

**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 2018**

# Upton House School Limited

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for the year ended 31 August 2018

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

<b>Registered Charity Name</b>	Upton House School Limited
<b>Charity Number</b>	309095
<b>Company Registration Number</b>	677794
<b>Registered Office</b>	115 St Leonard's Road Windsor Berkshire SL4 3DF
	<b>Members</b> Mr G O J Story Mrs V Barker Mrs S C Cairns Mr G E F Delaney Miss S E Mason Mr R D L Smyth Mrs B E Stanley Mr R M Stewart Mr R Vicari (appointed 15 Nov 2017) Mr C Vilares Mr A W Warf Dr P M Warwicker Mrs E S M Wigzell
<b>Headmistress</b>	Mrs R Thornton
<b>Secretary</b>	Mrs C J Allies
<b>Chairman</b>	Mr G O J Story
<b>Chairman, Finance &amp; General Purposes Committee</b>	Mr C Vilares
<b>Auditors</b>	Kingston Smith LLP Chartered Accountants and Statutory Auditors Devonshire House 60 Goswell Road London EC1M 7AD
<b>Bankers</b>	Svenska Handelsbanken AB (publ) Independent House William Street Windsor SL4 1BA
<b>Solicitors</b>	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA

# **Upton House School Limited**

## **(Company Limited by Guarantee)**

### **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 2018 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).

#### **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 during the period were as follows:

Mr G O J Story  
Mrs V Barker  
Mrs S C Cairns  
Mr G E F Delaney  
Miss S E Mason  
Mr R D L Smyth  
Mrs B E Stanley  
Mr R M Stewart  
Mr R Vicari (appointed 15 Nov 2017)  
Mr C Vilares  
Mr A W Warf  
Dr P M Warwick  
Mrs E S M Wigzell

#### **STRUCTURE, GOVERNANCE & MANAGEMENT**

##### **Governing Document**

The Company is governed by its Articles of Association dated 23<sup>rd</sup> 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 Trustees 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 Chairmen 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. Four Trustees attended such events during the year.

# **Upton House School Limited**

## **(Company Limited by Guarantee)**

### **Report of the Council of Management**

#### **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, chaired by Mr C Vilares, 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. In January 2018, the Council of Management formed a Marketing Sub-Committee, which has met each term since.

The day-to-day running of the School is delegated to the Headmistress and the Bursar, supported by 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 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 as the local area has a strong European expatriate community. 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. Pupil numbers in the Nursery class for 3-4 year olds, were lower than is usual in 2017/18. It is understood that the demographic trend in the local area has resulted in fewer Nursery age children in the year. Registrations for this year group for 2018/19 are also lower than normal. As a consequence, the Council initiated a strategic review of operations and the cost base. The positive impact of this review will start to be reflected in 2018/19.



# **Upton House School Limited**

## **(Company Limited by Guarantee)**

### **Report of the Council of Management**

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 Senior Leadership Team (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 database 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 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 three other members of staff, including 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 every two years, or less, thereafter.

The Council views the School's financial position as stable. Borrowings are low and reducing, with the balance of the single remaining loan, which will 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, due to an unexpected drop in pupil numbers, but, with prudent budgeting and the strong reputation of the School, the Council does not consider this a major risk.

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, 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.

# **Upton House School Limited**

## **(Company Limited by Guarantee)**

### **Report of the Council of Management**

#### **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 make improvements to the School's security measures, including the recommendations of an independent review undertaken in 2016/17
- to invest in marketing initiatives to promote the School, making full use of the opportunities presented by social media, and to appoint a full-time Marketing Manager;
- to restructure the School's information technology support, splitting it between tactical support and strategic planning.

#### **Principal Activity**

The principal activity continues to be the provision of a day school for girls aged 2-11 and boys aged 2-7. At the end of the year there were 49 boys and 192 girls enrolled at the School.

#### **Bursaries & Public Benefit**

The School supported 11 (2017 - 8) children with bursaries in the year at a total cost of £75,016 (2017 - £67,300), with need assessed by a sub-committee of the Council on a means tested basis. The School transferred £65,945 to the bursary fund to meet this commitment, with the residual drawing on the balance of the fund. The awards included 2 (2017:2) 100% awards to children who have joined the School since January 2012 and 3 (2017:2) 100% awards to the families of existing pupils suffering financial hardship. The other six awards, were all hardship awards ranging from 40% to 90%.

