

NEWLAND HOUSE SCHOOL TRUST LIMITED
(A Registered Company Limited by Guarantee)

GOVERNORS' REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

Company Registered No. 1004580
Charity Registered No. 312670

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NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT

YEAR ENDED 31 AUGUST 2020

The Governors present their report and audited financial statements for the year ended 31 August 2020.

REFERENCE AND ADMINISTRATIVE INFORMATION

Newland House School Trust Limited is incorporated as a company limited by guarantee, number 1004580 and is a registered charity, number 312670. The Registered Office and principal address of the Company is at Newland House School, Waldegrave Park, Twickenham, TW1 4TQ.

GOVERNORS

The Governors are the directors of the company and also the charity trustees and those who served during the year and since were:

D H Ridgeon	(Chairman and Governor until July 2020)
A T Gumpert	(Chairman from July 2020)
M D Battle	
R L Burden	
Mrs B W Canham	(until September 2020)
H H Cook	
Mrs J L Higgins	
M Jopling	
J Lunnon	
H K Mann	
Mrs D Masters	(until June 2020)
J M A Ross	
Mrs G Hobday	(from September 2020)

OFFICERS AND ADVISERS

Head	C Skelton
Bursar and Company Secretary	E Bell
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank Plc Onslow Hall Little Green Richmond upon Thames Surrey TW9 1QS
Solicitors	Veale Wasbrough Vizards 86 Fetter Lane London EC4A 1AD

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association dated 12 March 1971.

Governing Body

The Governors, who are also required under the Articles to serve as members of the Trust, are elected at a full Governors Meeting on the basis of nominations received from individual Governors paying due regard to eligibility, personal competence, specialist skills, availability and diversity of the governing body.

Governors' Training

New Governors are apprised of the workings of the School, and also of the Company as a registered charity, including policy and procedures by the Chairman and the Secretary to the Trust. Opportunities are made available for Governors throughout the year to attend training workshops and seminars via the Secretary to the Trust.

Organisation

The Governors meet at least 4 times per year to determine the general policy of the school. The responsibility for academic standards and the day to day operation of the school is delegated to the Head whilst the Company Secretary as Bursar is responsible for financial, property and administration matters. The Governing Body includes the following policy sub-committees: Education, Estates, HR, Health & Safety (and Child Protection), and Finance & General Purposes.

Key Management Remuneration

The Governors rely on the Senior Leadership Team (SLT), including the Head and Bursar for the operation of the school and the SLT is considered to be the key management group within the school. The SLT consists of; the Head, Bursar, Deputy Head -Pre Prep, Deputy Head, Deputy Head -Academic, Admissions Manager and HR Manager. Key management remuneration is set by the Remuneration Committee, consisting of governors from the Finance and General Purposes Committee and the Chair of Governors.

OBJECTIVES, AIMS AND PRINCIPAL ACTIVITIES

Strategic Aim and Intended Effect

The objects for which the trust is established are to promote and provide for the advancement of education and in connection therewith to conduct and carry on, acquire and develop in the United Kingdom any boarding or day school or schools for the education of children of either sex or both sexes. The school's policy is for boys and girls to attain the highest academic levels whilst also benefiting from a broad curriculum of sporting, musical, artistic and other activities to develop their interests and abilities and to prepare them for the senior school of their choice.

On-going Objective

The Governors' main objective continues to reflect the desire to maintain the stability and success of a co-educational family school by investing for the future and for the benefit of pupils. The key element of the Trust's present strategy revolves around the continuing review of the school's facilities to ensure that they meet the needs of current and future pupils.

Charities Act and Public Benefit

The Governors recognise their responsibilities in providing and demonstrating public benefit. The School has and continues to demonstrate a number of areas of public benefit within its core charitable objective. The identifiable benefits include both the provision of means-tested bursaries and a range of community activities. Further details are set out in the Public Benefit section of this report.

The Governors, similarly to those of other independent school charities, have taken note of the sub sector guidance provided by the Charity Commission and are aware of the Charity Commission assessments into public benefit at independent schools. They will continue to work with the ISC and ISBA to encourage and demonstrate effective public benefit.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR 2019-2020

The trust has continued to operate as a preparatory school for boys and girls and has offered education to pupils aged between 3 and 13 years.

