>	<u><u>(3,478,472)</u></u>	<u><u>3,235,079</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

19. Summary of funds

Summary of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Balance at 31 July 2021 £
Designated funds	202,620	-	-	202,620
General funds	3,032,459	3,899,649	(3,672,037)	3,260,071
	<u>3,235,079</u>	<u>3,899,649</u>	<u>(3,672,037)</u>	<u>3,462,691</u>

Summary of funds - prior year

	<i>Balance at 1 August 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 July 2020 £</i>
Designated funds	202,620	-	-	202,620
General funds	2,960,964	3,548,169	(3,476,674)	3,032,459
Endowment funds	1,253	-	(1,253)	-
Restricted funds	545	-	(545)	-
	<u>3,165,382</u>	<u>3,548,169</u>	<u>(3,478,472)</u>	<u>3,235,079</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	6,278,349	6,278,349
Current assets	774,959	774,959
Creditors due within one year	(605,604)	(605,604)
Creditors due in more than one year	(2,912,945)	(2,912,945)
Provisions for liabilities and charges	(72,068)	(72,068)
Total	<u>3,462,691</u>	<u>3,462,691</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	6,365,177	6,365,177
Fixed asset investments	1	1
Current assets	581,276	581,276
Creditors due within one year	(514,028)	(514,028)
Creditors due in more than one year	(3,117,833)	(3,117,833)
Provisions for liabilities and charges	(79,515)	(79,515)
Total	<u>3,235,078</u>	<u>3,235,078</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	<u>227,612</u>	<u>69,697</u>
Adjustments for:		
Depreciation charges	140,655	129,190
Loss on investments	(1)	-
Interest payable	119,313	127,365
Endowment investment net movements	-	1,253
Interest receivable	(506)	-
Decrease/(increase) in debtors	46,898	(6,314)
Increase/(decrease) in creditors	71,923	(315,083)
Repayable of pension deficit	(7,447)	(4,694)
Loss on disposal of tangible fixed assets	(240)	-
Net cash provided by operating activities	<u>598,207</u>	<u>1,414</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	656,010	415,429
Total cash and cash equivalents	656,010	415,429

23. Analysis of changes in net debt

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	415,429	240,581	656,010
Debt due within 1 year	(175,084)	(19,655)	(194,739)
Debt due after 1 year	(3,117,833)	204,888	(2,912,945)
	(2,877,488)	425,814	(2,451,674)

24. Pension commitments

The school operates two pension schemes, one of which provides benefits based on a final or career average pensionable salary, while the other operates on the basis of a defined contribution levels from the employer and the employee.

Teaching staff belong to the Teachers' Pension Scheme "TPS". This is an unfunded defined benefit scheme operated by the Government with contributions calculated on an actuarial basis, but set in relation to the current service period only. In accordance with paragraph 28.11 of FRS 102 the contributions have been accounted for as if this were a defined contribution scheme. The employers contributions for the period rose from 23.68% to 23.58% from September 2020. Some members of the support and administrative staff belong to The Independent Schools' Pension Scheme "ISPS". This scheme is run by Verity's Governors Limited. Verity is the governor of the Pensions Trust for Charities and Voluntary Organisations. Contributions are calculated as a percentage of employee's earnings. The contributions made by the employees are matched by the employer to the maximum of 4%. Employees are able to contribute more than this if they wish.

The pension charge for the period was £345,879 (2020 - £324,970). Outstanding contributions on the balance sheet amount to £72,068 (2020 - £32,216).

The school also paid a pension of £250 per month to a former Headmistress. It is committed to pay this for the remainder of her life. A provision of £23,596 (2020 - £23,596) for the pension is within other creditors.

The school has entered into an arrangement to repay the deficit of the multi-employer ISPS. The amount is repayable over 13 years, with the first repayment being made in September 2016. In the prior year this has been discounted to its net present value of £72,067. The effective interest charge will be unwound to

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

24. Pension commitments (continued)

the Statement of Financial Activities over the repayment period.

25. Operating lease commitments

At 31 July 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	9,706	-
Later than 1 year and not later than 5 years	38,304	-
	<u>48,010</u>	<u>-</u>

26. Related party transactions

During the year, the School was invoiced for insurance services by The Waterhouse Group, a business in which Mr P Waterhouse, the father of governor Mrs K Hillocks, is the sole proprietor. The commission earned by The Waterhouse Group was £5,196 (2020 - £4,916).

During the year, the school paid for various expenses on behalf of The Charles Dickens Centre (Gads Hill) Limited £nil (2020 - £1,276). No amount was outstanding at the year end (2020 - £nil). A company in which there are common governors.

During the year, the school received donations of £5,075 (2020 - £nil) from The Friends of Gads Hill School. During the year, the school paid for various expenses on behalf of The Friends of Gads Hill School totalling £3,265 (2020 - £3,496). £3,265 was outstanding at the year end (2020 - £485). A charity in which there are common governors.

During the year, the school made purchases totalling £87 from Rochester and Chatham Dickens Fellowship (2020 - £179). No amount was outstanding at the year-end (2020 - £nil).