In addition to the bursary support above, the School provided free places to 2 children in Nursery/Pre-Nursery (2017 - 2) at a cost of £5,698 (2017 - £4,135).

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 six did so on an ad-hoc basis.

The School lent its two minibuses free of charge to two local maintained primary schools and arranged appropriate external training, at no cost, to three teachers from one of these schools. A second-hand interactive SMART table, with a residual value of £1,776, was donated to a local primary school in return for a £200 charitable donation.

#### **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. 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.

**Upton House School Limited**  
(Company Limited by Guarantee)  
Report of the Council of Management

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

**Operational performance**

In 2017/18 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. The School continues to be very popular with local families. At the end of the summer term there were 241 pupils (2017 – 263) on roll, with Prep and Pre-Prep department numbers continuing to be strong but Nursery numbers lower than usual. There were 92 (2017 – 69) registrations taken during the year. Pupil numbers averaged 208.3 full time equivalents (FTE) (2017 – 223.3) versus the standard number of 203.5 FTE and pupils on roll averaged 236 (2017 – 258). Of pupils on roll, 170 (2017 – 179), 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 2018 and will continue to do so.

In the summer of 2018, 24 girls left the School to move on to senior schools, of whom five were offered a scholarship or exhibition to at least one school. Five boys left to join their next school, one with a scholarship, transferring to local preparatory schools.

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 £4,822 in the year (2017 – £6,450).

**Investment performance**

The School's bursary fund is a designated fund and has traditionally been held on deposit in the Charities Official Investment Fund (COIF) but following a prolonged period of very low interest rates, in March 2016 the Council of Management agreed to move the bulk of the fund into more productive investments. A total of £60,000 was transferred into the funds initially which were valued at £70,285 at 31 August 2018 and which yielded an overall return of 4.9% in the year.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The school made an operational surplus of £104,629 in the year, which after depreciation and unrealised gain on investments, resulted in a net deficit of £(76,900) (2017 – net surplus of £70,616). Over recent years, costs in many areas have been rising, notably salary related costs for teaching staff. The Trustees have chosen not to pass these increases on to fee payers in full in order to maintain the affordability of the school fees.

Capital expenditure during the year was £86,044 (2017 – £109,283), largely on the upgrade of various aspects of site security, including new perimeter fencing and gates, and a new access control system, together with the installation of a new wifi system.

Gross donations received totalled £7,520 (2017 – £25,000) and grants were received from the Royal Borough of Windsor and Maidenhead totalling £7,667 being a surplus of nursery education funding which was applied to the support of the early years department and a grant to support a child with learning needs.

The Council of Management agreed to transfer £65,945 (2017 – £64,148) 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 £64,796 at the end of the year.



# **Upton House School Limited**

## **(Company Limited by Guarantee)**

### **Report of the Council of Management**

#### **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 (2017 - £nil). After the transfer of £65,945 to the designated bursary fund, the balance of unrestricted reserves was £3,648,035 (2017 - £3,722,724). These funds represent the value of the School's fixed assets and are therefore not expendable.

The School has no free reserves at present, as a consequence of the level of investment in the buildings and infrastructure over the past two decades. Although this is a common position for independent schools, which have to finance their own capital investment plans, the Council of Management has no further major development to the site under consideration and aims to build up a free reserve as soon as funds allow. The closing value of tangible assets, property, plant and equipment, was £4,203,930. The Council of Management consider that, given the strength of the charity's balance sheet, the stable cash flow, the ongoing popularity of the School, and an available banking facility that can be called upon if need arises, the school is in a robust position at the year end.

#### **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;
- 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.

**Upton House School Limited**  
(Company Limited by Guarantee)  
Report of the Council of Management

**DISCLOSURE OF INFORMATION TO AUDITORS**

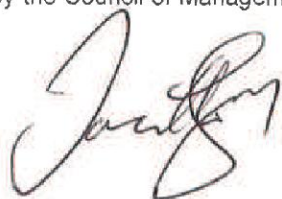
In so far as the Members are aware:

- 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 20th March 2019 and signed on its behalf:



Mr G O J Story  
Chairman



Mrs C J Allies  
Company Secretary

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

**Independent Auditor's Report to the members of Upton House School Limited  
for the year ended 31 August 2018**

**Opinion**

We have audited the financial statements of Upton House School Limited ('the company') for the year ended 31 August 2018 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 2018 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 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.

