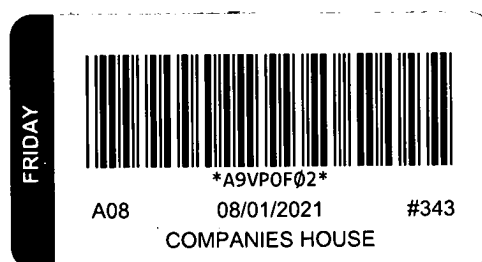


COMPANY NO: 00900240
CHARITY NUMBER: 309105



**HOLME GRANGE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**



HOLME GRANGE LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2020

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CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 AUGUST 2020

2019/20 has again been a challenging yet successful year for Holme Grange, where pupil numbers continue to grow at a time of international pandemic and the challenges this has presented for School and the community it serves.

Pupil numbers increased from 546 in September 2019 to 570 in July 2020, with a further increase to 601 for the start of the 2020/21 academic year. Eaton Grange, the area of the school currently being expanded, had 276 pupils in September 2020. Success in recruitment across the school resulted in another good intake for the school for September 2020 with 101 new children, 55 of whom were in Eaton Grange.

Pupils continue to demonstrate the high levels of achievement across all areas of the curriculum, with a number of individual successes celebrated. Staff continue to seek opportunities to enhance their skills, and all embarked upon a learning journey during 'lockdown' where a full curriculum continued to be taught by our teachers, with live lessons, personal interaction and assessment and feedback to ensure pupils remained 'on track' with their academic development, but ensuring a focus on their personal, social and emotional development was also catered for. Our aim is to ensure that we continue to engage pupils in reflection and develop them as learners for life. We had a very successful set of GCSE results. Students achieved a 97% pass rate with 56% achieving Grades 7 – 9 (the equivalent of the old A – A*).

Professional development opportunities for staff continue to ensure teachers are up to date and equipped to meet the needs of all pupils in the school. Several staff are engaged, and continue to engage, in action research where advances in pedagogy can be seen in the high standards across the school. Teaching and learning continues to be given the highest priority for strategic planning and the School acts as a Research and Development Hub School, enabling us to share best practice, network and engage in educational debate and discussion.

Sport continues to be given high priority in the school with weekly fixtures being played against other school in a wide range of sports across the Prep School and Eaton Grange, with the School gaining success in regional tournaments and pupils qualifying for national competition. Many pupils play for either District or County sports teams and three students compete at national level with two qualifying for the GB Squad in their chosen sport.

Music concerts continue to be hosted across the School at all levels with music, LAMDA and musical theatre exams – Prep Test to Grade 8, being taken across the school, with the first Diploma level being awarded with a Distinction to a Y11 pupil. Dramatic performances continue to be staged across the School too and creativity was shown during Lockdown, to ensure performance was still a key part of the School curriculum.

The school made an operating surplus in the year of £418,155. This was particularly creditable, reflecting the tremendous efforts of the Head, the Head of Finance and the School team, to present the benefits of the school to potential parents and manage the school effectively. Enquiries to the school increased. There was, in parallel, a continued tight control on costs and efficiency. During a time of international pandemic, and the uncertainties this brings, it has been, as ever, important to manage the finances of the school to protect the longer-term future of the School in these uncertain times. Independent Schools are already facing potential challenges in the future with proposed VAT on fees and changes to rates relief for charities. With foresight, the School addressed the financial challenge presented by rising costs of teacher pensions and established a staff pension scheme, withdrawing from the Teachers' Pension Scheme from January 2020.

Total unrestricted funds stood at £13,000,756. The value of the school's land and buildings and other assets is £15,701,148. These are owned by the School subject to a bank loan raised to pay for the construction of the new Kitchen/Dining facility. The balance on this loan as at 31st August 2020 was £646,029. An additional bank loan was taken out during the year to fund the construction of the new Eaton Grange teaching block. The balance on this loan as at 31st August 2020 was £3,400,000. Excluding these loans and designated funds of £180,000, free reserves stood at £1,165,637. The directors have a detailed strategic plan for the School. An operating surplus is, of course, essential to enable the school to develop. Historically, a proportion of this surplus has been spent on capital projects to enhance the school's facilities.

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 AUGUST 2020

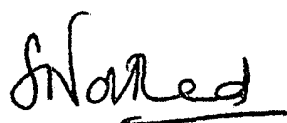
It is felt that cash balances at year end are sufficient to meet the school's on-going commitments and development plans. In light of the current economic climate, the challenges faced by Independent Schools at a wider level and our School at a more local level, the Strategic Plan for the School is under ongoing scrutiny and review. Prudent financial planning continues to be a priority for the School in order to secure our long term viability and the Governing Board and Senior Leadership are aware of their fiduciary duties bestowed upon them.

Holme Grange strives to develop the whole person, ensuring academic rigour whilst providing opportunities across a vast array of subject areas. All children are encouraged and supported to attain their maximum academic potential whilst also being encouraged to develop latent sporting, musical, technological, art and drama prowess, both within the curriculum and at an individual level. Holme Grange is particularly focussed on cultivating social skills – by, for example, communication, support, and mentoring both within and between age groups – to equip pupils for the challenges of the future.

The School Governing Body, alongside the Headteacher and her team, continue to work strategically to secure an outstanding education for the pupils attending Holme Grange. Our School has been extremely successful and currently offers a unique educational experience, the quality of which is acknowledged by those who visit and assess the School. The success of the School expansion continues to exceed expectation, with Open morning enquiries and registration for places providing confirmation that the business decision was an accurate one for the longer term future of the School, and affirms the accuracy of the research carried out with regard to the potential demand.

Some of our capital projects have been supported by funds raised by the Parents' Amenities Association (PAA). A high proportion of the school's parents support the PAA's functions but, as always, there is a small committee that works very hard to make things happen. Their work has been hindered by the impact of COVID 19 but they were active for the first two terms of the academic year and committed to support a range of projects in the School, including a new Long Jump and School Minibus. Our sincere thanks go out to them.

None of this success could have been achieved without the huge devotion of the school's Head and staff, whether in teaching, administrative or service roles. The Governors join me in giving a huge vote of thanks to all those in the team who have made Holme Grange one of the most sought-after schools in the area.



Susan Northend
Chairman

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

The Board of Directors present their Annual Report for the year ended 31 August 2020 under the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, and the Charities Act 2011, together with the audited financial statements for the year. The Board confirms that the latter comply with the requirements of the Companies Act 2006, the Company's Memorandum and Articles of Association and the Charities SORP 2015.

DIRECTORS' REPORT

REFERENCE & ADMINISTRATIVE INFORMATION

Holme Grange Limited is a charitable company founded in 1967, Charity registration number 309105, Company registration number 900240 with the liability of its members limited to £1 each by guarantee. The registered office and principal address of the company is Holme Grange School, Heathlands Road, Wokingham, Berkshire, RG40 3AL.