Teaching and Learning

Despite the challenges, this was a very successful year. Children at the school continue to be taught in small classes by excellent teachers. The quality of pastoral care remains excellent and children are happy and their wellbeing looked after. The school maintains an effective balance between focused attention on the academic subjects and the breadth of curriculum required to deliver an all-round education. The children at Newland House make excellent progress in all areas of school life and achieve highly.

The core subjects of Mathematics, English and Science remain at the centre of the school curriculum. In Mathematics, secure conceptual understanding is developed before linking to the abstract and English is based around children reading proficiently and understanding the meaning and themes within increasingly complex texts. In both of these areas, our children continue to achieve highly. Science lessons involve developing the children's skills of scientific enquiry.

The creative arts continue to be well-represented. Two- and three-dimensional art projects inspire children, including clay projects for Years 5 and 7. In Design and Technology, children from Year 3 and above continue to work in the DT laboratory using a combination of materials. Music remains a strength at the school and Drama this year has been given an increase in curriculum time to reflect its importance for children's development.

The humanities remain an integral part of a child's education at Newland House, with our curriculum looking at the Geography and History of both the local area also events and concepts of national and international significance. This occurs throughout the school. A topic-based approach continues to be used in the Pre-Prep- an example would be a unit of work about the Great Fire of London encompassing all subjects in Year 2- whereas there is a more discrete approach with the older children.

The school continues to give significant lesson time for children to learn a foreign language- French. The emphasis remains on speaking and listening to ensure that children are able to understand and be understood. Latin from Year 6 and above provides children with cultural and linguistic reference on which many other subjects stand.

Sport and physical education remain a fundamental part of school life. There has been a move this year towards gender neutrality in our sporting offering- our summer sport is now cricket for both boys and girls, and girls' football is being increasingly taught and enjoyed. Prior to the lockdown, fixtures against other schools were a significant part of children's education- for example there were more than 90 football fixtures for both boys and girls.

Children's cultural development remains a significant aspect of school life with an emphasis on recognising and celebrating the diversity within the school community and beyond. In Nursery for example our youngest children learn about Diwali and Chinese New Year to name but two.

Trips, visits and special events

The enforced lockdown unfortunately meant that the majority of the scheduled residential trips were unable to run, however a number of educationally based day trips did. These included a Year 8 field study day at the River Tillingbourne to collect data for a research project. In addition, the Year 3 children used a day at Lullingstone to supplement their understanding of a project that they were doing about the Romans. Across year groups, the biennial ski-trip to Whistler in February did still happen with a large group of children between Year 4 and Year 8 attending.

For children within the Pre-Prep, we had a number of visitors coming into school to allow the children understand the topics that they learn about in more depth. A castle workshop for year 1 proved popular, as did a visit by a local guide dog into Reception classes.

Virtual trips were part of the remote school experience, including a French immersion week in Year 7, instead of the planned trip to Berck-sur-Mer.

Co-curricular

An extensive clubs programme remains a vital part of a Newland House child's education. These take place before school, during lunch break and after school. Some are subject based, for example sport squad training or extension art club, whereas others are more wide reaching. Dance club is ever popular in both the Prep and Pre-Prep parts of the school as is the STEM club (Science, Technology, Engineering and Maths) and Chess club to name but a few.

Music was again significantly represented with seven different choirs and host of ensembles and groups.

Within the sporting field, extra-curricular activities were centred around more specific interests, such as tennis and fencing, as well as to help develop children skills- for example netball club for all Prep girls.

Senior School Transition

All leavers gained entry to competitive, selective secondary schools with many receiving awards for academic and non-academic excellence; in the year 2019/20 children gained a total of 14 scholarships. The Covid19 situation meant that some

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2020

scholarship decisions were delayed until children had started at their senior schools and this number is likely to increase over time.

