

REGISTERED COMPANY NUMBER: 03777308 (England and Wales)  
REGISTERED CHARITY NUMBER: 1100021

GOVERNORS' REPORT AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021  
FOR  
SEVENOAKS PREPARATORY SCHOOL LIMITED

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

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FOR THE YEAR ENDED 31 AUGUST 2021**

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## SEVENOAKS PREPARATORY SCHOOL LIMITED

### GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The governors who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The governors have adopted the provisions of 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 2019).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

The school seeks to provide an education for life. It aims to achieve this through the Pre-Prep 'Golden Rules' and the 'Way of Life' in the Prep, together with an academic approach that focuses on the needs of the individual. In addition, the school sets out to encourage every pupil to be the best they can be, both inside and outside the classroom. The school's ethos is central to its aims and emphasizes strong pastoral care of pupils, nurturing each one and supporting parents and children alike.

Our aims are:

- " to ensure the safeguarding of all pupils.
- " to afford all pupils opportunities to succeed both inside and outside the classroom.
- " to recruit and retain the highest calibre of teaching and support staff who embody our Way of Life.
- " to provide excellent pastoral care and nurture outstanding relationships between staff, pupils and parents.
- " to be a warm, friendly, family school.
- " to provide individualised learning which we believe is best provided for in small class sizes.
- " to utilise technology to aid student learning and to ensure that our ICT provision complements existing and future teaching strategies
- " to progress the School's commitment to bursaries.
- " to develop the School's involvement with local, national and international charities.
- " to maintain and enhance the school's environment and facilities.
- " to maintain a balanced budget approach to managing its financial resources and expenditures.

Sevenoaks Prep "Way of Life"

- " I ought to think at all times how my every action will affect others in my life: parents, friends, relations, teachers and everyone younger than myself.
- " I ought to treat all others as I would want to be treated myself, and take a personal interest in how other people feel.
- " I ought not to touch anything that is not mine, unless with permission or unless I am being helpful.
- " I ought to be polite to everybody at all times and be positive in my actions.
- " I ought to take responsibility for my own maturity by ensuring I assist in the smooth running of the school and my home.
- " I ought to take ownership of my studies, concentrating and applying myself to achieve to the best of my ability.
- " I ought to obey in the right spirit the instructions of my teachers and parents.
- " I ought to report immediately any damage or unfortunate behaviour to my teachers and/or my parents.
- " I ought to remember that in life my aim should be to solve problems not cause them, to build bridges rather than knock them down, to trust others and to be trusted, to put the needs of others first and mine last, to improve and make better whatever or whoever I am involved with.
- " I ought, at all times, to be totally honest to myself and to others.

The School gives means tested financial assistance to the parents of some pupils who might otherwise find the full fee a limiting factor to sending and retaining their sons and daughters at the School.

The School works with educational establishments in the Maintained Sector, but the COVID pandemic and the infection controls that have been put in place have limited the amount that it has been possible to offer.

#### CHARITABLE OBJECTS

The objects of the School as set out in the Articles of Association, are to establish and carry on in Great Britain (and any other countries) Schools at or by means of which students may obtain education and instructions in languages, mathematics, geography and history, and all other subjects whatsoever that may be included in a commercial, technical, scientific, classical or academic education.

In setting the objectives the Governors have given careful consideration to the Charity Commissions' general guidance on public benefit.

## **SEVENOAKS PREPARATORY SCHOOL LIMITED**

### **GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

Although the school began the academic year with everyone on site, as the pandemic restrictions were brought in the Government moved the school from the bubble restrictions back into a full lockdown after the Christmas break. Whilst the school continued to care for the children of key workers and the youngest classes of Nursery and Kindergarten on site, it also moved to offering remote learning for all children using a variety of platforms and programmes. The previous experience and feedback proved a useful building block to allow the school to improve the remote offering and increase the amount of live teaching provided remotely to children of all ages.

It was a joy to everyone that the children were allowed back on site for the last two weeks of the Spring term, and our older children adjusted well to the demands of face mask wearing and regular testing that were placed on them. The summer term continued to be restricted by the Government rules and the school overcame the disappointment caused by the delay in moving the Phase 4 of lockdown easing by switching to COVID restriction compliant sports days, concerts and assemblies in a mix of online and restricted attendance on-site events. This allowed our children to really showcase the hard work that they had put in both remotely and back at school.

The school is fortunate to benefit from extensive grounds and this outdoor space was utilised fully to ensure we were minimising the risk to our children and staff through infection control. The strength and commitment of the staff in responding to all the challenges and restrictions placed on them was exceptional and this resulted in the provision of an excellent standard of teaching through a variety of different mediums and particular attention to the children's welfare.

##### **Arts**

With the COVID restrictions affecting so many of our musical lessons and groups, the children really appreciated the opportunity to perform in small group and recorded concerts in the summer term to display their improvements and hard work.

##### **Sports**

We started back at school in September full of optimism and positivity to try and get Prep sport back with pupils returning to matches. These hopes were dashed slightly with the announcement of no fixtures or competitions. But, in typical Prep spirit the sport department set about putting an exciting programme in place for Games lessons that focused on skills coaching and fitness. The girls started on some hockey at the Hollybush Lane Astro turf and netball training in their year group bubbles alongside some fitness lessons. The boys did football training and although the fixtures were missed, the opportunity to train three hours a week enabled us to spend time not only improving the pupils' technical ability but working on our style of play, which we hope will be rewarded next football term.