Directors

The present Directors of the Company, who are also the Charity Trustees and the Governors of the School, and also any ex-Directors who served during the year as indicated, are:-

Mr A J Finch – Chairman (Resigned 31/08/2020)	1,2,3
Mr G W P Barber - Vice Chairman until 31/08/2020	4
Mr D Macken	1,3
Mrs A Bizior (resigned 20/04/2020)	3,4
Mr C Gillow	1,2
Mrs S A Rose	1
Mrs D A Lynch – Vice Chairman from 01/09/2020	4
Mr D N Williams (resigned 31/08/2020)	4
Mrs S Northend – Chairman from 01/09/2020	1
Dr K Gordon (appointed 11/03/2020)	
Mr T Marriott (appointed 11/03/2020)	
Mr S Crew (appointed 11/03/2020)	

- 1 Member of the Finance and Administration Committee
- 2 Member of the Estates Committee
- 3 Member of the Marketing Committee
- 4 Member of the Education and Welfare Committee

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

Key Executives and Professional Advisers

Key Management Personnel:

Headteacher:	Mrs C L Robinson BA, PGCE, NPQH
Deputy Head:	Mr M Jelley BA (Hons), MEd, PGCE
Head of Finance:	Mr A J Cook BA (Hons), MA

Other advisors:

Bankers: National Westminster Bank plc
5 Broad Street
Wokingham
Berkshire RG40 1AX

Solicitors: Clifton Ingram LLP
22 Broad Street
Wokingham
Berkshire
RG40 1BA

Auditor: Crowe U.K. LLP
Aquis House
49 – 51 Blagrove Street
Reading
RG1 1PL

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association, last amended on 24th June 2020.

Governing Body

The Directors, who are also required under the Articles to serve as members of the Company, are elected at the Annual General Meeting of the Company. They may also be appointed at other full meetings of the Directors but only retain office until the next Annual General Meeting when they shall retire but be eligible for re-election. At every Annual General Meeting, one third of the Directors shall retire from office but be eligible for re-election. Those to retire shall be the Directors who have been longest in office since their last election or appointment. The Academic year 2019-20 sees the retirement of some governors and the induction of new governors. A new Chair of Governors has been appointed and we thank Mr Alan Finch for his commitment to the School as a Governor for the past ten years and Chair of Governors for the past four years.

Trustee-training

New Directors are inducted into the workings of the School, and also of the Company as a registered charity, including Board Policy and Procedures. The Board is a member of the Association of Governing Bodies of Independent Schools (AGBIS) and takes advantage of training sessions provided by the organisation when appropriate or of others such as the Independent Association of Preparatory Schools (IAPS), the Independent Schools Association (ISA) and the Independent Schools Bursar Association (ISBA).

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

Organisational Management

The Directors meet as a Board at least three times a year to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. The Head and Head of Finance also attend these meetings together with the meetings of the Finance and Administration Committee.

The Finance and Administrations Committee (FAC), chaired by Mr D Macken, meets formally in such a way as to review all financial and business administration aspects of the School, making recommendations to the main Board to consider at their main termly meeting. Individual members take responsibility for specific aspects and less formal meetings take place as the need arises. The Estates Committee, chaired by Mr A J Finch, meets formally as required but at least termly, to review projects and estates management. It reports directly to the FAC on matters concerning the buildings and grounds with financial implications. It reports to the full Board on development recommendations, priorities and progress. It coordinates action in respect of issues that arise from time to time.

The Marketing Committee, chaired by Mrs A Bizior meets as required to formulate a publicity and marketing strategy for approval by the Governing Body and to oversee its implementation. Its goal is to maintain pupil recruitment, and to present the image and ethos of Holme Grange School appropriately. This Committee also assists the Head in promoting good relationships with parents and the community.

The Education and Welfare Committee, chaired by Mr G W P Barber, meets as required to approve the school's curriculum policy and to monitor standards and implementation of changes to the School curriculum. During each meeting, members of the school staff report to the committee on various developments and progress within the school. This Committee considers and advises the Governing Body on standards and other matters relating to the School's curriculum and curricular issues which have implications for finance and personnel decisions. It makes appropriate recommendations to the relevant committees or the Governing Body.

The day-to-day running of the School is delegated to the Head, Deputy Head, Head of Finance as the key management personnel, who in turn are supported by the Senior Management Team comprising the Head of Eaton Grange, Head of Pre Prep, Head of Prep, Director of Teaching and Learning, Head of Pastoral Care, the Head of Estates and Facilities and the Head of Administration, Communication and Strategy.

The Head and Head of Finance attend all meetings of the Governing Body and the Committees.

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the Company's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

Group Structure and Relationships

The Head of Holme Grange is an active member of IAPS whose objectives are the promotion and maintenance of preparatory school standards generally. Since expanding the age range of the school, Holme Grange is also an associate member of ISA.

Holme Grange School continues to be involved in the local community and beyond. Details appear in the "Charitable responsibilities" section of this report.

The School is supported by the Parents' Amenities Association, which plays a key role in involving parents in the 'Holme Grange family'. It organises regular social events involving all parents, and raises funds for projects chosen in consultation with the Head and Governors.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Object of the Company, in accordance with its Memorandum of Association, is to establish a school or schools for the education of boys and girls, to provide instruction of the highest standard and for the school or schools to be carried on as an educational charity.

Strategic Aim and Intended Effect

The School's strategy, in pursuit of its object, is the attainment of the highest academic levels in keeping with the ability of each pupil, whilst allowing pupils to benefit from a very full extra-curricular programme, which is available to all. This is intended to challenge and develop their abilities and academic potential, and promote wider interests in life so that they are well motivated and prepared for a successful outcome throughout their educational careers and beyond.

Principal Activity

Holme Grange's principal activity continued to be the provision of a Day School for 3-16 year old boys and girls. The incorporated charity (Charity registration number 309105, Company registration number 900240), is incorporated and domiciled in the UK. The address of the registered office is Holme Grange School, Heathlands Road, Wokingham, Berkshire, RG40 3AL.

STRATEGIC REPORT

Objectives for the Year

The Board's main objective continued to be to educate all the School's pupils to the consistently high standard achieved by the School in previous years.

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

Our strategy is to maintain a favourable teacher-to-pupil ratio, and structuring the education provided to suit pupils' individual needs and abilities. We invest heavily in staff development and have a successful school.

The Governing Body agreed that a number of projects would be considered within the revised strategic plan, subject to available funding. Over the past years, all areas of the school have had some refurbishment to different degrees with the aim of providing outstanding facilities to support teaching and learning at each stage of a child's development. With the decision to extend the age range of the school to 16, commitment has been to enhance the teaching facilities in the school. The expansion of the school has been very successful and brought forward many of the capital projects, which all children across the school have benefited from.

