

REGISTERED NUMBER: 0396309 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017
FOR
THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED**

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2017**

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THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017**

TRUSTEES:
D M Ackroyd
W E B Bicknell
Mrs J M Beaumont (appointed 08/06/2017)
A J Fearn (resigned 08/06/2017)
Mrs C A Morrison
W J Staunton
Mrs S L Cameron
J Robinson (appointed 08/09/2016)
J J Parr

**REGISTERED OFFICE AND
BUSINESS ADDRESS:**
Highfields
London Road
Newark
Nottinghamshire
NG24 3AL

REGISTERED NUMBER: 0396309 (England and Wales)

REGISTERED CHARITY NUMBER: 528261

AUDITORS:
TCP (GB) Audit LLP
Registered Auditors
10 the triangle
ng2 business park
nottingham
NG2 1AE

BANKERS:
Yorkshire Bank Plc
15 St Mark's Lane
Newark
Nottinghamshire
NG24 1XS

SOLICITORS:
Tallents
3 Middlegate
Newark
NG24 1AQ

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

The Directors, who are also the Trustees of The Newark Preparatory School Company Limited for the purposes of company law, present their annual report with the financial statements for the year ended 31 August 2017.

PRINCIPAL ACTIVITY

The charitable company's principal activity during the year continued to be that of a private school. Further details on the activities and achievements for the year are disclosed in the Governors' Report which is a separate document.

TRUSTEES

The Trustees shown below, who are also directors, have held office during the whole of the period from 1 September 2016 to the date of this report.

D M Ackroyd
W E B Bicknell
Mrs J M Beaumont (appointed 08/06/2017)
Mrs C A Morrison
W J Staunton
Mrs S L Cameron
J J Parr (appointed as director 08/03/2017)
J H Robinson (appointed 08/09/2016)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STRUCTURE AND GOVERNANCE

The Charity was created by a trust deed as a registered charity (number 528261). The charitable company is limited by its members' liability. The members' liability is limited to the amount paid on share capital.

The charitable company is registered in the name of The Newark Preparatory School Company Limited (company number 00396309). The principal address and registered office is Highfields, London Road, Newark, Nottinghamshire, NG24 3AL.

New trustees are recruited by personal recommendation from existing members of the Board, based on identified skills required by the Board. The induction and training of the new trustees is undertaken using external support from the Association of Governing Bodies for Independent Schools (AGBIS) with training tailored to the needs of each newly appointed trustee.

Decisions regarding the charity are made through debate, consideration and voting on proposals submitted to the Board by any one of the following at the regular trustees meeting:

- Headteacher/Senior Leadership Team
- Subcommittees which cover Finance Marketing & Buildings, Curriculum, Pupils & Personnel
- PTA/Parents

All meetings are minuted

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES

The principal objective of the Charity is to provide high quality nursery, infant and junior education. The management of the school is entrusted to the acting Headteacher, Mr R Thomson who was appointed in September 2015 reports regularly to the Governors and Trustees. The school operates under the trading name of Highfields. In organising the Charity, Trustees are mindful of their duties under Charities Act 2011 and have given careful consideration to compliance with the public benefit guidance issued by the Charity Commission.

Within the principal object, the Charity aims to provide a broad-based education appropriate to the needs of the pupils in its target market and through this the pupils will:

- Acquire the knowledge and skills that will enable them to tackle the next phase of their educational, physical, spiritual, social and emotional lives with confidence and success;
- Feel valued and significant, whilst having an expectation that they should behave in a responsible manner, both to themselves and others;
- Develop as individuals, whilst having an understanding that they have a responsibility of service to the community.
- Learn how to live together in a community, showing consideration, courtesy and respect for other people and their property at all times;
- Work to acquire the resourcefulness that will enable them to obtain the best from their environment;
- Develop the foundations on which to build a happy and fulfilling life;
- Find their time spent at Highfields enjoyable and stimulating;
- Receive an education that nurtures the courage and confidence of every child to discover their talents and fulfil their potential within a caring environment.

ACHIEVEMENTS AND PERFORMANCE

The main objectives of the school for the year were to continue to provide high quality educational services and in so doing to:

- Ensure that the school finances were run to the budgets set and to maintain the school as a viable going concern for many years to come;
- Increase the revenue and profile of the school, whilst offering value for money in order to make the school's services available to as wide a range of parents and pupils as possible;
- Reinvest in the infrastructure of the school.

These are achieved by regular Board meetings which, as a matter of course:

- Regularly undertake a detailed review of the school accounts and areas of over and under spend.
- Plan marketing and promotional activities to increase the profiles and revenue generating potential of the school;
- Review the preparation for the building development project referred to in previous reports.

