



Company Number: 02427105

Charity Number: 803153



# Gad's Hill School

*a company limited by guarantee*

## Annual Report and Financial Statements

for the year ended 31 July 2022

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The Governors present their annual report which includes the directors' report and strategic report required by company law, and the trustees' report required by charity law.

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# Reference and Administrative Details of the Charity, its Governors and Advisors for the Year Ended 31 July 2022

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Governors	Mrs K Hillocks, Chairman Mr P Savage, Headmaster Mrs A Eggleton, Vice-Chairman (resigned 20 March 2023) Miss N Barker Mr O Basi Mrs A Clarabut (appointed 20 March 2023) Mrs M Dickens Rev Canon P Kerr (resigned 20 September 2021) Mr S Martin Mr J Myatt Mr A O'Brien (appointed 20 March 2023) Mr N Smith Mr C Whittington
Company Registration Number	02427105
Charity Registration Number	803153
Registered Office	Gad's Hill School Gravesend Road Higham Kent ME3 7PA
Independent Auditor	Crowe UK 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 BA11 1RG  dgb Solicitors llp Captain's House Central Avenue Pembroke Chatham Maritime Kent ME4 4UF

# Governors' Report

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The Governors are pleased to present their annual Governors' report together with the financial statements of the school for the year ending 31 July 2022. 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).

## 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 Gad's 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 Gad's 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 Gad's 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.

## 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 Gad's Hill School, Higham, Kent.

### CODE OF GOVERNANCE

The Board has recently established a Governance and Nominations Committee ("**G&NC**") and this group has led 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 Gad's 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
- Mr Barry Golding, Bursar, Clerk to the Governing Body and Company Secretary
- Dr Stephanie Burke, Director of Studies (resigned 31 August 2022)
- Mrs Vicky Grant, Head of Kindergarten
- Miss Samantha Long, Head of Juniors
- Miss Louise Tucker, Head of Seniors (appointed 1 September 2022)
- Mr Jack Tyler, Head of Seniors (resigned 31 August 2022)

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.

## 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 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”).

## 2021/22: The Year in Review

Our objectives for 2021/22 were:

- **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
  - Review remuneration and reward for most excellent teachers
  - Restructure the school’s middle leadership so as to meet current and anticipated need
  - Establish 5-year trajectory towards reduced Inclusion income
  - Establish effective estate management structure and processes
- **Curriculum and Pupils:**
  - 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*”
  - Develop critical oversight structure for (a) pupil achievement and (b) pupil personal development, including responsibility for evidencing and celebrating success
  - Further expand our GCSE offering by introducing GCSE Psychology.
- **Community and Social Action:**
  - 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
  - Create environmental sustainability plan
  - Further links with local suppliers and businesses to explore alternative employment routes for pupils leaving the school
- **Facilities and Premises:**
  - Audit technology assets and establish investment plan
  - Finalise updated design brief for senior school accommodation
  - Develop interim estates improvement plan
- **Prepare effectively for an anticipated Regulatory Compliance Inspection at some point in 2021/22**

## Achieving the Objectives set for 2021/22

- **Governance and Staffing:**
  - The Early Career Framework has been delivered through the whole-school Professional Learning programme, in addition to in-school sessions developed in partnership with Dover Boys Grammar School. Each Early Career Teacher and Mentor has access to the Chartered College of Teaching funded by the school to access the programme’s resources. ECTs have been assessed and observed half-termly as part of their formal Induction with KCC’s appropriate body. ECTs were also funded to attend the Kent ECT conference and reported positively on this. Both ECTs completed their first year of the programme successfully and the School will take on two new first-year Early Career Teachers in 2022/23.
  - The Professional Learning programme for all teaching staff has run successfully throughout the academic year, with colleagues delivering sessions in areas of education underpinned by Rob Coe’s Great Teaching Toolkit. All teachers have a Professional Learning Log in which they set termly subject-focussed and professional development targets. Professional Learning logs are reviewed by the Senior Leadership Team to identify strengths within the team and areas for future focus.
  - The School has made broader use of its TES Develop subscription to offer a wide range of CPD courses: this has particularly benefitted safeguarding training where several Child Protection courses have been assigned to and completed by all teachers and non-teaching colleagues.
  - Plans are in place for the introduction of a bespoke training programme for Teaching Assistants in 2022/23. All staff attend statutory safeguarding refresher training on Staff Development Days.