HOLME GRANGE LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENTS AND PERFORMANCE

Operational performance of the School

Holme Grange was judged to be Excellent in all areas of the school's operations in the last full ISI Inspection. This achievement has been greatly fostered by the selection, retention and personal commitment of high quality leadership and staff. In January 2018, the school had a Compliance Inspection and was found to fully meet the relevant compliance standards across the whole school, including the separate Early Years standards.

Notable Achievements

- The School continued throughout the Lockdown period to teach pupils across the school and deliver a broad curriculum, adapting to the demands placed upon us by the global pandemic and a sense of community was strengthened.
- The School supported local charities and Key Workers during lockdown, with many staff giving their time voluntarily during the traditional school holiday periods.
- The School is recognised as a leader in its field and is visited by other schools as an example of best practice and both the head and some staff have been asked to deliver training and speak at conferences.
- Winner of the Independent Schools Association Senior School Award for Academic Excellence and Innovation.
- Holme Grange is a NACE research and Development Hub for the region – the only independent school to be awarded this status, supporting both independent and state school in their development of MAGT in their schools.
- Shortlisted for the TES Independent School Awards for Senior Leadership Team of the Year.
- Shortlisted for the TES Independent School Awards for Creativity in Education.
- Students achieved 97% GCSE passes and 56% Grades 7-9 (equivalent to A-A*) 7.
Arts Mark Gold award achieved.
- SMSC Gold award achieved.
- An existing art studio was refurbished to allow for an improved teaching facility.
- An existing ICT suite was relocated and refurbished to allow for
- The creation of a fifth science laboratory.
- Work Commenced on the School Recording Studio
- In light of revised guidance due to COVID-19 a number of Health and Safety measures have been implemented which have resulted in capital expenditure and the Schools IT infrastructure updated to ensure daily operations can continue uninterrupted.

Charitable Responsibilities

In agreeing and setting objectives the Holme Grange School Directors, as charity trustees, have continued to comply with their duty in the Charities Act 2011 to have due regard to the Charity Commission's published general guidance concerning the operation of the public benefit requirement under that Act.

The Board is now able to support some pupils joining the School from elsewhere through its Bursary Scheme. This provision is available on a needs basis. As in previous years an appropriate amount has been set aside to support children through means tested bursaries.

The School fulfils its charitable responsibilities.

Holme Grange School has taken part in a wide variety of activities in order to carry out the school's aims for the public benefit. These include:

- The school educates 601 children at no cost to the state. By providing high academic standards and expectations together with a broad curriculum we are providing an environment not generally available in the maintained sector.

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

- The school operates a means-tested bursary scheme. 40 pupils are in receipt of financial awards.
- The school allocates £487,000 from the budget for the purpose of providing funds for the Holme Grange scholarship and bursary programme which has increased over time as the School has grown. (£425,000 for 2019/20)
- Bursaries currently represent 4% of the School's fee income.
- Fee remissions including bursaries and scholarships represent 8.51% of the School's fee income.
- We deliver academic results which are excellent, placing strong emphasis on the whole child and seeking to develop each child's individual skills and talents.

The School is engaged in a multifaceted partnership with our local state primary schools which includes:

- We continue to organise and host sports tournaments (rounders, hockey, netball and football) for local state schools to enable them to participate in competitive sport, use the facilities available at Holme Grange and further enhance their skills.
- Equipment has been provided to enable local state primary schools to put on plays and performances (loan of props etc.)
- INSET held at the school has been made available to local state primary school staff and invitations to events have been sent to primary schools and local community.
- Some members of the academic staff act as examiners for the public examination boards.
- A local secondary school use the school farm to support the delivery of their curriculum in BTEC Animal Care
- Local primary schools and nurseries make use of the School's four Forest School sites to enhance their curriculum and enable them to offer their pupils the experiences and benefits that Forest School activities bring.
- Members of staff helped with national research into story telling in maths and how children understand the concept of multiplication.
- Some school staff are active Governors of local state schools and are allowed time to attend to their duties.
- DSL, Head and Deputy Head sit on committees for the local Wokingham Children's Safeguarding Board, representing Independent Schools and contributing to policy and practice in the area.
- Holme Grange is the regional hub for NACE (National Association for Able Child in Education) where Independent and state school teachers come to discuss provision, network and share good practice.
- Holme Grange has established a Sustainability Schools Partnership with one local secondary school, three primary and two independent schools forming the group of schools – Holme Grange acting as lead school with plans to develop a range of partnership opportunities in the academic year 2020/21.
- Holme Grange provides support nationally to NACE Hubs around the country for Research and Development through support and time from HG Research Lead.
- Head and Director of Teaching and Learning support schools in provision for Able Children through delivery of CPD, Consultancy and Advice.

The school actively engages in charitable work in the local community (see examples below) which benefit not only the community but those pupils engaged in the work by developing social responsibility:

- We provided facilities for a local Girls Football team to play their home matches on a Saturday morning
- A local amateur operatic society used the Caudwell Hall to put on a week of shows during the summer holiday.
- Local Cadets used the school facilities
- Two local Football clubs used the school facilities to train weekly in the evenings
- The Music facilities are used for drum lessons one evening a week for students who don't come to Holme Grange
- The School facilities are provided to the local Catholic Church to host their annual parish picnic and the Parish Pantomime – all proceeds going to support Our Lady of Nazareth School in Nairobi

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

- The School is used annually by Wokingham and Bracknell Red Diamond (Disability Sport) to host their summer games event which is attended by other groups from around the country. Red Diamonds offers a chance to all disabled people in the UK, helping them to get involved directly into our society and is for people with all disabilities and all ages.
- Community Service is a key activity at Holme Grange School with extensive work being undertaken with the Inspiring Change theme across the school where community service forms a part of the curriculum.
- Fund raising for charitable purposes is a fundamental part of life at Holme Grange School and this year pupils and staff have raised an amazing total of £14,304.82 for a range of local, national and international charities.
- Through active fund raising, we welcomed three pupils and three staff members from Our Lady of Nazareth primary school in Nairobi in autumn 2019. The three students visiting, live in the Murkuru Slums and stayed with families of Holme Grange parents. Their visit encourage a higher sum to be raised in annual sponsored walk in October 2019, resulting in HG sponsoring meals at the school. In addition two of the students visiting, plus one other have been sponsored by us to attend secondary school. Over recent years – Holme Grange have sponsored 8 students to attend and complete secondary education.
- Fundraising has been done through the annual sponsored walk, the House Charity Week and a number of cake sales and other individual charity events put on by pupils and promoted by them.
- Beneficiaries of our annual Harvest service include WADE in Wokingham and both the Wokingham and Bracknell Food Bank where children visit in order to deliver the goods.
- Our link with the special friendship charity which supports the elderly - The Link Visiting Scheme has continued to build as we host lunches, concerts and have hosted Christmas Day lunch at the School too where the Head, four staff members and their families supported the event and served Christmas lunch. This local charity works extensively across the Wokingham borough to support lonely and isolated elderly people.
- We have continued to raise large sums through the generosity of our families and community despite the challenges throughout lockdown, where our pupils continued to consider those less fortunate and raised money in a range of creative ways.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

An operating surplus of £418,155 was made in the year despite a continuing difficult economic climate. This reflects the achievement of a substantial increase in the school roll as well as prudent financial management throughout the operation. The surplus has allowed the Board to undertake significant capital projects to enhance and maintain the School's facilities. With the generally held view that growth in the UK economy will continue to be slow for the next year or so, our forecast for 2020/21 indicates that a surplus will be achieved in the current year enabling further development of the School's facilities and continued preparation for children up to age 16. The Board remains optimistic about the medium term outlook.