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 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 [x], 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.
- 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 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.

*Kingston Smith LLP*

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

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

*25th April 2019*

# Upton House School Limited

## STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure statement)

for the year ended 31 August 2018

	Notes	Unrestricted funds - general £	Restricted funds £	Total 2018 £	Total 2017 £
<b>INCOME FROM:</b>					
<b>Charitable Activities</b>					
School fees	3	2,434,019	-	2,434,019	2,520,634
Other educational income	4	329,305	-	329,305	311,615
<b>Other income</b>					
Other trading income	5	9,676	-	9,676	14,847
<b>Investments</b>					
Investment income	6	1,061	-	1,061	1,017
<b>Voluntary sources</b>					
Grants and donations	7	7,520	7,667	15,187	28,665
<b>Total income and endowments</b>		<b>2,781,581</b>	<b>7,667</b>	<b>2,789,248</b>	<b>2,876,778</b>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities</b>					
Education	8	2,860,718	7,667	2,868,385	2,807,851
<b>Total expenditure</b>	<b>8</b>	<b>2,860,718</b>	<b>7,667</b>	<b>2,868,385</b>	<b>2,807,851</b>
<b>Net operating (expenditure)/income</b>		<b>(79,137)</b>	<b>-</b>	<b>(79,137)</b>	<b>68,927</b>
Net gains on investments	13	2,237	-	2,237	1,689
<b>Net (expenditure)/income</b>		<b>(76,900)</b>	<b>-</b>	<b>(76,900)</b>	<b>70,616</b>
Transfer between funds		-	-	-	-
<b>Net movement in funds</b>		<b>(76,900)</b>	<b>-</b>	<b>(76,900)</b>	<b>70,616</b>
Fund balances brought forward		3,789,722	-	3,789,722	3,719,106
Fund balances carried forward	19, 20	3,712,822	-	3,712,822	3,789,722

The accompanying notes form part of these financial statements.

# Upton House School Limited

## BALANCE SHEET

as at 31 August 2018

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	12	4,203,936	4,306,493
Investments	13	70,285	66,998
		<b>4,274,221</b>	<b>4,373,491</b>
<b>CURRENT ASSETS</b>			
Stocks	14	1,002	1,070
Debtors	15	94,117	65,614
Cash at bank and in hand		179,704	208,882
		<b>274,823</b>	<b>275,566</b>
<b>CREDITORS: Amounts falling due within one year</b>	16	<b>(627,796)</b>	<b>(598,500)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(352,973)</b>	<b>(322,934)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,921,248</b>	<b>4,050,557</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	17	<b>(208,426)</b>	<b>(260,835)</b>
<b>NET ASSETS</b>		<b>3,712,822</b>	<b>3,789,722</b>
<b>FUNDS</b>			
Unrestricted funds – general	19	3,648,026	3,719,151
Designated funds	19	64,796	70,571
		<b>3,712,822</b>	<b>3,789,722</b>

Approved and authorised for issue by the Board of Governors on 20 March 2019 and signed on their behalf by:

Mr G O J Story  
Chairman of the Council of Management

Mrs C J Allies  
Company secretary

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

# Upton House School Limited

## CASHFLOW STATEMENT

for the year ended 31 August 2018

CASH FLOW STATEMENT	Notes	2018 £	2017 £
Net cash inflow from operating activities	25	109,639	271,965
Cash flows from investing activities:			
Bank interest received		11	23
Dividends received		1,050	994
Proceeds from sale of fixed assets		-	900
Payments to acquire fixed assets		(86,044)	(109,283)
Payments to acquire investments		(1,050)	(994)
Net cash outflow from investing activities		(86,033)	(108,360)
Financing:			
Loans repaid		(53,209)	(140,709)
Net cash outflow from financing activities		(53,209)	(140,709)
Increase/(decrease) in cash		(29,603)	22,896
Cash and cash equivalents at the beginning of the reporting period		208,882	185,986
Cash and cash equivalents at the end of the reporting period		179,279	208,882



# Upton House School Limited

## ACCOUNTING POLICIES

for the year ended 31 August 2018

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### 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 Upton House School, 115 St Leonards 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

The Council of Management 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 school to continue as a going concern. The Council of Management have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Council of Management have considered the charitable company's forecasts and projections and have taken account of pressures on fee income. After making enquiries, the Council of Management have concluded that there is a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. The school therefore continues to adopt the going concern basis in preparing its financial statements.

