

Upton House School Limited

(A Company Limited by Guarantee)

Incorporated in England and Wales No. 00677794

Registered Charity No. 309095

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

For the year ended

31 August 2020

Upton House School Limited
(Company Limited by Guarantee)
Members of the Board, Officers and Professional Advisers

Registered Charity Name Upton House School Limited

Charity Number 309095

Company Registration Number 677794

Registered Office 115 St Leonard's Road
Windsor
Berkshire
SL4 3DF

Members

Mr G O J Story (retired 6 Sep 2019)
Mrs V Barker
Mrs S C Cairns
Mr G E F Delaney
Mrs F R Lloyd (appointed 18 Mar 2020)
Miss S E Mason
Mr G Parrish (appointed 26 Feb 2020)
Mr R D L Smyth
Mr R M Stewart
Mr C Vilares (retired 20 May 2020)
Dr P M Warwicker
Mrs E S M Wigzell

Headmistress Mrs R Thornton

Secretary Mrs C J Allies

Chair Mr G O J Story (to 6 September 2019)
Mrs V Barker (from 6 September 2019)

Chair, Finance & General Purposes Committee Mr C Vilares (to 20 May 2020)
Miss S E Mason (from 20 May 2020)

Auditors Moore Kingston Smith LLP
Chartered Accountants and Statutory Auditors
Devonshire House
60 Goswell Road
London
EC1M 7AD

Bankers Handelsbanken plc
Independent House
William Street
Windsor
SL4 1BA

Solicitors Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Upton House School Limited

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Report of the Council of Management

The Members, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report for the year ended 31 August 2020 under the Companies Act 2006 and the Charities Act 2011. The audited financial statements for the year comply with the requirements of the Companies Act 2006, the Company's Articles of Association and the Charities SORP (FRS 102).

CHAIR'S STATEMENT

The Academic Year 2019 -2020 will certainly be one we will all remember. At Upton House School we are very proud of all we have achieved during this period. Our numbers started higher than in previous years and remained so despite the challenging circumstances. During the Summer Term lockdown, our excellent response to the pandemic meant we were able to continue educating all our Pre-prep and Prep children with live, real time, teacher-led timetabled lessons on-line which they happily attended at home and in their uniforms! Our day began with whole school assembly each day led by our Headmistress. This was a special part of our day when we all came together. Even though our physical doors were closed, our virtual doors were very much open. We expedited the launch of our online learning platform UptonHouse@Home during the Easter holidays and went live on the first day of term. The children accessed all lessons through their own bespoke calendars online and joined meetings and lessons throughout the day, following their normal time-table. Even our younger children were following their usual time-table each morning with great results and feedback. Assemblies, sports, drama, 1:1 peripatetic music lessons and music exams continued, with enthusiastic staff and pupils thoroughly enjoying the experience. Younger pupils had daily activities and stories supplied by the staff they knew and loved, ready to use by parents at times convenient to them. During this challenging time for Upton families, our daily well-being provision offered to children and parents, from all staff, including the Headmistress, and 1:1 support was extensive and particularly appreciated. Our aim at all times was to deliver 'normality in a time of uncertainty' and to ensure the children did not miss out on learning, continued to make progress, and parents could work at home not having to worry about teaching their children. Printing was a banned word and parents were not asked to print anything. Every piece of work was digitally created and fit for purpose. Homework was delivered online and submitted through Teams. Whilst we were able to give a discount on fees to parents in the Summer Term, many parents, in an unsolicited move, paid fees in full at the end of the term having experienced UptonHouse@Home. We are and were absolutely delighted with the progress the pupils have made and extremely impressed with all the efforts of the staff and feedback received.

REFERENCE & ADMINISTRATIVE INFORMATION

Upton House School Limited is a charitable company founded in 1936 and incorporated as a company limited by guarantee in December 1960.

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

The Members

The Members who served the charity as Trustees during the period were as follows:

Mr G O J Story (retired 6 September 2019)
Mrs V Barker
Mrs S C Cairns
Mr G E F Delaney
Mrs F R Lloyd (appointed 18 March 2020)
Miss S E Mason
Mr G Parrish (appointed 26 February 2020)
Mr R D L Smyth
Mr R M Stewart
Mr C Vilares (retired 20 May 2020)

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Dr P M Warwicker
Mrs E S M Wigzell

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

The Company is governed by its Articles of Association dated 23rd March 2011.

Governing Body

The Council of Management regularly reviews a skills audit of existing Council members. The Chairman, assisted by the Headmistress and Bursar, and other Council members as appropriate, seeks to identify possible new Council members to meet any gaps identified. Trustees are elected as members of the Council at a full meeting of the Council of Management. Trustees, who are also required to serve as Directors of the Company under the Articles of Association, serve for a term of four years and are eligible to stand for re-election for two further terms, or, in exceptional circumstances only, three additional terms.

Trustee Training

Upon election to the Council of Management, new Trustees are given the Governors' Handbook containing information relating to the School and its management, which is updated as required. New Trustees are also invited to spend time with the Chairs of the Council and the Finance and General Purposes Committee, with the Headmistress and with the Bursar for induction training, prior to attending their first full Council meeting. On-going training for Trustees is in the form of updates at Council meetings and to the Governors' Handbook, together with the offer to attend specific training courses and conferences for governors run by the Incorporated Association of Preparatory Schools (IAPS), Independent Schools Council, Association of Governing Bodies of Independent Schools and similar relevant bodies. One Trustee attended such an event during the year.

Indemnity Insurance

Indemnity insurance has been taken out in respect of the Trustees.

