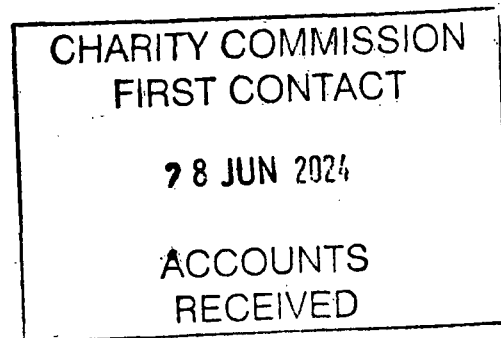


Registered number: 02427105
Charity number: 803153



GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

GAD'S HILL SCHOOL

(A company limited by guarantee)

WOLVERHAMPTON CITY COUNCIL
GAD'S HILL SCHOOL

CONTENTS

	Page
Reference and administrative details of the Charity, its Governors and advisers	1 - 2
Governors' report	3 - 15
Independent auditor's report on the financial statements	16 - 19
Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23 - 42

GAD'S HILL SCHOOL
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2023**

Governors	Mr P Savage, Headmaster Mrs A H Cavalier Tej (appointed 14 December 2023) Mrs K Hillocks (resigned 14 December 2023) Mrs A Eggleton (resigned 20 March 2023) Mrs M S Taylor (appointed 2 November 2023) Miss N Barker Mr O Basi (resigned 14 December 2023) Mrs M Dickens Mrs D Piralic (appointed 18 September 2023) Mrs A J Clarabut (appointed 20 March 2023) Mr D Martin, Chair of Governors (appointed 18 September 2023) Mr S Martin (resigned 3 July 2023) Mr J Myatt Mr A A O'Brien (appointed 20 March 2023) Mr C Whittington Mr N Smith (resigned 12 October 2023) Mrs A H C Tej (appointed 14 December 2023)
Company registered number	02427105
Charity registered number	803153
Registered office	Gad's 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

GAD'S HILL SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2023

The Governors are pleased to present their annual Governors' report together with the financial statements of the school for the year ending 31 July 2023. 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 Gad's Hill School 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 Hill 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 so as to ensure the charity operates as effectively and

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Objectives and activities (continued)

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 based on adding specialist skills to the governing body e.g. 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 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
- Miss Louise Tucker, Head of Seniors
- Miss Samantha Long, Head of Juniors
- Mrs Vicky Grant, Head of Kindergarten
- Mr Malcom Gray, 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.

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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Objectives and activities (continued)

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 The Association of Governing Bodies in Independent Education ("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. Several of our teachers are members of the Chartered College of Teaching ("CCT").

Achievements and performance

a. 2022/23: The Year in Review

Our objectives for 2022/23 were:

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.
- Implement bespoke training plan for Teaching Assistants.

Curriculum and Pupils:

- Fully embed rigorous phonics teaching, alongside other measures to improve reading attainment and attitudes to reading in the Lower School
- Review outside provision for pupils.
- 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.
- Re-imagine holiday club provision.
- Further links with other maintained and independent schools to share best practice and increase collaboration.

Facilities and Premises:

- 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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

b. Achieving the Objectives set for 2022/23

Governance and Staffing:

Re-define and implement effective performance management for all

The Professional Learning programme for all teaching staff has continued to run successfully throughout the academic year, with all teachers completing Professional Learning Logs for setting subject-focussed and professional development targets. The programme has been developed this year by the introduction of regular peer coaching sessions, allowing colleagues to review and develop their work towards targets through frequent peer conversations, and to work collaboratively in planning or to find relevant research. Professional development in the school has expanded further with the implementation of a bespoke training programme for teaching and inclusion assistants. Weekly training is delivered by members of the Senior Leadership Team and other colleagues with a focus on priority areas of the school's development plan and key pupil SEND needs.

During the course of 2022/23, a new teaching and learning monitoring and review programme was introduced. Five reviews, focussed on various characteristics of outstanding practice, will be carried out across 2023/24, with every teacher observed in each review fortnight. Detailed written reports will highlight strengths in whole-school practice and areas for development, which will be addressed via our weekly staff development sessions. In 2022/23, the first of these reviews investigated the activation of 'hard thinking' in lessons across the school.