Response to Covid19

With the school building being closed to all children for the first half of the Summer term and to some for the remainder of the academic year, delivering our in-school offering to children at home was vital. Although nothing can fully replicate children learning, socialising and playing together, we were justifiably proud of the way that our children's education continued remotely. All year groups were taught within live lessons by their teachers and feedback given via email or webinar. Beyond lessons, form time and assemblies were also part of the daily offering, as well as one-off events. An example would be the 26 challenge, or 2.6 challenge. The girls in Year 6 led the way with a year group netball challenge, but enthusiasm quickly grew and spread across all age groups.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Income decreased from £5,763,187 to £5,573,846. There was a decrease in expenditure from £5,764,718 to £5,485,739. The net surplus for the year was £88,107 (2019: deficit £1,531). The designated funds now stand as follows:

a.	Property Fund	£5,458,435
b.	Discretionary Fund	£Nil

The principal source of income is fees which account for 98% of total income. The Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of our School. As a charity the parents of our pupils have the assurance that the income of the School must be applied for educational purposes.

Freehold Properties

The Governors have obtained a current market valuation of all the freehold land and buildings in 2015, which confirmed that the value is substantially in excess of book value.

POLICIES

Reserves Policy

The Governors regularly review the finances, budgets and spend against budget together with a termly cash flow analysis as part of the effective stewardship of the School.

In common with other independent schools, the Governors have invested substantial sums into the school buildings in recent years, most notably the new Pre-Prep which opened in September 2016 and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils.

A designated fund, the Property fund, is endowed by amounts appropriated out of income each year to provide a fund for the replacement and improvement of the existing properties and this is represented by the approximate level of the investment in the property. At 31 August 2020 the balance on this fund was £5,458,435. All school funds are unrestricted.

At 31 August 2020 the School's free reserves were £1,667,424, as following significant investment in the pre-prep building all reserves are held within fixed assets.

Bursaries

Bursaries are granted to pupils who may not otherwise have the opportunity to receive an independent school education. This support, which is available on a needs basis as determined by the Finance and General Purposes Committee, reduces annual gross fee income. Five bursaries were awarded in the year. In response to the financial impact of COVID-19 an appeal was made to raise funds to assist parents facing temporary financial hardship. Eleven pupils were supported in the summer term and the fund was fully spent.

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2020

Public Benefit

The Governors continue to look at activities that will strengthen the School's links with the local community and provide public benefit. During the year the School made available its music facilities free of charge to a local voluntary choir and acted as a music examination centre.

A local yoga group based in Teddington have benefitted from using the school facilities during the year. Facilities have also been made available at weekends and during the school holidays to provide rugby, football, drama, music, art and multi activity camps for children in the local community

The Otaker Kraus Music Trust is a local charity which benefitted from using the school music facilities at weekends during the year.

Throughout the year fund raising activities were organised by the school to benefit the Head Boy and Head Girl's chosen charity, REACT.

The school operates the Early Years Funding initiative in conjunction with the London Borough of Richmond upon Thames to assist eligible pupils in their Nursery and Reception years.

FUNDRAISING APPROACH AND PERFORMANCE

The Governors are aware of the Charities (Protection and Social Investment) Act 2016 and recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities. The School only raises funds from parents, staff and those with a personal connection to the school and does not undertake fundraising campaigns to members of the public, nor does it use the services of third party fundraisers. The School considers the origin of unsolicited donations and legacies. £28,216 of donations income was received in the 2020 financial year.

RISK MANAGEMENT

The Governors are responsible for identifying, assessing and mitigating potential risks that may affect the School. The Risk Register is reviewed annually to ensure all risks are identified and controls established to provide robust mitigation.

In response to the COVID-19 pandemic the Governors met at key points to agree to the school closure and remote learning provision and the phased reopening on June 1st and the associated risk assessments which were drawn up to comply with Government guidance and the requirements of the school's insurers. The school building remained open during the Easter break and during the closure for the children of key workers and children with EHCPs.

The Governors continue to keep the School's activities under review and consider the major risks faced in each of the principal areas of the School's operations. In the opinion of the Governors the charity has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operations.