Organisational Management

The Council of Management meets at least three times a year to determine the general policy of the company and review its overall management and control. The financial management of the company is overseen by the Finance and General Purposes Committee, which meets three times a year, prior to full Council meetings and reports its findings to the Council. The School's future development plan is drafted by the Headmistress and staff and reviewed annually by the Development Committee, which meets in January or February and reports back to the Council meeting later that term. There is also an Education and Pastoral Sub-Committee and a Health and Safety Committee, which both meet termly, and a Bursary Sub-Committee, which meets as required.

The day-to-day running of the School is delegated to the Headmistress supported by the Bursar and other members of the Senior Leadership Team (SLT). Together the seven members of the SLT are the key management personnel.

Remuneration, including that of key management personnel, is set by the Council of Management, via the Finance and General Purposes Committee, with the policy objective of ensuring appropriate incentives to encourage excellent performance and in a fair and responsible manner rewarding individual contributions to the company's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other independent Schools to ensure that Upton House School remains sensitive to the broader issues of pay and employment conditions elsewhere. The School aims to recruit, subject to experience, at the lower to medium point within the scale, providing scope to be rewarded for excellence. Delivery of the School's charitable vision and

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purpose is primarily dependent upon key management personnel and staff costs are the largest single element of our charitable expenditure.

Structure and relationships

Upton House School is an active member of IAPS for the promotion and maintenance of preparatory school standards generally, and also subscribes to a number of other bodies relating to education and independent schools. The School co-operates with other local and national organisations and charities in its efforts to widen public access to the education it can provide and optimise the use of its cultural and sporting facilities and to awaken in its pupils an awareness of the wider social context of the education they receive here.

Principal risks and uncertainties

The Council of Management, via the Finance and General Purposes Committee, reviews the School's current and planned future activities in the light of any major risks arising from time to time, and the effectiveness of systems and procedures designed to manage them.

The Council regards the major risk to the School as falling numbers of pupils on roll. This risk is exacerbated at present due to the possible impact of the United Kingdom's decision to leave the European Union and by the continuing impact of the coronavirus pandemic. The annual cost and income budget is set on a conservative basis to ensure that the School would be able to continue to operate during any temporary significant reduction in pupil numbers. In the event that such a fall in numbers looked likely to be sustained, the Council would look first to cost reduction. The Council conducted a strategic review of operations and the cost base during 2017/18. This resulted in the decision to extend Nursery operations to 48 weeks a year, which commenced in February 2019, and the announcement that Upton House School will move to a fully co-educational model from ages 2 to 11, with the first boys joining the preparatory department in September 2020. These two initiatives have already yielded results in terms of Nursery pupil numbers and retention of boys.

During the period of enforced closure due to the coronavirus pandemic the Council of Management undertook extensive modelling and decided to reduce fees for pupils from Transition upwards whilst providing a best in class offer via its UptonHouse@Home (UH@H) online learning platform. Nursery pupils, who were thought too young to participate in the full daily timetable of UH@H, were charged a retainer only, and received their own programme of engagement activities provided by the early years' practitioners on-line and via e-mail. The discounts and online offer in combination were extremely well-received by parents and pupils but, of course, impacted significantly on the School's revenue for the year, together with lost income arising from cancelled activities whilst the School was closed and in order to limit the infection risk once the School re-opened. The risk of further closures whilst the pandemic continues is regarded by the Council as significant, whilst recognising the government's stated intention to keep schools open. The School negotiated an extended overdraft, which was not ultimately used, and would have applied for available government funding had this been necessary. These strategies will be used again should a further closure be necessary. The School did make use of the CJRS (furlough) scheme. UH@H has been maintained throughout and reverting to teaching online, should that be necessary, will be straightforward.

The Council also considers that failure to recruit or retain the correct calibre of staff is a potential risk to the success of the School. This is managed through a comprehensive recruitment policy and adherence to the guidelines on safer recruitment. Candidates for all roles are put through a rigorous assessment and interviewed by more than one member of the SLT. New staff members are mentored by a member of the SLT and, should there be any concerns, these are addressed promptly. The School maintains a register of reliable, high quality supply staff to call upon should the need arise. The Council oversees succession planning for the senior operational roles in the School and a panel of Council members interviews for the most senior positions.

The risk of regulatory failure is also carefully managed by taking advantage of all the information available to schools in the form of updates from the various professional bodies of which the School has membership; by ensuring that staff keep up to date with the latest

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developments in educational thinking and practice through attending courses, reading and networking; and by employing professional advisers where appropriate.

The Council of Management is very conscious of ensuring that the School's excellent reputation is maintained at all times. Any reputational risk is managed through up to date, appropriate policies and through training to ensure staff behaviour both inside and outside school, particularly in areas such as social networking, is of the highest standard. The School communicates comprehensively with parents and has an open-door policy to ensure that any concerns that may arise are dealt with promptly.

The Council of Management recognises that the risk to the School's reputation of a breach of safeguarding regulations would be very damaging and ensures that safeguarding matters are given the highest priority. The Deputy Head is an experienced Designated Safeguarding Lead, and two further members of the SLT are also trained designated safeguarding people. The Council has appointed a Member to act as the designated safeguarding liaison on its behalf, who meets the safeguarding team at least once a term. All the above attend regular training to ensure that the School has the latest guidance on all safeguarding matters and the School's safeguarding policy is subject to regular review and update, including review at least once a year by the full Council of Management. All staff received safeguarding training on joining the School and an annual update.