Reserves level and policy

The Board periodically reviews the school's charitable purposes, and the external environment in which it works, to make sure that the charity, and its purposes, stay relevant and valid. The Board leads the development of, and agrees, a strategy that aims to achieve the school's charitable purposes. The Board is clear about the desired outputs, outcomes and impacts. All trustees can explain the charity's public benefit and the Board evaluates the charity's impact by measuring and assessing results, outputs and outcomes.

The Board regularly reviews sustainability of the school's income sources and business models and their impact on achieving charitable purposes in the short, medium and longer term. Sustainability is taken in the context of the risk management plan. A significant component of this plan is the retention of free reserves not needed for immediate use but available if and when required as set out in the Reserves Policy. The Board's Reserves Policy is kept under periodic review and reserves levels are adjusted as perceptions of risk and other factors change, including levels of working capital. The current Policy is to maintain free reserves of at least £1,500,000, currently representing approximately two-thirds of a term's expenditure. Free reserves are unrestricted funds, not including tangible fixed assets, designated funds, and commitments not shown as a liability in the accounts.

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

Total unrestricted funds stood at £13,000,756. The value of the school's land and buildings and other assets is £15,701,148. These are owned by the School subject to two bank loans raised to pay for the construction of the new Kitchen/Dining facility and the new Eaton Grange teaching block. The balance on these loans at the 31st August 2020 was £4,046,029. Excluding this loan and designated funds of £180,000, free reserves stood at £1,165,637.

The Board acknowledges this shortfall in free reserves and is committed to building up the level of these reserves by the generation of annual surpluses and, where practicable, from other sources such as fundraising.

The Board closely monitors the Company's performance to ensure that free reserves remain adequate to cover the School's working capital requirements and to provide a degree of contingency protection in the event of an unexpected revenue shortfall.

The Governors consider that free reserves of at least £1,500,000 are required in order to cover the risks and uncertainties of operating as an independent educational establishment.

The long term policy is therefore to return to building up reserves out of annual net incoming resources until that level is reached, subject to the prior demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

Impact of COVID-19

From 20 March 2020, the School was physically closed with immediate effect as part of the national response to the COVID-19 coronavirus pandemic. Despite the physical closure of the School, the School has been able to serve its pupils effectively throughout the period by offering a full and comprehensive distance learning programme. As a result, Governors decided to offer a 25% concession to the summer term 2020 school fees. In order to preserve the School's strong financial position, operating expenses were reduced by furloughing 50 staff members (as part of the government's Coronavirus Job Retention Scheme) and catering activities ceased. All but necessary capital expenditure was put on hold. Because of the action taken, the Governors consider it appropriate for the going concern basis to be adopted for these accounts.

Governors are also cognizant of, and sympathetic to, the fact that in these unprecedented times, and that some parents have found themselves in financial difficulty, consequently, the Board has decided that it would be in order to establish a designated fund on the School's balance sheet. This designated fund will be to cover any short term hardship bursaries awarded to current parents due to the effect of the ongoing COVID-19 pandemic. This will effectively be a ring-fenced part of the School's reserves to be used in support of the current parent body. Awards granted from this fund are approved in the similar way to all bursaries and is means tested.

FUTURE PLANS

The Board reviews its Strategic Development Plan annually, prioritising and selecting items to be brought forward as part of the current Action Plan. The key objectives within the current Plan are:

- Life Skills - To develop dispositions and habits which prepare students for a future where they can live fulfilled and successful lives.
- Academic Standards - Embed a culture of high expectations of all across the school.
- Pastoral Care - Promote and safeguard the culture of care and responsibility towards others ensuring aspirational goals are set by and for all. Students take pride in their school and actively engage in all aspects of school life. They are prepared to take risks and are resilient learners
- Breadth of Education - Ensure our curriculum, school day and enrichment opportunities support our educational proposition. Every subject equally valued
- Leadership and Management (Inc Governance) -- We are all leaders of learning. Leaders are empowered to create a culture of continuous improvement, achieving outstanding progress and outcomes. To develop practice to ensure clear strategic direction for success.
- Governance - Lead development focused on ongoing improvement in the quality of Teaching & Learning, raise achievement and develop practice to ensure clear strategic direction for success now and the future

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

- Policies and Compliance - To ensure the health, safety and well-being of pupils is of the highest priority and all regulatory requirements are met fully
- Staff Welfare and Development - Create a vibrant culture and promote staff wellbeing to ensure we are a great place to work and staff feel valued. Establish a learning community where staff development and educational research is encouraged

- Marketing and Communications - Formulate a coherent, cogent marketing strategy for the school focused on recruitment and retention of pupils
- Facilities - To ensure the physical and technological resources continue to be developed in a way that maximises opportunity for all pupils in the school.
- Community Projects - Develop appropriate links and partnerships in order to deliver an effective, broad and rich experience

RISK MANAGEMENT

The Board of Governors, as charity trustees, have a duty to act in good faith, applying skill and diligence as guardians of charity assets. To that end, the trustees recognise three strands to Governance:

- development of strategy;
- monitoring impact through monitoring strategic delivery and performance;
- and, corporate/fiduciary oversight.

Trustees delegate authority but not ultimate responsibility, so the Board implements suitable financial and related controls and reporting arrangements to make sure it oversees these delegated matters. Trustees identify and assess risks and opportunities for the School and decide how best to deal with them, including assessing whether they are manageable or worth taking. The Board retains overall responsibility for risk management and discusses and decides the level of risk it is prepared to accept for specific and combined risks. It regularly reviews the school's specific significant risks and the cumulative effect of these risks, making plans to mitigate and manage these risks appropriately. The Board puts in place and regularly reviews the school's process for identifying, prioritising, escalating and managing risks and, where applicable, the system of internal controls to manage these risks. The Board reviews the effectiveness of the school's approach to risk at least every year, describing the school's approach to risk in the Annual Report, in line with regulatory requirements.

The executive managers of the School and the Governors through their various committees keep the schools activities under constant review, particularly in relation to any significant risks involved. This process continues to be reviewed through the maintenance of a Risk Register, which is kept by the Senior Management Team, reviewed regularly by the Finance and Administration committee and overseen by the full Governing body. The committee monitors the effectiveness of the systems of internal controls and other means of mitigation, including insurance cover where appropriate. Formal individual Risk Assessments, including mitigation measures, are carried out for specific activities where appropriate.