The principal controls used by the School are:

- Formal Agendas for all Board and Sub-Committee meetings, including a range of standing agenda items
- Terms of Reference for all Committees
- Comprehensive strategic planning, financial forecasting, budgeting and management accounting
- Established organisational structures and lines of reporting
- Comprehensive formal written policies
- Clear financial authorisation limits
- Safeguarding procedures, as required by law, for the protection of the children
- Sufficient and appropriate training for governors and key staff

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The key business impacts and associated mitigations identified are:

Economic Factors:

- The increasing cost of the Teachers' Pension Scheme which is a defined benefit scheme – continuing review of staff pension arrangements
- The widening gap between rich and poor – an appropriate bursary policy
- Affordability in the Independent School sector - sensible fee structure and appropriate bursary policy
- Increased cost of energy resources – robust budgeting
- Macro-economic instability – sensible fee structure and appropriate bursary policy
- Internet-based or cyber-attacks – appropriate network systems and highly qualified IT staff

Political factors:

- Changing governmental and public attitudes to independent education – ability to demonstrate community value in the school and its assets, provision of means-tested bursaries
- Ensuring the school keeps up to date with political, legislative changes to regulatory compliance – appropriate training for staff and governors and use of external audit and expertise

Legal factors:

- Employment law changes – seminar attendance for staff and advice from lawyers
- Regulatory compliance becoming more challenging – senior staff reactive to changing Government and ISI requirements

Internal:

- Reputational damage – good and timely communication between governors, staff and parents
- Governance – strategic plan, training for Governors, use of external advisors, membership of AGBIS and ISBA
- Financial Control – financial procedures, oversight by those charged with governance, monthly management accounts
- Academic Standards – monitoring by Education Committee and key staff.

FUTURE PLANS

The School continues to invest in digital learning opportunities across the curriculum. All of our children in Years 5 to 8 have been given iPads to help with this.

The Governors will continue to implement improvements and upgrades to the existing buildings and support infrastructure where necessary, based on sound prioritisation and financial prudence. In particular, considering what best to do with the Prep part of the school is under discussion.

The Governors are conscious of the pressures in Years 7 and 8 in the Prep School sector in the locality and continue to monitor trends and parental appetite for retention of pupils in these year groups. The School will be rolling out an updated offering for children who stay into Years 7 and 8, which will provide them with what they need as they move into their senior schools and beyond.

The School continues to review the teaching and learning offering it gives to its pupils and will be investing in high-quality professional development opportunities for all of its staff, to ensure excellence in this area.

NEWLAND HOUSE SCHOOL TRUST LIMITED

GOVERNORS' REPORT (Continued)

YEAR ENDED 31 AUGUST 2020

AUDITORS

Messrs Haysmacintyre LLP have expressed their willingness to continue in office as auditors.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the Governors' responsibilities for the accounts from those of the auditors as stated in their report.

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Governors are required to;

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles of the Charities SORP;
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Governors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, the financial position of the company at any time, and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the company's corporate assets and those of its trust funds and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of error, fraud and irregularities.

So far as each of the Governors is aware at the time the report is approved:

- a. There is no relevant audit information of which the company's auditors are unaware; and
- b. The Governors 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.

The Governors' Report, incorporating the Strategic Report, was approved by the Governors at its meeting on 18 March 2021 and signed on its behalf by:

Andrew Gumpert

A T Gumpert
Chairman of Governors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWLAND HOUSE SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Newland House School Trust Limited for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 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 the charitable company's net movement in funds, including the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement, set out on page 7, 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 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 Governors 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 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NEWLAND HOUSE SCHOOL TRUST LIMITED**

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' Report. 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 Governors' Report (which incorporates the strategic report and the directors' 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 Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

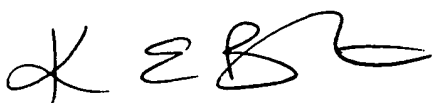
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' report).