The Council views the School's financial position as stable and that the action taken following the strategic review has addressed concerns regarding pupil numbers which resulted in losses in 2017/18 and 2018/19. Pupil number forward projections are excellent. The impact of the pandemic was unfortunate in that the lost income resulted in another year of loss when a break-even or better was realistically expected. However, the School has recovered quickly with strong financial projections for 2020/21 and the Council is of the opinion that recent events have not unduly affected the School's financial resilience. Borrowings are low and reducing, with the balance of the single remaining loan due to be repaid in full in 2022 at the end of its 10-year term. The School has an overdraft facility with its bankers which will provide working capital should there be a temporary shortage of funds, but, with prudent budgeting and the strong reputation of the School, the Council does not consider this a major risk. The government announced in September 2018 that the employer contribution rate to the Teachers' Pension Scheme would increase from 1 September 2019 to 23.68% from 16.48%. The School estimates that this cost an additional £67,000 in pension contributions in 2019/20. The Trustees plan to consult with members of this scheme regarding future participation during 2020/21.

Plans and strategies for managing risk include maintaining effective internal controls, risk registers, incident-reporting and monitoring systems and insurance cover wherever appropriate.

OBJECTS, PUBLIC BENEFIT AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The object of the Company, in accordance with its Articles of Association, is to promote, advance and carry out the education of children. In the furtherance of this object, the Directors, as the charity Trustees, have complied with the duty in s.17(5) of the Charities Act 2011 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.

Strategic Aim and Intended Effect

The strategic aim of Upton House School, for the public benefit as a charitable independent school, is to provide the best education possible for each child, through a lively, challenging and broad-based curriculum and sound teaching methods, provided in a creative and stimulating environment. The School aims to develop its pupils as courteous, considerate, and well-mannered children through its ethos, values and close working relationship with parents and the local community.

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Objectives for the year

The main objective of the Council of Management continues to be the provision of the best education possible for all pupils, allowing them to receive individual attention and consideration, thus enabling them to develop at their own pace. The strategy for doing this is to maintain high levels of teaching and pastoral care standards and to provide the best facilities possible.

Specific objectives for the year, which were successfully achieved, were

- to maintain a high-quality staff through job satisfaction and recruitment of strong candidates to replace natural staff turnover;
- to market and plan for a fully co-educational school with boys in Prep from September 2020;
- to continue to develop the 48-week nursery offer and actively use in marketing;
- to improve the registration pipeline with the appointment of a dedicated Registrar.

Principal Activity

The principal activity continues to be the provision of a day school for girls aged 2-11 and boys aged 2-7, which will be gradually widened to 2-11 commencing in September 2020. At the end of the year there were 65 boys and 184 girls enrolled at the School.

Bursaries & Public Benefit

The School supported 9 (2019 - 6) children with bursaries in the year at a total cost of £68,965 (2019 - £44,821), with need assessed by a sub-committee of the Council on a means tested basis. The School transferred £70,333 (2019 - £68,450) to the bursary fund to meet this commitment, with balance remaining in the fund for future years. The awards included 4 (2019:1) 100% awards, including 3 hardship awards. The remaining 5 awards were for between 45% and 80%.

In addition to the bursary support above, the School provided a free place to 1 child in Nursery (2019 – 1) at a cost of £3,049 (2019 - £698).

In the public interest, the School continues to participate fully and enthusiastically in local events and makes its facilities available, subject to child protection requirements, to local organisations for educational and recreational events and activities for both children and adults. During the year, five organisations hired the School facilities regularly and a further seven did so on an ad-hoc basis. Unfortunately, all letting activity, save for holiday provision for Upton House pupils, has currently stopped due to the pandemic.

The School lent its two minibuses free of charge to one local maintained primary school and was expecting to lend to a second, but this was cancelled due to the pandemic.

The School paid for the installation and on-going running costs of a community defibrillator installed on its boundary wall during the year.

Upton House School pupils continued with their initiative to reduce single-use plastic in School and at home and met with representatives from other local schools to share their ideas in this area.

Fundraising

The School does not undertake any fundraising activity outside its own community, and any funds raised internally are for the benefit of other charities. Upton House Families (UHF, previously the PTA), which is a separate but linked organisation, raises funds from parents and others for the benefit of the School, which are spent on projects agreed with the School.

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance

In 2019/20 the School has maintained its high standards of pastoral care and academic achievement which were reflected in the May 2017 ISI report that, once again, awarded Upton House the highest possible grade of "excellent" in all areas. This year has seen a continued focus on pupils' well-being and mental health, with the appointment of a part-time Well-Being Co-ordinator in January 2020, who worked full-time during the closure and for the rest of the term to support the School's community; pupils, families and staff.

At the end of the summer term there were 249 pupils (2019 – 239) on roll, as the record number of pupils registered in 2018/19 started to feed into the School, and the retention of boys improved. A further jump in pupil numbers took place in September 2020. Pupil numbers averaged 218 full time equivalents (FTE) (2019 – 198) and pupils on roll averaged 245 (2019 – 229). Of pupils on roll, 169 (2019 – 156), on average, were of statutory school age and thus the activities of the School generated a significant saving in terms of educational expenditure by the government in the year to 31 August 2020 and will continue to do so. Registrations returned to more usual levels of 97 prospective pupils (2019 -136).

In the summer of 2020, 26 girls left the School to move on to senior schools, of whom nine were offered a scholarship to at least one school.

The School enhances the educational experience of its pupils by raising awareness of the world around them, by fundraising for local, national and international charities with donations totalling £5,535 in the year from events prior to the lockdown in March, with one exception, an annual pedal-push fundraiser by the Nursery children, which they carried out at home (2019 - £5,967).