The Head is formally designated as the School's Health and Safety Officer, with the support of the Senior Management Team.

For the Year ending 31st August 2019 The Head of Prep was the appointed Designated Safeguarding Lead (DSL), assisted by four full time members of staff; each has undertaken appropriate training from a registered provider. All staff were trained or updated in their knowledge of Child Protection procedures during the year and this forms part of the school staff induction programme for new staff joining the school.

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

Many methods are used in the control of risk including:

- Formal written policies and procedures
- Pre-assessments for specific activities
- Vetting and safeguarding procedures required by law for the protection of young people
- Inclusion in committee terms of reference and on formal agendas
- Clear authorisation and approval levels
- A comprehensive system of strategic planning, management accounting and variance analysis
- The continuous review of internal controls; and
- Formal and regular oversight by the Governing Body and its Committees

Principal risks and uncertainties

The school is exposed to on a regular basis. Governors seek to identify risks and devise a strategy to deal with them. Having identified the areas of risk, the objective is to:

- Reduce the risks - set procedures in place to minimise the likelihood of occurrence of the risk
- Minimise the impact of the risk - for example, through contingency planning

A process is in place to review risks by the various committees and articulated via the Risk Management Register. An annual review of the Risk Register is made to the Governing Body. However, the review process is ongoing and fluid in nature. Each Governing Committee, reviews the register for areas of the School covered by their responsibilities. Committees:

- Identifies any additional risks that may need to be added to the register
- Reviews the likelihood and impact ratings of each risk
- Proposes the agreed accepted level of risk
- Identifies existing measures of mitigation and discuss their effectiveness
- Targets further mitigation measures to remedy weaknesses

The following risk categories are considered by the Committee, analysed and mitigation measures reviewed. The committee report to the Governing Body on the following categories of potential risk:

- Strategic
- Operational
- Transport
- Financial
- Regulatory
- People
- Projects

The Governing Body is satisfied that major risks are clearly identified and, where possible, systems, action and/or contingency plans exist for avoiding risk and/or mitigating its effect.

It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

Added to the risk register this year includes the principal risks and uncertainties currently facing the sector and the economy linked to the impact of the ongoing COVID-19 pandemic and the fiduciary duties of the Board continue to be understood and fulfilled,

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

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

Governors' Indemnity Insurance

The School has purchased Governors' indemnity insurance through Marsh Insurance Brokers Limited to provide cover up to £2 million.

Fundraising

In the past year, the School has not actively engaged in fundraising for the School and has no immediate plans to do so.

A separate charity – The Holme Grange Parents Amenities Association (PAA) which is operated by parents of the school raises funds towards facilities and equipment for the school by running social events during the year. In the year 2019/20 the PAA donated £5,904 to the school following these events. This was due to regular events being cancelled due to current restrictions on social gatherings.

Fundraising for charitable purposes is a fundamental part of life at Holme Grange School and this year pupils and staff have organised events to raise money for Our Lady of Nazareth School in Nairobi where we sponsor three children to attend school for four years, Wokingham Food Bank, Save the Children, Thames Valley Air Ambulance, British Red Cross, WWF, Starlight, Guide Dogs UK, Cancer Research UK and Woodside Animal Shelter. In the past year we raised a total of £14,305.

No other fundraising activities are undertaken

No complaints relating to fundraising activities have been received by the School during this financial period.

The School does not currently subscribe to any specific fundraising standards or schemes for fundraising regulation.

PROVISION OF INFORMATION TO AUDITORS

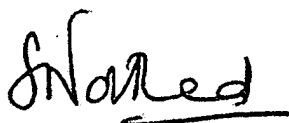
Each of the persons who are Directors at the time when this Report of Directors is approved has confirmed

- So far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

AUDITORS

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the reappointment of Crowe U.K. LLP as auditors to the Company will be put to the Annual General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Holme Grange Limited on 17 November 2020, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



S Northend
Chairman

HOLME GRANGE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2020

The Directors are responsible for preparing the Report of the Directors' and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLME GRANGE LIMITED

Opinion

We have audited the financial statements of Holme Grange Limited for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet 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 its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLME GRANGE LIMITED (CONTINUED)

Other information

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

Opinion on other matter 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLME GRANGE LIMITED (CONTINUED)

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 13 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in 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.

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.

A handwritten signature in black ink, appearing to read "J. Joyce".

Janette Joyce
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street

Reading

RG1 1PL Date: 17 December 2020

HOLME GRANGE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME FROM:					
Voluntary Sources					
Donations		10,988	-	10,988	43,215
Government CJRS income		210,989	-	210,989	-
Charitable activities:					
School fees receivable	3a	6,958,017	-	6,958,017	6,668,588
Other income	3b	265,073	5,904	270,977	438,967
Other trading activities:					
Rent and other income		28,909	-	28,909	24,513
Investment income		<u>6,185</u>	<u>-</u>	<u>6,185</u>	<u>7,575</u>
Total		<u>7,480,161</u>	<u>5,904</u>	<u>7,486,065</u>	<u>7,182,858</u>
EXPENDITURE ON:					
Charitable activities:					
School operating costs		6,944,185	5,904	6,950,089	6,392,305
Raising funds:					
Fundraising costs		11,291	-	11,291	10,595
Financing costs		<u>106,530</u>	<u>-</u>	<u>106,530</u>	<u>52,195</u>
Total	5a	<u>7,062,006</u>	<u>5,904</u>	<u>7,067,910</u>	<u>6,455,095</u>
NET INCOME BEFORE TRANSFERS		418,155	-	418,155	727,763
Transfer between funds		<u>20,000</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
NET MOVEMENTS IN FUNDS		438,155	(20,000)	418,155	727,763
<i>Funds brought forward 1 September 2019</i>		<u>12,562,601</u>	<u>22,162</u>	<u>12,584,763</u>	<u>11,857,000</u>
Funds carried forward at 31 August 2020		<u>13,000,756</u>	<u>2,162</u>	<u>13,002,918</u>	<u>12,584,763</u>

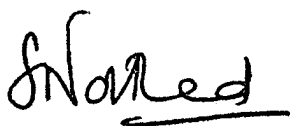
All incoming resources and resources expended are derived from continuing operations.

