

PAPPLEWICK EDUCATIONAL TRUST LIMITED

(BY GUARANTEE)

FINANCIAL STATEMENTS

31ST AUGUST 2020

Registered Company Number: 00826017

Registered Charity Number: 309087



PAPPLEWICK EDUCATIONAL TRUST LIMITED

(BY GUARANTEE)

FINANCIAL STATEMENTS

31ST AUGUST 2020

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PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the fifty-fifth Annual General Meeting of the company will be held at Papplewick School, Windsor Road, Ascot, Berkshire SL5 7LH at 11.45am on the tenth day of March 2021 for the following purposes:

- 1 To receive and consider the financial statements for the year ended 31st August 2020, together with the reports of the Council of Management and the auditors thereon.
- 2 To re-elect three members to the Council of Management.
- 3 To re-appoint Jacob Cavenagh & Skeet as auditors and to authorise the Council of Management to fix their remuneration.
- 4 To transact any other business which, under the company's Articles of Association, may be transacted at an Ordinary General Meeting.

Dated this twenty-fifth day of November 2020



S G Burrows
Secretary

Papplewick School
Windsor Road
Ascot
Berkshire SL5 7LH

A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote for him or herself, and such proxy need not be a member of the company. Such notice of appointment of proxy must be lodged at the registered office not later than 48 hours before the meeting.

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

REPORT OF THE COUNCIL OF MANAGEMENT TO THE MEMBERS

The Council of Management hereby presents its Annual Report and Strategic Report for the year ended 31 August 2020 under the Charities Act 2011, together with audited financial statements for the year, and confirms that the latter comply with the requirements of the Act, the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 (FRS 102). The Annual Report serves the purpose of both a Trustees' Report and a Directors' Report under company law.

REFERENCE AND ADMINISTRATIVE INFORMATION

Papplewick Educational Trust Limited was formed in 1964 as a company limited by guarantee. It is a charity, with the registered number 309087.

Governors

The Governors of the School are also the charity's trustees. The Governors who served during the year were:

Council of Management	Brigadier A R E Hutchinson (Chairman) J P C Frost Mrs E M Hewer T G F Lord A R McGregor Revd Dr B G McNair Scott A A M Try S D Walker
Secretary	S G Burrows

Professional advisers and key personnel

The Headmaster	Mr T W Bunbury BA University College Durham, PGCE		
The Bursar	Mr S G Burrows FCA		
Principal and registered office address	Papplewick School Windsor Road Ascot Berkshire SL5 7LH	Solicitors	Osborne Clarke 2 Temple Back East Bristol BS1 6EG
Auditor	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW	Bankers	Lloyds Bank plc 1-2 Market Place Reading Berks RG1 2EQ

The key management personnel are the members of the Council of Management, the Headmaster and the Bursar.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity's objects, powers and constitution are all set out in its Memorandum and Articles of Association which are dated 4th November 1964.

Recruitment and training of Governors

The Charity's elected Governors are appointed at the termly meeting of the Council of Management based on a recommendation from the Chairman of Governors having taken into account eligibility, personal competence, specialist skills and local availability of the individual concerned. In accordance with new regulations, the training policy in place for Governors is kept under rolling review.

Organisation

The Council of Management determines the general policy of the school. The day to day management of the school is delegated to the Headmaster and the Bursar. The directors of the company are the charity's trustees and they form the Council of Management of the school. The Council of Management comprises a minimum of 5 and a maximum of 15 Governors. At the AGM each year, one third of the Council of Management retires from office. The remuneration of the key management personnel is set by the Council of Management at their Summer Term meeting each year.

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)
REPORT OF THE COUNCIL OF MANAGEMENT TO THE MEMBERS (continued)

Council Members

The current Council of Management is as shown at the beginning of this report. Brigadier Hutchinson, Mr McGregor and Mrs Hewer retire by rotation and, being eligible, offer themselves for re-election.

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year that 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 charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its operations.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

OBJECTIVES AND AIMS

The charity's aim is the provision of education for boarding and day students within an environment where each pupil can achieve his potential.

Reserves policy

The Council of Management has established a general reserve policy to afford some protection to the school and its charitable programme and to provide time to adjust to changing financial circumstances. The policy is to continue building up reserves by means of annual operating surpluses and judicious management, supplemented by appeals from time to time. The Council of Management has continued to keep the overdraft facilities under review to ensure that in the absence of free reserves they remain adequate to cover the school's working capital requirements.