Investment performance

The School's bursary fund is a designated fund and is held in four investment funds managed by the Charities Official Investment Fund (COIF), with a balance held on deposit with the same organisation. The investments were valued at £67,724 at 31 August 2020 and yielded an overall return of 4% in the year. Trading in the COIF Charities Property fund in which the School had reduced its investment during 2018/19, was suspended from March to August 2020 but has now recommenced. The value of the investment in this fund at 31 August 2020 was £10,237.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School made an operational surplus of £19,038 (2019 – £115,608) in the year, which after depreciation and unrealised gain on investments, resulted in a net deficit of £(167,967) (2019 - £(67,567)). The lost income resulting from fee reductions and cancelled activities as a result of the coronavirus pandemic is estimated at £(358,800). This was mitigated by claims made under the CJRS (furlough) scheme and statutory sick pay scheme totalling £152,110 and the retention of £32,237, which represents part of the funding provided under the nursery education scheme due to the closure of the Nursery. There were also some operational cost savings, chiefly on catering, estimated at around £50,000, whilst other costs increased, such as cleaning and the provision of personal protective equipment for staff on re-opening.

Capital expenditure during the year was £67,180 (2019 - £54,713), largely invested in reconfiguring and resurfacing the netball court, and the purchase of new and upgraded IT equipment, including laptops to support UH@H, together with the installation of new floodlights in the garden, which was funded by a donation from UHF (formerly the PTA).

Gross donations received totalled £35,740 (2019 - £24,650), of which £6,204 came from UHF to fund the floodlights and the balance was donated by 17 families who were delighted by the School's response to the pandemic and chose to donate the balance of their fees, or in some cases a different amount, in the Summer Term. Grants were received from the Royal Borough

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of Windsor and Maidenhead totalling £3,919 (2019 - £873), being a surplus of nursery education funding, which was applied to the support of the early years department, and including a specific grant of £270 to support 2 disadvantaged children.

The Council of Management agreed to transfer £70,333 (2019 - £68,450) from unrestricted reserves to a designated fund to increase the ability of the School to award bursaries. Taking into account the level of bursaries awarded this year, and the investment gain, the net balance on the designated bursary fund was £97,822 at the end of the year.

Investment powers and policy

These are governed by the Articles of Association, which permit funds to be invested in any manner provided appropriate advice is taken. The Council of Management keeps under review the investment risks and rewards. The only investments currently held are those of the designated bursary fund.

Reserves and financial health

At the end of the year, there were restricted reserves of £nil (2019 - £nil). After the transfer of £70,333 to the designated bursary fund, the balance of unrestricted reserves was £3,379,376 (2019 - £3,551,316).

These funds are invested in the School's fixed assets and are therefore not expendable as free reserves. Free reserves are defined as reserves which are freely available and exclude restricted funds, designated funds, and any fixed assets.

In common with other independent schools, the Council of Management have invested substantial sums into the School site in recent years and have a continuing programme of refurbishment, development, and investment to develop and maintain excellent facilities for our pupils. Although the free reserves are at a negative balance, this illustrates the extent of investment in the School, and is a common practice by independent schools which have to finance their own capital investment plans. The Council considers that, given the value of fixed assets owned by the School, the available banking facility, and the expected increase in the pupil roll, there is no urgent need to build up a free reserve. The Council recognises that the level of reserves fluctuates during periods of investment in the School and arrangements with our bank are in place to provide an adequate 'safety net' when and if required. The Reserves Policy is reviewed on an annual basis with due consideration of risks.

PLANS FOR FUTURE PERIODS

The key objective for the future remains as reported above. The Council of Management will continue to maintain and update the facilities of the School as required. Any funds surplus to operational requirements, and which are not required to update the School's facilities, will be directed into the bursary fund, to widen access to the opportunities offered by Upton House School, and/or used to reduce the School's borrowing and build up a free reserve.

RESPONSIBILITIES OF THE MEMBERS

The Members (who are also Directors and Trustees of Upton House School for the purposes of company law) are responsible for preparing the Report of the Council of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Members 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 AUDITORS

In so far as the Members are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The appointment of auditors will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Approved by the Council of Management at its meeting on 11th November 2020 and signed on its behalf:



Mrs V Barker
Chair

Registered office:
115 St Leonard's Road
Windsor
Berkshire
SL4 3DF

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Independent Auditors' Report to the Members of Upton House School Limited

Independent Auditor's Report to the members of Upton House School Limited for the year ended 31 August 2020

Opinion

We have audited the financial statements of Upton House School Limited ('the charitable company') for the year ended 31 August 2020 which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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.

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.

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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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgement 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.

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- 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 purposes of expressing an opinion on the effectiveness of the charitable company's 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 charitable company'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 charitable company 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.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

23 December 2020

Devonshire House
60 Goswell Road
London
EC1M 7AD

Upton House School Limited

STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure statement) for the year ended 31 August 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME FROM:					
Charitable Activities					
School fees	3	2,420,071	-	2,420,071	2,421,509
Other educational income	4	275,213	-	275,213	323,888
Other income					
Other trading income	5	5,766	-	5,766	6,953
Investments					
Investment income	6	713	-	713	1,020
Voluntary sources					
Grants and donations	7	220,087	3,319	223,406	25,523
Total income and endowments		2,921,850	3,319	2,925,169	2,778,893
EXPENDITURE ON:					
Costs of raising funds	8				
Interest and other costs		12,532	-	12,532	12,401
Charitable activities	8				
Education		3,079,177	3,319	3,082,496	2,838,553
Total expenditure	8	3,091,709	3,319	3,095,028	2,850,954
Net operating income/(expenditure)		(169,859)	-	(169,859)	(72,061)
Net gains on investments	13	1,892	-	1,892	4,404
Net income/(expenditure)		(167,967)	-	(167,967)	(67,657)
Transfer between funds		-	-	-	-
Net movement in funds		(167,967)	-	(167,967)	(67,657)
Fund balances brought forward		3,645,165	-	3,645,165	3,712,822
Fund balances carried forward	19, 20	3,477,198	-	3,477,198	3,645,165