As such, the school can expect to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts. However, there can be no certainty in relation to these matters.

On this basis the Council has concluded that the school is a going concern. The financial statements do not include any adjustments that would result from the school not being able to meet its liabilities as they fall due.

#### 1.3 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee, the guarantors at the present time being the Council, 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.

# Upton House School Limited

## ACCOUNTING POLICIES

for the year ended 31 August 2018

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### 1.5 DONATIONS AND GRANTS

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 allocated on a rational basis to those categories involved. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. 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 Cost 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 include those costs associated with meeting the constitutional and statutory requirements of the school and include the audit fees and costs linked to the strategic management of the school.

### 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 income and expenditure account.

### 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.

# Upton House School Limited

## ACCOUNTING POLICIES

for the year ended 31 August 2018

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### 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 follows:

Freehold buildings and improvements	• 50 years
Plant and machinery	• 5% on cost
Fixtures and fittings	• 15% on cost
Motor Vehicles	• 15% on cost

The cost of freehold property represents the historical value recorded in the books of Upton House School consisting of £4,219,443, 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 £9,500,945 (2017: £9,311,961).

### 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

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.

# Upton House School Limited

## ACCOUNTING POLICIES

for the year ended 31 August 2018

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### 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 school's balance sheet when the school 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 school is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

### 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 school'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 school 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

## ACCOUNTING POLICIES

for the year ended 31 August 2018

### 3 FEE INCOME

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

	2018 £	2017 £
Gross fees	2,576,179	2,672,629
Less: Discounts, scholarships and bursaries	(142,160)	(151,995)
	<b>2,434,019</b>	<b>2,520,634</b>

### 4 OTHER EDUCATIONAL INCOME

	2018 £	2017 £
Extras and disbursements	293,196	287,572
Registration fees	8,380	5,700
Fees in lieu of notice	18,267	12,951
Other income	9,462	5,392
	<b>329,305</b>	<b>311,615</b>

### 5 OTHER TRADING INCOME

	2018 £	2017 £
Rent and lettings	13,192	13,215
(Loss)/Profit on sale of property	(4,834)	900
Other income	1,318	732
	<b>9,676</b>	<b>14,847</b>

### 6 INVESTMENT INCOME

	2018 £	2017 £
Interest receivable	11	23
Dividend income	1,050	994
	<b>1,061</b>	<b>1,017</b>

### 7 DONATIONS AND GRANTS

	2018 £	2017 £
Donations and gifts	15,187	28,665
	<b>15,187</b>	<b>28,665</b>

Included within the above is an amount of £7,667 (2017: £3,665) which relates to restricted income.

# Upton House School Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

8 EXPENDITURE	Staff costs (note 9)	Other	Depreciation	Total
	£	£	£	2018 £
Teaching	1,564,097	303,252	-	1,867,349
Welfare	-	191,081	-	191,081
Premises and Estates	28,896	189,665	91,424	309,985
Finance and Administration	255,181	142,608	92,341	490,130
Governance	-	9,840	-	9,840
	<u>1,848,174</u>	<u>836,446</u>	<u>183,765</u>	<u>2,868,385</u>

Included within teaching costs, other, is an amount of £7,667 (2017: £3,665) relating to restricted expenditure.

	Staff costs £	Other £	Depreciation £	Total 2017 £
Teaching	1,492,407	285,834	-	1,778,241
Welfare	-	191,721	-	191,721
Premises and Estates	28,568	204,501	91,325	324,394
Finance and Administration	262,401	161,637	79,917	503,955
Governance	-	9,540	-	9,540
	<u>1,783,376</u>	<u>853,233</u>	<u>171,242</u>	<u>2,807,851</u>

Other Governance Costs include:

	2018 £	2017 £
Auditors' remuneration		
- Audit Fees	9,840	9,540

## 9 STAFF COSTS

	2018 £	2017 £
Wages and salaries	1,491,203	1,465,761
Redundancy and settlement costs	34,192	-
Social security costs	130,772	129,327
Other pension costs	192,007	188,288
	<u>1,848,174</u>	<u>1,783,376</u>

# Upton House School Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

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

	2018	2017
	No.	No.
Teaching	63	61
Premises	1	1
Support	8	7
	<b>72</b>	<b>69</b>

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

	2018	2017
	No.	No.
£60,000 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1
	<b>4</b>	<b>4</b>

Pension contributions for the year amounted to £37,614 (2017: £37,571) 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 (2017: 6). The total pay and benefits received by key management personnel were £403,378 (2017: £390,973). Pension contributions to the key management personnel amounted to £59,776 (2017: £52,529).