Unfortunately, the Thomas Trophy was cancelled because of the restrictions, but the school staged a house cross country competition for Years 3-8 which we all thoroughly enjoyed. The winning house was Vine and runners up were Seal.

The New Year started with us all back in lockdown which put paid to the rugby and netball seasons but again the sport department set about planning live Games lessons in the form of Joe Wicks style routines and circuits. Lessons included fancy dress, army-themed drills, online Pilates, and fitness testing. Pre-prep children had the same opportunities in their Games lessons and Miss Ablett and Mrs Baker enjoyed doing some dance and gymnastics with the younger children in PE (Physical Education) as well. We were delighted to have the children back just before the Easter break and it gave us a chance to do some mixed hockey and football which included some year group house matches.

As we returned from the Easter holidays the summer term sun began to shine, the ground firmed up and the smell of fresh cut grass filled the air which not only signalled the start of spring but a long-anticipated cricket season. With fixtures back on the table we started the first term playing matches in our year group bubbles and we continued our journey towards fully integrated cricket between the boys and girls.

##### **Trips and workshops**

As we started the year, year 8 were able to take part in a river project trip, but increased restrictions and the full lockdown imposed on the school from January 2021 meant that eternal trips were severely curtailed. The school made the most of the wonderful grounds, allowing the children to go on walks and to investigate and enjoy the outdoors and natural world without moving beyond the school campus. Online events such as live lectures on the polluting of marine life by plastic also brought us together with other schools around the country.

Workshops continued to take place on site covering such topics as a whole school languages day, World War 2 themed days, and Clubs were maintained as much as possible and when lockdown was lifted, day trips were organised for Year 5 to go to Carrot Wood, year 6 to have their camping overnight at the school and year 7 and 8 going to Chessington. Year 8 managed a residential Bushcraft trip at the end of the summer term to finish their time at the school.

##### **Volunteers**

During the year the school accepted a volunteer work placement for a student on his gap year. The volunteer period was extended to cover the whole of the winter and spring term to Easter. In recognition of this extended period the governors made an ex-gratia payment of £3,000 in recognition of the volunteers hard work.

## **SEVENOAKS PREPARATORY SCHOOL LIMITED**

### **GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

#### **OBJECTIVES AND ACTIVITIES**

##### **Scholarships**

The following Scholarships were awarded to our pupils: -

13+

- 5 Sports Scholarships
- 3 Academic Scholarship
- 2 Drama Scholarships
- 1 All rounder scholarship
- 1 Music Scholarship

##### **Destination Schools**

Pupils gained places at their chosen 11+ / 13+ senior independent schools and many were awarded places at two or more schools. This ranged across 7 different independent school and 2 grammar schools.

#### **FINANCIAL REVIEW**

##### **Financial position**

The income of the School arises from fees and donations received and interest earned on short term deposits with the bank.

The charitable expenditure is all met from this income. The Governors consider the assets and the operation of the School are sufficient in the short term to maintain its obligations in full.

The total incoming resources during the year ended 31 August 2021 were £4,908,812 (2020: £4,566,672) and the resources expended were £4,557,187 (2020: £4,246,801) which resulted in a surplus for the year of £351,625 compared to a surplus of £319,871 generated in the previous year. All of the School's expenditure was spent in advancement of its charitable objectives.

##### **Investment policy and objectives**

The Governors investment powers are governed by the Memorandum and Articles of Association which permit the Governors to make any investments they deem fit. Most of the funds generated by the School are used in the short term in achieving the charitable aims and objectives. There are no funds available for external long term investments. Short term surplus funds are held on deposit with the bank.

##### **Reserves policy**

The Governors have a policy of achieving an operational surplus to continue to invest in maintaining educational facilities that meet and exceed the current recommendations and standards.

The School holds restricted funds of £33,445 (2020: £28,043) which have been donated for the funding of bursaries. Unrestricted funds of £4,217,345 (2020: £3,879,026) allow the school to carry out its charitable objectives. The total funds held were £4,250,790 (2020: £3,907,069).

#### **FUTURE PLANS**

Our Centenary Centre was completed in February 2020. This building provides teaching and communication space primarily for our year 6-8 students, in particular providing specialist space for Art, Science and Digital Learning.

The completion of the planned improvements to the Pre-Prep is planned, but this and other projects have been delayed by the COVID pandemic.

#### **REPORTABLE INCIDENTS**

There have been no reportable incidents.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### **Appointment and re-appointment of Governors**

The Articles of Association allow for there to be between seven and twenty appointed Governors. There are currently fourteen on the Board. Governors are appointed by the existing Board members in the first instance and they are re appointed for 3 years and can serve up to a maximum of 3 terms of 3 years unless there are extenuating circumstances.

## **SEVENOAKS PREPARATORY SCHOOL LIMITED**

### **GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure**

None of the Governors has any beneficial interest in the company. All the Governors are members of the company and guarantee to contribute £10 in the event of a winding up

The Board of Governors met once per term on 14 October 2020, 18 March 2021 and 11 June 2021.

The main Sub Committee of the Governors is the Executive Committee which meets once a month to discuss the day to day matters concerned with the running of the School. Major items are passed to the Main Board for discussion, with the Executive Committee's recommendations. The Chairman and Vice Chairman sit on this Committee with the Headmaster, Bursar, Deputy Head and Head of Pre-Prep in attendance.

