

COMPANY REGISTRATION NUMBER: 709159
CHARITY REGISTRATION NUMBER: 312648

St Martin's (Northwood) Preparatory School Trust Limited
Company Limited by Guarantee
Financial Statements
31 August 2019

HARDCASTLE BURTON
Chartered accountants & statutory auditor
166 Northwood Way
Northwood
Middlesex
HA6 1RB

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2019

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St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2019

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2019.

Reference and administrative details

Registered charity name	St Martin's (Northwood) Preparatory School Trust Limited
Charity registration number	312648
Company registration number	709159
Principal office and registered office	40, Moor Park Road Northwood Middlesex HA6 2DJ

The trustees

Mr A Harris (Chairman)	
Mrs A Baldwin	(Appointed 7 March 2019)
Mr S Everson	
Mr J Fowler	
Mr V Hales	
Mr N A Hinds	
Mr M Jordan	
Mr K Kothari	(Appointed 7 March 2019)
Mrs C Marks	
Mrs P Mastin	(Appointed 7 March 2019)
Mr J Richards	
Mr C Scott	
Dr R Yaqoob	

Auditor	Hardcastle Burton Chartered accountants & statutory auditor 166 Northwood Way Northwood Middlesex HA6 1RB
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Bankers	National Westminster Bank Plc 159, High Street Rickmansworth Hertfordshire WD3 1AR
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St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2019

Structure, governance and management

Governing document

The Charity is governed by its Memorandum and Articles of Association dating from 28 November 1961.

Governing body

The Charity's Governing body and movements are listed on page one.

Recruitment and Training of Governors

The Charity's elected Governors are appointed at a meeting of the existing Governors on the basis of nominations received from existing Governors and the Headmaster, having regard to the Board's specifications concerning eligibility, personal competence, specialist skills and local availability. New Governors are inducted into the workings of the Charity including Board policy and procedures, by attending Governors' meetings and being directed to relevant guidelines and courses.

Organisational Management

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the School. Meetings are held three times a year. In addition, there are Committees of the Board which deal with specific areas of the School's operation. The Finance Committee, as assisted by the School's Bursar and accountants, is responsible for implementing financial strategy and policies of the Board including the preparation of budgets and forecasts. This Committee meets every term and more often if necessary. Audit and risk management are dealt with by the Finance Committee. The day to day running of the Charity is delegated to the Headmaster, supported by his Senior Leadership Team. The Headmaster attends all the above mentioned committee meetings.

Relationships

The Governors co-operate with the local community as much as they can in their ongoing endeavours to widen public access to the schooling they can provide, to optimise the educational use of the School's cultural and sporting facilities and to awaken in its pupils an awareness of the wide social context of the education they receive at school.

Risk Management

The Board of Governors is responsible for the oversight of the risks faced by the School. Detailed consideration of risks is delegated to the Finance Committee and other committees relevant to the particular identified risk, managed by the Senior Leadership Team. Risks are identified, assessed and controls established throughout the year. A formal review of the Charity's risk management processes is undertaken on an annual basis. The key controls used by the Charity include:

formal agendas for all Committee and Board activity;

detailed terms of reference for all Committees;

comprehensive strategic planning, budgeting and management accounting;

formal written policies;

clear authorisation and approval levels, and

vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that the

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2019

systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and activities

The company continues to operate a preparatory school for boys in Moor Park Road, Northwood which was under the leadership of Mr D T Tidmarsh up to his retirement on 31st August 2019. Mr. S W Dunn was appointed as Headmaster with effect from 1st September 2019. In furtherance of this objective, the Governors, as charity trustees, have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Ethos

The characteristic spirit of the school is unchanged and its purpose, which has been developed within its mission statement, is to provide boys, aged 3 - 13, with the breadth of education and experience for them to realise their full potential at school in a safe and friendly environment, and to be well prepared for future life. The school's mission statement is implemented by applying eight key principles which are as follows:

1. The school to have a happy, friendly atmosphere as well as a fair, secure, disciplined framework for learning.
2. The boys to receive an all-round education to develop the whole person, by the provision of academic, sporting, artistic and musical opportunities.
3. The teaching to be of the highest quality, including the best of traditional and contemporary approaches, to enable the boys to fulfil their potential.
4. Communication between parents, headmaster, staff and boys to be of paramount importance at all stages of school life.
5. While preserving the fundamental Christian ethos of the school in its present multi-cultural mix, to cultivate respect and understanding of other faiths and cultures.
6. The buildings, facilities and resources to be of a high standard, safe and suitable for today's needs.
7. Good relations with the local community to be fostered and, where appropriate, joint projects to be developed and school facilities to be made available.
8. The pastoral care to underpin the moral ethos of the school by promoting the values of honesty, integrity, respect and humility.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

St Martin's (Northwood) Preparatory School Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2019

Achievements and performance

Review of Achievements and Objectives

Operational

The Year 8 boys applied to eight schools: Aldenham, Berkhamsted, Haberdashers' Aske's, Harrow, John Lyon, Merchant Taylors', Mill Hill and St Albans.