Investment policy

The School holds cash assets to fund operational or capital expenditure within a foreseeable timeframe. As such, capital volatility must be minimised and cash assets must therefore be held in cash or near cash investments denominated in sterling.

Disclosure of information to auditors

To the knowledge and belief of the Council of Management, there is no relevant information that the company's auditors are not aware of. The Council of Management has taken all steps necessary to ensure it is aware of any relevant information, and to establish that the company's auditors are aware of any such information.

Auditors

A resolution to re-appoint Jacob Cavenagh & Skeet will be put to the members at the Annual General Meeting.

STRATEGIC REPORT

Objectives for the year

This year the focus continued to be on the education and academic performance of students as well as on maintaining the involvement of pupils in extra-curricular activities. The school made general improvements to all the facilities available to the students. Attention was given to maintaining the expertise of teaching staff, as well as to succession planning and staff development.

Strategies to achieve the year's objectives

These included developments to the curriculum, the ongoing provision of pastoral care to all students and efforts to maintain good relationships with parents. All staff at the school work very hard to ensure that pupils develop their academic, sporting, artistic, musical and social skills. This helps students to fulfil their potential, thereby building self-confidence and inculcating a desire to help the wider community. Our bursaries and scholarship programme continues to make awards available to deserving students, and there has been a further development of links with other schools including the granting of wider access to our facilities.

Achievements and Performance

The School met the challenge of Covid-19 by developing a full programme of online learning. This can be delivered on a whole school or individual basis. Substantial fee discounts were given for the Summer Term in order to provide financial assistance to parents during lockdown. The School has carefully followed all health protocols and a comprehensive risk assessment was prepared before the School reopened after lockdown. The School continues to strengthen its financial resources in order to meet the economic challenges that may lie ahead.

The trustees have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission. The charity is pleased to have provided the education for around 215 pupils per term this year. Demand for the school continues to be strong and the school has been successful in maintaining its high academic performance. In terms of its wider responsibilities, the school's charitable programme has included in the recent past:

- providing means tested bursaries of £190,704 or 3.7% of gross fees during the course of the academic year;
- the provision of its swimming facilities to a local primary school;
- periodic visits by the pupils to a local day care centre for the elderly, and singing by the choir at local events on other occasions;
- encouraging links with local state schools through sports fixtures and other activities;
- the provision of educational resources on its website with open access to all;
- a pen pal programme raising money for disadvantaged children in Nigeria;
- holding an annual sponsored walk for pupils, their parents and friends to raise money for charity;
- supporting other charities through weekly collections in chapel and other fund raising events;
- donating musical instruments, text books, surplus school clothing and other equipment to deserving local and international causes.

Fundraising

The school's operating income is supplemented by donations from parents and former pupils. The school does not employ a professional fundraiser and does not engage in unreasonably intrusive or persistent fundraising activities. No complaints have been received about the school's fundraising practices.

Financial Review

Details of the school's net income of £348,858 (2019: net income of £468,201) are shown in the Statement of Financial Activities.

The school had total funds of £9,043,532 (2019: £8,694,674) at the end of the reporting period of which £48,793 (2019: £44,694) are restricted and not available for the general purposes of the school. Most of the general funds of £8,994,739 (2019: £8,649,980) support fixed assets and could only be realised by the disposal of those fixed assets. The fixed assets all facilitate the school's charitable activities, and the level of reserves is consistent with the school's reserves policy.

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

REPORT OF THE COUNCIL OF MANAGEMENT TO THE MEMBERS (continued)

Principal risks and uncertainties

The Council of Management is responsible for the management of risk within the school. Detailed consideration of all risk is delegated to the Headmaster, the Bursar, the Senior Management Team and the Health & Safety Committee. Risks are identified, assessed and controls established throughout the year. A formal review of the school's risk management processes is undertaken on a periodic basis.