The future objectives of the school are to:

- Maintain the high quality of kindergarten, pre-prep and prep education by the introduction of the Cambridge curriculum and the continued promotion of first class pastoral care in small class sizes to enable every child to discover their talents and fulfil their potential confidently in a caring environment.
- Improve the facilities of the school by routine refurbishment of other facilities according to a programme of planned maintenance;
- Grow student enrolment numbers by ongoing marketing and promotional activity;

These will be achieved by:

- Utilising all opportunities to promote the school and raise its profile;
- Continue to develop links with local schools and especially nursery and child care settings to increase awareness of the opportunity on offer at the school;
- The implementation of the refurbishment plan;
- Continuous training and professional development of both teaching and non-teaching staff.

Details of means tested bursary

The school has two further objectives:

- To provide continuing support of our pupils already in receipt of fee assistance through bursaries and to provide support for existing pupils through means tested bursary places, should the need arise during their education at Highfields.
- To play our part in the life of our local community through our community access and service programmes

Bursaries

This year the value of means tested bursaries totalled £20,732 and represented 2.5 % of our gross fees.

Review

The Governors periodically review our Bursary policies to ensure that children can continue to remain at our School through the availability of means tested fee assistance. Our policy is designed to widen access to our School. The reviews help inform the development of our policy and ensure the objective of wider access continues to be achieved.

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

'Teaching Links' programme

The school looks for opportunities with other local schools where we can share each other's best practice, observe other settings and share in training where possible.

Community access

We see Highfields as a part of a wider community and where we can assist the community without detriment to advancing the education of our pupils, we are delighted so to do.

We provide access to local community groups to use our facilities out of school hours at advantageous rates. In addition, we host the Newark & District schools chess tournament, an annual cross-country competition for local independent and state maintained schools and allow the school facilities to be used for music workshops and peripatetic music lessons for local children.

FINANCIAL REVIEW AND RESERVES POLICY

The net movement in funds for the year amounted to £36,694, (2016: £ (142,360)).

The revenue reserves of the Charity total £87,911 (2016: £51,217). This level of reserves is substantially represented by the property and other physical assets of the school, which are used for the continuing charitable objectives of the school. The Charity's balance sheet includes freehold property at historic cost. A detailed valuation of this asset was undertaken by Innes England on 27 November 2012 for the purposes of the Charity's bankers. The property was valued at £1 million based on its existing use and the valuation for vacant possession was £2.25 million. The Trustees have decided not to adjust the financial statements for this valuation until the building development project is completed.

The figure for freehold land and buildings on the balance sheet includes £145,147 in respect of the professional preparation for the construction project as stated in our plans for the future.

The Trustees' policy is to operate with a small surplus of income over resources expended to provide funds for capital expenditure improvements and working capital.

The main source of funding of the Charity is the fees received from the parents and grants from the local authorities for nursery fees. These funds are expended on the running and upkeep of the school in order to provide the high quality educational service needed to meet the objectives of the Charity.

Annual budgets and cash flow forecasts are prepared as part for the Charity's development plan and these are monitored against the actual financial performance on a regular basis. The Trustees consider that the school has sufficient resources to continue to operate for the foreseeable future, and therefore continue to adopt the going concern basis in the preparation for financial statements.

PLANS FOR THE FUTURE

The Trustees are still actively pursuing development plans that will enable the modernisation of the school facilities. The original planning application (dated 31/10/15) was ultimately unsuccessful. Although the planning inspector accepted the suitability of the site for residential development, it was refused on the grounds of noise from the proposed astro-turf pitch and some of the houses being slightly too close to existing dwellings.

This has allowed the Board to reappraise the development scheme and bring forward new plans in consultation with Newark & Sherwood District Council, the other landowners and Avant Homes. This scheme will allow the carpark to stay and also to keep the two sports pitches to the west of the school. It is proposed that six houses will be built in the trees along London Road to the east of the Lodge house, with an access road up the eastern boundary of the school to the land behind. It is thought the new planning application will be submitted by the end of February 2017.

INVESTMENT POWERS AND POLICY

There are no restrictions on the company's powers of investment. The Trustees' policy is to invest surplus funds in interest-bearing bank deposits.

AUDIT INFORMATION

So far as each of the trustees at the time this report is approved are aware:

- There is no relevant audit information as defined by S418 of the Companies Act 2006 of which the auditors are unaware; and
- Trustees have taken all the steps 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.

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017**

RISK MANAGEMENT

The Trustees continue to keep the school's activities under review, particularly with regard to any major risks that may arise from time to time. They monitor the effectiveness of the system of internal control and use other viable means, including insurance cover where appropriate, to best mitigate those risks identified.