The other permanent Sub Committees are as follows:

Academic Committee	D Wiltshire Chair
Appointments and Succession Planning	J Berry Chair
Finance and Risk Committee	J Berry Chair
Bursary Committee	C Sutton-Mattocks Chair

The Governors bring many years of experience in a wide variety of professional fields, such as finance, education, law, human resources and the law. The "day to day" running of the School is delegated to the Headmaster Luke Harrison and the Bursar, Elizabeth Walsh. They work in cooperation with the Senior Management Team, who are the Deputy Head, Head of the Pre-Prep, Assistant Heads and Deputy Head of Pre-Prep and Head of Learning Support SENco.

##### **Induction and training of new Governors**

Mrs T L Hornshaw, Mr P Cheveley and Mr K Rush attended a new Governors Course in November 2020.

K Rush attended an online course regarding "Creating an impactful leading edge learning experience" in January 2021

Mrs T L Hornshaw attended training on "Education Matters - action on the curriculum", and also an online Safeguarding course for Governors in March 2021.

A Governors Planning-Day was held in June 2021 and all Governors are made aware of briefing documents provided by AGBIS, ISBA and other recognised bodies.

The cost of Governors' courses to the School during the year was £320.

##### **Key management remuneration**

In line with pay for all staff, key management pay is considered by the Governors' Finance and Risk Committee who make recommendations to the full board. In deciding the level of remuneration, the Committee consider the current market demand for pupils, the financial strength of the School and the economic outlook. The key management roles are detailed in note 12 of the accounts.

## **SEVENOAKS PREPARATORY SCHOOL LIMITED**

### **GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT COMMUNITY LINKS AND PUBLIC BENEFIT**

Due to the COVID restrictions there were much fewer opportunities to allow local organisations to use the grounds, however, we did manage to allow the following organisations which offer education to young people to use School facilities this year:

Offord Netball club summer training facility.  
Elite Sabre fencing school holiday training school  
Playball holiday clubs

During the year the school also supported local charities such as Friends for Families not only by fundraising but also by donating discontinued stocks of school uniform from the school shop. Another beneficiary of these stocks was the Rural Zimbabwe relief fund. Local food banks were supported by the school and its families, and staff raised money for both Macmillan and Alzheimers charities. Christmas presents were donated for the use of Salvation Army and many of the schools families participated in the local Sevenoaks litter picking weekend in March 2021.

The School offered Bursaries and Fees subsidies. 13 Pupils received Means Tested Bursaries of which:

2 were 60% of fees,  
8 were 50% of the fees,  
2 were 40% of the fees and  
1 was 25% of the fees.

Three Pupils received a Sibling Discount (5%).

Five members of staff act as Governors at other independent and maintained schools.

#### **Engagement with employees**

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees has continued at all levels with the aim of taking their views into account when decisions are made that are likely to affect their interests. The staff council continued to be consulted and to contribute suggestions to the executive.

#### **Risk management**

Sevenoaks Prep School Board of Governors is responsible for the management of the risks faced by the School. Risks are identified, assessed and controls established throughout the year. The Board reviews the full Risk Register annually at the autumn governor's meeting and Risk is a standing item on the agenda for other Board Meetings and all Executive Committee meetings.

The Governors consider the major potential risks to the School to be:

- " A challenging economic environment adversely affecting pupil numbers & fee levels.
- " Inflationary pressures on certain costs.
- " Competition from both independent and state schools for pupils.
- " Ensuring Safeguarding & Inspection in an increasingly regulated environment.

The key controls used by the School to mitigate risks include:

- " Formal agenda for Committee and Board activities.
- " Detailed Terms of reference for all Committees.
- " Comprehensive strategic planning, budgeting and management accounting.
- " Established organisational structure and lines of reporting.
- " Formal written policies.
- " Robust scrutiny of policies.
- " Clear authorisation and approval levels.
- " Safer recruitment as required by law for the protection of the vulnerable.
- " Staff training, Child Protection and safeguarding.

Through the risk management processes established by the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that the systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

## **SEVENOAKS PREPARATORY SCHOOL LIMITED**

### **GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2021**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Bursary Policy**

This year the Charity awarded Bursaries of £84,871 (1.7% of fee income) 2020: £57,908 (1.3% of fee income) from unrestricted funds. The Governors' policy, in line with that of most other independent schools, is to award Bursaries on the basis of need. All Bursaries are means tested on application.

A Bursary fund has been established and is overseen by a subcommittee of 3 Governors, the Head and the Bursar. Our aim is to build up a fund which will support a child attend the Prep. This would be over and above the funds already set aside by the School.

##### **Asset cover for funds**

Note 18 sets out an analysis of the assets attributable to the restricted and unrestricted funds and a description of the funds. These assets are considered sufficient to meet the Charity's obligations on a fund by fund basis.

##### **Pension schemes**

The School participates in the Teachers' Pension Scheme (TPS) for its teaching Staff and an auto enrolment scheme run by People's Pensions for support staff.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The current employer contribution rate for the TPS is 23.68%. During the year the school began a consultation with those eligible for the scheme and their elected representative on a proposal from the Governors to limit contributions to the scheme and offer an alternative defined contribution pension. This consultation continued into the following academic year.

For the Support Staff Pension administered by the People's Pension the employer contribution was 3%. The employee rate increased to 5% on 6th April 2019.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

03777308 (England and Wales)

##### **Registered Charity number**

1100021

##### **Registered office**

Fawke Cottage  
Godden Green  
Sevenoaks  
Kent  
TN15 0JU

##### **Trustees**

Ms J S Berry - Chairman

Dr S Bailey (appointed 24.11.21)

R Burgess

Dr M J Carboni

P Cheveley (appointed 14.10.20)

T C Dickinson

A Durnell

A G Fernando (resigned 13.10.21)

Mrs T L Hornshaw (appointed 14.10.20)

Mrs M L Ismail

C Jones (appointed 18.3.21)

E Oatley

- Vice Chairman

K R Rush (appointed 14.10.20)

C J Sutton-Mattocks

P D Wiltshire (resigned 13.10.21)

##### **Company Secretaries**

Miss M Peirce  
Mrs E Walsh

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Auditors**

Deeks Evans Audit Services Ltd  
First Floor, West Barn, North Firth Farm  
Ashes Lane  
Hadlow  
Tonbridge  
Kent  
TN11 9QU

**Solicitors**

Thackray Williams  
Kings House  
32-40 Widmore Road  
Bromley  
Kent  
BR1 1RY

**Bankers**

Handelsbanken  
Sevenoaks Branch  
1st Floor  
50-52 London Road  
Bligh's Meadow  
Sevenoaks  
Kent  
TN13 1AS

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The governors (who are also the directors of Sevenoaks Preparatory School Limited for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 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 those financial statements, the governors are required to

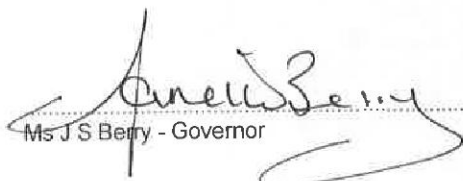
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the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

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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.

Approved by order of the board of governors on 17th March 2021 and signed on its behalf by:

  
Ms J S Berry - Governor

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEVENOAKS PREPARATORY SCHOOL LIMITED**

### **Opinion**

We have audited the financial statements of Sevenoaks Preparatory School Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2021 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' 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**

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

The governors are responsible for the other information contained within the annual 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report has 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.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the governors' Report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SEVENOAKS PREPARATORY SCHOOL LIMITED**

**Responsibilities of governors**

As explained more fully in the Statement of Governors' Responsibilities, 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEVENOAKS PREPARATORY SCHOOL LIMITED**

### **Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through verbal and written communications with those charged with governance and other management, and via inspection of the charitable company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the company.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements, including: the charitable company's constitution, relevant financial reporting standards and company law, and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigation. We identified the following areas as those most likely to have such an affect: child safeguarding, adults at risk safeguarding, employment legislation, health and safety legislation, operating licences regarding the charitable company's operating premises, data protection legislation and anti-bribery and corruption legislation.

International Standards on Auditing (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required.

These limited procedures did not identify any actual or suspected non-compliance with laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- " Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account and journal entries posted by senior management;
- " Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud; and
- " Ensuring that testing undertaken on transactions and the Balance Sheet includes a number of items selected on a random basis.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

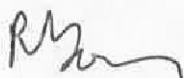
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SEVENOAKS PREPARATORY SCHOOL LIMITED**

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Young (Senior Statutory Auditor)  
for and on behalf of Deeks Evans Audit Services Ltd  
First Floor, West Barn, North Firth Farm  
Ashes Lane  
Hadlow  
Tonbridge  
Kent  
TN11 9QU

Date: 17th March 2022

SEVENOAKS PREPARATORY SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	50,891	5,399	56,290	79,575
<b>Charitable activities</b>					
Education	5	4,840,623	-	4,840,623	4,382,480
Other trading activities	3	11,618	-	11,618	102,537
Investment income	4	278	3	281	2,080
<b>Total</b>		<u>4,903,410</u>	<u>5,402</u>	<u>4,908,812</u>	<u>4,566,672</u>
<b>EXPENDITURE ON</b>					
<b>Raising funds</b>					
Raising donations and legacies	6	500	-	500	19,776
		<u>500</u>	<u>-</u>	<u>500</u>	<u>19,776</u>
<b>Charitable activities</b>					
Education	7	4,562,299	-	4,562,299	4,230,292
Other		2,292	-	2,292	(3,267)
<b>Total</b>		<u>4,565,091</u>	<u>-</u>	<u>4,565,091</u>	<u>4,246,801</u>
<b>NET INCOME</b>		<u>338,319</u>	<u>5,402</u>	<u>343,721</u>	<u>319,871</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		3,879,026	28,043	3,907,069	3,587,198
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>4,217,345</u></u>	<u><u>33,445</u></u>	<u><u>4,250,790</u></u>	<u><u>3,907,069</u></u>

The notes form part of these financial statements

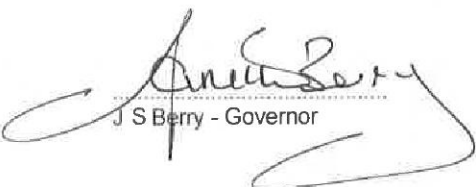
**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**STATEMENT OF FINANCIAL POSITION  
31 AUGUST 2021**

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	15	6,948,582	-	6,948,582	7,201,543
<b>CURRENT ASSETS</b>					
Debtors	16	71,622	-	71,622	377,126
Cash at bank		1,776,321	33,445	1,809,766	955,403
		<u>1,847,943</u>	<u>33,445</u>	<u>1,881,388</u>	<u>1,332,529</u>
<b>CREDITORS</b>					
Amounts falling due within one year	17	(1,271,654)	-	(1,271,654)	(4,347,207)
<b>NET CURRENT ASSETS</b>		<u>576,289</u>	<u>33,445</u>	<u>609,734</u>	<u>(3,014,678)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,524,871</u>	<u>33,445</u>	<u>7,558,316</u>	<u>4,186,865</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	18	(3,307,526)	-	(3,307,526)	(279,796)
<b>NET ASSETS</b>		<u>4,217,345</u>	<u>33,445</u>	<u>4,250,790</u>	<u>3,907,069</u>
<b>FUNDS</b>	22				
Unrestricted funds				4,217,345	3,879,026
Restricted funds				33,445	28,043
<b>TOTAL FUNDS</b>				<u>4,250,790</u>	<u>3,907,069</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Governors and authorised for issue on 17th March 2022 and were signed on its behalf by:

  
J S Berry - Governor

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,035,573	445,348
Net cash provided by operating activities		<u>1,035,573</u>	<u>445,348</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(179,816)	(2,562,321)
Sale of tangible fixed assets		(1,675)	3,267
Interest received		281	2,080
Net cash used in investing activities		<u>(181,210)</u>	<u>(2,556,974)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	2,586,610
Net cash provided by financing activities		<u>-</u>	<u>2,586,610</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>854,363</u>	<u>474,984</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>955,403</u>	<u>480,419</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>1,809,766</u></u>	<u><u>955,403</u></u>

The notes form part of these financial statements

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	343,721	319,871
<b>Adjustments for:</b>		
Depreciation charges	432,160	296,231
Loss/(profit) on disposal of fixed assets	2,292	(3,267)
Interest received	(281)	(2,080)
Decrease/(increase) in debtors	305,504	(27,374)
Decrease in creditors	(47,823)	(138,033)
<b>Net cash provided by operations</b>	<u>1,035,573</u>	<u>445,348</u>

**2. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.9.20 £	Cash flow £	At 31.8.21 £
<b>Net cash</b>			
Cash at bank	955,403	854,363	1,809,766
	<u>955,403</u>	<u>854,363</u>	<u>1,809,766</u>
<b>Debt</b>			
Debts falling due within 1 year	(3,000,000)	3,000,000	-
Debts falling due after 1 year	-	(3,000,000)	(3,000,000)
	<u>(3,000,000)</u>	<u>-</u>	<u>(3,000,000)</u>
<b>Total</b>	<u>(2,044,597)</u>	<u>854,363</u>	<u>(1,190,234)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Preparation of the accounts on a going concern basis**

Accounting standards require the governors to consider the appropriateness of the going concern basis when preparing financial statements. The governors confirm that they believe no material uncertainties exist. The governors have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

School fee income is accounted for on a receivable basis and consists of charges billed for the school year ended 31 August 2021, less bursaries and allowances. No value added tax is chargeable on the fees rendered. Fees received in advance for education to be provided in future years are carried forward as deferred income.

Donations are accounted for once the school has entitlement to the gift, it is probable that the income will be received, and the amount can be measured reliably.

Investment income is accounted when it is receivable, and the amount can be measured reliably.

**Expenditure and irrecoverable value added tax (vat)**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

The irrecoverable element of value added tax is included with the related expense.

Administration costs are allocated to the cost of raising funds and charitable activities on the basis of an appropriate apportionment of resources and activities.

Governance costs have been allocated in line with administration costs and include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

**Raising funds**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the governors.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all fixed assets at rates calculated to write off their cost, less estimated residual value, over their expected useful lives by equal annual instalments as follows:

Improvements to leasehold property - 4 to 10% on cost  
Fixtures and fittings - 25% on cost and 20% on cost  
Motor vehicles - 15% on cost

Assets under construction are not depreciated.

## SEVENOAKS PREPARATORY SCHOOL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

It is the school's policy to capitalise all items of a capital nature over £500.

##### **Impairment of fixed assets**

Impairment reviews are carried out if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When an impairment review is necessary the carrying amount of an asset is compared with the higher of its net realisable value and value in use and any permanent diminution in value is written off to the Statement of Financial Activities.

##### **Taxation**

The charity is exempt within the meaning on schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in paragraph 1 schedule 6 to the Finance Act 2020 and therefore meets the definition of a charitable company for UK tax purposes.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

##### **Donations of goods, services and facilities**

Donated goods, professional services and facilities are recognised as income when the school has control over the item or has received the service, any conditions associated with the donation have been met, the receipt of the economic benefit from the use of an item by the school is probable, and that economic benefit can be measured reliably.

On receipt, donated goods, professional services and facilities are recognised on the basis of the value of the gift to the school which is the amount the school would have been willing to pay to obtain the goods, services or facilities on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. Goods donated for on-going use by the school in carrying out its day to day activities are recognised as tangible fixed assets.

##### **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### **Creditors and provisions**

Creditors and provisions are recognised when 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.

##### **Financial instruments**

The school only has financial assets and financial liabilities of a kind that qualify as basic financial instruments under FRS102. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

##### **Pension costs and other post-retirement benefits**

Many of the teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. The Teachers' Pension Scheme is a multi-employer pension scheme which is unfunded. Actuarial valuations are carried out on a notional set of investments.

# SEVENOAKS PREPARATORY SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

### 1. ACCOUNTING POLICIES - continued

#### Debtors

The school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS102, the scheme is accounted for as if it were a defined contributions scheme. The school's contributions, which are in accordance with the recommendations of the Government Actuary, are charged to the Statement of Financial Activities in the period in which the salaries to which they relate are payable.

The school also contributes to personal pension schemes for other teachers and non-teaching staff. These schemes are defined contribution schemes. The assets of the schemes are held separately from those of the school in independently administered funds. Contributions payable for the year are charged to the Statement of Financial Activities. The school has no other liabilities under these schemes.