The main risks that the Governors have identified and the plans to manage those risks are:

- **Reputation:** The school's success is built on its reputation for the education and well-being of our pupils. We manage this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.
- **Finance:** Our ability to continue is reliant on pupil fees and the ability to pay bills as they fall due. This risk is managed by marketing activity, having a reputation for academic excellence and active cash-flow management
- **Curriculum:** Academic excellence requires the most able teachers with state of the art facilities delivering the curriculum to able students. We manage this risk by combining attractive salaries, on-going investment in our estate and an approach to enrolment that works with supportive parents whose children have an appetite for learning and a bursary scheme that recognises pupil achievement and aptitude.
- **Political** The political environment in the UK is changeable, and sometimes can become hostile towards the Independent Schools sector. The Council of Management remain conscious of this at all times, and the School ensures that through its actions it continues to justify its charitable status. In order to protect itself from any potential negative financial impact caused by the political environment, the School targets ever stronger financial resources.
- **COVID-19** The Covid-19 pandemic has had a profound impact on the whole country, and the education sector has not been immune to this. The School has met this challenge by developing a full programme of remote learning, which can be used on a whole school or individual basis, in order to provide uninterrupted education to its pupils. The School also ensures that it adheres to all health protocols and progressively strengthens its financial resources so that it can continue to deliver a first-class educational experience to its pupils over the longer term.

Through these risk management processes the Council of Management is satisfied that the major risks identified have been adequately mitigated where necessary in order to minimise any impact they may have on the school in the future. It is recognised that systems only provide reasonable but not absolute assurance that major risks have been adequately managed.

Plans for the Future

The future plans of the school include:

- maintaining the school roll at around existing levels;
- maintaining the current high standards of academic achievement;
- maintaining the current high levels of pastoral support for the students;
- continuing to balance academic achievement with a curriculum allowing full scope for the development of sporting, artistic, musical and social skills;
- continuing to offer means-tested bursaries in order to widen access to the school;
- continuing to build links with other schools, organisations and the local community
- continuing to develop the school's buildings and facilities.

The Report of the Council of Management and the Strategic Report were signed on behalf of the Council.

Registered office

Papplewick School
Windsor Road
Ascot
Berkshire SL5 7LH



Brigadier A R E Hutchinson
Chairman of Governors

Dated this twenty-fifth day of November 2020

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

Opinion

We have audited the financial statements of Papplewick Educational Trust Limited (the 'charity') for the year ended 31 August 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The governors' are responsible for the other information. 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 our audit:

- the information given in the Trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors'

As explained more fully in the governors' responsibilities statement set out on page 3, the governors' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors' are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors' either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

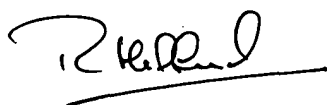
Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Haffenden MA (Cantab) FCA CTA
Senior Statutory Auditor

For and on behalf of
Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants
5 Robin Hood Lane
Sutton, Surrey, SM1 2SW

27 November 2020

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
INCOME FROM							
Charitable activities:							
School fees	3	4,516,287	-	4,516,287	5,010,653	-	5,010,653
Other educational income	4	10,799	-	10,799	8,116	-	8,116
Other trading activities		2,000	-	2,000	2,748	-	2,748
Investments							
Interest from UK bank accounts		16,487	-	16,487	17,627	-	17,627
Donations		75,591	198,524	274,115	61,610	78,558	140,168
Other income							
Sundry income		6,459	-	6,459	3,730	-	3,730
CJRS grant		<u>87,135</u>	<u>-</u>	<u>87,135</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total income		<u>4,714,758</u>	<u>198,524</u>	<u>4,913,282</u>	<u>5,104,484</u>	<u>78,558</u>	<u>5,183,042</u>
EXPENDITURE ON:							
Charitable activities:							
School and grant making		<u>4,541,855</u>	<u>22,569</u>	<u>4,564,424</u>	<u>4,681,267</u>	<u>33,574</u>	<u>4,714,841</u>
Total expenditure	5	<u>4,541,855</u>	<u>22,569</u>	<u>4,564,424</u>	<u>4,681,267</u>	<u>33,574</u>	<u>4,714,841</u>
Net income for the year	15, 16	172,903	175,955	348,858	423,217	44,984	468,201
Transfers		<u>171,856</u>	<u>(171,856)</u>	<u>-</u>	<u>2,236,743</u>	<u>(2,236,743)</u>	<u>-</u>
Net movement in funds		344,759	4,099	348,858	2,659,960	(2,191,759)	468,201
Reconciliation of funds							
Funds balances brought forward		<u>8,649,980</u>	<u>44,694</u>	<u>8,694,674</u>	<u>5,990,020</u>	<u>2,236,453</u>	<u>8,226,473</u>
Funds balances carried forward		<u>8,994,739</u>	<u>48,793</u>	<u>9,043,532</u>	<u>8,649,980</u>	<u>44,694</u>	<u>8,694,674</u>

There were no discontinued or acquired activities during the current year.