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 by the charitable company; or
- the charitable company 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

Use of our report

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



Kathryn Burton (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 30th March 2021

NEWLAND HOUSE SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
INCOME FROM					
Charitable activities					
Fees receivable	2	5,345,068	-	5,345,068	5,644,458
Sustainable transport initiatives		14,329	-	14,329	26,521
Other educational income	3a	71,389	-	71,389	64,772
Grants & donations	3b	90,772	27,968	118,740	-
Raising funds: rents and lettings		19,645	-	19,645	23,200
Investments		4,675	-	4,675	4,236
Total income		<u>5,545,878</u>	<u>27,968</u>	<u>5,573,846</u>	<u>5,763,187</u>
EXPENDITURE					
Charitable activities		5,458,809	26,930	5,485,739	5,764,718
Total expenditure	4,5,6	<u>5,458,809</u>	<u>26,930</u>	<u>5,485,739</u>	<u>5,764,718</u>
NET (EXPENDITURE)/INCOME		87,069	1,038	88,107	(1,531)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		87,069	1,038	88,107	(1,531)
Balances brought forward at 1 September 2019		<u>£7,038,800</u>	<u>£-</u>	<u>£7,038,800</u>	<u>£7,040,331</u>
Balances carried forward at 31 August 2020	11	<u>£7,125,869</u>	<u>£1,038</u>	<u>£7,126,907</u>	<u>£7,038,800</u>

The accompanying notes form an integral part of these accounts.

There were no recognised gains and losses other than those shown on the above Statement of Financial Activities.

BALANCE SHEET

31 AUGUST 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	7	9,773,016	10,048,378
CURRENT ASSETS			
Debtors	8	134,695	130,566
Cash at bank and in hand		1,597,165	1,251,745
		<u>1,731,860</u>	<u>1,382,311</u>
CREDITORS - due within one year	9	(1,328,102)	(1,230,578)
NET CURRENT ASSETS		<u>403,758</u>	<u>151,733</u>
CREDITORS: due after more than one year	10	(3,049,867)	(3,161,311)
NET ASSETS		<u>7,126,907</u>	<u>7,038,800</u>
Represented by:			
GENERAL FUND	11	-	-
DESIGNATED FUNDS	11	7,125,869	7,038,800
RESTRICTED FUNDS		1,038	-
TOTAL FUNDS		<u>7,126,907</u>	<u>7,038,800</u>

The financial statements were approved and authorised for issue by the Board on 18th March 2021 and were signed below on its behalf by:

Andrew Gumpert

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A T Gumpert

R L Burden

.....
R L Burden

The accompanying notes form an integral part of these accounts.

NEWLAND HOUSE SCHOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Net cash provided by operations	A	682,347	249,372
Cash flows from investing activities:			
Deposit interest		4,675	4,236
Loan interest payable		(77,979)	(83,279)
Purchase of fixed assets		(98,623)	(104,221)
Net cash (used in)/ provided by investing activities		(171,927)	(183,264)
Cash flows from financing activities:			
Repayment of loans		(165,000)	(220,000)
Net cash used in financing activities		(165,000)	(220,000)
Change in cash and cash equivalents in the reporting period	B	345,420	(153,892)
Net cash and cash equivalents at beginning of period		1,251,745	1,405,637
Net cash and cash equivalents at end of period		<u>£1,597,165</u>	<u>£1,251,745</u>

NOTES

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATIONS

	2020 £	2019 £
Net (expenditure)/income	88,107	(1,531)
Depreciation charges	373,985	363,283
Bank interest	(4,675)	(4,236)
Bank loan interest payable	77,979	83,279
Debtors decrease/(increase)	(4,129)	186,417
Creditors (decrease)/increase	151,080	(377,840)
Net cash inflow from operating activities	<u>£682,347</u>	<u>£249,372</u>

	2019 £	Cashflow £	Non-Cash flow £	2020 £
B ANALYSIS OF MOVEMENTS IN NET DEBT				
Cash at bank and in hand	<u>1,251,745</u>	<u>345,420</u>	<u>-</u>	<u>1,597,165</u>
Loan – Barclays – due within one year	(220,000)	(165,000)	200,436	(184,564)
Loan – Barclays – due after one year	(2,798,891)	-	129,564	(2,669,327)
Total	<u>(1,767,146)</u>	<u>180,420</u>	<u>330,000</u>	<u>(1,256,726)</u>

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS

YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - second edition effective 1 January 2019.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 August 2020 and the comparative information presented in these financial statements for the year ended 31 August 2019. The financial statements are drawn up under the historical cost convention.