#### Employee benefits

Short term employee benefits including holiday pay are recognised in the Statement of Financial Activities in the period in which the service is rendered. Termination benefits are accounted for on an accrual basis and in accordance with FRS102.

#### Public benefit

The school is a Public Benefit Entity

### 2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Donations	27,694	5,399	33,093	79,575
Gift aid	23,197	-	23,197	-
	<u>50,891</u>	<u>5,399</u>	<u>56,290</u>	<u>79,575</u>

### 3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
External hire	2,438	-	2,438	2,974
CJRS Furlough grant claims	9,180	-	9,180	99,563
	<u>11,618</u>	<u>-</u>	<u>11,618</u>	<u>102,537</u>

### 4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Deposit account interest	278	3	281	2,080
	<u>278</u>	<u>3</u>	<u>281</u>	<u>2,080</u>

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021**

**5. INCOME FROM CHARITABLE ACTIVITIES**

	2021	2020
	Education	Total
	£	activities
	£	£
School fees	5,130,648	4,852,279
Registration fees	10,377	9,965
Bursaries, scholarships and discounts	(299,722)	(493,007)
School shop	(680)	13,243
	<u>4,840,623</u>	<u>4,382,480</u>

**6. RAISING DONATIONS AND LEGACIES**

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Fundraising costs	<u>500</u>	<u>-</u>	<u>500</u>	<u>19,776</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Support costs (see note 8)
	£
Education	<u>4,562,299</u>

**8. SUPPORT COSTS**

	Finance costs	Welfare costs	Development costs	Teaching costs
	£	£	£	£
Education	<u>83,942</u>	<u>220,693</u>	<u>34,435</u>	<u>2,577,787</u>
	Premises costs	Support costs	Governance costs	Totals
	£	£	£	£
Education	<u>1,135,673</u>	<u>478,455</u>	<u>31,314</u>	<u>4,562,299</u>

Support costs, included in the above, are as follows:

**Finance**

	2021	2020
	Education	Total
	£	activities
	£	£
Bank interest and charges	<u>83,942</u>	<u>66,675</u>

**Welfare costs**

	2021	2020
	Education	Total
	£	activities
	£	£
Contracted catering staff	129,180	117,633
Cost of meals	91,513	94,272
	<u>220,693</u>	<u>211,905</u>

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021**

**8. SUPPORT COSTS - continued**  
**Development costs**

	2021	2020
	Education	Total
	£	activities
	£	£
Wages	31,704	25,291
Social security	1,944	1,091
Pensions	787	493
	<u>34,435</u>	<u>26,875</u>

**Teaching costs**

	2021	2020
	Education	Total
	£	activities
	£	£
Wages	1,903,273	1,856,635
Social security	177,627	172,348
Pensions	315,602	328,844
Tutors and instructors	20,685	29,058
Training	10,632	6,512
Subscriptions	6,687	9,907
Classroom supplies	143,281	142,697
	<u>2,577,787</u>	<u>2,546,001</u>

**Premises costs**

	2021	2020
	Education	Total
	£	activities
	£	£
Wages	92,066	93,436
Social security	9,058	8,533
Pensions	2,762	3,532
Rent and rates	211,828	211,003
Insurance	37,151	34,273
Heat and light	59,489	66,881
Repairs and maintenance	89,769	73,765
Grounds	77,924	21,766
Cleaning	115,045	82,079
Motor & travelling expenses	8,421	9,272
Depreciation of tangible fixed assets	432,160	296,231
	<u>1,135,673</u>	<u>900,771</u>

**Support costs**

	2021	2020
	Education	Total
	£	activities
	£	£
Wages	312,198	291,266
Social security	30,927	28,298
Pensions	8,463	7,004
Hire of equipment	25,614	24,534
Telephone	8,574	7,458
Advertising & marketing	25,727	25,660
Headmasters entertainment	2,299	1,155
Sundry expenses	145	148
Postage and stationery	22,778	16,830
Legal & professional fees	41,730	43,291
	<u>478,455</u>	<u>445,644</u>

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021**

**8. SUPPORT COSTS - continued**  
**Governance costs**

	2021	2020
	Education	Total activities
	£	£
Governors' expenses	371	548
Auditors' remuneration	8,760	8,800
Accountancy fees	22,183	23,073
	<u>31,314</u>	<u>32,421</u>

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	432,160	296,232
Hire of plant and machinery	25,614	24,534
Other operating leases	211,828	211,003
(Deficit)/surplus on disposal of fixed assets	<u>2,292</u>	<u>(3,267)</u>

**10. AUDITORS' REMUNERATION**

Auditors' remuneration for the year totalled £8,760 (2020: £8,800).

**11. GOVERNORS' REMUNERATION AND BENEFITS**

None of the Governors (or any persons connected with them) received any remuneration or other benefits from any employment with the school during the current or previous year.

No amounts were due to or from the Governors at the balance sheet date (2020: £nil).

**Governors' expenses**

	2021	2020
	£	£
Trustees' expenses	<u>371</u>	<u>548</u>

**12. STAFF COSTS**

	2021	2020
	£	£
Wages and salaries	2,339,241	2,266,628
Social security costs	219,556	210,270
Other pension costs	327,614	339,873
	<u>2,886,411</u>	<u>2,816,771</u>

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

	2021	2020
Employees	<u>85</u>	<u>86</u>

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021**

**12. STAFF COSTS - continued**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>4</u>	<u>4</u>

Contributions totalling £39,092 (2020: £36,761) were made during the year to pension schemes on behalf of employees whose employee benefits exceed £60,000.