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

**BALANCE SHEET
AS AT 31ST AUGUST 2020**

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8		8,178,255		8,296,764
Current assets					
Debtors	9	991,553		798,891	
Investments	10	1,266,433		1,260,761	
Cash at bank and in hand	11	<u>1,535,972</u>		<u>1,374,660</u>	
		3,793,958		3,434,312	
Creditors: amounts falling due within one year	12	<u>2,499,339</u>		<u>2,716,531</u>	
Net current assets			<u>1,294,619</u>		<u>717,781</u>
Total assets less current liabilities			9,472,874		9,014,545
Creditors: Amounts falling due after more than one year	13		(349,942)		(279,871)
Provisions for liabilities	14		(79,400)		(40,000)
Net assets			<u>9,043,532</u>		<u>8,694,674</u>
Funds					
Unrestricted funds	15		8,994,739		8,649,980
Restricted funds	16		<u>48,793</u>		<u>44,694</u>
Total funds			<u>9,043,532</u>		<u>8,694,674</u>

The financial statements were approved on 25 November 2020 and signed by:


Brigadier A R E Hutchinson

Chairman of Governors

Company Number: 00826017

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020**

	2020		2019	
	£	£	£	£
Cash provided from operating activities (see below)		304,601		919,800
Cash flows from investing activities				
Interest received	16,487		17,627	
Increase in cash on deposit	(5,672)		(258,662)	
Payments to acquire tangible fixed assets	(224,175)		(554,983)	
Cash used in investing activities		(213,260)		(796,018)
Cash flows from financing activities				
Increase in Confirmations of Entry	<u>70,071</u>		<u>9,287</u>	
Cash used in financing activities		<u>70,071</u>		<u>9,287</u>
Net cash inflow		161,312		133,069
Cash and cash equivalents brought forward		<u>1,374,660</u>		<u>1,241,591</u>
Cash and cash equivalents carried forward		<u>1,535,972</u>		<u>1,374,660</u>
 Cash flows from operating activities				
		2020		2019
		£		£
Net income		348,858		468,201
Interest received shown in investing activities		(16,487)		(17,627)
Depreciation		342,684		372,207
(Increase)/decrease in debtors		(192,662)		44,812
(Decrease)/increase in creditors		(217,192)		37,207
Increase in provisions		<u>39,400</u>		<u>15,000</u>
Cash provided from operating activities		<u>304,601</u>		<u>919,800</u>

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Accounting convention

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting. There are no material uncertainties about the charity's ability to continue in operation.

Papplewick Educational Trust Limited meets the definition of a public benefit entity under FRS 102. The accounts are presented in sterling rounded to the nearest pound.

Depreciation

Depreciation is provided on all tangible fixed assets on a straight line basis, at rates calculated to write off the cost less estimated residual value of the asset over its expected useful life as follows:

Leasehold property	-	over 50 years
Plant and machinery	-	5% straight line
Furniture and equipment	-	15% straight line
Computers	-	33 1/3% straight line
Motor vehicles	-	20% straight line

Leasing

Payments in respect of operating lease agreements (being agreements not giving rights approximating to ownership) have been charged to expenditure on a straight line basis.

Fees receivable, extras chargeable and interest receivable

These are all accounted for on a receivable basis.

Donations

Donations and gift aid donations are accounted for when received. Income tax recoverable is accounted for on a receivable basis.

Coronavirus Job Retention Scheme government grant income

For CJRS grant income, the income is recognised in the period to which the underlying furloughed staff costs relate to.

Advance fees scheme

The school on occasion offers parents the opportunity to pay up to five years tuition fees in advance in accordance with a written contract. The amount received bears interest which is accrued to contracts. When the fees become due the accrued interest is offset against the fees payable.

Raising funds

This comprises all expenditure related to obtaining and maintaining funding of the charity, including school fees receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020 (continued)

1 ACCOUNTING POLICIES (continued)

Charitable expenditure

This comprises all expenditure directly related to the objects of the charity. Expenditure is accounted for on an accruals basis.

Governance costs

This comprises all the expenditure of running the charity, including strategic planning for future development, also external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements.