The School is a Public Benefit Entity registered as a charity and company in England and Wales, it was incorporated on 12 March 1971 (charity number 312670 and company registration number 1004580).

Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 ongoing 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 affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

Fees and similar income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contribution received from restricted funds, are accounted for in the period in which the service is provided.

Donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

Expenditure

Charitable activities costs represent costs directly associated with the provision of education and related support costs. Expenditure is allocated to each expense heading on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Debtors

School fee and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the School has a present obligation resulting 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 normally recognised at their settlement amount after allowing for any trade discounts due.

Depreciation

Depreciation is provided on freehold permanent buildings at two per cent per annum after allowing for £1,679,000 being the estimated cost of land included in the original purchase.

Short leasehold property is being depreciated over the term of the lease, being 40 years from 29 June 2012.

Depreciation is provided on other fixed assets to write off their cost on a straight-line basis over their estimated useful lives, subject to annual review, as follows:

Furniture, fittings and equipment	- 7 to 20 years
Motor vehicles	- 5 years
Computers	- 4 years
Plant & Climate Control systems	- 10 years
Software (management systems)	- 10 years
Artificial Playing Surfaces	- 10 years

General Fund

The general fund is unrestricted and represents accumulated surpluses and gifts received towards capital expenditure.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

Property Fund

Amounts are designated equal to the net book value of the School's land and buildings, including properties in the course of construction, less bank loans, up to the value of general funds available.

Governors' Discretionary Fund

Amounts are appropriated out of income from time to time to provide a designated fund to help parents who may suffer sudden financial difficulties and is available to fund or assist with educational causes within the local community.

Operating Leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the income and expenditure account as incurred.

Employee Benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pensions

The company operates two contributory pension schemes for substantially all staff. The Teachers' Pension Scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The School operates a defined contribution pension scheme for non-teaching staff and the pension charge represents the amounts payable by the School to the fund in respect of the year.

Government Grants

JRS Government Grants are accounted for in the year in which employees were placed on temporary leave.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

2. FEES RECEIVABLE	2020	2019		
	£	£		
Tuition fees	5,565,097	5,854,721		
Less: Scholarships, bursaries and other allowances	(220,029)	(210,263)		
	<u>£5,345,068</u>	<u>£5,644,458</u>		
3a. OTHER EDUCATIONAL INCOME	2020	2019		
	£	£		
Registration fees	14,801	11,803		
Retained deposits	984	500		
After school and holiday clubs	52,836	47,138		
Other	2,768	5,331		
	<u>£71,389</u>	<u>£64,772</u>		
3b. GRANTS, DONATIONS & LEGACIES	2020	2019		
	£	£		
Other donations & grants	92,971	-		
JRS Government Grants	25,769	-		
	<u>£118,740</u>	<u>-</u>		
4. ANALYSIS OF TOTAL EXPENDITURE				
	Staff Costs	Other	Depreciation	Total
	2020	2020	2020	2020
	£	£	£	£
Charitable activities:				
School operating costs				
Teaching	3,310,915	244,623	171,874	3,727,412
Welfare	-	241,373	-	241,373
Premises	318,363	554,178	202,111	1,074,652
Support costs of schooling	297,270	67,053	-	364,323
Finance costs	-	77,979	-	77,979
	<u>£3,926,548</u>	<u>£1,185,206</u>	<u>£373,985</u>	<u>£5,485,739</u>
	Staff Costs	Other	Depreciation	Total
	2019	2019	2019	2019
	£	£	£	£
Charitable activities:				
School operating costs				
Teaching	3,086,241	298,277	161,450	3,545,968
Welfare	-	312,404	-	312,404
Premises	307,111	712,808	201,238	1,221,157
Support costs of schooling	277,423	323,892	595	601,910
Finance costs	-	83,279	-	83,279
	<u>£3,670,775</u>	<u>£1,730,660</u>	<u>£363,283</u>	<u>£5,764,718</u>