There were 29 boys in the year group and they achieved the second highest number of scholarships on record for St Martin's. All were placed at their selected senior schools with 17 of them gaining an award. Competition for places at selective senior schools is always demanding and this year was particularly challenging. Despite that the school had 18 boys placed at Merchant Taylors' (MTS), where of the available 20 academic awards St Martin's boys were offered 7. In addition there was also 1 sports, 1 music and 1 all-rounder scholarship.

9 boys were offered places at Haberdashers' Aske's, 5 of those with academic scholarships. 4 places were offered at St Albans with 2 of these as academic scholarships

The new Headmaster continues to consider the impact of changes to the 13+ entrance exam and the ramifications on the curriculum and future pupil numbers.

Corporate Social and Charitable

The main charity for the year was Young Minds and one of the key events was a number of staff undertaking the Three Peaks challenge. The school supported the costs of the challenge and £5,415 was raised and donated to Young Minds via Just Giving. In addition, all the in school events and other activities contributed to a further donation of £20,000 to the charity.

Other charities also receive donations from the boys' efforts to raise money. They included the British Legion Macmillan Nurses and the Watford Peace Hospice.

Bursary support is given to new pupils from year 3 and current boys whose parents demonstrate a need. During the year £111,871, representing 1.90% of fee income, was given in support of 10 boys who would not otherwise have been able to afford the benefits of a St Martin's Education.

St Martin's continues to support local state primary schools through the use of our sporting facilities. A member of staff continues to liaise and develop a working partnership with a Watford academy, so that both schools can benefit from the relationship.

Governors

Three new governors were appointed at the Spring board meeting, Anna Baldwin who is an HR professional, Kalpesh Kothari, an IT professional and Paulette Mastin, Legal Counsel.

Conclusion

The Governors would again like to thank all members of the teaching and support staff. Their skills and experience, together with their hard work, contributed to another excellent year at the school.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2019

Financial review

The full year surplus of £391,199 (2018: £198,169) after financial items was a good financial performance and better than budget. Improvements in financial control and management of cash were the main contributors. The surplus represented a 6.63% (2018: 3.55%) return on fee income. The School remained at full capacity during the period and total income was £107,583 more than expectations, largely as a result of unbudgeted income from wrap around care and registration fees. Costs were £39,599 over budget but continue to be well-managed. All overspends were discussed and agreed at the Governors' meetings. The net value of fixed assets was £9,565,156 (2018: £9,471,594), an increase of £93,562. The increase was related mainly to investment in a new laser cutter for DT, new fire alarm panels and development of a nature area.

The company's cash position continued to improve and stood at £3,828,459 (2018: £3,653,016) at year end. Reserves adequately cover future spending plans which are highlighted below. The Governors are determined that reserves are continually re-invested in the School for the benefit of the boys whilst ensuring that the School remains in a strong financial position.

The balance on all borrowings at the end of the period was £937,314 (2018: £1,076,565), a reduction of £139,251 (2018: £132,355), and continues to reduce in line with expectations. The School continues to benefit from the current low interest rates on its loan arrangements and Governors' forecasts have been prudent in the current political turbulence.

Plans for future periods

The year saw completion of the refurbishment to the Art, Design and Technology and the development of a new Nature Area at the bottom end of the site to allow access to outside learning.

Future developments being considered as part of the 5-year business plan include:

1. Refurbishment of the ICT suite and enhancements to provision of IT learning.
2. Ongoing upgrades and improvements to the school's IT infrastructure.
3. A full review of the Main School Building with a view to re-provisioning all the Junior classrooms.
4. A new car park is being planned in response to the increased parking restrictions in Moor Park Road.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;

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Year ended 31 August 2019

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 28 March 2020 and signed on behalf of the board of trustees by:



Mr A Harris (Chairman)
Trustee

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of St Martin's (Northwood) Preparatory School Trust Limited

Year ended 31 August 2019

Opinion

We have audited the financial statements of St Martin's (Northwood) Preparatory School Trust Limited (the 'charity') for the year ended 31 August 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 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 charity's affairs as at 31 August 2019 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;
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of St Martin's (Northwood) Preparatory School Trust Limited *(continued)*

Year ended 31 August 2019

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 trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of St Martin's (Northwood) Preparatory School Trust Limited *(continued)*

Year ended 31 August 2019

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of St Martin's (Northwood) Preparatory School Trust Limited *(continued)*