Develop Initial Teacher Training further

During 2022-23, the school employed three Early Career Teachers. One completed their second year of ECT with an outstanding grading, while two others enjoyed successful first years of the programme. Although no further trainees or ECTs have been appointed during the course of the year or ahead of 2023/24, the school is well-equipped to support new or early career teaching colleagues and will actively pursue such appointments.

Increase vehicle flexibility with more staff having D1 driving licences

The fleet of minibuses has continued to grow, with six daily routes now in operation to bring pupils to and from school across our wide catchment area. Recruitment of drivers has increased accordingly, and the transport manager now has a strong bank of available drivers to use to meet the high demand for educational visits, sporting fixtures, swimming lessons etc. as well as ensuring continuity of service for morning and evening routes.

Explore Higher Education accreditation for staff CPD

A number of staff across the school continue to undertake study towards professional qualifications, including National Professional Qualifications, Masters degrees and Teaching Assistant qualifications.

Curriculum and Pupils:

Fully embed rigorous phonics teaching alongside other measures to improve reading attainment and attitudes to reading in the Lower School

External training in the school's Read, Write, Inc. phonics programme was delivered to all Lower School staff during the course of 2022/23, consisting of Speed Sound and Story Book training. The Lower School Senior Leader also received further training to ensure assessment of phonics were robust, regular and precise. This has resulted in the explicit teaching of phonics throughout the Lower School in a systematic approach to support children in making connections between the sound patterns they hear in words when reading and the way that these words are written. The Lower School Senior Leader continued to deliver weekly practice sessions and updates to all staff.

The teaching of phonics matches the children's current level of skill in terms of their phonemic awareness and their knowledge of letter sounds and patterns (graphemes). Kindergarten phonics lessons were reorganised to be held simultaneously on a daily basis, allowing for effective grouping of pupils according to need, and intervention provision for those requiring additional support.

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

The Lower School team are aware that phonics improves the accuracy of children's reading but not necessarily their comprehension. The team recognise this and place emphasis on all aspects of reading. Training was provided to the whole Lower School during a staff development day on the Power of Reading (CLPE) which is a programme to evolve a high-quality literacy curriculum which develops reading comprehension and writing composition and fosters a love of reading. This continues to be rolled out in 23/24, The Power of Reading is implemented from K2 onwards, once children have mastered the necessary phonic skills.

The Lower School Senior Leader continued to deliver weekly practice meetings for staff, and a colleague also attended CLPE training for more able writers. Workshops were held for parents within the kindergarten focusing on how we teach children to read and how they can provide further support at home.

A full audit of the Lower School's reading materials was conducted, and the school invested in additional books and reading resources, particularly to improve the range of stories available for less advanced readers. Additionally, pupil librarians were appointed, and support sessions delivered to parents to ensure their effective involvement. The reemphasis on rigorous phonics teaching resulted in improved early reading skills and comprehension outcomes across the Lower School.

Review the outside provision for pupils

The Senior Leadership team looked to improve the choice of activities during break and lunch times. Training sessions were held for support staff and reviews of supervision and the activities on offer. New equipment and games were implemented ensuring that they were age-appropriate and developed social and team building skills. This continues to be rolled out in 23/24.

Implement new procedures for provision mapping and monitoring of interventions and other support for pupils of all abilities

The Inclusion Leader delivered a number of training sessions to colleagues to reinforce the importance of effective provision mapping to ensure quality teaching and intervention for all pupils across the school. Regular review of provision is a key element of the new teaching and learning monitoring system first implemented in 2022/23. All teachers across all phases of the school use a consistent mapping template to identify quality first teaching strategies, as well as short- and long-term interventions and associated entry and exit data. Professional development time has been allocated to staff to update these provision maps as part of the termly assessment cycle. The template has been updated for 2023-24 to further increase consistency and efficiency of completion.