All of the above amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

Upton House School Limited

BALANCE SHEET as at 31 August 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	12	3,947,025	4,069,036
Investments	13	67,724	65,249
		<u>4,014,749</u>	<u>4,134,285</u>
CURRENT ASSETS			
Stocks	14	897	800
Debtors	15	76,641	108,554
Cash at bank and in hand		141,597	115,479
		<u>219,135</u>	<u>224,833</u>
CREDITORS: Amounts falling due within one year	16	(604,579)	(534,837)
NET CURRENT LIABILITIES		<u>(385,444)</u>	<u>(310,004)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,629,305</u>	<u>3,824,281</u>
CREDITORS: Amounts falling due after more than one year	17	(152,107)	(179,116)
NET ASSETS		<u>3,477,198</u>	<u>3,645,165</u>
FUNDS			
Unrestricted funds - general	19	3,285,527	3,551,316
Unrestricted funds - designated	19	191,671	93,849
		<u>3,477,198</u>	<u>3,645,165</u>

Approved by the Council of Management and signed on its behalf on 23 December 2020

Virginia Barker.

Mrs V Barker
Chair of the Board of Governors

The accompanying notes form part of these financial statements.
Company Number: 00677794

Upton House School Limited

CASHFLOW STATEMENT

for the year ended 31 August 2020

CASH FLOW STATEMENT	Notes	2020 £	2019 £
Net cash inflow from operating activities	25	142,357	27,720
Cash flows from investing activities:			
Bank interest received		129	48
Dividends received		584	972
Interest element of finance lease rental payments		4,021	5,517
Proceeds from sale of investments		-	10,412
Payments to acquire fixed assets		(67,180)	(54,713)
Payments to acquire investments		(583)	(972)
Net cash outflow from investing activities		<u>(63,029)</u>	<u>(38,736)</u>
Financing:			
Loans repaid		(53,210)	(53,209)
Net cash outflow from financing activities		<u>(53,210)</u>	<u>(53,209)</u>
Increase/(decrease) in cash		26,118	(64,225)
Cash and cash equivalents at the beginning of the reporting period		<u>115,479</u>	<u>179,704</u>
Cash and cash equivalents at the end of the reporting period		<u><u>141,597</u></u>	<u><u>115,479</u></u>

Upton House School Limited

ACCOUNTING POLICIES

for the year ended 31 August 2020

1 ACCOUNTING POLICIES

Upton House School Limited is a company limited by guarantee with registered number 00677794, incorporated and domiciled in England and Wales. Its registered office is 115 St Leonard's Road, Windsor, Berks, SL4 3DF.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 GOING CONCERN

During the year the charitable company made a loss of £167,967 (2019: £67,657) and had net assets of £3,477,198 (2019: £3,645,165) at the balance sheet date. The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern.

The School's activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Council of Management. The current economic conditions, due to the COVID-19 pandemic, create uncertainty over pupil numbers for the foreseeable future. However pupil numbers at September 2020 are strong, fees are now being charged at full levels and interest in the School from prospective families remains high.

The School has produced forecasts and projections for at least 12 months from the date of approval of these financial statements and these show that the School should be able to operate without the need to draw down on its current overdraft facility. The overdraft facility is on an ongoing rolling basis. During the lockdown period, the overdraft facility was temporarily increased but reverts back to the previous limit on 31 January 2021.

After making appropriate enquiries, the Council of Management has concluded that there is reasonable expectation that the charitable entity remains financially viable in the long-term and it will have adequate resources to continue in operational existence for the foreseeable future and it is therefore appropriate to prepare the financial statements on the going concern basis.

1.3 COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee, the guarantors at the present time being the Members, to the extent of £1 each.

1.4 FEES RECEIVABLE AND SIMILAR 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 allowances, scholarships and other remissions granted by the School. School fees received in advance are recorded as liabilities in the balance sheet and are released to the Statement of Financial Activities in the year to which they relate.

1.5 DONATIONS AND FUND ACCOUNTING

Donations received for the general purposes of the School are included as unrestricted funds. Donations restricted by the wishes of the donor or the terms of an appeal are taken to restricted funds. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments – permanent or expendable according to the nature of the restriction. Voluntary income received by way of grants is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific service, are recognised when the company becomes unconditionally entitled to the grant. Income is deferred when the donor attaches conditions outside the charitable company's control or specifies that the resources are to be used in a future accounting period.

1.6 EXPENDITURE

Expenditure is allocated to expense headings, which aggregate all costs relating to the category either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

All costs associated with the provision of education are allocated to Charitable Expenditure. Only the costs directly associated with, or incurred solely in, Raising Funds are allocated to this category. For example, the costs of kitchen and domestic staff who are employed on a short term basis during the school holidays are allocated to the Costs of Raising Funds whereas the costs of the permanent staff are allocated to Charitable Expenditure because they would have to be paid in any event. Likewise, only premises costs that are incurred because of, or to support, the letting activities are allocated to the Costs of Raising Funds.