### 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 £140,557 (2017: £140,018) and at the year-end nil (2017 - £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 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

# Upton House School Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

This employer rate will be payable until the outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS in September 2018 to allow the Department for Education to finalise this pension scheme actuarial valuation. Early indications are that the amount employers pay towards the scheme will need to increase from April 2019 because of proposed changes to the discount rate used in the valuation.

There are also early indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

Since this statement was issued, the Government Actuary's Department has indicated that the employers' contribution will, in fact, increase to 23.6% from 1 September 2019.

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 £51,450 (2017 - £48,270). 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 £6,020 (2017: £6,699).

<b>11 NET INCOME FOR THE YEAR</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income is stated after charging:		
Depreciation of tangible fixed assets	<b>183,765</b>	171,242
Operating lease rentals – other	<b>4,831</b>	8,046
Auditor's remuneration		
Audit services for the school- current year	<b>9,840</b>	9,540

## 12 TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost:					
At 1 September 2017	4,566,233	409,609	847,618	49,175	<b>5,872,635</b>
Additions	4,954	-	81,090	-	<b>86,044</b>
Disposals	-	-	(10,768)	-	<b>(10,768)</b>
At 31 August 2018	<b>4,571,187</b>	<b>409,609</b>	<b>917,940</b>	<b>49,175</b>	<b>5,947,911</b>
Depreciation:					
At 1 September 2017	853,364	90,026	602,413	20,339	<b>1,566,142</b>
Charge for year	91,424	20,480	66,773	5,089	<b>183,766</b>
Disposals	-	-	(5,933)	-	<b>(5,933)</b>
At 31 August 2018	<b>944,788</b>	<b>110,506</b>	<b>663,253</b>	<b>25,428</b>	<b>1,743,975</b>
Net book value:					
At 31 August 2018	<b>3,626,399</b>	<b>299,103</b>	<b>254,687</b>	<b>23,747</b>	<b>4,203,936</b>
At 1 September 2017	<b>3,712,869</b>	<b>319,583</b>	<b>245,205</b>	<b>28,836</b>	<b>4,306,493</b>

The Council are of the opinion that the current value of the school's land and buildings is substantially in excess of the figure shown in the financial statements.



# Upton House School Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

### 13 INVESTMENTS

	Listed investments £	2018 £	2017 £
Cost/valuation at 1 September 2017	66,998	66,998	64,315
Additions	1,050	1,050	994
Gains/(Losses) arising from movements in valuations	2,237	2,237	1,689
Cost/valuation at 31 August 2018	<b>70,285</b>	<b>70,285</b>	66,998

### 14 STOCK

	2018 £	2017 £
Staff Clothing	1,002	1,070
	<b>1,002</b>	<b>1,070</b>

### 15 DEBTORS

	2018 £	2017 £
Fees and extras	82,445	60,884
Less provision for doubtful debts	(17,157)	(29,016)
Other debtors	2,385	7,120
Prepayments and accrued income	26,444	26,626
	<b>94,117</b>	<b>65,614</b>

### 16 CREDITORS

Amounts falling due within one year:	2018 £	2017 £
Loans	53,209	53,209
Taxation and social security costs	33,636	31,382
Fee Deposits	6,200	8,900
Fees in advance	432,138	399,241
Other creditors	4,957	7,115
Accruals	97,656	98,653
	<b>627,796</b>	<b>598,500</b>

# Upton House School Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

Deferred income:	2018 £	2017 £
Brought forward	399,241	408,279
Released in year	(399,241)	(408,279)
Received in year	432,138	405,940
Carried forward	<u>432,138</u>	<u>405,940</u>