The key management personnel of the school comprise the Headmaster, the Bursar, the Deputy Head, the Head of Pre-Prep, the Head of Learning Support SENco, Assistant Heads and the Deputy Head of Pre-Prep. The total employee benefits including pension contributions for the key management personnel were £573,318 (2020: £529,280).

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	72,275	7,300	79,575
<b>Charitable activities</b>			
Education	4,382,480	-	4,382,480
Other trading activities	102,537	-	102,537
Investment income	2,017	63	2,080
<b>Total</b>	<u>4,559,309</u>	<u>7,363</u>	<u>4,566,672</u>
<b>EXPENDITURE ON</b>			
<b>Raising funds</b>			
Raising donations and legacies	19,776	-	19,776
	<u>19,776</u>	<u>-</u>	<u>19,776</u>
<b>Charitable activities</b>			
Education	4,230,292	-	4,230,292
Other	(3,267)	-	(3,267)
<b>Total</b>	<u>4,246,801</u>	<u>-</u>	<u>4,246,801</u>
<b>NET INCOME</b>	<u>312,508</u>	<u>7,363</u>	<u>319,871</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	3,566,518	20,680	3,587,198
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>3,879,026</u>	<u>28,043</u>	<u>3,907,069</u>

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021**

**14. LEGAL STATUS**

The company, which is registered in England & Wales, is limited by guarantee and has no share capital. The liability of the members in the event of a winding up is limited to £10 each per member.

No one party has overall control of the school.

**15. TANGIBLE FIXED ASSETS**

	Capitalised finance lease for classrooms £	Improvements to leasehold prop erty £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 September 2020	134,026	8,951,828	901,636	76,119	10,063,609
Additions	-	170,546	9,270	-	179,816
Disposals	-	-	-	(6,171)	(6,171)
At 31 August 2021	134,026	9,122,374	910,906	69,948	10,237,254
<b>DEPRECIATION</b>					
At 1 September 2020	134,026	1,954,456	703,752	69,832	2,862,066
Charge for year	-	350,547	80,398	1,215	432,160
Eliminated on disposal	-	-	-	(5,554)	(5,554)
At 31 August 2021	134,026	2,305,003	784,150	65,493	3,288,672
<b>NET BOOK VALUE</b>					
At 31 August 2021	-	6,817,371	126,756	4,455	6,948,582
At 31 August 2020	-	6,997,372	197,884	6,287	7,201,543

Leasehold property has been pledged as security for a bank loan.

**16. DEBTORS**

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	21,194	67,217
Rental deposit	-	19,200
Other debtors	-	8,081
Prepaid expenses	50,428	32,241
	<u>71,622</u>	<u>126,739</u>
Amounts falling due after more than one year:		
Retention collateral	-	250,387
	<u>-</u>	<u>250,387</u>
Aggregate amounts	<u>71,622</u>	<u>377,126</u>

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021**

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Bank loans and overdrafts (see note 19)	-	3,000,000
Trade creditors	67,745	253,037
Social security and other taxes	54,035	47,779
Other creditors	39,934	40,021
Fees received in advance	1,066,430	974,420
Accrued expenses	43,510	31,950
	<u>1,271,654</u>	<u>4,347,207</u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Bank loans (see note 19)	3,000,000	-
Long term fee deposits	307,526	279,796
	<u>3,307,526</u>	<u>279,796</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Bank loans	-	3,000,000
Amounts falling due between two and five years:		
Bank loans - 2-5 years	3,000,000	-

Interest is charged at a fixed rate of 4.01% and is interest only until 28 June 2022 and which point capital repayments start. The loan is repayable after 5 years and will be refinanced at that stage.

**20. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	207,104	209,312
Between one and five years	789,903	813,407
In more than five years	2,815,200	2,998,800
	<u>3,812,207</u>	<u>4,021,519</u>

The charity operates from premises subject to a lease that expires in December 2041 at an annual rental of £183,600 per annum. The rent is reviewed every five years with the next review due in September 2022.

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021**

**21. SECURED DEBTS**

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	<u>3,000,000</u>	<u>3,000,000</u>

The bank loan from Handelsbanken has been secured against the land registered with the title number K739282.

**22. MOVEMENT IN FUNDS**

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
<b>Unrestricted funds</b>			
General fund	3,859,320	339,208	4,198,528
Designated capital fund	19,706	(889)	18,817
	<u>3,879,026</u>	<u>338,319</u>	<u>4,217,345</u>
<b>Restricted funds</b>			
Restricted Fund	28,043	5,402	33,445
	<u>28,043</u>	<u>5,402</u>	<u>33,445</u>
<b>TOTAL FUNDS</b>	<u>3,907,069</u>	<u>343,721</u>	<u>4,250,790</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,903,411	(4,564,203)	339,208
Designated capital fund	(1)	(888)	(889)
	<u>4,903,410</u>	<u>(4,565,091)</u>	<u>338,319</u>
<b>Restricted funds</b>			
Restricted Fund	5,402	-	5,402
	<u>5,402</u>	<u>-</u>	<u>5,402</u>
<b>TOTAL FUNDS</b>	<u>4,908,812</u>	<u>(4,565,091)</u>	<u>343,721</u>

**Comparatives for movement in funds**

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
<b>Unrestricted funds</b>			
General fund	3,545,924	313,396	3,859,320
Designated capital fund	20,594	(888)	19,706
	<u>3,566,518</u>	<u>312,508</u>	<u>3,879,026</u>
<b>Restricted funds</b>			
Restricted Fund	20,680	7,363	28,043
	<u>20,680</u>	<u>7,363</u>	<u>28,043</u>
<b>TOTAL FUNDS</b>	<u>3,587,198</u>	<u>319,871</u>	<u>3,907,069</u>