Governance costs comprise the costs of running the Trust, including strategic planning for its future development, external audit, and all other costs of complying with constitutional and statutory requirements.

Upton House School Limited

ACCOUNTING POLICIES

for the year ended 31 August 2020

1.7 TEACHING COSTS

Supplies of games equipment, books, stationery and sundry materials are written off when the expenditure is incurred.

1.8 NETTING OFF OF EXPENSES AND RELATED INCOME

No netting off of expenses and income takes place within the accounts unless the School has received income from and incurred expenses on special fundraising events or activities. Under these circumstances it may include only the net figure in the Statement of Financial Activities.

1.9 FUND ACCOUNTING

All unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Council of Management for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

1.10 FIXED ASSETS AND DEPRECIATION

All fixed assets are used in direct furtherance of the School's objectives. Fixed assets are included in these financial statements at their original cost less accumulated depreciation and accumulated impairment losses provided to date. Individual assets of any category costing less than £500 are not capitalised in the accounts.

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

Freehold buildings and improvement	- 50 years
Plant and machinery	- 5% on cost
Fixtures and fittings	- 15% on cost
Vehicles	- 15% on cost
Freehold land	Not depreciated

The cost of freehold property represents the historical value recorded in the books of Upton House School consisting of £4,590,991, the value placed in 2001 on the land and buildings and the net cost of additions since that date. The Council are of the opinion that the current value of the School's land and building is substantially in excess of the figure shown in the financial statements. The buildings have an insured value of £11,814,399 (2019: £11,187,440).

1.11 STOCKS

Stocks are stated at the lower of cost or net realisable value.

1.12 PENSIONS

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills. The scheme is defined benefit.

The School also pays contributions into a Group Personal Pension Scheme for Support staff. The Scheme is a defined contribution pension scheme. The assets of the Scheme are held separately from those of the School in an independently administered fund. The Pension Scheme charge represents contributions payable by the School in accordance with the rules of the Scheme.

1.13 LEASES AND HIRE PURCHASE CONTRACTS

Rentals paid under operating leases are charged to the Statement of Financial Activities evenly over the period of the lease.

1.14 INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.16 FINANCIAL INSTRUMENTS

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 15, 16 and 17 for the debtor and creditor notes.

1.17 TAXATION

The Company is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

Upton House School Limited

ACCOUNTING POLICIES

for the year ended 31 August 2020

1.18 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

2 KEY ESTIMATES & JUDGEMENTS

In the application of the Company's accounting policies, the Council is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Council of Management, the estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property, plant and equipment and note 1.10 for the useful economic lives for each class of asset.

Recoverable value of fee debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

Upton House School Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

3 FEE INCOME

The School's activities are carried out within the UK.
The School's fee income comprised:

	2020 £	2019 £
Gross fees	2,567,392	2,521,446
Less: Discounts	(77,638)	(54,322)
Less: Bursaries	(68,965)	(44,821)
Less: Scholarships	(718)	(794)
	<u>2,420,071</u>	<u>2,421,509</u>

Included within the above is an amount of £nil (2019: £nil) which relates to restricted income.

4 OTHER EDUCATIONAL INCOME

	2020 £	2019 £
Extras and disbursements	243,073	300,066
Registration fees	8,400	12,100
Fees in lieu of notice	21,132	7,893
Other income	2,608	3,829
	<u>275,213</u>	<u>323,888</u>

Included within the above is an amount of £nil (2019: £nil) which relates to restricted income.

5 OTHER TRADING INCOME

	2020 £	2019 £
Rent and lettings	6,060	8,897
(Loss)/Profit on sale of fixtures and fittings	(294)	(1,944)
	<u>5,766</u>	<u>6,953</u>

Included within the above is an amount of £nil (2019: £nil) which relates to restricted income.

6 INVESTMENT INCOME

	2020 £	2019 £
Interest received	129	48
Dividend income	584	972
	<u>713</u>	<u>1,020</u>

Included within the above is an amount of £nil (2019: £nil) which relates to restricted income.

7 DONATIONS AND GRANTS

	2020 £	2019 £
Donations and gifts	35,740	24,650
Coronavirus Job Retention Scheme grant	152,110	-
Other grants	35,556	873
	<u>223,406</u>	<u>25,523</u>

Included within the above is an amount of £3,319 (2019: £873) which relates to restricted income.

Upton House School Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

8 EXPENDITURE

(a) Costs of Raising Funds	Staff costs (note 9) £	Other £	Depreciation £	Total 2020 £
Teaching	1,789,988	267,562	-	2,057,550
Welfare	-	163,963	-	163,963
Premises and Estates	38,953	202,684	94,466	336,103
Administration	257,608	156,383	94,431	508,422
Finance Costs	-	12,532	-	12,532
Governance	-	16,458	-	16,458
Total Expended	2,086,549	819,582	188,897	3,095,028

Included within teaching costs, other is an amount of £3,319 (2019: £873) relating to restricted expenditure.