The notes on pages 21 to 32 form part of these financial statements

HOLME GRANGE LIMITED
REGISTERED NUMBER: 900240
BALANCE SHEET
31 AUGUST 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	6	15,701,148	15,839,403
CURRENT ASSETS			
Stocks		1,168	647
Debtors	7	181,477	230,865
Cash		<u>2,575,969</u>	<u>2,119,864</u>
		2,758,614	2,351,376
CREDITORS: Amounts falling due within one year	8	<u>(1,513,006)</u>	<u>(2,278,076)</u>
NET CURRENT ASSETS		<u>1,245,608</u>	<u>73,300</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,946,756	15,912,703
CREDITORS: Amounts falling due after more than one year	9	<u>(3,943,838)</u>	<u>(3,327,940)</u>
TOTAL NET ASSETS		<u><u>13,002,918</u></u>	<u><u>12,584,763</u></u>
Unrestricted funds	12	13,000,756	12,562,601
Restricted funds	11	<u>2,162</u>	<u>22,162</u>
TOTAL FUNDS	13	<u><u>13,002,918</u></u>	<u><u>12,584,763</u></u>

These financial statements were approved and authorised for issue by the Board and were signed on its behalf on 17 November 2020



Susan Northend
Chairman

The notes on pages 21 to 32 form part of these financial statements

HOLME GRANGE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash Flows from Operating Activities		
Net movement in funds	418,155	727,763
Depreciation	499,925	341,439
Loss on disposal of fixed assets	-	2,575
Decrease/(increase) in debtors	49,388	(62,309)
(Decrease)/increase in creditors	(572,802)	260,315
(Increase)/decrease in stocks	(521)	1,113
Bank interest paid	95,033	41,651
Interest on finance lease	1,389	1,389
Interest received	(6,185)	(7,575)
Net cash provided by operating activities	484,382	1,306,361
Cash flows from investing activities		
Interest received	6,185	7,575
Purchase of tangible fixed assets	(361,670)	(4,081,534)
Net cash used in investing activities	(355,485)	(4,073,959)
Cash flows from financing activities		
Net inflow from bank loans	431,302	2,827,158
Finance lease repayments	(7,672)	(7,672)
Finance lease interest	(1,389)	(1,389)
Loan interest paid	(95,033)	(41,651)
Net cash provided by financing activities	327,208	2,776,446
Change in cash and cash equivalents in the year	456,105	8,848
Cash and cash equivalents at the beginning of the year	2,119,864	2,111,016
Total cash and cash equivalents at the end of the Year	£ 2,575,969	£ 2,119,864

The notes on pages 21 to 32 form part of these financial statements

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. CHARITY INFORMATION

The principal current activity of the Charity is the operation of an independent school. The incorporated charity (charity number 309105, company number 00900240), is domiciled in the UK. The address of the registered office is Holme Grange Limited, Heathlands Road, Wokingham, Berkshire, RG40 3AL.

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Holme Grange meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Going concern

The full impact of COVID-19 on the UK, the economy and the School is unknown. Despite the physical closure of the School for much of the summer term to all except vulnerable pupils and the children of key workers, the School has been able to serve its pupils effectively throughout the period by offering a full and comprehensive distance learning programme which was very well received by parents. Management have reviewed and reduced costs for the period April to August 2020 and have produced financial models through to 31 December 2021 showing the revised cash flows and future budgets, which have subsequently been reviewed by the Board of Governors.

As part of their normal risk management process, the Governors have examined the major risks to the School and the mitigating actions both taken and available to be taken. The Governors consider there are no material uncertainties relating to going concern and that the School has adequate resources to continue its activities for at least the twelve months through to 31 December 2021. Accordingly, they continue to operate the going concern basis in preparing the financial statements.

c) Company status

The Charity is a Company limited by guarantee. The members of the Company are the Directors named on page 3. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

e) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Fees consist of charges for the School year ending 31 August 2020.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

f) CJRS grant income

Grants are accounted for under the performance model as permitted by the Charity SORP. CJRS grant income is therefore recognised on a straight line basis over the furlough period for each relevant employee.

g) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the item of expense to which it relates. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Expenditure in respect of the Governance of the Charity includes Governors' expenses, audit and certain legal costs.

h) Tangible fixed assets

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

Freehold buildings	- 2% per annum (straight line)
Fixtures, fittings and equipment	- 10% per annum (straight line)
Motor vehicles	- 25% per annum (straight line)
Computer equipment	- 25% per annum (straight line)

Assets under £5,000 are not capitalised.

From 1 September 2015 the School has applied the 'deemed cost' provisions of FRS102 in that valuations of previously revalued land and buildings will no longer be renewed. Depreciation is charged for a full year on acquisition, rather than on a pro-rata basis.

i) Stock

Food is valued at cost. Stocks are valued at the lower of cost and estimated net realisable value.

j) Pupil Fee Deposits

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2020 have been included within current liabilities. The prior year Pupil fee deposits balance has been similarly represented.

k) Assets held under finance lease and hire purchase contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

l) Pension costs

The School contributed to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The School left the Teachers' Pension Scheme on 31 December 2019. The School also operates a defined contribution group personal pension scheme for all staff with Scottish Widows. For auto enrolment purposes the School uses the NEST pension scheme.

m) Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 17 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to cash debtor balances excluding prepayments, and financial liabilities referring to all creditor balances excluding deferred income and social security and other taxes.

n) Significant judgements and estimates

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Governors consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

3a. FEES RECEIVABLE

	2020 £	2019 £
Fees Nursery	246,861	317,663
Fee Pre-prep	962,677	1,119,596
Fees Prep	2,755,155	2,771,432
Eaton Grange fees	3,113,723	2,574,591
Schools After Care	22,841	31,754
Learning support fees	279,695	223,977
Music tuition	<u>150,472</u>	<u>149,439</u>
Gross Fees receivable	7,531,424	7,188,452
Less: Bursaries, scholarships and allowances	<u>(573,407)</u>	<u>(519,864)</u>
Net Fees receivable	<u><u>6,958,017</u></u>	<u><u>6,668,588</u></u>

3b. OTHER INCOME

Trip income	44,936	201,805
Registration fees	36,400	31,000
School bus income	33,351	45,125
After school activities	44,978	72,171
Summer camp income	52,954	29,646
Sundry income	<u>58,358</u>	<u>59,220</u>
	<u><u>270,977</u></u>	<u><u>438,967</u></u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

4. STAFF COSTS

	2020 £	2019 £
Wages and salaries	3,879,078	3,476,076
Social security costs	335,550	317,352
Pension contributions	<u>533,185</u>	<u>422,042</u>
	<u>4,747,813</u>	<u>4,215,470</u>

The average number of employees in the year was:-

	No.	No.
Teaching	116	109
Domestic	6	6
Administration	<u>14</u>	<u>15</u>
	<u>136</u>	<u>130</u>

The number of employees whose remuneration exceeded £60,000 was:-

	No.	No.
Between £60,000 - £70,000	1	1
Between £70,000 - £80,000	1	
Between £90,000 - £100,000	-	-
Between £100,000 - £110,000	-	1
Between £110,000 - £120,000	<u>1</u>	<u>-</u>

Retirement benefits are accruing for the three (2019: two) higher paid employees. Contributions in the year totalled £32,056 (2019: £27,655).

None of the Governors, or any person connected with them, received any remuneration during the year (2019: *£nil*). During the year no Governors were reimbursed travelling expenses (2019: *£nil*).