- Observations of all teachers have taken place once each half-term and involve middle leaders and the Senior Leadership Team. The newly appointed Planning and Feedback Lead conducts reviews of feedback and planning across the school as part of her role. Subject Group meetings to review and plan for curriculum are timetabled each half term.
- The academic year 2021/22 saw the introduction of new whole-school 'subject strand' groups. These groups conducted several reviews of their curriculum, including sequencing, stretch and challenge and diversity studies. The whole-school 5 year plan was published to all colleagues at the start of the academic year, but the introduction of longer term individual departmental plans has been deferred.
- The Head of Senior School and Director of Studies introduced formal, termly review meetings with Heads of Department to monitor progress and development across the year.
- Pay scale revision during 2021/22 created a mechanism to allow for the introduction of a new remuneration structure for exceptional teachers, but introduction of a new scheme has been deferred.
- Following a detailed review process and consultation with affected staff, a new middle leadership structure was put in place from January 2022, including a remodelled 'curriculum committee'. The Director of Studies has met regularly with new post-holders to define early ambitions.
- Following the review of the Inclusion department in 2020/21, Inclusion income and spend during 2021/22 (whether funded by Education, Health and Care Plans ("EHCP"), fee payers or general school funds was carefully monitored. This has resulted in a faster than anticipated reduction to zero of the additional charges made to fee payers for Inclusion support, this now expected to be achieved in 2023/24, rather than by 2025/26 as originally anticipated.
- Progress towards more effective estate management processes has focussed on centralising the commissioning and logging of all statutory and routine maintenance inspections. The team has been enhanced by the addition of an "Estate Services Assistant" post and work on further improving this department will continue in to 2022/23.
- **Curriculum and Pupils:**
  - The Admissions Policy has been updated in consultation with the Admissions Manager and Inclusion Lead. At the centre of the new procedures is a significantly more rigorous screening of all prospective pupils in J3 and above in reading, writing and Mathematics. The Senior Leadership Team have developed consensus on suitability criteria for any admission to the school, based on a child's progress in relation to age-related expectations, and the School's ability to meet needs. No pupils are admitted to the School without having undergone assessment. References and reports from previous schools are also sought and teacher feedback forms for taster/assessment days improved.
  - At the end of the 2021/22 academic year, the Nursery admission process has been altered for 2022/23, with the School halting admission of children under-three and placing restrictions on entry to the Nursery of very young pupils during the Summer Term.
  - Whole-school reviews, led by the new Planning and Feedback Lead are taking place of Topic Overviews and Knowledge Organisers. All subjects have taken part in subject strand group meetings to review diversity, stretch and challenge, and sequencing of the curriculum. All subjects have produced subject vision documents, curriculum impact documents and whole-year subject overviews. One review of these has taken place in Subject Groups.
  - The Planning and Feedback Lead has compiled whole-school overview sequencing documents, which have given rise to several curriculum improvement plans: most notably, for example, a review of the teaching of Humanities in the Junior School, with Geography and History content redesigned and greater emphasis placed on the teaching of Religion and Worldviews across the whole school.
  - The new middle leadership structure in place from January 2022 saw the introduction of a Pupil Achievement Lead and Pupil Personal Development Lead. These colleagues have created systems for tracking and analysing success in academic competitions and contributions made to the extra-curricular programme respectively.
  - The Pupil Achievement Lead has overseen the creation of a More Able, Talented and Scholars (MATS) monitoring list to inform improved and more consistent Provision Mapping across the School, to come into full effect during 2022/23. She has also completed work on increased MATS stretch and challenge provision in both the Junior and Senior Schools and undertaken pupil voice initiatives to identify areas for intervention next year.
  - The Pupil Personal Development Lead has led work to greatly increase enrichment provision, particularly in the Senior School, and a significantly broader lunchtime and after-school club offer will be available from autumn 2022.

- GCSE Psychology was introduced as an option for the current Upper Fourth, additional to the timetabled curriculum, with mixed-media teaching comprising classroom teaching and access to online tuition and resources.
- 9 pupils in U4th were studying GCSE Psychology at the end of 2021/22, with 67% performing at a Grade 6 level or higher and will again be offered as an additional subject choice to the new Upper Fourth cohort in 2022/23.
- **Community and Social Action:**
  - An Equality, Diversity and Inclusion Review was conducted through the academic year and published in June 2022. The Review highlighted considerable work already completed in this area, not least the comprehensive Inclusion Review undertaken in 2020/21.
  - The report, published to all staff and governors, made a number of recommendations including the continuation of work to establish principles of Quality First Teaching and Provision Mapping, the explicit coverage of all protected characteristics in SMSC schemes of work, development of religious education teaching across the school, and improved logging and monitoring of incidents of a potentially discriminatory nature.
  - Work Experience week was reintroduced post-pandemic for Lower Fifth pupils during Summer Term 2022, with the Lead for Key Stage 4 Standards and Aspirations (re-)establishing connections with employers across the county and in London.
  - Our programme of careers information continues to involve independent guidance provided by a national award-winning adviser and places an increasing focus on routes into apprenticeships to reflect the changing post-16 landscape.
- **Facilities and Premises:**
  - The technology asset audit and development of the associated investment plan has been deferred to 2022/23.
  - In early 2021, Clay Architecture Ltd were appointed to lead a reimagining of the masterplan for delivering renewed accommodation for the senior school. By the end of the calendar year, an updated accommodation schedule had been agreed and concept design commenced. Importantly, the process will also include a comprehensive review of the previous approach towards releasing Gad's Hill Place for wider community use and preservation as a significant heritage asset.
  - Development of an interim estates improvement plan has been paused pending further work on the renewed site masterplan so as to ensure abortive work is minimised.
- **Independent Schools Inspectorate ("ISI") Regulatory Compliance Inspection preparations:**
  - This inspection took place from 22 to 24 September 2021 and we were found to be compliant in full with the Independent School Standards ("ISS"). The full report can be viewed here: [https://reports.isi.net/DownloadReport.aspx?t=c&r=ADD6472\\_20210922.pdf&s=6472](https://reports.isi.net/DownloadReport.aspx?t=c&r=ADD6472_20210922.pdf&s=6472)



## PUPIL NUMBERS, CLASS SIZES AND FEES

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

2021/22					
Section	Year Group	Average		Standard Fee Level	
		Pupils	Class Size	Termly	Annual
Kindergarten	KN (Nursery)	30	24*	£3,336	£10,008
	KR (Reception)	20	20	£3,336	£10,008
	K1 (Year 1)	19	20	£3,924	£11,772
	K2 (Year 2)	18	18	£3,924	£11,772
	<b>Overall (Nursery to Year 2)</b>	<b>88</b>	<b>20</b>		
	<i>cf Nursery to Year 2 2020/21</i>	<i>75</i>	<i>18</i>		
Juniors	J3 (Year 3)	28	10	£4,160	£12,480
	J4 (Year 4)	27	15	£4,160	£12,480
	J5 (Year 5)	28	14	£4,160	£12,480
	Remove (Year 6)	38	16	£4,160	£12,480
	<b>Overall (Years 3 to 6)</b>	<b>121</b>	<b>14</b>		
	<i>cf Years 3 to 6 2020/21</i>	<i>109</i>	<i>13</i>		
Seniors	Shell (Year 7)	42	15	£4,456	£13,368
	Lower 4 <sup>th</sup> (Year 8)	30	14	£4,456	£13,368
	Upper 4 <sup>th</sup> (Year 9)	35	15	£4,748	£14,244
	Lower 5 <sup>th</sup> (Year 10)	31	16	£4,748	£14,244
	Upper 5 <sup>th</sup> (Year 11)	19	14	£4,748	£14,244
	<b>Overall (Years 7 to 11)</b>	<b>157</b>	<b>15</b>		
	<i>cf Years 7 to 11 2020/21</i>	<i>147</i>	<i>16</i>		
<b>Whole School</b>		<b>366</b>	<b>15</b>		
<i>cf Whole School 2020/21</i>		<i>331</i>	<i>16</i>		

\* N.B. Nursery pupils attend for varying numbers of sessions each week and this is managed so as to ensure that there are never more than 20 nursery pupils in a class at any one time, and always with at least the required number of staff, if not more.

Pupil numbers remained pleasingly on target with 10.57% growth in total pupil numbers over the year before. Fee levels were on average a modest 3.22% higher than those charged in the preceding year.

## ACADEMIC PERFORMANCE

Significant achievements in Summer 2022 include:

- 94% of pupils gained a grade 9-4 in English Language
- 94% of pupils gained a grade 9-4 in Mathematics
- 100% of pupils gained 9-4 in Chemistry and Physics GCSE and 90% in Biology
- 94% of pupils achieved 9-4 for the Trilogy Science Award
- 100% of pupils passed Art, Drama, DT, Food and Nutrition, Spanish, PE, History. Statistics and Computing
- All subjects performed above the English pass rate for Grade 4 and Grade 5 nationally

- Looking at the Value-added data, our 2022 GCSE results show that our pupils have vastly exceeded the indicative grades. In English Literature, Maths, Biology, Physics, Science Trilogy, Food and Nutrition, Spanish, PE, Geography and History students on average achieved one grade higher than data has indicated. In Design Technology, on average, each of our pupils exceeded their predictions by almost two and a half grades
- All BTEC music students (6) passed their qualification
- Combined Cadet Force (“CCF”) pupils gained diplomas from The Institute of Leadership and Management (“ILM”), a BTEC in Teamwork and Personal Development, and First Aid qualifications
- More Gad’s 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 all pupils from year J5 to Upper 5<sup>th</sup>

Other qualifications achieved include:

- Winner of the Young Darwin’s Scholarship award, Field Studies Council
- Emergency First aid at Work: 18 students
- Bronze Duke of Edinburgh award: 7 students
- Silver Duke of Edinburgh award: 3 students
- LAMDA:
  - Grade 1: 5 students
  - Grade 3: 8 students
  - Grade 4: 17 students
  - Grade 5: 17 students
  - Grade 6: 9 students
  - Grade 7: 4 students

## CHARLES DICKENS ACADEMIC SCHOLARSHIPS

Autumn Term 2021 saw the fifth wave of Charles Dickens (“CD”) academic scholars commence in the senior school, with a further 14 of the most able children in the area receiving this form of fee assistance. Of particular note, one pupil entered the Senior School with a 100% CD Scholarship, bringing to four 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 Gad’s Hill School even if their family financial circumstances would otherwise preclude this.

## PUBLIC BENEFIT

The school educated an average of 209 primary- and 157 secondary-age pupils during 2021/22 at no cost to the public purse (except for “Free Early Education” funding available to all providers. The absolute minimum it would have cost public funds to educate these pupils at the Government’s minimum per pupil funding levels<sup>1</sup> would be £1.724M (2021: £1.421M). 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. Our staff live predominantly in Kent and Medway 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.

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1

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/901889/FINAL\\_2021-22\\_NFF\\_Policy\\_Document\\_MB.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901889/FINAL_2021-22_NFF_Policy_Document_MB.pdf)

## Financial Review

### 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.

### 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 £2,625,495 (2021: £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, the ongoing popularity of our school, and our strong relationship with bankers, there is no current need to build up a free reserve.

### 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

### 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 (2021: nil). No fundraising complaints (2021: nil) were received during the year.



# Looking Forward to 2022/23 and Beyond

## OBJECTIVES FOR 2022/23

The Board has set the following objectives for 2022/23:

- Governance and Staffing:
  - Increase vehicle flexibility with more staff having D1 driving licences
  - Explore Higher Education accreditation for staff CPD
  - Re-define and implement effective performance management for all
  - Develop Initial Teacher Training further
- Curriculum and Pupils:
  - Re-imagine holiday club provision
  - Further links with other maintained and independent schools to share best practice and increase collaboration
  - Fully embed rigorous phonics teaching, alongside other measures to improve reading attainment and attitudes to reading in the Lower School
  - Implement new procedures for provision mapping and monitoring of interventions and other support for pupils of **all** abilities.
  - Improve whole-school enrichment programme
  - Improve the consistency and impact of feedback and marking
  - Review homework in the Lower School to ensure it has a positive impact on pupils' learning
- Facilities and Premises:
  - Audit technology assets and establish investment plan
  - Refresh transport fleet
  - Develop "culture of giving" with parents and alumni
  - Obtain planning consent for updated senior school accommodation
  - Develop mechanism for approving 'interim' accommodation improvement projects
- Community and Social Action:
  - Create new links for university partnerships leading to post-16 opportunities for our pupils
  - Visit, host and share best practice with "excellent" ISI-rated schools
  - Establish working party to drive centenary celebrations in 2024
  - Develop alumni programme including events, career support and philanthropy, and more actively monitor leavers' destinations and early careers
  - Develop partnerships with local schools, sporting and voluntary organisations

## Statement of Governors' Responsibilities

The Governors (who are also the directors of the charity 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 Charity 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Disclosure of Information to Auditor

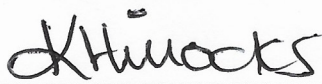
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- 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 UK LLP, has indicated their willingness to continue in office. The Chairman will propose a motion reappointing the auditor at the 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 Governors



Date



# Independent Auditor's Report to the Members of Gad's Hill School

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## Opinion

We have audited the financial statements of Gads Hill School (the 'charity') for the year ended 31 July 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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.

## 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; and
- 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.

## 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](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. 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.



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Ian Weekes (Senior Statutory Auditor)

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28th July 2023

Date

for and on behalf of

**Crowe UK llp**

Statutory Auditor

Riverside House

40-46 High Street

Maidstone

Kent

ME14 1JH

# Statement of Financial Affairs (Incorporating Income and Expenditure Account) for the Year Ended 31 July 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>				
Donations and legacies	4	-	-	144,115
Charitable activities	5	4,259,076	4,259,076	3,755,028
Investments	6	-	-	506
<b>Total Income</b>		<b>4,259,076</b>	<b>4,259,076</b>	<b>3,899,649</b>
<b>Expenditure on:</b>				
Provision of education	7	4,124,259	4,124,259	3,672,037
<b>Total Expenditure</b>		<b>4,124,259</b>	<b>4,124,259</b>	<b>3,672,037</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>134,817</b>	<b>134,817</b>	<b>227,612</b>
<b>Other recognised gains/(losses):</b>	23	(21,695)	(21,695)	-
Actuarial losses on defined benefit pension schemes				
<b>Net Movement in Funds</b>		<b>113,122</b>	<b>113,122</b>	<b>227,612</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		3,462,691	3,462,691	3,235,079
Net movement in funds		113,122	113,122	227,612
<b>Total Funds Carried Forward</b>		<b>3,575,813</b>	<b>3,575,813</b>	<b>3,462,691</b>

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

The notes on pages 21 to 33 form part of these financial statements.

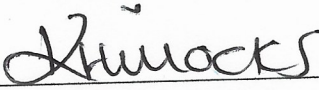


# Balance Sheet as at 31 July 2022

	Note	2022 £	2021 £
<b>Fixed Assets</b>			
Tangible assets	12	6,201,308	6,278,349
		<b>6,201,308</b>	<b>6,278,349</b>
<b>Current Assets</b>			
Debtors	13	125,826	118,949
Cash at bank and in hand		680,029	656,010
		<b>805,855</b>	<b>774,959</b>
Creditors: amounts falling due within one year	14	(629,135)	(605,604)
<b>Net Current Assets</b>		<b>176,720</b>	<b>169,355</b>
<b>Total Assets Less Current Liabilities</b>		<b>6,378,028</b>	<b>6,447,704</b>
Creditors: amounts falling due after more than one year	15	(2,715,412)	(2,912,945)
<b>Net Assets Excluding Pension Liability</b>		<b>3,662,616</b>	<b>3,534,759</b>
Defined benefit pension scheme liability	23	(86,803)	(72,068)
<b>Total Net Assets</b>		<b>3,575,813</b>	<b>3,462,691</b>
<b>Charity Funds</b>			
Restricted funds	17	-	-
Unrestricted funds	17	3,575,813	3,462,691
<b>Total Funds</b>		<b>3,575,813</b>	<b>3,462,691</b>

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:

  
Mrs K Hillocks, Chair of Governors

26.7.2023  
Date

The notes on pages 21 to 33 form part of these financial statements.

# Statement of Cash Flows for the Year Ended 31 July 2022

	2022	2021
	£	£
<b>Cash Flows from Operating Activities</b>		
<b>Net Cash from Operating Activities</b>	<b>396,865</b>	<b>598,207</b>
<b>Cash Flows from Investing Activities</b>		
Dividends, interests and rents from investments	1,310	506
Proceeds from the sale of tangible fixed assets	-	240
Purchase of tangible fixed assets	<b>(69,611)</b>	<b>(53,825)</b>
<b>Net Cash used in Investing Activities</b>	<b>(68,301)</b>	<b>(53,079)</b>
<b>Cash Flows from Financing Activities</b>		
Repayments of borrowing	<b>(192,211)</b>	<b>(185,234)</b>
Interest paid on loan	<b>(112,334)</b>	<b>(119,313)</b>
<b>Net cash used in Financing Activities</b>	<b>(304,545)</b>	<b>(304,547)</b>
<b>Change in Cash and Cash Equivalents in the Year</b>	<b>24,019</b>	<b>240,581</b>
Cash and cash equivalents at the beginning of the year	<b>656,010</b>	<b>415,429</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>680,029</b>	<b>656,010</b>

The notes on pages 21 to 33 form part of these financial statements.



## 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 School  
Gravesend Road  
Higham  
Kent  
ME3 7PA

The company is a registered charity number 803153. Its principal activity is the provision of education services.

## 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

Gad's 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 forecasts and projections, the Trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. The Governors therefore continue to adopt the going concern basis in preparing the financial statements.

### 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 Charity 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.

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 Charity'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.

## 2.7. Tangible Fixed Assets and Depreciation

Tangible fixed assets costing £500 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 are 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, using the straight-line method.

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.

## 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.

## 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.

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

# 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 year 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 Charity 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.

#### 4. Income from Donations and Legacies

	Unrestricted Funds 2022	Total Funds 2022	<i>Unrestricted Funds</i> 2021	<i>Total Funds</i> 2021
	£	£	£	£
Donations	-	-	375	375
Government grants			143,740	143,740
	-	-	144,115	114,115

In the prior year, income of £143,740 was recognised under the Coronavirus Job Retention Scheme (“CJRS”). No such income was recognised in the year ending 31 July 2022.

#### 5. Income from Charitable Activities

	Unrestricted Funds 2022	Total Funds 2022	<i>Unrestricted Funds</i> 2021	<i>Total Funds</i> 2021
	£	£	£	£
Fees receivable	3,901,142	3,901,142	3,504,674	3,504,674
Registration fees	9,800	9,800	12,240	12,240
Educational requisites income	212,582	212,582	129,881	129,881
Sundry income	135,552	135,552	108,233	108,233
	4,259,076	4,259,076	3,755,028	3,755,028

#### 6. Investment Income

	Unrestricted Funds 2022	Total Funds 2022	<i>Unrestricted Funds</i> 2021	<i>Total Funds</i> 2021
	£	£	£	£
	-	-	506	506

## 7. Analysis of Expenditure on Charitable Activities

### 7.1. Summary by Fund Type

	Unrestricted Funds 2022	Total Funds 2022	Unrestricted Funds 2021	Total Funds 2021
	£	£	£	£
Education	2,616,277	2,616,277	2,270,874	2,270,874
Welfare	204,159	204,159	158,613	158,613
Premises	636,638	636,638	617,815	617,815
Administration	556,159	556,150	505,422	505,422
Interest payable	111,024	111,024	119,313	119,313
	<b>4,124,257</b>	<b>4,124,257</b>	3,672,037	3,672,037

### 7.2. Summary by Expenditure Type

Current Year	Staff Costs 2022	Depreciation 2022	Other Costs 2022	Total 2022
	£	£	£	£
Education	2,304,615	-	311,664	2,616,279
Welfare	163,427	-	40,732	204,159
Premises	187,454	146,653	302,532	636,639
Administration	323,636	-	232,522	556,158
Interest payable	-	-	111,024	111,024
	<b>2,979,132</b>	<b>146,653</b>	<b>998,474</b>	<b>4,124,259</b>

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

## 8. Analysis of Expenditure by Activities

### Current Year

	Activities undertaken directly 2022	Support Costs 2022	Total Funds 2022
	£	£	£
Education	2,580,832	35,447	2,616,279
Welfare	163,427	40,732	204,159
Premises	489,986	146,653	636,639
Administration	556,159	-	556,159
Interest payable	111,024	-	111,024
	<b>3,901,428</b>	<b>222,832</b>	<b>4,124,259</b>

### Prior Year

	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
	<b>3,494,656</b>	<b>177,381</b>	<b>3,672,037</b>

## 9. Auditor's Remuneration

	2022	2021
	£	£
Fees payable to the charity's auditor in respect of:		
Audit of the charity's annual accounts	<b>14,285</b>	12,985
Preparation of statutory accounts	<b>1,500</b>	1,365
Independent audit of Teachers' Pension Scheme	<b>825</b>	750
	<b>15,785</b>	14,350

## 10. Staff Costs

	2022	2021
	£	£
Wages and salaries	2,369,132	2,211,441
Social security costs	211,522	198,937
Contribution to defined contribution pension schemes	398,478	348,879
	<b>2,979,132</b>	<b>2,759,257</b>

	2022	2021
	No	No
The average number of persons employed by the charity during the year express as full-time equivalents	85	74

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

	2022	2021
	£	£
In the band £60,001 to £70,000	1	-
In the band £80,001 to £90,000	1	1

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

## 11. Governors' Remuneration and Expenses

During the year, one or more Governors have been paid remuneration or have received other benefits from an employment with the charity. The value of Governors' remuneration and other benefits was as follows:

	2022	2021
	£	£
Mr P Savage	81,020	80,401

Remuneration of £81,020 (2021: £80,401) and pension contributions of £19,186 (2021: £18,990) were paid in respect of the highest paid Governor.

During the year, retirement benefits were accruing to 1 (2021: 1) Governor in respect of defined benefit pension schemes.

During the year ended 31 July 2022, expenses totalling £339 (2021: £310) were reimbursed or paid directly to Governors.

## 12. Tangible Fixed Assets

	Freehold Property	Motor Vehicles	Fixtures and Fittings	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 August 2021	6,500,000	220,608	553,292	7,273,900
Additions	-	21,990	47,621	69,611
<b>At 31 July 2022</b>	<b>6,500,000</b>	<b>242,598</b>	<b>600,913</b>	<b>7,343,511</b>
<b>Depreciation</b>				
At 1 August 2021	356,996	163,366	475,189	995,550
Charge for the year	89,069	28,437	29,146	146,653
<b>At 31 July 2022</b>	<b>446,065</b>	<b>191,803</b>	<b>504,335</b>	<b>1,142,203</b>
<b>Net book value</b>				
At 31 July 2022	6,053,935	50,795	96,578	6,201,308
<i>At 31 July 2021</i>	<i>6,143,004</i>	<i>57,242</i>	<i>78,102</i>	<i>6,278,349</i>

Included in land and buildings is freehold land at valuation of £140,000 (2021: £140,000).

## 13. Debtors

	2022	2021
	£	£
<b>Due within one year</b>		
Trade debtors	89,927	94,547
Other debtors	4,145	4,679
Prepayments and accrued income	31,754	19,723
	<b>125,826</b>	<b>118,949</b>

## 14. Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
<b>Due within one year</b>		
Bank loans	200,061	194,739
Trade creditors	140,035	163,638
Other creditors	208,263	200,470
Accruals and deferred income	80,776	46,757
	<b>629,135</b>	<b>605,604</b>

## 15. Creditors: Amounts Falling Due After More Than One Year

	2022	2021
	£	£
<b>Falling due after more than one year</b>		
Bank loans	2,715,412	2,912,945
	<b>2,715,412</b>	<b>2,912,945</b>

The entire balance of bank loans shown above is secured by a legal charge over the freehold property of Gad's Hill School. The loan is repayable in monthly instalments over the 15 year term. The loan incurs interest at a fixed rate of 3.7% for the first 10 years to 2029 then at a variable rate for a further 5 years of 2.44% over Base Rate until maturity in 2034.

Included within the above are amounts falling due as follows:

	2022	2021
	£	£
<b>Between one and two years</b>		
Bank loans	207,590	200,134
<b>Between two and five years</b>		
Bank loans	670,832	646,737
<b>Over five years</b>		
Bank loans	1,836,990	2,066,074
	<b>2,715,412</b>	<b>2,912,945</b>

## 16. Financial Instruments

	2022	2021
	£	£
Financial assets measured at fair value through income and expenditure	680,029	656,010
	<b>680,029</b>	<b>656,010</b>

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

## 17. Statement of Funds

Current Year	Balance at 1 August 2021	Income Expenditure		Gains/ (Losses)	Balance at 31 July 2022
	£	£	£	£	£
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Charles Dickens Fund	50,000	-	-	-	50,000
Phase II New School Fund	152,620	-	-	-	152,620
	<b>202,620</b>				<b>202,620</b>
<b>General funds</b>					
All funds	3,260,071	4,259,076	(4,124,259)	(21,695)	3,373,193
<b>Total unrestricted funds</b>	<b>3,462,691</b>	<b>4,259,076</b>	<b>(4,124,259)</b>	<b>(21,695)</b>	<b>3,575,813</b>

Prior Year	<i>Balance at 1 August 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 July 2021</i>
	£	£	£	£
<b>Unrestricted funds</b>				
<i>All funds</i>	3,235,079	3,899,649	(3,672,037)	3,462,691
	<b>3,235,079</b>	<b>3,899,649</b>	<b>(3,672,037)</b>	<b>3,462,691</b>

## 18. Summary of Funds

Current Year	Balance at 1 August 2021	Income Expenditure		Gains/ (Losses)	Balance at 31 July 2022
	£	£	£	£	£
Designated funds	202,620	-	-	-	202,620
General funds	3,260,071	4,259,076	(4,124,259)	(21,695)	3,373,193
	<b>3,462,691</b>	<b>4,259,076</b>	<b>(4,124,259)</b>	<b>(21,695)</b>	<b>3,575,813</b>

Prior Year	<i>Balance at 1 August 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 July 2021</i>
	£	£	£	£
<i>General funds</i>	3,235,079	3,899,649	(3,672,037)	3,462,691
	<b>3,235,079</b>	<b>3,899,649</b>	<b>(3,672,037)</b>	<b>3,462,691</b>

## 19. Analysis of Net Assets Between Funds

### Current Year

	Unrestricted funds 2022	Total funds 2022
	£	£
Tangible fixed assets	6,201,308	6,201,308
Current assets	805,855	805,855
Creditors due within one year	(629,135)	(629,135)
Creditors due in more than one year	(2,715,412)	(2,715,412)
Provisions for liabilities and charges	(86,803)	(86,803)
	<b>3,575,813</b>	<b>3,575,813</b>

### Prior 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)
	<b>(3,462,691)</b>	<b>(3,462,691)</b>

## 20. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2022	2021
	£	£
Net income for the year (as per Statement of Financial Affairs)	<b>134,817</b>	227,612
<b>Adjustments for:</b>		
Depreciation charges	<b>146,653</b>	140,655
Profit on disposal of fixed assets	-	(240)
Interest payable	<b>112,334</b>	119,313
Interest receivable	<b>(1,310)</b>	(506)
(Increase)/decrease in debtors	<b>(6,877)</b>	46,898
Increase/(decrease) in creditors	<b>18,921</b>	71,923
Repayment of pension deficit	<b>(7,670)</b>	(7,447)
Loss on investments	-	(1)
	<b>396,868</b>	598,207

## 21. Analysis of Cash and Cash Equivalents

	2022	2021
	£	£
Cash at bank and in hand	680,029	656,010
	<b>680,029</b>	<b>656,010</b>

## 22. Analysis of Changes in Net Debt

	At 1 August 2021	Cash flows	At 31 July 2022
	£	£	£
Cash at bank and in hand	656,010	24,019	680,029
Debt due within 1 year	(194,739)	(5,322)	(200,061)
Debt due after 1 year	(2,912,945)	197,533	(2,715,412)
	<b>(2,451,674)</b>	<b>216,230</b>	<b>(2,235,444)</b>

## 23. 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 employer's contributions for the period were 23.68%. 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 employer contribution is 8%.

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

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

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 £86,803. The effective interest charge will be unwound to the Statement of Financial Activities over the repayment period.

The pension charge for the period was £398,477 (2021: £345,879). Outstanding contributions on the balance sheet amount to £86,803 (2021: £72,068).

During the year, actuarial losses of £21,695 were recognised. These losses arose following a change in actuarial assumptions and amendments to the contribution schedule. The actuary has applied a discount rate to the provision of 3.24%. This rate is equivalent to the yield of a full AA corporate bond.

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 £20,596 (2021: £23,596) for the unfunded pension is included within other creditors.

## 24. Operating Least Commitments

At 31 July 2022 the charity had commitments to make further minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	10,691	9,706
Later than 1 year and not later than 5 years	32,074	38,304
	<b>42,765</b>	<b>48,010</b>

The following lease payments have been recognised as an expense in the Statement of Financial Affairs:

	2022	2021
	£	£
Operating lease rentals	10,940	8,520
	<b>10,940</b>	<b>8,520</b>

## 25. 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 £5,970 (2021: £5,196). Total purchases from The Waterhouse Group totalled £55,180 (2021: £50,654). No balance was outstanding at year end (2021: £nil).

During the year, the school received donations of £nil (2021: £5,075) from The Friends of Gad's Hill School. During the year, the school paid for various expenses on behalf of The Friends of Gad's Hill School totalling £nil (2021: £3,265). £nil was outstanding at the year end (2021: £3,265). It is a charity in which there are common trustees.

During the year, the school made purchases totalling £nil from Rochester and Chatham Dickens Fellowship (2021: £87). No amount was outstanding at the year-end (2021: £nil).



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