	Staff costs (note 9) £	Other £	Depreciation £	Total 2019 £
Teaching	1,530,474	290,918	-	1,821,392
Welfare	-	220,118	-	220,118
Premises and Estates	30,360	203,250	93,845	327,455
Administration	238,978	125,146	93,824	457,948
Finance	-	12,401	-	12,401
Governance	-	11,640	-	11,640
Total Expended	1,799,812	863,473	187,669	2,850,954

(b) Governance Costs include:	2020 £	2019 £
Auditors' remuneration		
- Audit Fees	10,880	9,200
- Additional prior year audit fees incurred	2,958	-
- Accountancy Fees	1,000	1,000
- Other Audit services	1,620	1,440
Total	16,458	11,640
(c) Administration & Finance Costs	2020 £	2019 £
Salaries	216,112	200,649
National Insurance	21,334	19,862
Pension Costs	20,162	18,467
Other Staff Related Costs	22,345	36,079
Operating Leases	13,319	7,651
Postage and stationery	5,970	4,414
Telephones	4,353	4,567
Marketing and advertising	43,659	44,323
Inspection costs	3,773	3,593
Miscellaneous - Administration	15,280	9,647
Bad debts	4,577	(1,879)
Depreciation	94,431	93,824
Legal and Professional Fees	43,107	16,751
Bank charges and interest	1,376	1,463
Loan Interest	4,021	5,517
Other Finance	7,135	5,421
Total	520,954	470,349

Upton House School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

9 STAFF COSTS

	2020	2019
	£	£
Wages and salaries	1,655,625	1,483,494
Social security costs	152,158	129,787
Other pension costs	278,766	186,531
	<u>2,086,549</u>	<u>1,799,812</u>

The average monthly number of employees during the year was as follows:

	2020	2019
	No.	No.
Teaching	61	61
Premises	2	1
Support	8	7
	<u>71</u>	<u>69</u>

The number of employees whose emoluments exceeded £60,000 in the year was as follows:

	2020	2019
	No.	No.
£60,000 - £70,000	1	1
£70,001 - £80,000	2	1
£80,001 - £90,000	2	1
£100,001 - £110,000	-	1
£120,000 to £129,999	1	-
	<u>6</u>	<u>4</u>

Pension contributions for the year amounted to £78,857 (2019: £38,326) for the above employees.

Key management personnel include the Headmistress, Deputy Head, Bursar and Heads of Departments. The total number of key management personnel receiving pay and benefits is 7 (2019: 7). The total pay and benefits received by key management personnel were £564,124 (2019: £507,305) including Employers' NI and pension contributions.

Upton House School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

10 PENSIONS

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £184,962 (2019: £129,999) and at the year-end £24,160 (2019 - £nil) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

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

The School additionally operates a money purchase Group Personal Pension Scheme. Contributions on behalf of staff within this scheme are made to the Legal and General Group plc. Total contributions made to the Personal Pension Schemes during the year were £63,018 (2019 - £49,922). Contributions to these schemes are charged to the statement of financial activities as they fall due.

The total pension contributions which were still outstanding as at the year end were £7,329 (2019: £7,046).

11 NET INCOME FOR THE YEAR

	2020	2019
	£	£
Net income is stated after charging:		
Depreciation of tangible fixed assets	188,897	187,669
Loan Interest	4,021	5,517
Operating lease rentals – other	13,319	7,651
Auditor's remuneration		
Audit services for the school- current year	10,880	9,200

Upton House School Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

12 TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost:					
at 1 September 2019	4,573,429	409,609	966,091	49,175	5,998,304
Additions	17,562	-	49,618	-	67,180
Disposals	-	-	(2,940)	-	(2,940)
at 31 August 2020	<u>4,590,991</u>	<u>409,609</u>	<u>1,012,769</u>	<u>49,175</u>	<u>6,062,544</u>
Depreciation:					
at 1 September 2019	1,036,257	130,986	731,508	30,517	1,929,268
Charge for year	91,820	20,480	71,508	5,089	188,897
Disposals	-	-	(2,646)	-	(2,646)
at 31 August 2020	<u>1,128,077</u>	<u>151,466</u>	<u>800,370</u>	<u>35,606</u>	<u>2,115,519</u>
Net book value:					
at 31 August 2020	<u>3,462,914</u>	<u>258,143</u>	<u>212,399</u>	<u>13,569</u>	<u>3,947,025</u>
at 1 September 2019	<u>3,537,172</u>	<u>278,623</u>	<u>234,583</u>	<u>18,658</u>	<u>4,069,036</u>

The Handlesbanken loan of £93,116 included within creditors is secured over a fixed and floating charge on the land and buildings.

13 INVESTMENTS

	Listed investments £	2020 £	2019 £
Valuation at 1 September 2019	65,249	65,249	70,285
Additions	583	583	972
Disposals	-	-	(10,412)
Gains/(Losses) arising from movements in valuations	1,892	1,892	4,404
Valuation at 31 August 2020	<u>67,724</u>	<u>67,724</u>	<u>65,249</u>

14 STOCK

	2020 £	2019 £
Stock Clothing	897	800
	<u>897</u>	<u>800</u>

15 DEBTORS

	2020 £	2019 £
Fees and extras	27,428	105,407
Less provision for doubtful debts	(17,464)	(15,256)
Other debtors	125	-
Prepayments and accrued income	66,552	18,403
	<u>76,641</u>	<u>108,554</u>

Upton House School Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

16 CREDITORS

Amounts falling due within one year:

	2020 £	2019 £
Loans	53,209	53,210
Trade creditors	26,832	449
Taxation and social security costs	36,823	33,873
Fee Deposits	11,600	8,800
Fees in advance	350,272	325,437
Other creditors	35,219	11,547
Accruals	90,624	101,521

604,579 **534,837**

Deferred income:

	2020 £	2019 £
Brought forward	325,437	432,138
Released in year	(325,437)	(432,138)
Received in year	350,272	325,437

350,272 **325,437**

Deferred income relates to schools fees received in advance for the following term.