Year ended 31 August 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

M. Anthony

166 Northwood Way
Northwood
Middlesex
HA6 1RB

28 March 2020

Margaret Anthony BA FCA DChA (Senior
Statutory Auditor)

For and on behalf of
Hardcastle Burton
Chartered accountants & statutory auditor

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2019

		2019	2018
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	5	5,845	5,845
Charitable activities	6	5,964,396	5,964,396
Investment income	7	9,738	9,738
Total income		<u>5,979,979</u>	<u>5,979,979</u>
Expenditure			
Expenditure on charitable activities	8,9	5,588,780	5,588,780
Total expenditure		<u>5,588,780</u>	<u>5,588,780</u>
Net income and net movement in funds		<u>391,199</u>	<u>391,199</u>
Reconciliation of funds			
Total funds brought forward		11,091,777	11,091,777
Total funds carried forward		<u>11,482,976</u>	<u>11,482,976</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 19 form part of these financial statements.

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Statement of Financial Position

31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	14	9,565,156	9,471,594
Current assets			
Debtors	15	1,502,929	15,083
Cash at bank and in hand		3,828,459	3,653,016
		<u>5,331,388</u>	<u>3,668,099</u>
Creditors: amounts falling due within one year	16	<u>2,596,254</u>	<u>1,091,351</u>
Net current assets		<u>2,735,134</u>	<u>2,576,748</u>
Total assets less current liabilities		<u>12,300,290</u>	<u>12,048,342</u>
Creditors: amounts falling due after more than one year	17	<u>817,314</u>	<u>956,565</u>
Net assets		<u>11,482,976</u>	<u>11,091,777</u>
Funds of the charity			
Unrestricted funds		<u>11,482,976</u>	<u>11,091,777</u>
Total charity funds	19	<u>11,482,976</u>	<u>11,091,777</u>

These financial statements were approved by the board of trustees and authorised for issue on 28 March 2020, and are signed on behalf of the board by:



Mr A Harris (Chairman)
Trustee

The notes on pages 14 to 19 form part of these financial statements.

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2019

	2019	2018
	£	£
Cash flows from operating activities		
Net income	391,199	198,169
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	330,355	314,315
Other interest receivable and similar income	(9,738)	(1,249)
Interest payable and similar charges	26,346	25,026
Accrued (income)/expenses	(64,531)	186
<i>Changes in:</i>		
Trade and other debtors	(1,487,846)	(1,500)
Trade and other creditors	1,569,434	(34,707)
Cash generated from operations	755,219	500,240
Interest paid	(26,346)	(25,026)
Interest received	9,738	1,249
Net cash from operating activities	<u>738,611</u>	<u>476,463</u>
Cash flows from investing activities		
Purchase of tangible assets	(423,917)	(121,669)
Net cash used in investing activities	<u>(423,917)</u>	<u>(121,669)</u>
Cash flows from financing activities		
Proceeds from borrowings	(139,251)	(132,355)
Net cash used in financing activities	<u>(139,251)</u>	<u>(132,355)</u>
Net increase in cash and cash equivalents	175,443	222,439
Cash and cash equivalents at beginning of year	3,653,016	3,430,577
Cash and cash equivalents at end of year	<u>3,828,459</u>	<u>3,653,016</u>

The notes on pages 14 to 19 form part of these financial statements.

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2019

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 40, Moor Park Road, Northwood, Middlesex, HA6 2DJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

No provision has been made for corporation tax or deferred tax as the charity is a registered charity and therefore exempt.

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

As the majority of the charity's activities are classified as exempt or non business activities for the purposes of value added tax, the charity is unable to reclaim all the value added tax which it suffers on purchases. Expenditure in these financial statements is therefore shown as inclusive of value added tax.

Going concern

There are no material uncertainties about the charity's ability to continue.

Incoming resources

All school income is included in the statement of financial activities when entitlement has passed to it, it is probable that the economic benefits associated with the transaction will flow to the school and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2019

3. Accounting policies *(continued)*

Incoming resources *(continued)*

- income from education is recognised in the term to which it applies. This is classified as unrestricted funds. This year Autumn 2019 school fees have been treated as income in advance. In previous years Autumn term fees after the year end were not included in the accounts. This change has had no impact on the Statement of Financial Activities.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on education includes all costs incurred by the school in undertaking education that further its charitable aims for the benefit of its pupils, including those support costs and costs relating to the governance of the charity apportioned to education.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on education.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to education are allocated directly to education.

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Buildings	- 2% straight line
Fixtures and Fittings	- 20% reducing balance
Vehicles	- 25% reducing balance
Plant	- 10% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2019

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Limited by guarantee

The Company is Limited by Guarantee, having no share capital.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Donations				
Donations and appeal receipts	<u>5,845</u>	<u>5,845</u>	<u>1,246</u>	<u>1,246</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
School and registration fees	5,895,915	5,895,915	5,574,394	5,574,394
Other educational income	6,934	6,934	2,940	2,940
Rental income from housing	61,547	61,547	59,129	59,129
	<u>5,964,396</u>	<u>5,964,396</u>	<u>5,636,463</u>	<u>5,636,463</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Bank interest receivable	<u>9,738</u>	<u>9,738</u>	<u>1,249</u>	<u>1,249</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Education	5,411,787	5,411,787	5,243,222	5,243,222
Support costs	176,993	176,993	197,567	197,567
	<u>5,588,780</u>	<u>5,588,780</u>	<u>5,440,789</u>	<u>5,440,789</u>

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2019

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2019	Total fund 2018
	£	£	£	£
Education	5,411,787	74,259	5,486,046	5,331,252
Governance costs	—	102,734	102,734	109,537
	<u>5,411,787</u>	<u>176,993</u>	<u>5,588,780</u>	<u>5,440,789</u>

10. Net income

Net income is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	<u>330,355</u>	<u>314,315</u>

11. Auditors remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>9,600</u>	<u>7,323</u>
Fees payable to the charity's auditor and its associates for other services:		
Other non-audit services	<u>7,230</u>	<u>9,477</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019	2018
	£	£
Wages and salaries	3,310,828	3,173,600
Social security costs	347,131	335,662
Employer contributions to pension plans	523,203	508,146
Other employee benefits	20,087	23,993
	<u>4,201,249</u>	<u>4,041,401</u>

The average head count of employees during the year was 97 (2018: 97). The average number of full-time equivalent employees during the year is analysed as follows:

	2019	2018
	No.	No.
Teaching	59	59
Administration	7	7
Domestic	8	8
Grounds	5	5
	<u>79</u>	<u>79</u>

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2019

12. Staff costs *(continued)*

The number of employees whose remuneration for the year fell within the following bands, were:

	2019 No.	2018 No.
£60,000 to £69,999	2	2
£70,000 to £79,999	1	1
£130,000 to £139,999	1	1
	<u>4</u>	<u>4</u>

13. Trustee remuneration and expenses

No remuneration, expenses or other benefits from employment with the charity or a related entity were received by the trustees

14. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 September 2018	11,369,375	1,274,938	8,718	212,203	12,865,234
Additions	201,037	187,567	4,032	31,281	423,917
At 31 August 2019	<u>11,570,412</u>	<u>1,462,505</u>	<u>12,750</u>	<u>243,484</u>	<u>13,289,151</u>
Depreciation					
At 1 September 2018	2,296,957	1,001,898	5,959	88,826	3,393,640
Charge for the year	229,404	77,977	1,560	21,414	330,355
At 31 August 2019	<u>2,526,361</u>	<u>1,079,875</u>	<u>7,519</u>	<u>110,240</u>	<u>3,723,995</u>
Carrying amount					
At 31 August 2019	<u>9,044,051</u>	<u>382,630</u>	<u>5,231</u>	<u>133,244</u>	<u>9,565,156</u>
At 31 August 2018	<u>9,072,418</u>	<u>273,040</u>	<u>2,759</u>	<u>123,377</u>	<u>9,471,594</u>

15. Debtors

	2019 £	2018 £
Trade debtors	1,447,434	5,885
Prepayments and accrued income	55,495	9,198
	<u>1,502,929</u>	<u>15,083</u>

St Martin's (Northwood) Preparatory School Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2019

16. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	120,000	120,000
Trade creditors	280,750	648,625
Deferred Income	1,901,355	0
Accruals	61,932	126,463
Social security and other taxes	88,347	83,977
Other creditors	143,870	112,286
	<u>2,596,254</u>	<u>1,091,351</u>

The bank loan is secured by a fixed charge over some of the company's freehold properties.

17. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	<u>817,314</u>	<u>956,565</u>

The bank loan is secured by a fixed charge over some of the company's freehold properties.

18. Pensions and other post retirement benefits

Amounts contributed to defined benefit and defined contribution plans were £523,203 (2018: £508,146).

19. Analysis of charitable funds

Unrestricted funds

	At 1 September 2018 £	Income £	Expenditure £	At 31 August 2019 £
General fund	<u>11,091,777</u>	<u>5,979,979</u>	<u>(5,588,780)</u>	<u>11,482,976</u>

	At 1 September 2017 £	Income £	Expenditure £	At 31 August 2018 £
General fund	<u>10,893,608</u>	<u>5,638,958</u>	<u>(5,440,789)</u>	<u>11,091,777</u>