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

4. ANALYSIS OF TOTAL EXPENDITURE (continued)	2020	2019
	£	£
Other costs:		
Educational Supplies	151,073	239,044
Games	91,930	109,911
Catering	203,571	277,945
Sustainable transport scheme	5,364	5,732
Rent, rates insurance	269,172	255,482
Building, ground and household maintenance	174,080	148,221
Services	102,890	100,810
Professional	36,884	21,785
General	115,506	203,199
Bad debts	(66,669)	114,157
Web enhancement	9,400	5,040
Playing fields expenditure	(1,364)	149,417
Governance costs	15,390	16,638
Bank loan interest	77,979	83,279
	<u>£1,185,206</u>	<u>£1,730,660</u>

5. STAFF COSTS	2020	2019
	£	£
Wages and salaries	2,997,447	2,969,502
Social security costs	307,412	312,947
Pension contributions	570,999	388,326
Redundancy payments	50,690	-
	<u>£3,926,548</u>	<u>£3,670,775</u>

	2020	2019
	No.	No.
The average number of employees in the year was:		
Teaching	78	72
Others	25	19
	<u>103</u>	<u>91</u>

The Governors received no remuneration or reimbursement of expenses during the year (2019: £nil).
Employees received remuneration exceeding £60,000 as shown below:

	2020	2019
	No.	No.
£60,000 – £69,999	4	1
£70,000 – £79,999	-	1
£80,000 - £89,999	1	-
£100,000- £109,999	-	1
	<u>5</u>	<u>3</u>

The total remuneration paid to key management in the year was £453,042 (2019: £642,834).

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

6. NET MOVEMENT IN FUNDS	2020	2019
	£	£
Net movement in funds is stated after charging:		
Depreciation	373,985	363,283
Operating lease rentals:		
buildings	215,000	210,000
other	8,967	11,094
Bank loan interest	77,979	83,279
Auditors remuneration:		
Audit	13,500	12,250
Other services	1,150	1,065
Governors' liability insurance	107	534

7. TANGIBLE FIXED ASSETS

The movement of tangible assets was as follows:

	Freehold land & permanent buildings	Short leasehold property	Furniture, equipment & computers	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	9,148,265	2,101,664	1,674,855	95,693	13,020,477
Additions	-	-	98,623	-	98,623
At 31 August 2020	9,148,265	2,101,664	1,773,478	95,693	13,119,100
Depreciation					
At 1 September 2019	686,376	1,406,661	783,369	95,693	2,972,099
Charge for the year	149,563	52,548	171,874	-	373,985
At 31 August 2020	835,939	1,459,209	955,243	95,693	3,346,084
Net Book Value					
At 31 August 2020	<u>£8,312,326</u>	<u>£642,455</u>	<u>£818,235</u>	<u>£-</u>	<u>£9,773,016</u>
At 31 August 2019	<u>£8,461,889</u>	<u>£695,003</u>	<u>£891,486</u>	<u>£-</u>	<u>£10,048,378</u>

The leasehold property is held on a 40 year lease from 29 June 2012.

During 2017 the School entered into an agreement with Barclays bank to borrow up to £3.3m over 5 years, further details of which are provided in note 10. The loan is secured by legal charge on the School's property.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

8. DEBTORS – due within one year	2020	2019
	£	£
Fees and extras in arrears	15,682	25,781
Prepayments and accrued income	70,774	100,174
Other debtors	48,239	4,611
	<u>£134,695</u>	<u>£130,566</u>

Fees and extras in arrears are stated after an amount set aside for doubtful debts of £nil (2019: £114,157).

9. CREDITORS - due within one year	2020	2019
	£	£
Fees received in advance	793,591	741,020
Deposits	54,491	45,611
Trade creditors	57,714	153
Accruals	50,374	71,288
Other creditors	106,491	70,990
Other taxation and social security	74,588	78,019
Pensions Trust scheme liability (see note 15)	6,289	3,497
Bank Loan	184,564	220,000
	<u>£1,328,102</u>	<u>£1,230,578</u>

Fees in advance related to the forthcoming financial year.