17 CREDITORS DUE AFTER ONE YEAR

	2020 £	2019 £
Amounts falling due after more than one year:		
Bank loan	39,907	93,116
School fee deposits	112,200	86,000

152,107 **179,116**

Movement on loans

	2020 £	2019 £
In one year or less	53,209	53,210
Between one and two years	39,907	53,209
Between two and five years	-	39,907

93,116 **146,326**

Deposits held maturing as follows:

	2020 £	2019 £
In one year or less	11,600	8,800
Between one and two years	6,900	24,600
Between two and five years	21,700	61,400

40,200 **94,800**

The School has one bank loan in place. The term of the bank loan is 10 years to 2022. The bank loan attracts interest at 2.3% above the LIBOR 3 month rate, reviewed quarterly in May, August, November and February each year. The School has the option to fix the rate on any quarterly review date but so far has chosen not to. The bank loan is secured with a first legal fixed charge over all land and buildings.

Upton House School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

18 FINANCIAL INSTRUMENTS

	2020 £	2019 £
Carrying amount of financial assets		
Financial assets measured at fair value through profit and loss	67,724	65,249
Debt instruments at amortised cost	40,776	94,770
	108,500	160,019
Carrying amount of financial liabilities		
Measured at amortised cost	342,759	354,192

19 STATEMENT OF FUNDS

	at 1 September 2019 £	Income £	Expenditure £	Transfer Between Funds £	Gains/ (losses) £	at 31 August 2020 £
Unrestricted funds:						
General reserve	3,551,316	2,921,137	(3,022,744)	(70,333)	-	3,379,376
Designated fund/Bursaries	93,849	713	(68,965)	70,333	1,892	97,822
Total restricted	-	3,319	(3,319)	-	-	-
Total funds	3,645,165	2,925,169	(3,095,028)	-	1,892	3,477,198
	at 1 September 2018 £	Income £	Expenditure £	Transfer Between Funds £	Gains/ (losses) £	at 31 August 2019 £
Unrestricted funds:						
General reserve	3,648,026	2,777,000	(2,805,260)	(68,450)	-	3,551,316
Designated fund/Bursaries	64,796	1,020	(44,821)	68,450	4,404	93,849
Total restricted	-	873	(873)	-	-	-
Total funds	3,712,822	2,778,893	(2,850,954)	-	4,404	3,645,165

The Designated Bursary fund represents monies raised for the purpose of assistance with school fees for pupils of the school.

The Restricted funds represent nursery education funding which was spent on resources and training in relation to early year pupils.

Upton House School Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated funds £	Restricted funds £	2020 Total £
Tangible fixed assets	3,947,025	-	-	3,947,025
Investments	-	67,724	-	67,724
Current assets	219,135	-	-	219,135
Current liabilities	(604,579)	-	-	(604,579)
Long term liabilities	(152,107)	-	-	(152,107)
Total net assets	3,409,474	67,724	-	3,477,198
	Unrestricted funds £	Designated funds £	Restricted funds £	2019 Total £
Tangible fixed assets	4,069,036	-	-	4,069,036
Investments	-	65,249	-	65,249
Current assets	224,833	-	-	224,833
Current liabilities	(534,837)	-	-	(534,837)
Long term liabilities	(179,116)	-	-	(179,116)
Total net assets	3,579,916	65,249	-	3,645,165

21 COMMITMENTS UNDER OPERATING LEASES

at 31 August 2020, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 Equipment	2019 Equipment
Due within one year	15,776	21,285
Due between two and five years	23,739	28,045
	39,515	49,330

22 RELATED PARTIES

During the year the School made direct payments to third parties for Trustees' training in relation to their role. The cost of these, plus travel expenses to attend, amounted to £114 (2019: £330). There was a reimbursement of Trustee expenditure of nil (2019: £30) during the year.

Two (2019: two) Trustees have a total of two (2019: two) children being educated at the School.

The current Headmistress has two children being educated at the School, both in receipt of staff discount.

One Trustee received a gift to the value of £195 during the year (2019: Three Trustees - £1,013) on their retirement.

During the year the School solicited IT services to support the response to the coronavirus pandemic from the spouse of the Headmistress and employed the spouse of another related party to the value of £51,476 (2019: £14,965).

During the year the School incurred costs of £2,525 (2019: £4,364) in relation to the hire of a swimming pool at a school of which a Trustee is the Headteacher.

Upton House School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

23 COMPANY STATUS

The Company is a registered charity and is limited by guarantee. Members' liability is limited by individual guarantees to a maximum of each in accordance with the Articles of Association.

24 CAPITAL COMMITMENTS

At 31 August 2020 the school was contracted to capital expenditure totalling £nil (2019: £nil).

25 NOTES TO THE CASHFLOW STATEMENT

	2020 £	2019 £
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	(167,967)	(67,657)
Gains on investments	(1,892)	(4,404)
Depreciation	188,897	187,669
Bank interest received	(129)	(48)
Dividends received	(584)	(972)
Interest payable	(4,021)	(5,517)
Profit/(Loss) on sale of Fixed Assets	294	1,944
Increase/(Decrease) in creditors	95,943	(69,060)
(Increase)/Decrease in debtors	31,913	(14,437)
(Increase)/Decrease in stocks	(97)	202
	142,357	27,720

Analysis of changes in net debt

	At 1 September 2019	Cash flows	Other non- cash changes	At 30 August 2020
Cash and cash equivalents				
Cash	115,479	26,118	0	141,597
Overdrafts	0	0	0	0
Cash Equivalents	0	0	0	0
	115,479	26,118	0	141,597
Borrowings				
Debt due within one year	-53,210	53,210	-53,209	-53,209
Debt due after one year	-93,116	0	53,209	-39,907
	-146,326	53,210	0	-93,116
Total	-30,847	79,328	0	48,481