Pension costs

The company participates in a multi-employer defined benefit pension scheme, the Teachers' Superannuation Scheme, the assets of which are held separately from those of the company in a fund independently administered by the Teachers' Pensions Scheme. The company also contributes to money purchase personal pension plans held by individual employees. Contributions are charged to the statement of financial activities for the period in which they are payable to the scheme.

Investments

Current asset investments represent cash on deposit held for investment purposes rather than to meet short-term cash commitments as they fall due.

Debtors

Fee debtors and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank

Cash at bank includes cash and short term highly liquid investments with a maturity of twelve months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured using amortised cost on the effective interest rate method.

2	NET INCOME	2020 £	2019 £
	This is stated after charging:		
	Depreciation	342,684	372,207
	Auditors' remuneration:		
	Audit fees	6,600	6,620
	Non-audit fees	1,236	882

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020 (continued)**

3	SCHOOL FEES		2020	2019
			£	£
	The School fee income comprised			
	Gross fees		5,095,175	5,640,196
	Less: Total bursaries and scholarships		(584,965)	(640,318)
			4,510,210	4,999,878
	Income from music tuition		6,077	10,775
			<u>4,516,287</u>	<u>5,010,653</u>
4	OTHER INCOME		2020	2019
			£	£
	Other educational and charitable			
	Entrance and registration fees		10,399	7,556
	Courses and sub lettings		400	560
			<u>10,799</u>	<u>8,116</u>
5	EXPENDITURE			
		Staff costs	Other costs	Dep'n
		£	£	£
	Charitable activities			
	Teaching costs	2,244,587	251,965	-
	Welfare	162,912	398,059	-
	Premises	207,000	395,397	-
	Support costs of schooling:			
	Salaries and pensions	331,024	-	-
	Depreciation	-	-	342,684
	Printing, postage and stationery	-	40,958	-
	Bad debts	-	10,694	-
	Professional fees	-	53,804	-
	Motor and travel	-	25,300	-
	Insurance	-	19,221	-
	Other support costs	-	41,083	-
	Governance costs	10,567	6,600	-
	Total support costs	341,591	197,660	342,684
	Grants, awards and prizes (see below)	-	22,569	-
	Total charitable expenditure	<u>2,956,090</u>	<u>1,265,650</u>	<u>342,684</u>
				<u>4,564,424</u>

Grants, awards and prizes were all awarded to individuals.

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020 (continued)**

6 STAFF COSTS	2020	2019
	£	£
Salaries and wages	2,299,308	2,332,927
Social security costs	241,300	245,941
Employers contribution to defined contribution pension schemes	40,470	50,187
Employers contribution to multi-employer defined benefit scheme	<u>375,012</u>	<u>258,433</u>
	<u>2,956,090</u>	<u>2,887,488</u>
The average number of employees during the year was made up as follows:	2020	2019
	No.	No.
Teaching staff	34	37
General, office and domestic	<u>36</u>	<u>36</u>
	<u>70</u>	<u>73</u>

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

	2020	2019
	No.	No.
£60,000 - £70,000	8	8
£70,000 - £80,000	2	1
£100,000 - £110,000	1	1
£130,000 - £140,000	1	1

Of the above employees, eighteen are currently accruing benefits under a defined benefit pension scheme and one under a money purchase pension scheme.

No remuneration was paid to any member of the Council of Management during the year.

The employee benefits of the key management personnel were £297,488 (2019: £280,479).

4 (2019: 4) governors claimed for travelling expenses during the year totalling £1,156 (2019: £1,260).

7 TAXATION

The company is registered with the Charity Commissioners as an educational charity (registered number 309087) and is exempt from taxation in accordance with Part 10 of the Income Tax Act 2007.