The Trustees believe the major risks to the school are:

- The retention of key staff;
- The economy. As the school is a private school, the trustees are aware the economy will directly impact on the school enrolment numbers and are monitoring and reviewing the situation regularly.

The Trustees mitigate the above risk by ensuring that the quality of service remains high through continuous staff training and professional development.

AUDITORS

The auditors, TCP (GB) Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2005 relating to small companies.

ON BEHALF OF THE BOARD:



W E B Bicknell - Trustee Date: 08 February 2018

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED**

We have audited the financial statements of The Newark Preparatory School Company Limited for the year ended 31 August 2017 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the financial reporting standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the 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 charity's members those matters we are required to state to them in a Report of the Auditors 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.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page two, the Trustees (who are also directors of the 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. We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2017 and of its surplus for its year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Mrs Rachel Wheldon FCA (Senior Statutory Auditor)
for and on behalf of TCP (GB) Audit LLP
Statutory Auditor
10 the triangle
ng2 business park
nottingham
NG2 1AE

Date: 06 February 2018

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	12 Mths 31/8/17		17 Mths 31/8/16	
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income					
Rent		12,790		11,140	
Interest		<u>1</u>		<u>2</u>	
			12,791		11,142
Incoming resources from charitable activities					
Parent Association donation		24,310		-	
Tuition and nursery fees		1,016,441		1,265,004	
Other income	5	<u>43,088</u>		<u>58,931</u>	
			1,083,839		1,323,935
Total incoming resources			1,096,630		1,335,077
RESOURCES EXPENDED					
Charitable activities					
Education services		714,382		1,002,988	
Catering		89,522		118,006	
Cleaning and ancillary costs		64,172		87,969	
Management and administration	6	<u>137,677</u>		<u>140,670</u>	
Governance costs	7	<u>54,183</u>		<u>127,804</u>	
Total resources expended			1,059,936		1,477,437
NET OUTGOING RESOURCES FOR THE YEAR			36,694		(142,360)
BALANCE BROUGHT FORWARD AT 1 SEPTEMBER 2016			51,217		193,577
BALANCE CARRIED FORWARD AT 31 AUGUST 2017			87,911		51,217

The notes form part of these financial statements

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED
(REGISTERED NUMBER: 0396309)

BALANCE SHEET
31 AUGUST 2017

	Notes	31/8/17 £	£	31/8/16 £	£
FIXED ASSETS					
Tangible assets	8		644,632		623,526
CURRENT ASSETS					
Debtors	9	40,287		23,178	
Cash at bank and in hand		<u>387</u>		<u>580</u>	
		40,674		23,758	
CREDITORS					
Amounts falling due within one year	10	<u>594,798</u>		<u>593,550</u>	
NET CURRENT LIABILITIES			(554,124)		(569,812)
TOTAL ASSETS LESS CURRENT LIABILITIES			90,408		53,714
CREDITORS					
Amounts falling due after more than one year			-		-
NET ASSETS			<u>90,408</u>		<u>53,714</u>
CAPITAL AND RESERVES					
Called up share capital	12		700		700
Other reserves	13		120		120
Founder Governor prize fund	13		1,677		1,677
Revenue reserves	13		<u>87,911</u>		<u>51,217</u>
SHAREHOLDERS' FUNDS			<u>90,408</u>		<u>53,714</u>

The financial statements were approved by the Board of Trustees on 06 February 2018 and were signed on its behalf by:


D M Ackroyd - Trustee

The notes form part of these financial statements

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED
(REGISTERED NUMBER: 0396309)

CASH FLOW STATEMENT
31 AUGUST 2017

	Notes	Year Ended 31/8/17 £	Period 1/4/15 to 31/8/16 £
Cash flows from operating activities			
Cash generated from operations	16	53,233	29,675
Interest paid		(12,701)	(20,294)
Interest element of hire purchase payments paid		(48)	(488)
Net cash from operating activities		<u>40,484</u>	<u>(8,893)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(29,603)	(34,679)
Interest received		<u>1</u>	<u>2</u>
Net cash from investing activities		<u>(29,602)</u>	<u>(34,677)</u>
Cash flows from financing activities			
Capital repayments in year		<u>(1,634)</u>	<u>(3,208)</u>
Net cash from financing activities		<u>(1,634)</u>	<u>(3,208)</u>
Increase/(decrease) in cash and cash equivalents		<u>9,248</u>	<u>(28,992)</u>
Cash and cash equivalents at beginning of year	17	(366,666)	(337,674)
Cash and cash equivalents at end of year	17	<u>(357,418)</u>	<u>(366,666)</u>