The Trustees and Senior Management Team listed on page 4 are the key management personnel of the School. Their aggregate remuneration (including employer's pension and employer's NI) was £294,741 (2019: £294,376).

Severance payments of £3,896 are included within wages and salaries costs in the year (2019: *£nil*).

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

5a. EXPENDITURE – Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	2020 £	2019 £
Charitable activities:					
Teaching costs	4,154,574	548,415	213,948	4,916,937	4,519,618
Welfare costs	54,244	252,138	20,717	327,099	364,588
Premises costs	182,130	786,960	265,260	1,234,350	1,062,209
Support costs	<u>356,865</u>	<u>114,838</u>	<u>-</u>	<u>471,703</u>	<u>445,890</u>
	<u>4,747,813</u>	<u>1,702,351</u>	<u>499,925</u>	<u>6,950,089</u>	<u>6,392,305</u>
Cost of generating funds:					
Fund raising costs	-	11,291	-	11,291	10,595
Bank charges	-	1,221	-	1,221	1,027
Bank interest	-	95,033	-	95,033	41,651
Bad debt provision	-	-	-	-	-
Finance lease interest	-	1,389	-	1,389	1,389
Fees protection premium	<u>-</u>	<u>8,887</u>	<u>-</u>	<u>8,887</u>	<u>8,128</u>
TOTAL RESOURCES EXPENDED	<u>4,747,813</u>	<u>1,820,172</u>	<u>499,925</u>	<u>7,067,910</u>	<u>6,455,095</u>

Included within support costs are governance costs of £16,688 (2019: £15,018).

Comparative analysis of total resources expended - 2019

	Staff costs £	Other £	Depreciation £	2019 £	2018 £
Charitable activities:					
Teaching costs	3,656,634	728,437	134,547	4,519,618	3,776,356
Welfare costs	38,382	311,075	15,131	364,588	317,224
Premises costs	182,751	687,697	191,761	1,062,209	949,469
Support costs	<u>337,703</u>	<u>108,187</u>	<u>-</u>	<u>445,890</u>	<u>361,220</u>
	<u>4,215,470</u>	<u>1,835,396</u>	<u>341,439</u>	<u>6,392,305</u>	<u>5,404,269</u>
Cost of generating funds:					
Fund raising costs	-	10,595	-	10,595	7,235
Bank charges	-	1,027	-	1,027	1,193
Bank interest	-	41,651	-	41,651	31,063
Bad debt provision	-	-	-	-	78
Finance lease interest	-	1,389	-	1,389	1,389
Fees protection premium	<u>-</u>	<u>8,128</u>	<u>-</u>	<u>8,128</u>	<u>7,487</u>
TOTAL RESOURCES EXPENDED	<u>4,215,470</u>	<u>1,898,186</u>	<u>341,439</u>	<u>6,455,095</u>	<u>5,452,714</u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

5b. NET INCOMING RESOURCES

		2020 £	2019 £
These are stated after charging:			
Auditors' remuneration	audit fees	12,890	12,515
Depreciation on tangible fixed assets	owned assets	492,358	333,872
	financed assets	<u>7,567</u>	<u>7,567</u>

6. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Assets under the course of construction £	Furniture & equipment £	Computer equipment £	Motor vehicles £	Total £
Deemed cost						
1 September 2019	11,920,811	3,867,417	1,075,340	430,513	113,360	17,407,441
Additions	78,470	29,340	197,812	29,129	26,919	361,670
Transfers	3,634,567	(3,867,417)	131,332	101,518		-
Disposals	-	-	-	-	-	-
31 August 2020	<u>15,633,848</u>	<u>29,340</u>	<u>1,404,484</u>	<u>561,160</u>	<u>140,279</u>	<u>17,769,111</u>
Depreciation						
1 September 2019	751,674	-	408,164	340,234	67,966	1,568,038
Charge for the year	265,261	-	135,501	78,446	20,717	499,925
Disposals	-	-	-	-	-	-
31 August 2020	<u>1,016,935</u>	<u>-</u>	<u>543,665</u>	<u>418,680</u>	<u>88,683</u>	<u>2,067,963</u>
Net book values						
31 August 2020	<u>14,616,913</u>	<u>29,340</u>	<u>860,819</u>	<u>142,480</u>	<u>51,596</u>	<u>15,701,148</u>
31 August 2019	<u>11,169,137</u>	<u>3,867,417</u>	<u>667,177</u>	<u>90,279</u>	<u>45,393</u>	<u>15,839,403</u>

If freehold land and buildings had not been revalued in the past, they would have been included at the following amounts:-

	2020 £	2019 £
Cost	7,615,596	3,902,559
Aggregate depreciation	<u>(1,064,721)</u>	<u>(912,409)</u>
Net book value	<u>6,550,875</u>	<u>2,990,150</u>

All assets are used for direct charitable purposes.

At 31 August 2020 the net book value of computer equipment includes an amount of £7,567 in respect of an asset held under finance lease (2019: £15,134). The depreciation charge for the year on this asset was £7,567 (2019: £7,567).

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

7. DEBTORS

	2020 £	2019 £
Fees and disbursements	67,764	71,136
Other debtors	5,557	32,143
Prepayments	<u>108,156</u>	<u>127,586</u>
	<u>181,477</u>	<u>230,865</u>

8. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Bank loan (see note 9b)	106,140	298,408
Trade creditors	279,108	856,701
Other taxes and social security	88,346	79,856
Other creditors	144,771	263,007
Deposits	176,300	151,885
Accruals	123,158	209,992
Fees in advance (see note 9a)	587,510	410,554
HP and finance leases	<u>7,673</u>	<u>7,673</u>
	<u>1,513,006</u>	<u>2,278,076</u>

9. CREDITORS: Amounts falling due after more than one year

	2020 £	2019 £
Bank loan (see note 9a)	3,939,889	3,316,319
HP and finance leases	<u>3,949</u>	<u>11,621</u>
	<u>3,943,838</u>	<u>3,327,940</u>

9a. DEFERRED INCOME

	2020 £	2019 £
Deferred income at 1 September 2019	410,554	380,337
Resources deferred in the year	587,510	410,554
Amounts released from previous years	<u>(410,554)</u>	<u>(380,337)</u>
Deferred income at 31 August 2020	<u>587,510</u>	<u>410,554</u>

9b. BANK LOANS

The bank loans are repayable as follows:-

	2020 £	2019 £
Within one year	106,140	298,408
Between one and two years	299,797	306,857
Between two and five years	943,461	973,786
Over five years	<u>2,696,631</u>	<u>2,035,676</u>
	<u>4,046,029</u>	<u>3,614,727</u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

9a. BANK LOANS (CONTINUED)

The School took out a new loan during 2019. It now has two loans with NatWest, both of which are secured by a legal charge over the School's property, with details as follows:

- £995k loan - fixed interest rate of 3.62%. The loan is repayable by monthly instalments over 10 years.
- £3.4m loan facility - interest rates being charged are 1.71% above base rate per annum. The loan is repayable in quarterly instalments over 16.5 years. As at 31 August 2020, £3.4m had been drawn down.