Improve whole-school enrichment programme

The Pupil Personal Development Lead worked closely with the Senior Leadership Team during 2022/23 to deliver a substantial improvement to the school's enrichment programme, particularly in the Upper School. Pupils now have access to a significant number of clubs and activities before and after school and during lunchtimes. Clubs available include sport and music clubs, subject-specific activities, such as STEM clubs and support clinics, as well as a diverse programme ranging from Minecraft to Astronomy. In the Upper School a daily lunch hub was established in the Reading Room for all pupils, providing access to inclusion staff for any pupils in need of support. In the Lower School work has been done to develop the resources and activities on offer to enhance the value of break and lunchtime play. The Pupil Personal Development Lead continues to monitor club attendance and conducts surveys to identify pupil voice.

Improve the consistency and impact of feedback and marking

Work was undertaken throughout 2022/23, led by the Planning and Feedback Lead, to review the principles of effective feedback. The Lead teacher attended training with the ISA which was shared with the Senior Leadership Team and helped form the basis of a reviewed and rewritten Feedback Policy and implementation guide for Lower School, drawing on examples of outstanding practice from her own review of assessment across the school. The new teaching and learning monitoring programme incorporates opportunities for monitoring of marking in books by the Senior Leadership Team, in addition to peer book reviews to be conducted during staff conference training time. In the Lower School, colleagues have undertaken training on end of Key Stage

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

assessments and the school hosted moderation sessions for our colleagues and those of other local primary schools.

Review homework in the Lower School to ensure it has a positive impact on pupils' learning

In 2022/23, a new Lower School Home Learning Policy was created, following work by colleagues across the department to review current research on effective homework provision. New home reading resources were purchased for the Kindergarten from the Read Write Inc scheme, so all phonics books now link to a child's phonic stage and the sounds they have learned. Outstanding virtual phonic lessons are sent to parents every half term via QR codes for the children to complete at home. The school's Knowledge Organisers were made more easily accessible to parents via Microsoft Teams to allow for greater support with home learning, in addition to Stretch and Challenge menus which continue to provide additional challenge materials for the most able.

Re-imagine holiday club provision

Holiday Club provision continues to be an important part of our wider school provision, but this objective was deferred to 2023/24.

Further links with other maintained and independent schools to share best practice and increase collaboration

The school has developed a number of links with other local schools both in the maintained and independent sectors. We remain a member of the Medway Educational Leaders Association and have used partnerships developed there to organise reading and writing moderation sessions, and have shared good practice in regard to our use of Forest School. A new Director of Sport has built on stronger ties with local schools to significantly increase the number of fixtures offered to our pupils, while we also provide our facilities to a local Brownie and Guide group.

Facilities and Premises:

Obtain planning consent for updated senior school accommodation

During the course of 2022/23, the school has continued to work with architects, heritage consultants and the local authority in progressing a pre-application for updated school learning accommodation and for the preservation of Gad's Hill Place and the creation of a Creative Arts Hub. Progress remains positive and, during 2023/24, the school will progress to application for planning consent.

Develop mechanism for approving 'interim' accommodation improvement projects

The estates and maintenance team has been restructured, with the appointment of an Operations Manager, line managing various estates and infrastructure teams. Interim projects are raised to the Senior Leadership Team who will charge the Operations Manager with delivering approved projects.

Audit technology assets and establish investment plan

Deferred to 2023/24

Develop "culture of giving" with parents and alumni

In 2024, the school will enter its centenary year. A number of events have been arranged, including plans developed in conjunction with Gravesham Borough Council.

Community and Social Action:

Create new links for university partnerships leading to post-16 opportunities for our pupils

Deferred to 2023/24

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

Visit, host and share best practice with "excellent" ISI-rated schools
Deferred to 2023/24

Establish working party to drive centenary celebrations in 2024

The school has organised several centenary projects and events, including in collaboration with other local organisations reaching milestone anniversaries in 2024. The working party continues to plan further activities to celebrate the school's history, the strength of its current status, and its plans for the future.

Develop alumni programme including events, career support and philanthropy, and more actively monitor leavers' destinations and early careers

During 2022/23 a number of alumni were contacted to provide recollections and photographic records of their time as pupils within the school. These renewed collections have enabled the school to begin using former pupils to enrich the school calendar of events, with former pupils delivering speeches at Post-16 information sessions, for example. It is notable that several former pupils now work within the school. More active monitoring of leavers' destinations was undertaken in 2022/23, with the greatest proportion of pupils moving on to grammar school sixth forms for the next stage in their education.

Develop partnerships with local schools, sporting and voluntary organisations

As above, a new Director of Sport has built on stronger ties with local schools to significantly increase the number of fixtures offered to our pupils, while we also provide our facilities to a local Brownie and Guide group. Pupils from several different age ranges have participated in the Medway Mini Youth Games with great success.

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

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

PUPIL NUMBERS, CLASS SIZES AND FEES

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

2022/23					
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
	Overall (Nursery to Year 2)	88	20		
	<i>cf Nursery to Year 2 2021/22</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
	Overall (Years 3 to 6)	121	14		
	<i>cf Years 3 to 6 2021/22</i>	<i>109</i>	<i>13</i>		
Seniors	Shell (Year 7)	42	15	£4,456	£13,368
	Lower 4 th (Year 8)	30	14	£4,456	£13,368
	Upper 4 th (Year 9)	35	15	£4,748	£14,244
	Lower 5 th (Year 10)	31	16	£4,748	£14,244
	Upper 5 th (Year 11)	19	14	£4,748	£14,244
Overall (Years 7 to 11)	157	15			
	<i>cf Years 7 to 11 2021/22</i>	<i>147</i>	<i>16</i>		
Whole School		366	15		
<i>cf Whole School 2021/22</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.

EXPANSION OF OUR SENIOR SCHOOL

In 2021/22, 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 Gad's Hill School.

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

ACADEMIC PERFORMANCE

Lower School:

- 88% of pupils at the end of Nursery were assessed to be working on-track in all areas. The remaining 2 pupils were 'working towards' due to developing age-appropriate self-regulation and were still assessed as ready for their transition to Reception this year.
- Following a year of investment, training, intervention and focus on developing the quality and rigour of phonics teaching, the impact is clear from the Year 1 phonics screening data where results raised from 53% passing last year to 75% this year. In Reception the impact can also be clearly seen, with 93% of children working at the expected level for word reading and comprehension.
- End of Kindergarten assessments (Year 2) were very strong with 96% of children working at expected or above in Reading, Writing and Maths. Only one pupil was assessed to be working below age-related expectations in each core subject.
- Following systematic and targeted interventions, all Year 2 children passed a re-take of the phonics screening (of which only 53% had passed in Year 1).
- 77% of pupils in Years 3-5 were at or above expected levels in all NFER assessments taken (an increase on 75% last year), with 20% of these achieving greater depth in all areas.
- The percentage of children working at greater depth in Years 3-5 is particularly impressive and demonstrates increasingly high expectations and the impact of a whole-school focus on stretch and challenge for all.
- Lower Shell SATs results exceeded national averages for reading, writing, grammar and punctuation and spelling.

Upper School:

- In summer 2023, several Upper Fifth pupils achieved outstanding individual successes, gaining grades 7-9 in multiple subjects. As in previous years, our 'value added' data remains impressive: most pupils make progress far beyond their (nationally standardised) expectations. In summer 2023, for example, Food and Nutrition grades were on average 2.3 grades higher than would have been expected of that cohort of pupils. History results were on average 2 whole grades higher than expected, Geography outcomes were +1.4 grades above expectation, Art was +1.4, English Literature +0.9, Drama +0.8, and Computer Science and English Language grades were both on average half a grade higher than expectations.
- The first-choice destination for our Upper Fifth leavers continues to be local grammar schools – with 32% of pupils this summer gaining places at Sir Joseph Williamson's Maths School, Fort Pitt, Chatham Girls Grammar, Invicta Girls Grammar and Wilmington Grammar. Meanwhile other talented Upper Fifths are leaving Gad's Hill for exciting opportunities at the BRITT School and Dartford Football Academy or have gained places in highly selective apprenticeship programmes.
- As ever, pupil success in gaining qualifications extends beyond GCSE – our pupils enjoyed an outstanding year of achievement in Institute of Leadership & Management qualifications, BTECs, LAMDA awards and Duke of Edinburgh Bronze and Silver awards.

CHARLES DICKENS ACADEMIC SCHOLARSHIPS

- Autumn Term 2023 saw the sixth wave of Charles Dickens ("CD") academic scholars commence in the Upper School, with a further 10 of the most able children in the area receiving this form of fee assistance. Of particular note, one pupil entered the Upper School with a 100% CD Scholarship, bringing to five 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

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

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 2022/23 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 would be £1.9M (2022: £1.724M). The real savings to the public purse, however, are considerably greater when the value of capital grants, VAT reclaims and so on are considered. 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.

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 and the form submitted for the audit.

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 £2,511,987 (2022: £2,625,495), this illustrates the extent of the investment in our school, which is common practice for schools in the sector which must 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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance (continued)

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 (2022: £nil). No fundraising complaints (2022: nil) were received during the year.

Financial review

Structure, governance and management

a. Constitution

Gad's 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 Charity is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

c. Financial risk management

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

Plans for future periods

Looking Forward to 2023/24 and Beyond

OBJECTIVES FOR 2023/24

The Board has set the following objectives for 2023/24:

Governance and Staffing:

- Develop effective new structure for strategic leadership from the Board of Governors, following transition to a new Chair of Governors
- Ensure sufficient staffing capacity to allow school to progress work towards the development of new learning accommodation.
- Review Head of Department roles, increasing responsibility for impactful leadership at departmental level

Curriculum and Pupils

- Complete first full year of new teaching and learning monitoring and review system with impact on pupil outcomes.
- Complete first full year of the Greatest of Expectations Wellbeing Self Evaluation programme
- Secure strong GCSE outcomes for first scholarship cohort.
- Improve reading attainment and attitudes to reading in Lower School and review the Upper School reading room provision.
- Improve consistency and impact of feedback and marking.
- Improve outcomes for pupils at the end of EYFS.
- Improve children's application and knowledge of spelling.
- Embed a culture of success and high expectations for all.

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Plans for future periods (continued)

- Offer enhanced opportunities for pupil voice, including through a new whole-school School Council and an effective and meaningful student leadership system.

Facilities and Premises:

- Obtain planning consent for updated senior school accommodation.
- Audit technology assets and establish investment plan.

Community and Social Action:

- Celebrate centenary with focus on heritage and alumni.
- Build close relationships with all stakeholders involved in site development.
- Develop links with other independent and maintained settings.
- Embed a Greatest of Expectations culture across all aspects of school life.

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 . 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 judgements 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 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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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:



.....

Mr D Martin
(Chair of Governors)
Date: 6 June 2024

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Gad's Hill School (the 'charity') for the year ended 31 July 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S 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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S 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.

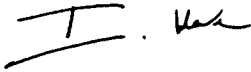
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAD'S 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: 25 June 2024

GAD'S HILL SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Charitable activities	4	4,623,555	4,623,555	4,259,076
Total income		<u>4,623,555</u>	<u>4,623,555</u>	<u>4,259,076</u>
Expenditure on:				
Provision of education	5	4,605,365	4,605,365	4,124,259
Total expenditure		<u>4,605,365</u>	<u>4,605,365</u>	<u>4,124,259</u>
Net movement in funds before other recognised gains/(losses)		18,190	18,190	134,817
Other recognised gains/(losses):				
Actuarial gains/(losses) on defined benefit pension schemes	21	7,797	7,797	(21,695)
Net movement in funds		<u>25,987</u>	<u>25,987</u>	<u>113,122</u>
Reconciliation of funds:				
Total funds brought forward		3,575,813	3,575,813	3,462,691
Net movement in funds		25,987	25,987	113,122
Total funds carried forward		<u>3,601,800</u>	<u>3,601,800</u>	<u>3,575,813</u>

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

The notes on pages 23 to 42 form part of these financial statements.

GAD'S HILL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 02427105

BALANCE SHEET
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	6,113,787	6,201,308
		<u>6,113,787</u>	<u>6,201,308</u>
Current assets			
Debtors	11	227,444	125,826
Cash at bank and in hand		481,906	680,029
		<u>709,350</u>	<u>805,855</u>
Creditors: amounts falling due within one year	12	(640,746)	(629,135)
Net current assets		<u>68,604</u>	<u>176,720</u>
Total assets less current liabilities		<u>6,182,391</u>	<u>6,378,028</u>
Creditors: amounts falling due after more than one year	13	(2,507,822)	(2,715,412)
Net assets excluding pension liability		<u>3,674,569</u>	<u>3,662,616</u>
Defined benefit pension scheme liability	21	(72,769)	(86,803)
Total net assets		<u><u>3,601,800</u></u>	<u><u>3,575,813</u></u>
Charity funds			
Restricted funds	15	-	-
Unrestricted funds	15	3,601,800	3,575,813
Total funds		<u><u>3,601,800</u></u>	<u><u>3,575,813</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:



.....
Mr D Martin
 (Chair of Governors)
 Date: 6 June 2024

The notes on pages 23 to 42 form part of these financial statements.

GAD'S HILL SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash from operating activities	172,976	396,865
Cash flows from investing activities		
Dividends, interests and rents from investments	-	1,310
Purchase of tangible fixed assets	(77,229)	(69,611)
Net cash used in investing activities	(77,229)	(68,301)
Cash flows from financing activities		
Repayments of borrowing	(200,061)	(192,211)
Interest paid on loan	(93,809)	(112,334)
Net cash used in financing activities	(293,870)	(304,545)
Change in cash and cash equivalents in the year	(198,123)	24,019
Cash and cash equivalents at the beginning of the year	680,029	656,010
Cash and cash equivalents at the end of the year	<u>481,906</u>	<u>680,029</u>

The notes on pages 23 to 42 form part of these financial statements

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

1. General information

The School 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:

Gad's 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.

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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

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 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity 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.

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.

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 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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.11 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.

2.12 Pensions

Teaching staff are members of the Teacher's Pension Scheme (TPS), a defined benefit scheme administered by the Teacher's Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The TPS is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial variances are carried out on a national set of investments. Under the definitions set out in FRS 102 the TPS is a multi-employer pension scheme. The charity is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it was a defined contribution scheme.

The charity also contributes to a personal pension scheme for its non-teaching staff and the pension charge recognised in the Statement of Financial Activities represents the amounts payable by the charity to the fund in respect of the year.

3. Critical accounting estimates and areas of judgement

Estimates and judgements 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 Charity 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.

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Fees receivable	4,279,599	4,279,599
Registration fees	9,585	9,585
Educational requisites income	228,779	228,779
Sundry income	105,592	105,592
	<u>4,623,555</u>	<u>4,623,555</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Fees receivable	3,901,142	3,901,142
Registration fees	9,800	9,800
Educational requisites income	212,582	212,582
Sundry income	135,552	135,552
	<u>4,259,076</u>	<u>4,259,076</u>

GAD'S HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £
Education	2,880,855	2,880,855
Welfare	231,903	231,903
Premises	729,266	729,266
Administration	669,532	669,532
Interest payable	93,809	93,809
	<u>4,605,365</u>	<u>4,605,365</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total 2022 £</i>
Education	2,616,279	2,616,279
Welfare	204,159	204,159
Premises	636,639	636,639
Administration	556,158	556,158
Interest payable	111,024	111,024
	<u>4,124,259</u>	<u>4,124,259</u>

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

5. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2023 £	Depreciation 2023 £	Other costs 2023 £	Total 2023 £
Education	2,559,696	-	321,159	2,880,855
Welfare	199,157	-	32,746	231,903
Premises	155,050	164,748	409,468	729,266
Administration	334,020	-	335,512	669,532
Interest payable	-	-	93,809	93,809
	<u>3,247,923</u>	<u>164,748</u>	<u>1,192,694</u>	<u>4,605,365</u>
	<i>Staff costs</i> 2022 £	<i>Depreciation</i> 2022 £	<i>Other costs</i> 2022 £	<i>Total</i> 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
	<u>2,979,132</u>	<u>146,653</u>	<u>998,474</u>	<u>4,124,259</u>

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Education	2,848,011	32,844	2,880,855
Welfare	199,157	32,746	231,903
Premises	564,518	164,748	729,266
Administration	669,532	-	669,532
Interest payable	93,809	-	93,809
	<u>4,375,027</u>	<u>230,338</u>	<u>4,605,365</u>

	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
	<u>3,901,428</u>	<u>222,832</u>	<u>4,124,259</u>

7. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	17,500	14,285
Fees payable to the Charity's auditor in respect of:		
Preparation of statutory accounts	2,250	1,500
Independent audit of Teachers' Pension Scheme	890	825
	<u>890</u>	<u>825</u>

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

8. Staff costs

	2023	2022
	£	£
Wages and salaries	2,590,271	2,369,132
Social security costs	238,989	211,522
Contribution to defined contribution pension schemes	418,663	398,478
	3,247,923	2,979,132

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

	2023	2022
	No.	No.
Average number of full-time equivalent employees	97	85

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

Key management personnel are considered to be the Governors of the school and their remuneration is disclosed below in note 9.

9. Governors' remuneration and expenses

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

		2023	2022
		£	£
Mr P Savage	Remuneration	88,227	81,020

Remuneration of £88,227 (2022 - £81,020) and pensions contributions of £20,892 (2022 - £19,186) were paid in respect of the highest paid Governor.

During the year, retirement benefits were accruing to 1 Governors (2022 - 1) in respect of defined benefit pension schemes.

GAD'S HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

9. Governors' remuneration and expenses (continued)

During the year ended 31 July 2023, expenses totalling £NIL were reimbursed or paid directly to Governors (2022 - £339).

10. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2022	6,500,000	243,076	600,913	7,343,989
Additions	-	58,460	18,769	77,229
Disposals	-	(71,758)	-	(71,758)
At 31 July 2023	<u>6,500,000</u>	<u>229,778</u>	<u>619,682</u>	<u>7,349,460</u>
Depreciation				
At 1 August 2022	446,065	192,281	504,335	1,142,681
Charge for the year	89,069	39,003	36,678	164,750
On disposals	-	(71,758)	-	(71,758)
At 31 July 2023	<u>535,134</u>	<u>159,526</u>	<u>541,013</u>	<u>1,235,673</u>
Net book value				
At 31 July 2023	<u><u>5,964,866</u></u>	<u><u>70,252</u></u>	<u><u>78,669</u></u>	<u><u>6,113,787</u></u>
At 31 July 2022	<u><u>6,053,935</u></u>	<u><u>50,795</u></u>	<u><u>96,578</u></u>	<u><u>6,201,308</u></u>

Included in land and buildings is freehold land at valuation of £140,000 (2022 - £140,000).

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

11. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	160,750	89,927
Other debtors	8,035	4,145
Prepayments and accrued income	58,659	31,754
	227,444	125,826

12. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	207,590	200,061
Trade creditors	104,844	140,035
Other creditors	223,455	208,263
Accruals and deferred income	104,857	80,776
	640,746	629,135

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

	2023 £	2022 £
Bank loans	2,507,822	2,715,412
	2,507,822	2,715,412

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. Interest is being charged each month at a fixed rate of 3.7% until 2029 and subsequently at a variable rate of 2.44% over the base rate until maturity in 2034.

Included within the above are amounts falling due as follows:

	2023 £	2022 £
Between one and two years		
Bank loans	215,402	207,590
	215,402	207,590
Between two and five years		
Bank loans	695,460	670,832
	695,460	670,832

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

13. Creditors: Amounts falling due after more than one year (continued)

	2023 £	2022 £
Over five years		
Bank loans	<u>1,596,960</u>	<u>1,836,990</u>

14. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at amortised cost	<u>650,691</u>	<u>680,029</u>

	2023 £	2022 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>3,100,587</u>	<u>3,099,968</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and bank loans.