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

### 17 CREDITORS DUE AFTER ONE YEAR

	2018 £	2017 £
Amounts falling due after more than one year:		
Bank loan	146,326	199,535
School fee deposits	62,100	61,300
	<u>208,426</u>	<u>260,835</u>
	2018 £	2017 £
Movement on loans		
In one year or less	53,209	53,209
Between one and two years	53,209	53,209
Between two and five years	93,117	146,326
	<u>199,535</u>	<u>252,744</u>
	2018 £	2017 £
Deposits held maturing as follows		
In one year or less	6,200	8,900
Between one and two years	33,700	33,700
Between two and five years	28,400	27,600
	<u>68,300</u>	<u>70,200</u>

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 2018

18 FINANCIAL INSTRUMENTS	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Financial assets measured at fair value through profit and loss	70,285	66,998
Debt instruments at amortised cost	65,595	41,643
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	370,432	425,052

## 19 STATEMENT OF FUNDS

	At 1 September 2017 £	Income £	Expenditure £	Transfer Between Funds £	At 31 August 2018 £
Unrestricted funds:					
General reserve	3,719,151	2,780,522	(2,785,702)	(65,945)	3,648,026
Designated Fund	70,571	1,059	(75,016)	68,182	64,796
Restricted funds:					
Other	-	7,667	(7,667)	-	-
Total restricted	-	7,667	(7,667)	-	-
Total funds	3,789,722	2,788,189	(2,793,369)	2,237	3,712,822
	At 1 September 2016 £	Income £	Expenditure £	Transfer Between Funds £	At 31 August 2017 £
Unrestricted funds:					
General reserve	3,648,090	2,872,096	(2,736,887)	(64,148)	3,719,151
Designated Fund	71,016	1,017	(67,299)	65,837	70,571
Restricted funds:					
Other	-	3,665	(3,665)	-	-
Total restricted	-	3,665	(3,665)	-	-
Total funds	3,719,106	2,875,761	(2,740,552)	(64,148)	3,789,722

### Restricted funds

The Bursary fund is a designated fund and 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 2018

### 20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated funds £	Restricted funds £	2018 Total £
Tangible fixed assets	4,203,936	-	-	4,203,936
Investments	5,489	64,796	-	70,285
Current assets	274,823	-	-	274,823
Current liabilities	(627,796)	-	-	(627,796)
Long term liabilities	(208,426)	-	-	(208,426)
Total net assets	<u>3,648,028</u>	<u>64,796</u>	<u>-</u>	<u>3,712,822</u>

	Unrestricted funds £	Designated funds £	Restricted fund £	2017 Total £
Tangible fixed assets	4,306,493	-	-	4,306,493
Investments	-	66,998	-	66,998
Current assets	275,566	-	-	275,566
Current liabilities	(598,500)	-	-	(598,500)
Long term liabilities	(260,835)	-	-	(260,835)
Total net assets	<u>3,722,724</u>	<u>66,998</u>	<u>-</u>	<u>3,789,722</u>

### 21 COMMITMENTS UNDER OPERATING LEASES

The school had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 Plant & Machinery	2017 Plant & Machinery
Due within one year	15,086	18,080
Due between two and five years	15,086	30,172
	<u>30,172</u>	<u>48,252</u>

### 22 RELATED PARTIES

During the year the school made direct payments to third parties for Trustee training in relation to their role. The cost of these, plus travel expenses to attend, amounted to £745 (2017: £549). There was no other reimbursement of trustee expenditure (2017: none) during the year.

One (2017: two) Trustee has a total of two (2017: three) children being educated at the school.

The current headmistress has two children being educated at the school.

No member of the Council of Management received a gift or remuneration during the year (2017: One member received a gift to the value of £167).

Parties related to three (2017: two) Trustees or other senior management entered into transactions to the value of £33,956 (2017: £20,840) for services provided to the school.



# Upton House School Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

### 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 2018 the school was contracted to capital expenditure totalling £nil (2017 £nil)

### 25 NOTES TO THE CASHFLOW STATEMENT

	2018	2017
	£	£
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	(76,900)	70,616
Gains on investments	(2,237)	(1,689)
Depreciation	183,766	171,242
Bank interest received	(11)	(23)
Dividends received	(1,050)	(994)
Loss/(Profit) on sale of Fixed Assets	4,841	(900)
Increase/(Decrease) in creditors	29,665	28,588
(Increase)/Decrease in debtors	(28,503)	5,171
(Increase)/Decrease in stocks	68	(46)
	<b>109,639</b>	<b>271,965</b>