The repayments for 2020/21 will be temporarily reduced due to agreeing a repayment holiday with the bank as part of the measures taken by the School during the summer term in light of the COVID-19 pandemic.

10. ANALYSIS OF MOVEMENT IN NET DEBT

	At 1 September 2019 £	Cashflow £	At 31 August 2020 £
Cash at bank and in hand	2,119,864	456,105	2,575,969
Bank loan	(3,614,727)	(431,302)	(4,046,029)
Finance lease	<u>(19,294)</u>	<u>7,672</u>	<u>(11,622)</u>
Closing net debt	<u>(1,514,157)</u>	<u>32,475</u>	<u>(1,481,682)</u>

11. RESTRICTED FUNDS

Fund name	At 1 September 2019 £	Incoming Resources £	Resources expended £	Transfer of funds	At 31 August 2020 £
The Arts Fund	2,162	-	-	-	2,162
Parent Amenities Association	<u>20,000</u>	<u>5,904</u>	<u>(5,904)</u>	<u>(20,000)</u>	<u>-</u>
Total	<u>£ 22,162</u>	<u>£ 5,904</u>	<u>£ (5,904)</u>	<u>£ (20,000)</u>	<u>£ 2,162</u>

Parent Amenity Association Fund

The parent amenity fund relates to income received for specific projects or fundraising. The closing balance on this restricted fund at 31 August 2020 relates to donations towards non-operating expenditures as directed by the Parents Association. There was a transfer of £20,000 in funds from the Parent Amenities Association to the General Funds of the School to part cover the purchase of a minibus for use by the School.

COMPARATIVE RESTRICTED FUNDS

Fund name	At 1 September 2018 £	Incoming Resources £	Resources expended £	Transfer of funds	At 31 August 2019 £
The Arts Fund	2,162	-	-	-	2,162
Parent Amenities Association	<u>13,265</u>	<u>42,365</u>	<u>(20,965)</u>	<u>(14,665)</u>	<u>20,000</u>
Total	<u>£ 15,427</u>	<u>£ 42,365</u>	<u>£ (20,965)</u>	<u>£ (14,665)</u>	<u>£ 22,162</u>

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

12. UNRESTRICTED FUNDS

Fund name	At 1 September 2019 £	Incoming Resources £	Resources expended £	Transfer of funds	At 31 August 2020 £
Unrestricted – general	12,562,601	7,480,161	(7,062,006)	(160,000)	12,820,756
Designated funds:					
COVID-19 support fund	-	-	-	150,000	150,000
Minibus replacement fund	-	-	-	15,000	15,000
IT replacement fund	-	-	-	15,000	15,000
Total	<u>£12,562,601</u>	<u>£ 7,480,161</u>	<u>£(7,062,006)</u>	<u>£ 20,000</u>	<u>13,000,756</u>

The COVID-19 support fund has been established to cover any short term hardship bursaries awarded to current parents due to the effect of the ongoing COVID-19 pandemic.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	15,701,148	-	15,701,148
Net current assets	1,243,446	2,162	1,245,608
Long term liabilities	<u>(3,943,838)</u>	<u>-</u>	<u>(3,943,838)</u>
Total	<u>£13,000,756</u>	<u>£ 2,162</u>	<u>£ 13,002,918</u>

COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	15,839,403	-	15,839,403
Net current assets	51,138	22,162	73,300
Long term liabilities	<u>(3,327,940)</u>	<u>-</u>	<u>(3,327,940)</u>
Total	<u>£12,562,601</u>	<u>£ 22,162</u>	<u>£ 12,584,763</u>

14. COMMITMENTS

At the year end, the school had a contracted capital commitment of £9,780 (2019: £nil).

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

15. PENSION SCHEME

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes employer contributions payable to the TPS of £152,797 (2019: £384,667) and at the year-end £0 (2019: £48,219) was accrued in respect of contributions to this scheme. The School left the Teachers' Pension Scheme on 31 December 2019.

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.

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.

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 a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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.

Other Pensions

In addition to the above, the Company contributes on a defined contribution basis to personal pension plans. Contributions totalling £380,388 (2019: £37,375) were payable to these funds for the year.

There were £nil unpaid contributions (2019: £250) at the year end.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

16. RELATED PARTY TRANSACTIONS

£3,596 (2019: £6,215) was paid for professional services to Clifton Ingram where S A Rose was a partner during the year ended 31 August 2020. £440 (2019: *£nil*) was outstanding at the year end.

17. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets measured at amortised cost	2,650,610	2,223,142
Financial liabilities measured at amortised cost	4,780,988	5,115,607

The school's income, expense, gains and losses in respect of financial instruments are summarised below:

	2020 £	2019 £
Interest income and expense:		
Total interest income for financial assets held at amortised cost	6,185	7,575
Total interest expense for financial liabilities held at amortised cost	96,422	43,040

Included within financial assets held at amortised cost are trade debtors, other debtors and cash at bank. Included within financial liabilities held at amortised cost are bank loans, finance leases, trade creditors, other creditors and accruals excluding deferred income.

HOLME GRANGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

18. Comparative Statement of Financial Activities

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Total 2019 £</i>
<i>INCOME FROM:</i>			
<i>Voluntary Sources</i>			
<i>Donations</i>	850	42,365	43,215
<i>Charitable activities:</i>			
<i>School fees receivable</i>	6,668,588	-	6,668,588
<i>Other income</i>	438,967	-	438,967
<i>Other trading activities:</i>			
<i>Rent and other income</i>	24,513	-	24,513
<i>Investment income</i>	<u>7,575</u>	<u>-</u>	<u>7,575</u>
<i>Total</i>	<u>7,140,493</u>	<u>42,365</u>	<u>7,182,858</u>
<i>EXPENDITURE ON:</i>			
<i>Charitable activities:</i>			
<i>School operating costs</i>	6,371,340	20,965	6,392,305
<i>Raising funds:</i>			
<i>Fundraising costs</i>	10,595	-	10,595
<i>Financing costs</i>	<u>52,195</u>	<u>-</u>	<u>52,195</u>
<i>Total</i>	<u>6,434,130</u>	<u>20,965</u>	<u>6,455,095</u>
<i>NET INCOME BEFORE TRANSFERS</i>	706,363	21,400	727,763
<i>Transfer between funds</i>	<u>14,665</u>	<u>(14,665)</u>	<u>-</u>
<i>NET MOVEMENTS IN FUNDS</i>	721,028	6,735	727,763
<i>Funds brought forward 1 September 2018</i>	<u>11,841,573</u>	<u>15,427</u>	<u>11,857,000</u>
<i>Funds carried forward at 31 August 2019</i>	<u>12,562,601</u>	<u>22,162</u>	<u>12,584,763</u>