GAD'S HILL SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

	Balance at 1 August 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2023 £
15. Statement of funds					
Statement of funds - current year					
Unrestricted funds					
Designated funds					
Charles Dickens Fund	50,000	-	-	-	50,000
Phase II New School Fund	152,620	-	-	-	152,620
	202,620	-	-	-	202,620
General funds					
General Funds	3,373,193	4,623,555	(4,605,365)	7,797	3,399,180
Total Unrestricted funds	3,575,813	4,623,555	(4,605,365)	7,797	3,601,800

GAD'S HILL SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2022 £
Unrestricted funds					
Designated funds					
Charles Dickens Fund	50,000	-	-	-	50,000
Phase II New School Fund	152,620	-	-	-	152,620
	202,620	-	-	-	202,620

	Balance at 1 August 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2022 £
General funds					
General Funds	3,260,071	4,259,076	(4,124,259)	(21,695)	3,373,193
Total Unrestricted funds	3,462,691	4,259,076	(4,124,259)	(21,695)	3,575,813

GAD'S HILL SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

15. Statement of funds (continued)

16. Summary of funds

Summary of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2023 £
Designated funds	202,620	-	-	-	202,620
General funds	3,373,193	4,623,555	(4,605,365)	7,797	3,399,180
	3,575,813	4,623,555	(4,605,365)	7,797	3,601,800

GAD'S HILL SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

16. Summary of funds (continued)

Summary of funds - prior 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
	<u>3,462,691</u>	<u>4,259,076</u>	<u>(4,124,259)</u>	<u>(21,695)</u>	<u>3,575,813</u>

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	6,113,787	6,113,787
Current assets	709,350	709,350
Creditors due within one year	(640,746)	(640,746)
Creditors due in more than one year	(2,507,822)	(2,507,822)
Provisions for liabilities and charges	(72,769)	(72,769)
Total	3,601,800	3,601,800

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
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)
Total	3,575,813	3,575,813

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	18,190	134,817
Adjustments for:		
Depreciation charges	164,750	146,653
Interest payable	93,809	112,334
Interest receivable	-	(1,310)
(Increase)/decrease in debtors	(101,618)	(6,877)
Increase/(decrease) in creditors	4,082	18,921
Repayment of pension deficit	(6,237)	(7,670)
Net cash provided by operating activities	172,976	396,868

19. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	481,906	680,029
Total cash and cash equivalents	481,906	680,029

20. Analysis of changes in net debt

	At 1 August 2022 £	Cash flows £	Other non- cash changes £	At 31 July 2023 £
Cash at bank and in hand	680,029	(198,123)	-	481,906
Debt due within 1 year	(200,061)	200,061	(207,590)	(207,590)
Debt due after 1 year	(2,715,412)	-	207,590	(2,507,822)
	(2,235,444)	1,938	-	(2,233,506)

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

21. 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 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 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.

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 school 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 £418,663 (2022 - £398,478). Outstanding contributions on the balance sheet amount to £nil (2022 - £nil).

During the year, actuarial gains of £7,797 (2022: £21,695 losses) 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 £17,596 (2022 - £20,596) for the unfunded pension is included within other creditors.

GAD'S HILL SCHOOL
(A company limited by guarantee)

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

22. Operating lease commitments

At 31 July 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	10,691	10,691
Later than 1 year and not later than 5 years	21,382	32,074
	<u>32,073</u>	<u>42,765</u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2023 £	2022 £
Operating lease rentals	<u>-</u>	<u>10,940</u>

23. 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 £5,880 (2022: £5,970). Total purchases from The Waterhouse Group totalled £58,095 in the year (2022: £55,180). No balance was outstanding at year end (2022: £nil).

During the year, the school received donations of £153 (2022 - £nil) from The Friends of Gad's Hill School. During the year, the school did not pay for any expenses on behalf of The Friends of Gad's Hill School (2022 - £nil). £nil was outstanding at the year-end (2022 - £nil). It is a charity in which there are common governors.