The notes form part of these financial statements

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

Accounting convention

The Newark Preparatory School Limited is a charitable company registered in England / Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are that of an independent school.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006* and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

These are the company's first set of financial statements prepared in accordance with FRS 102. There were no material adjustments required to the figures to reconcile the change in this accounting policy.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 1% on cost
Car park and play area	- at varying rates on cost
Motor vehicles	- 25% on cost
IT room and equipment	- 25% on cost

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income and expenditure account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs

The Company contributes to a defined benefit pension scheme operated by the Teachers Pension Authority. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs charge represents contributions payable for the year by the Company to the fund.

Incoming resources

Income is generally recognised on a receivable basis and is reported gross of related expenditure, where the amount is reasonably certain or when there is adequate certainty of receipt. The specific bases used are as follows.

- Tuition and nursery fees consist of invoiced fees and charges accruing in the year. Amount relating to the future periods are recognised as payments on account within creditor.
- Rental income is recorded when receivable
- Investment income is recorded when receivable
- Grants are recognised once entitlement and value have been confirmed in writing.

Total incoming resources are attributable to the principal activity of the charitable company, all of which arise in the United Kingdom.

Resources expended

Expenditure is summarised under the functional headings either on a direct cost basis or, for overhead costs, apportioned according to time spent. The irrecoverable element of VAT is included within the item of expense to which it relates. Liabilities for expenditure are recognised on receipt of the goods or service supplied.

Charitable activity expenditure relates to expenditure on the Charity's educational objectives.

Governance costs

Governance costs relate to the general running of the Charity as opposed to direct management functions inherent in service delivery. They include external audit and accountancy fees, other professional advice and an allocation of 15% of administrative and related office costs.

Fund accounting

General Fund - (Revenue Reserves) - these are funds which can be used in accordance with the Charity's charitable objects at the discretion of the Trustees.

Designated Funds - these are funds set aside by the Trustees from unrestricted funds for specific purposes or projects.

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2017**

2. STAFF COSTS	12 Mths 31/8/17	17 Mths 31/8/16
	£	£
Wages and salaries	695,296	941,730
Social security costs	48,969	53,405
Other pension costs	53,741	72,891
	<u>798,006</u>	<u>1,068,026</u>
The average monthly number of employees during the year was as follows:		
	31/8/17	31/3/16
Teaching	28	28
Non Teaching	18	18
	<u>46</u>	<u>46</u>
No employee received emoluments greater than £60,000 in the year.		
None of the Trustees received any remuneration in the year.		
3. OPERATING SURPLUS		
The operating surplus/(deficit) is stated after charging:	12 Mths 31/8/17	17 Mths 31/8/16
	£	£
Depreciation - owned assets	30,361	49,440
Depreciation - assets on hire purchase contracts	2,546	6,659
Auditors remuneration	2,600	3,700
Pension costs	53,741	72,891
	<u>90,248</u>	<u>132,690</u>
4. TAXATION		
Analysis of the tax charge		
No liability to UK corporation tax arose on ordinary activities for the year ended 31 August 2017 nor for the year ended 31 August 2016.		
5. OTHER INCOME	12 Mths 31/8/17	17 Mths 31/8/16
	£	£
Supervision	34,948	44,116
Music	1,820	1,339
Swimming - net	2,603	572
Registration fees	2,119	4,890
School trips - net	103	4,855
Clubs	93	103
Insurance recharged - net	417	983
Miscellaneous income	985	2,073
	<u>43,088</u>	<u>58,931</u>
6. MANAGEMENT AND ADMINISTRATION COSTS	12 Mths 31/8/17	17 Mths 31/8/16
	£	£
Wages	85,609	65,729
Administration costs	48,867	62,230
Bad Debts	2,772	-
Rental costs	429	12,711
	<u>137,677</u>	<u>140,670</u>
7. GOVERNANCE COSTS	12 Mths 31/8/17	17 Mths 31/8/16
	£	£
Professional fees	5,926	47,223
Auditors remuneration	2,600	3,700
Depreciation	32,907	56,099
Finance costs	12,750	20,782
	<u>54,183</u>	<u>127,804</u>