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020 (continued)**

8 TANGIBLE FIXED ASSETS

	Computers £	Furniture and equip- ment £	Motor vehicles £	Long leasehold property £	Plant and machinery £	Total £
Cost						
At 1st September 2019	546,917	671,183	129,214	10,089,829	175,947	11,613,090
Additions	11,652	171,111	10,494	30,918	-	224,175
Transfers/ (disposals)	(251,473)	(155,081)	(41,507)	-	(175,947)	(624,009)
At 31st August 2020	<u>307,096</u>	<u>687,213</u>	<u>98,201</u>	<u>10,120,747</u>	<u>-</u>	<u>11,213,257</u>
Depreciation						
At 1st September 2019	471,500	411,699	111,889	2,145,291	175,947	3,316,326
Transfers/ (disposals)	(251,473)	(155,081)	(41,507)	-	(175,947)	(624,009)
Provided for the year	<u>60,327</u>	<u>95,949</u>	<u>7,881</u>	<u>178,527</u>	<u>-</u>	<u>342,684</u>
At 31st August 2020	<u>280,354</u>	<u>352,567</u>	<u>78,263</u>	<u>2,323,818</u>	<u>-</u>	<u>3,035,002</u>
Net book value						
At 31st August 2019	<u>75,417</u>	<u>259,484</u>	<u>17,325</u>	<u>7,944,538</u>	<u>-</u>	<u>8,296,764</u>
At 31st August 2020	<u>26,742</u>	<u>334,646</u>	<u>19,938</u>	<u>7,796,929</u>	<u>-</u>	<u>8,178,255</u>

The school extended the leasehold from the Crown on its premises back up to a period of 99 years with effect from 9 December 2011. The cost of the extension was £1,800,000.

9 DEBTORS	2020 £	2019 £
Fees and extras receivable	907,348	749,664
Prepayments	50,477	39,389
Other debtors	<u>33,728</u>	<u>9,838</u>
	<u>991,553</u>	<u>798,891</u>
10 INVESTMENTS	2020 £	2019 £
General school funds on deposit	<u>1,266,433</u>	<u>1,260,761</u>

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020 (continued)**

11	CASH AT BANK AND IN HAND	2020 £	2019 £	
	General school funds	1,516,372	1,349,660	
	Papplewick Development Fund	<u>19,600</u>	<u>25,000</u>	
		<u>1,535,972</u>	<u>1,374,660</u>	
12	CREDITORS: Amounts falling due within one year	2020 £	2019 £	
	Fees billed in advance	1,619,437	1,689,822	
	Trade creditors	79,240	246,259	
	Other creditors	579,171	548,834	
	Taxation and social security	59,806	63,152	
	Accruals	<u>161,684</u>	<u>168,464</u>	
		<u>2,499,339</u>	<u>2,716,531</u>	
13	CREDITORS: Amounts falling due after more than one year	2020 £	2019 £	
	Confirmations of entry	<u>349,942</u>	<u>279,871</u>	
14	PROVISIONS FOR LIABILITIES AND CHARGES			
		Legal Fees £	Building & Grounds Repairs £	Total £
	At 1st September 2019	15,000	25,000	40,000
	Provisions and transfers during year	-	39,400	39,400
	Provisions expended	<u>-</u>	<u>-</u>	<u>-</u>
	At 31st August 2020	<u>15,000</u>	<u>25,000</u>	<u>79,400</u>

The provision for Legal Fees covers costs that may be incurred in the future in respect of existing legal matters. The provision for Building and Grounds Repairs covers the estimated cost of necessary work which the school feels it likely will be required in the future, but which has not yet been completed.

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020 (continued)**

15 UNRESTRICTED FUNDS - 2020

	Other General Funds £	General £	Total £
Income	75,591	4,639,167	4,714,758
Expenditure	(17,731)	(4,524,124)	(4,541,855)
Net income	57,860	115,043	172,903
Transfers	-	171,856	171,856
Balance brought forward	<u>111,558</u>	<u>8,538,422</u>	<u>8,649,980</u>
Balance carried forward	<u>169,418</u>	<u>8,825,321</u>	<u>8,994,739</u>

UNRESTRICTED FUNDS - 2019

	Other General Funds £	General £	Total £
Income	61,610	5,042,874	5,104,484
Expenditure	(60,290)	(4,620,977)	(4,681,267)
Net income	1,320	421,897	423,217
Transfers	-	2,236,743	2,236,743
Balance brought forward	<u>110,238</u>	<u>5,879,782</u>	<u>5,990,020</u>
Balance carried forward	<u>111,558</u>	<u>8,538,422</u>	<u>8,649,980</u>

Other General Funds comprise funds set aside by the Governors to fund specific projects in different areas of the school.