**SEVENOAKS PREPARATORY SCHOOL LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021****22. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,559,309	(4,245,913)	313,396
Designated capital fund	-	(888)	(888)
	<u>4,559,309</u>	<u>(4,246,801)</u>	<u>312,508</u>
<b>Restricted funds</b>			
Restricted Fund	7,363	-	7,363
	<u>7,363</u>	<u>-</u>	<u>7,363</u>
<b>TOTAL FUNDS</b>	<u><u>4,566,672</u></u>	<u><u>(4,246,801)</u></u>	<u><u>319,871</u></u>

The restricted funds are held as part of the company's bank balance. The bursary fund represents a donation towards a bursary. Also a transfer from the general fund to the bursary fund was made during the year ended 31 August 2017. A separate bursary committee has been established to oversee this fund. The fund aims to support families who may succumb to unforeseen disasters such as sudden bereavement, divorce, redundancy or the collapse of a family business and will provide assistance in paying school fees.

The designated capital fund relates to donations received in 2014 to assist with the redevelopment of the junior school. The redevelopment was completed during 2015 and all costs relating to the project were capitalised in the financial statements. A proportion of the depreciation of these costs is being charged to the designated fund each year.

**23. CAPITAL COMMITMENTS**

	2021 £	2020 £
Contracted but not provided for in the financial statements	-	57,481

The 2020 balance represents the gross retention on the construction of the Centenary Centre. This was financed by reserves, donations and the bank loan.

**24. OTHER FINANCIAL COMMITMENTS****PENSION COMMITMENTS**

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 £302,998 (2020: £301,715) and at the year-end £24,617 (2020 - £36,419) 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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021

24. OTHER FINANCIAL COMMITMENTS - continued

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 government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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 cost cap mechanism review is 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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- o employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)

- o total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million

- o the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

**Government pension scheme**

The Charity pays pension contributions to into defined contribution pension schemes for those employees who do not participate in the TPS. The amount recognised as an expense in the year was £24,617 (2020 - £36,419). The amount owed to the pension schemes at the year end was £5,483 (2020 - £5,003).

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021**

**25. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 August 2021.

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	33,093	79,575
Gift aid	23,197	-
	<hr/> 56,290	<hr/> 79,575
<b>Other trading activities</b>		
External hire	2,438	2,974
CJRS Furlough grant claims	9,180	99,563
	<hr/> 11,618	<hr/> 102,537
<b>Investment income</b>		
Deposit account interest	281	2,080
<b>Charitable activities</b>		
School fees	5,130,648	4,852,279
Registration fees	10,377	9,965
Bursaries, scholarships and discounts	(299,722)	(493,007)
School shop	(680)	13,243
	<hr/> 4,840,623	<hr/> 4,382,480
<b>Total incoming resources</b>	<hr/> 4,908,812	<hr/> 4,566,672
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Fundraising costs	500	19,776
<b>Other</b>		
Loss on sale of tangible fixed assets	2,292	(3,267)
<b>Support costs</b>		
<b>Finance</b>		
Bank interest and charges	83,942	66,675
<b>Welfare costs</b>		
Contracted catering staff	129,180	117,633
Cost of meals	91,513	94,272
	<hr/> 220,693	<hr/> 211,905
<b>Development costs</b>		
Wages	31,704	25,291
Social security	1,944	1,091
Pensions	787	493
	<hr/> 34,435	<hr/> 26,875
<b>Teaching costs</b>		
Wages	1,903,273	1,856,635
Social security	177,627	172,348
Pensions	315,602	328,844
Carried forward	2,396,502	2,357,827

This page does not form part of the statutory financial statements

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
<b>Teaching costs</b>		
Brought forward	2,396,502	2,357,827
Tutors and instructors	20,685	29,058
Training	10,632	6,512
Subscriptions	6,687	9,907
Classroom supplies	143,281	142,697
	<u>2,577,787</u>	<u>2,546,001</u>
<b>Premises costs</b>		
Wages	92,066	93,436
Social security	9,058	8,533
Pensions	2,762	3,532
Rent and rates	211,828	211,003
Insurance	37,151	34,273
Heat and light	59,489	66,881
Repairs and maintenance	89,769	73,765
Grounds	77,924	21,766
Cleaning	115,045	82,079
Motor & travelling expenses	8,421	9,272
Improvements to property	350,547	216,239
Fixtures and fittings	80,398	76,773
Motor vehicles	1,215	3,219
	<u>1,135,673</u>	<u>900,771</u>
<b>Support costs</b>		
Wages	312,198	291,266
Social security	30,927	28,298
Pensions	8,463	7,004
Hire of equipment	25,614	24,534
Telephone	8,574	7,458
Advertising & marketing	25,727	25,660
Headmasters entertainment	2,299	1,155
Sundry expenses	145	148
Postage and stationery	22,778	16,830
Legal & professional fees	41,730	43,291
	<u>478,455</u>	<u>445,644</u>
<b>Governance costs</b>		
Governors' expenses	371	548
Auditors' remuneration	8,760	8,800
Accountancy fees	22,183	23,073
	<u>31,314</u>	<u>32,421</u>
Total resources expended	<u>4,565,091</u>	<u>4,246,801</u>
<b>Net income</b>	<u>343,721</u>	<u>319,871</u>