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2017**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Car park and play area £	Motor vehicles £	IT room and equipment £	Totals £
COST					
At 1 September 2016	602,109	117,498	18,802	159,160	897,569
Additions	25,504	-	-	28,409	53,913
At 31 August 2017	<u>627,613</u>	<u>117,498</u>	<u>18,802</u>	<u>187,569</u>	<u>951,482</u>
DEPRECIATION					
At 1 September 2016	66,152	51,606	16,256	140,029	274,043
Charge for year	16,722	4,220	2,546	9,369	32,907
At 31 August 2017	<u>82,924</u>	<u>55,826</u>	<u>18,802</u>	<u>149,398</u>	<u>306,950</u>
NET BOOK VALUE					
At 31 August 2017	<u>544,689</u>	<u>61,672</u>	<u>-</u>	<u>38,171</u>	<u>644,532</u>
At 31 August 2016	<u>535,957</u>	<u>65,892</u>	<u>2,546</u>	<u>19,131</u>	<u>623,526</u>

Included in cost of land and buildings is freehold land of £100,000 (2016 - £100,000) which is not depreciated.

Freehold land and buildings includes £145,147 in respect of the professional preparation for a construction project as referred to in the Trustees' annual report. This expenditure has not been depreciated.

Fixed assets, included in the above, held under hire purchase contracts, are as follows:

	Motor vehicles £
COST	
At 1 September 2016 and 31 August 2017	<u>18,802</u>
DEPRECIATION	
At 1 September 2016 Charge for year	<u>16,256</u> <u>2,546</u>
At 31 August 2017	<u>18,802</u>
NET BOOK VALUE	
At 31 August 2017	<u>-</u>
At 31 August 2016	<u>2,546</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/17 £	31/8/16 £
Trade debtors	16,282	5,190
Prepayments	<u>24,005</u>	<u>17,988</u>
	<u>40,287</u>	<u>23,178</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/17 £	31/8/16 £
Bank loans and overdrafts	357,805	367,226
Hire purchase contracts	-	1,635
Trade creditors	40,193	22,468
Social security and other taxes	12,147	11,353
Other creditors	74,995	55,178
Directors' loan account	10,000	10,000
Accrued expenses	<u>99,658</u>	<u>125,690</u>
	<u>594,798</u>	<u>593,550</u>

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2017**

11. SECURED DEBTS

The following secured debts are included within creditors:

	31/8/17	31/8/16
	£	£
Bank overdraft	357,805	367,226
Hire purchase	<u>-</u>	<u>1,635</u>

12. CALLED UP SHARE CAPITAL

Allotted and issued:			31/8/17	31/8/16
Number:	Class:	Nominal value:	£	£
700	Ordinary	£1	<u>700</u>	<u>700</u>

13. RESERVES

	Revenue Reserve £	Other Reserves £	Founder Governor Prize Fund £	Totals £
At 1 September 2016	51,217	120	1,677	53,014
Surplus for the year	<u>36,694</u>	<u>-</u>	<u>-</u>	<u>36,694</u>
At 31 August 2017	<u>87,911</u>	<u>120</u>	<u>1,677</u>	<u>89,708</u>

14. TRUSTEES' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a trustee subsisted during the year ended 31 August 2017 and the year ended 31 August 2016:

	31/3/17 £	31/8/16 £
W J Staunton		
Balance outstanding at start of period	10,000	10,000
Amounts advanced to the Company	<u>-</u>	<u>10,000</u>
Balance outstanding at end of period	<u>10,000</u>	<u>10,000</u>

The terms of the loan is that capital is to be repaid monthly at a minimum payment of £400 a month, although this may be suspended temporarily if no income is received from letting out the Lodge. No interest is payable on the amount advanced.

15. ULTIMATE CONTROLLING PARTY

The company is controlled by the directors, who are also the trustees.

16. NOTES TO THE STATEMENT OF CASHFLOWS

RECONCILIATION OF SURPLUS/(DEFICIT) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31/8/17 £	Period 1/4/15 to 31/8/16 £
Surplus/(deficit) before taxation	12,384	(142,360)
Depreciation charges	32,907	56,099
Finance costs	12,750	20,782
Finance income	<u>(1)</u>	<u>(2)</u>
	58,040	(65,481)
Increase in trade and other debtors	(17,111)	8,063
Increase in trade and other creditors	<u>12,304</u>	<u>87,093</u>
Cash generated from operations	<u>53,233</u>	<u>29,675</u>

THE NEWARK PREPARATORY SCHOOL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2017**

17. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 August 2017

	31/8/17	01/9/16
	£	£
Cash and cash equivalents	387	560
Bank overdrafts	(357,805)	(367,226)
	<u>(357,418)</u>	<u>(366,666)</u>

Period ended 31 August 2016

	31/8/16	1/4/15
	£	£
Cash and cash equivalents	560	72
Bank overdrafts	(367,226)	(337,746)
	<u>(366,666)</u>	<u>(337,674)</u>