16 RESTRICTED FUNDS - 2020

	Papplewick Development Fund £	Daphne Watson Fund £	Prize and Tour Funds £	Total £
Income	166,456	7,998	24,070	198,524
Expenditure	-	(3,532)	(19,037)	(22,569)
Net income	166,456	(4,466)	5,033	175,955
Transfers	(171,856)	-	-	(171,856)
Balance brought forward	<u>25,000</u>	<u>1,034</u>	<u>18,660</u>	<u>44,694</u>
Balance carried forward	<u>19,600</u>	<u>5,500</u>	<u>23,693</u>	<u>48,793</u>

RESTRICTED FUNDS - 2019

	Papplewick Development Fund £	Daphne Watson Fund £	Prize and Tour Funds £	Total £
Income	54,599	-	23,959	78,558
Expenditure	-	(5,464)	(28,110)	(33,574)
Net income	54,599	(5,464)	(4,151)	44,984
Transfers	(2,236,743)	-	-	(2,236,743)
Balance brought forward	<u>2,207,144</u>	<u>6,498</u>	<u>22,811</u>	<u>2,236,453</u>
Balance carried forward	<u>25,000</u>	<u>1,034</u>	<u>18,660</u>	<u>44,694</u>

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020 (continued)**

16 RESTRICTED FUNDS (continued)

The Papplewick Development Fund has been established in order to facilitate the raising of funds for future improvements to the school's premises and for bursary awards. Transfers were made from this fund to unrestricted funds to cover the cost of the AstroTurf this year and Willow House project last year.

The Daphne Watson Fund has been created by a donation with the purpose of assisting pupils with the cost of their music tuition whilst at the school.

Prize and Tour Funds are accumulated in order to provide annual prizes for achievement in specified areas of the school and to contribute to the cost of sporting and cultural tours.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2020

	Tangible fixed assets £	Investment £	Cash and Bank £	Other assets and liabilities £	Total £
Unrestricted funds	8,178,255	1,266,433	1,487,179	(1,937,128)	8,994,739
Restricted funds	-	-	48,793	-	48,793
	<u>8,178,255</u>	<u>1,266,433</u>	<u>1,535,972</u>	<u>(1,937,128)</u>	<u>9,043,532</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2019

	Tangible fixed assets £	Investment £	Cash and Bank £	Other assets and liabilities £	Total £
Unrestricted funds	8,296,764	1,260,761	1,329,966	(2,237,511)	8,649,980
Restricted funds	-	-	44,694	-	44,694
	<u>8,296,764</u>	<u>1,260,761</u>	<u>1,374,660</u>	<u>(2,237,511)</u>	<u>8,649,674</u>

18 CONSTITUTION OF THE COMPANY

The company is incorporated in England & Wales and is limited by guarantee with its registered office at Papplewick School, Windsor Road, Ascot, Berkshire SL5 7LH. Each member is under covenant to contribute a sum not exceeding £1 in certain circumstances as set out in clause 6 of the Memorandum of Association.

The number of members is eight (2019: eight).

PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2020 (continued)

19 COMMITMENTS UNDER OPERATING LEASES

The total future minimum payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Within one year	24,456	24,456
Between two and five years	<u>48,912</u>	<u>73,368</u>

Operating lease payments recognised as an expense this year were £24,456 (2019: £26,494).

20 RELATED PARTY TRANSACTIONS

A Governor, T G F Lord, is also a director of the Berkshire Riding Centre Limited and £1,888 was paid to this company by the school for riding lessons for boys during the year (2019: £5,542).

21 CAPITAL COMMITMENTS

There were no outstanding capital commitments at the year end.

22 PENSION COMMITMENTS

Introduction

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. The School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £375,012 (2019: £258,433).

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The teachers' pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and

22 PENSION COMMITMENTS (continued)

members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the teachers' pension scheme

The latest valuation of the Teachers' Pension Scheme took place in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers paid an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%). The timing of the implementation was to align its introduction with employers' budget planning cycles. Until that time, employers had paid a rate of 16.48%.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy that will need to be offered to those members of the two schemes who were the subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The School also participated in six defined contribution pension schemes for six members of staff (2019: six members). The assets of these schemes are held separately from those of the School in independently administered funds. The School contributes between 8.0% - 23.68% of pensionable salary. The pension cost relating to these schemes for the year was £34,831 (2019: £44,726).

The School also makes contributions to a NEST defined contribution scheme for other non-teaching staff. The assets of these are held separately to those of the School in independently administered funds. The pension cost relating to these schemes for the year was £5,639 (2019: £5,461).