10. CREDITORS - due after more than one year	2020	2019
	£	£
Deposits	380,540	362,420
Bank Loan	2,669,327	2,798,891
	<u>£3,049,867</u>	<u>£3,161,311</u>

A £3.3 million loan facility was arranged with Barclays Bank in 2015. Interest is charged at 1.85% per annum above LIBOR. The loan is secured by a charge on the School's properties. Repayments are over a 5 year term by 11 instalments of £55,000 payable quarterly. The last payment under the current loan terms is in June 2021 at which date the loan will roll forward and the school are currently renegotiating the revised terms with the bank.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

11. UNRESTRICTED FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
General funds	-	5,545,878	(5,458,809)	1,580,365	1,667,434
Designated funds					
Property fund	7,038,800	-	-	(1,580,365)	5,458,435
Governors' discretionary fund	-	-	-	-	-
	<u>7,038,800</u>	<u>5,545,878</u>	<u>(5,458,809)</u>	<u>-</u>	<u>7,125,869</u>
Restricted funds	-	27,698	(26,930)		1,038
	<u>7,038,800</u>	<u>5,573,846</u>	<u>(5,485,739)</u>	<u>-</u>	<u>7,126,907</u>
	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2019 £
General funds	-	5,760,348	(5,764,718)	4,370	-
Designated funds					
Property fund	7,040,331	-	-	(1,531)	7,038,800
Governors' discretionary fund	-	-	-	-	-
	<u>£7,040,331</u>	<u>£5,760,348</u>	<u>£(5,764,718)</u>	<u>£2,839</u>	<u>£7,038,800</u>

Restricted funds

Restricted funds in the current year is made up of donations from parents to a hardship fund and to staff welfare. The fund also includes donations from the Parents' Association for specific purposes as agreed with the School.

Movement in restricted funds during the prior year was in relation to funds for an outdoor classroom. A transfer of £2,839 from restricted funds to unrestricted fund was made in the year to reflect the fact the funds had been utilised for capital expenditure.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fixed Assets	9,773,016	-	9,773,016
Debtors	134,695	-	134,695
Cash at bank and in hand	1,596,127	1,038	1,597,165
Creditors – due in less than 1 year	(1,328,102)	-	(1,148,788)
Creditors – due in more than 1 year	(3,049,867)	-	(3,229,181)
	<u>£7,125,869</u>	<u>£1,038</u>	<u>£7,126,907</u>

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fixed Assets	10,048,378	-	10,048,378
Debtors	130,566	-	130,566
Cash at bank and in hand	1,251,745	-	1,251,745
Creditors – due in less than 1 year	(1,230,578)	-	(1,230,578)
Creditors – due in more than 1 year	(3,161,311)	-	(3,161,311)
	<u>£7,038,800</u>	<u>£-</u>	<u>£7,038,800</u>

13. OPERATING LEASE COMMITMENTS

The school had the following future commitments under non-cancellable operating leases at August:

	2020		2019	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	192,438	5,379	212,164	10,422
Between two and five years	680,000	18,890	680,000	-
After five years	4,563,356	-	4,734,384	-
	<u>£5,436,356</u>	<u>£24,270</u>	<u>£5,626,548</u>	<u>£10,422</u>

Of the amounts expiring after five years disclosed above, £170,000 is payable per annum until 28 June 2052.

14. TAXATION

The company is a registered charity and taxation is not payable on its charitable income.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

15. PENSION COSTS

These are charged to the statement of financial activities as they arise.

Teachers' Pension Scheme

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 £286,531 (2019: £276,430) and at the year-end £38,586 (2019: £37,139) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

Pensions Trust Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

15. PENSION COSTS (continued)

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2020 to 31 January 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	31 August 2020 (£s)	31 August 2019 (£s)	31 August 2018 (£s)
Present value of provision	£2,934	£3,497	£4,831

ASSUMPTIONS

Rate of discount	0.55	0.97	1.68
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The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

NEWLAND HOUSE SCHOOL TRUST LIMITED

NOTES TO ACCOUNTS (Continued)

YEAR ENDED 31 AUGUST 2020

16. CAPITAL COMMITMENTS

At 31 August 2020 the School had commitments for future capital expenditure of £nil (2019: £nil) which had been contracted for.

17. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period (2019: no related party transactions).

18. LIABILITY OF MEMBER

Every member of the Company undertakes to contribute to the assets of the Company, in the event of the same being wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the Company contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1: