

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

GOVERNORS' REPORT AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
FOR
SEVENOAKS PREPARATORY SCHOOL LIMITED

SEVENOAKS PREPARATORY SCHOOL LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2022**

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SEVENOAKS PREPARATORY SCHOOL LIMITED (REGISTERED NUMBER: 03777308)

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

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 2022. 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 'Way of Life', 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.

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.

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

Significant activities

In the last week of the Spring term the school underwent an ISI Inspection as part of their scheduled plan of visiting all schools regularly. The governors are pleased to report that the Inspectors reflected the hard work and dedication of the school and its staff by rating the school as "Excellent" in every area of the inspection. The inspection was a thorough and rigorous process; inspectors took time to review our school website, policies and procedures, and thoroughly examined our procedures relating to safeguarding, health and safety. When determining the outcome of the quality of the education we provide, inspectors took the time to meet with pupils, interview staff, visit assemblies, observe extra-curricular clubs, as well as visit many lessons across the whole school, scrutinise work in pupils' books and review our pupil achievement data. In addition, the results of the pupil, staff and parent questionnaires were considered. All of these activities enabled the inspecting team to get a holistic, honest and accurate reflection of Sevenoaks Prep.

Arts

The choir initially sang outside at both our family day and the Christmas Bazaar and we put on an outdoor Carols by Candlelight concert to avoid infection. However, as the year went on we were again able to have music concerts right the way through the whole school to show case children's talents on instruments and in singing. That singing was put to good use in the pre-prep's summer show as well as the middle school's production of "Matilda". The upper school play was an ambitious production of an adaptation of "Pride and Prejudice" and we turned to 1980s sitcoms for our house drama competition. Our Art scholars were lucky enough to visit a variety of exhibitions to enhance their studies and the School's entry in the DSWF Global canvas art competition was a finalist.

Sports

It was lovely for the whole school to get back into the swing of full sports matches and training this year. The term started in September with a couple of days of pre-season training. The girls took part in hockey practice and the boys football, which was well attended. The games staff also had some professional hockey training.

Football

The boys were successful in the early season Colts tournaments winning the A and B team tournaments with a number of teams finishing 2nd. Success was also gained at the St Michael's tournament with the Colts winning the plate competition. The senior 2nd and Year 4 teams also had very strong seasons winning the majority of their matches.

Hockey

Hockey at The School continues to strengthen; Year 3 and 4 girls started the Autumn straight back into hockey with lots of mini matches and triangular tournaments against local prep schools.

Year 5 had a great season thoroughly enjoying the opportunity to take part in regular fixtures against other schools.

The Year 6 girls showed excellent progress and improvement in the sport with their teamwork, sportsmanship, and work rate both in training and in matches being of note. A particular highlight for U11A team was coming third in the IAPS tournament in Eastbourne.

Year 7 and 8 girls played their hockey together as an U13 group. They trained at Hollybush and played many matches against local schools.

Hockey was also introduced into the Year 2 Games syllabus to invest in our future teams, and we were able to have a very successful afternoon with The Schools of Somerhill, playing lots of mini matches at the end of the Spring Term. Our Year 8 girls accompanied us to help coach, motivate and umpire the younger players.

Netball

The Netball season got off to a cracking start in January, with some netball specialist teachers from Mayfield School coming in to do some coaching sessions with all pupils in Years 3-8 and games staff. We were put through our paces with some footwork, passing and game play strategies: a brilliant way to start our season.

This year we introduced Bee Netball to Year 3 & 4 - a five aside game which gives pupils the opportunity to play and understand all positions. The girls had lots of fun, learning, and improving their netball skills and knowledge. Towards the end of the season, Year 4 transitioned to full seven aside netball in preparation for Year 5.

It was a delight to be able to run the U9 Netball Tournament at The School for the first time since restrictions were lifted. We welcomed six schools and had a fantastic afternoon with lots of excellent netball being played. The school entered teams in competitive tournaments at both Sevenoaks School and St Michael's, and the teams played some good netball and got stronger as the tournaments went on.

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

Cross Country

The cross-country season was very successful. The School achieved a notable first as the only other school than Dulwich Prep to win the Brenchley Relay trophy in over 30 years of competition. Success was also gained individually with several pupils winning races and finishing in the top 10, as well as some team successes. This was testament to the hard work of the pupils with over 50 pupils attending running club every week.

We were pleased to run the Thomas Trophy at The School this year although it was delayed until March. The event was attended by around 400 pupils from over 14 different schools and with the introduction of timing chips was a huge success.

Rugby

This year was led by a very strong Senior 1st team who went the season unbeaten and lifted the Culley Cup 7's title. Several of this team have gone on to represent Tonbridge Boys U14 A teams. The U11A came agonisingly close to winning the Oldroyd 7's, failing by centimetres to get the ball over for what would have been a winning try. It was great to be able to host these two tournaments again.

Cricket

After the success of last years mixed senior cricket, we embarked on an ambitious project of having totally mixed cricket here at Sevenoaks Prep. All our training and matches from Year 3 to Year 8 were combined girls and boys which was well received by all pupils involved. Despite the logistical struggles organising fixtures and transport it was well worth it and will hopefully lead the way for other schools to follow.

Athletics

We had a busy athletics term with a very successful sports day combining both Prep and Pre Prep for the return of the Saturday Sports Day. Years 3-8 also had an athletics day where they competed in a number of athletics events for their houses. We had a number of students who attended the District athletics championships at Medway park on a scorching day in June with two pupils winning their event which qualified them to attend the national championships in Birmingham. Both Pupils performed extremely well and we are very proud of their efforts.

Trips and Workshops

Following the lifting of Covid restrictions we have been able to schedule many more trips and workshops for the children over the year, some of which are listed below:

The Royal Observatory in Greenwich
Hastings
Tonbridge Castle
The British Museum
Horton Kirkby Environmental Centre
Science show at Sevenoaks School
Bowl Water
International Netball at the Copperbox
The Curious Incident of the Dog in the Night time theatre production, Dartford
The White Cliffs of Dover
River Bourne
Bushcraft
Knole House

The children's learning is also supported during the year by putting on and attending a wide range of workshops, such as STEAM day, World Book Day, author visits, an interactive science day, Chinese New Year dance workshops, visiting performances of pantomimes, a zoo lab visit, a screen printing workshop, specialist netball tuition, a parkour workshop and the ever popular Duck Watch of hatching ducklings.

Our regular school events that involve our community of children, parents and staff got back underway including the Quiz Night, the Golf Day, Family Cricket Day, Prep Idol, Prepstock Festival, Grandparents Day, the Maypole Dancing, our Kindergarten Grand Prix, Family day and the Christmas Bazaar. In this jubilee year we also celebrated Her Majesty's reign with stamp designing competitions, plate painting and a truly memorable full school jubilee picnic on the sports fields.

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

The school encourages a more environmental approach wherever it can, and this year has achieved Eco School status recognising the work that has been done by the children on our Eco Committee to reduce our impact on the environment. Alongside this, the whole school have benefitted from outdoor learning and use of our outdoor "forest" classroom. We have highly qualified specialist staff running these sessions which support children's independence and love of nature as well as teaching them new skills.

Public benefit

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 to share resources and offer support such as using the School minibuses to drive Plaxtol primary school children to their swimming classes and to the pantomime at Christmas for instance. We also invite maintained schools to join cross country events. Our grounds and facilities are also used by St Olave's school to offer their children the opportunity to go on expeditions for their Duke of Edinburgh awards.

Scholarships

The following Scholarships were awarded to our pupils: -

- 3 Sports Scholarships / Exhibition
- 4 Academic Scholarship
- 4 Music Scholarship / Exhibition
- 1 Art 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 12 different independent school and 4 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 income during the year ended 31 August 2022 was £5,333,477 (2021: £4,908,812) and the expenditure was £4,954,425 (2021: £4,565,091) which resulted in a surplus for the year of £379,052 compared to a surplus of £343,721 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.

It is the School's policy to hold unrestricted cash reserves equal to at least three months budgeted expenditure, which equates to between £1.1m and £1.25m.

The School holds restricted funds of £52,710 (2021: £33,445) which have been donated for the funding of bursaries. Unrestricted funds of £4,577,132 (2021: £4,217,345) allow the school to carry out its charitable objectives. The total funds held were £4,629,842 (2021: £4,250,790).

SEVENOAKS PREPARATORY SCHOOL LIMITED (REGISTERED NUMBER: 03777308)

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

FUTURE PLANS

The completion of the planned improvements to the Pre-Prep will now be scheduled to ensure that we continue to provide high quality facilities for all of our children

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 13 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.

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 13 October 2021, 17 March 2022 and 10 June 2022.

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	C Jones 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 and medicine. 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 Pre-Prep, Assistant Heads and Head of Early Years.

Induction and training of new governors

The school has appointed one new governor during the year, and he has benefited from online training including safeguarding training. The chair of governors attended the Association of Governing Bodies of Independent Schools (AGBIS) conference.

The cost of governors' courses to the School during the year was £195.

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.

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

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

Part of the School's aims is to develop involvement with local, national and international charities, and with the relaxing of Covid restrictions it was possible to combine celebrating coming together again with raising funds for those in need. During the school year we have collected food bank donations for Sevenoaks Larder, and the children, parents and staff worked to raise money for local charities such as Friends for Families and by donating Christmas gifts to the Salvation Army. We supported raising money for national charities such as Macmillan Cancer, the Poppy Appeal and the Red Cross Appeal for Ukraine, and Internationally as we raised and donated funds to Phoenix Football Academy in Ghana, the Haller Community charity in Kenya and We See Hope in Kenya, Malawi, Tanzania, Uganda and Zimbabwe.

During each school holiday we host a variety of clubs and activities run by external providers to offer fun and challenging experiences and in holiday childcare to all working families whether they attend our school or not.

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 full Risk register is reviewed annually by the Finance and Risk sub committee of the Board and it is a standing item on their termly agenda.

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.
- " Data protection measures in place to protect the cyber security of School data including restriction of access authentication, the holding of back-ups and purchase of insurance

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 (REGISTERED NUMBER: 03777308)

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Bursary Policy

This year the Charity awarded Bursaries of £39,330 (0.75% of fee income) 2021: £84,871 (1.7% 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 School. This would be over and above the funds already set aside by the School.

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%. Following the completion of a consultation process the governors have limited the contribution as employers to 20.1% from September 2022 and have provided a Total Remuneration Package (TRP) which gives teachers the option to teachers of either remaining in the TPS or joining an alternative defined contribution pension.

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

Chairman - Ms J S Berry
Vice Chairman - E Oatley
Dr S Bailey (appointed 24.11.21)
R Burgess
Dr M J Carboni
P Cheveley
T C Dickinson
A Durnell
A G Fernando (resigned 13.10.21)
Mrs T L Hornshaw
Mrs M L Ismail
C Jones (appointed 18.3.21)
K R Rush
C J Sutton-Mattocks (resigned 23.11.22)
P D Wiltshire (resigned 13.10.21)
Mrs A M Stuart (appointed 12.10.22)

SEVENOAKS PREPARATORY SCHOOL LIMITED (REGISTERED NUMBER: 03777308)

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretaries

Miss M Peirce
Mrs E Walsh

Auditors

Azets Audit Services
Greytown House
221-226 High Street
Orpington
Kent
BR6 0NZ

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

Senior Leadership Team

Headmaster - Luke Harrison
Bursar - Elizabeth Walsh
Deputy Head - James Ashcroft
Head of Pre-Prep - Helen Cook
Assistant Head - key stage 3/Director of Admissions - Clare Harrison
Assistant Head - key stage 2 - Robin Collings
Assistant Head - key stage 1 - Shannon Wake
Head of Learning Support SENco - Helen Shere
Head of Early Years - Louisa Rowland

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.

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

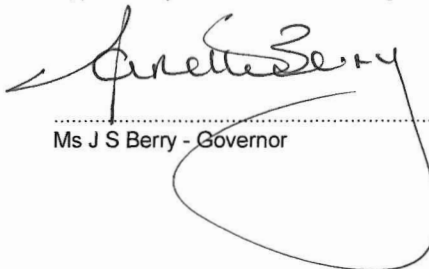
STATEMENT OF GOVERNORS' RESPONSIBILITIES - continued

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 16.3.23 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 2022 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 2022 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 governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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.

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

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.

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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- o Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- o Reviewing minutes of meetings of those charged with governance;
- o Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- o Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- o Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.

Azets Audit Services Limited

M Wilkes FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Greytown House
221-226 High Street
Orpington
Kent
BR6 0NZ

Date: 6 April 2023

SEVENOAKS PREPARATORY SCHOOL LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	38,217	19,200	57,417	56,290
Charitable activities	5				
Education		5,265,499	-	5,265,499	4,840,623
Other trading activities	3	2,636	-	2,636	11,618
Investment income	4	2,974	66	3,040	281
Other income		4,885	-	4,885	-
Total		<u>5,314,211</u>	<u>19,266</u>	<u>5,333,477</u>	<u>4,908,812</u>
EXPENDITURE ON					
Raising funds	6	17,482	-	17,482	500
Charitable activities	7				
Education		4,936,346	1	4,936,347	4,562,299
Other		596	-	596	2,292
Total		<u>4,954,424</u>	<u>1</u>	<u>4,954,425</u>	<u>4,565,091</u>
NET INCOME		359,787	19,265	379,052	343,721
RECONCILIATION OF FUNDS					
Total funds brought forward		4,217,345	33,445	4,250,790	3,907,069
TOTAL FUNDS CARRIED FORWARD		<u>4,577,132</u>	<u>52,710</u>	<u>4,629,842</u>	<u>4,250,790</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes form part of these financial statements

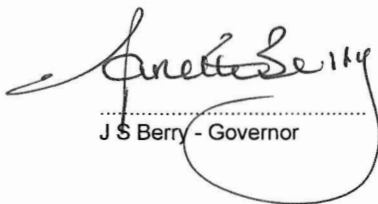
SEVENOAKS PREPARATORY SCHOOL LIMITED (REGISTERED NUMBER: 03777308)

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	15	6,562,839	6,948,582
CURRENT ASSETS			
Debtors	16	70,806	71,622
Cash at bank		2,487,348	1,809,766
		<u>2,558,154</u>	<u>1,881,388</u>
CREDITORS			
Amounts falling due within one year	17	(1,173,936)	(1,059,029)
NET CURRENT ASSETS		<u>1,384,218</u>	<u>822,359</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,947,057	7,770,941
CREDITORS			
Amounts falling due after more than one year	18	(3,317,215)	(3,520,151)
NET ASSETS		<u>4,629,842</u>	<u>4,250,790</u>
FUNDS	22		
Unrestricted funds		4,577,132	4,217,345
Restricted funds		52,710	33,445
TOTAL FUNDS		<u>4,629,842</u>	<u>4,250,790</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 16.3.23 and were signed on its behalf by:


J S Berry - Governor

The notes form part of these financial statements

SEVENOAKS PREPARATORY SCHOOL LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	682,527	1,035,573
Interest element of finance lease payments paid		(596)	-
Net cash provided by operating activities		<u>681,931</u>	<u>1,035,573</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(32,182)	(179,816)
Sale of tangible fixed assets		4,885	(1,675)
Interest received		3,040	281
Net cash used in investing activities		<u>(24,257)</u>	<u>(181,210)</u>
Cash flows from financing activities			
New finance leases		19,908	-
Net cash provided by financing activities		<u>19,908</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>677,582</u>	<u>854,363</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,809,766</u>	<u>955,403</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,487,348</u></u>	<u><u>1,809,766</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 2022

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

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	379,052	343,721
Adjustments for:		
Depreciation charges	417,925	432,160
(Profit)/loss on disposal of fixed assets	(4,885)	2,292
Interest received	(3,040)	(281)
Interest element of hire purchase and finance lease rental payments	596	-
Decrease in debtors	816	305,504
Decrease in creditors	(107,937)	(47,823)
Net cash provided by operations	<u>682,527</u>	<u>1,035,573</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank	1,809,766	677,582	2,487,348
	<u>1,809,766</u>	<u>677,582</u>	<u>2,487,348</u>
Debt			
Finance leases	-	(19,908)	(19,908)
Debts falling due within 1 year	-	(150,000)	(150,000)
Debts falling due after 1 year	(3,000,000)	150,000	(2,850,000)
	<u>(3,000,000)</u>	<u>(19,908)</u>	<u>(3,019,908)</u>
Total	<u>(1,190,234)</u>	<u>657,674</u>	<u>(532,560)</u>

The notes form part of these financial statements

SEVENOAKS PREPARATORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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.

Sevenoaks Preparatory School Limited is governed under its Memorandum and Articles of Association. The address of the principal office is given in the information on page 7 of these financial statements. The nature of the School's operations and principal activities are set out on pages 1 to 4.

The School constitutes a public benefit entity as defined by FRS 102. 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 & Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Critical accounting judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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, 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.

SEVENOAKS PREPARATORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES - continued

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.

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:

Capitalised finance lease for classrooms - 10% on cost
Improvements to leasehold property - 4 to 10% on cost
Fixtures and fittings - 25% on cost and 20% on cost
Motor vehicles - 15% on cost

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

Assets obtained under hire purchase contracts or finance leases are capitalised in the Statement of Financial Position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

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

SEVENOAKS PREPARATORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES - continued

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.

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

SEVENOAKS PREPARATORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Donations	33,451	19,200	52,651	33,093
Gift aid	4,766	-	4,766	23,197
	<u>38,217</u>	<u>19,200</u>	<u>57,417</u>	<u>56,290</u>

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
External hire	2,636	-	2,636	2,438
CJRS Furlough grant claims	-	-	-	9,180
	<u>2,636</u>	<u>-</u>	<u>2,636</u>	<u>11,618</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Deposit account interest	2,974	66	3,040	281
	<u>2,974</u>	<u>66</u>	<u>3,040</u>	<u>281</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
School fees	Education	5,372,877	5,130,648
Registration fees	Education	6,310	10,377
Bursaries, scholarships and discounts	Education	(141,343)	(299,722)
School shop	Education	27,655	(680)
		<u>5,265,499</u>	<u>4,840,623</u>

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fundraising costs	17,482	-	17,482	500
	<u>17,482</u>	<u>-</u>	<u>17,482</u>	<u>500</u>

SEVENOAKS PREPARATORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

7. CHARITABLE ACTIVITIES COSTS

	Support costs (see note 8)
	£
Education	4,936,347

8. SUPPORT COSTS

	Finance costs	Welfare costs	Development costs	Teaching costs
	£	£	£	£
Education	123,246	300,323	31,518	2,839,778
	Premises costs	Support costs	Governance costs	Totals
	£	£	£	£
Education	1,104,178	509,188	28,116	4,936,347

9. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Depreciation - owned assets	413,461	432,160
Depreciation - assets on hire purchase contracts and finance leases	4,464	-
Hire of plant and machinery	35,705	25,614
Other operating leases	214,579	211,828
Surplus/(deficit) on disposal of fixed assets	(4,885)	2,292

10. AUDITORS' REMUNERATION

Auditors' remuneration for the year totalled £9,315 (2021: £8,760).

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

	2022	2021
	£	£
Trustees' expenses	448	371

SEVENOAKS PREPARATORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

12. STAFF COSTS

	2022 £	2021 £
Wages and salaries	2,434,749	2,339,241
Social security costs	245,024	219,556
Other pension costs	358,116	327,614
	<u>3,037,889</u>	<u>2,886,411</u>

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

	2022 82	2021 85
Employees	<u>82</u>	<u>85</u>

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

	2022	2021
£60,001 - £70,000	-	2
£70,001 - £80,000	3	1
£90,001 - £100,000	1	1
	<u>4</u>	<u>4</u>

Contributions totalling £55,716 (2021: £39,092) 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 Head of Early Years. The total employee benefits including pension contributions for the key management personnel were £743,025 (2021: £631,341).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	50,891	5,399	56,290
Charitable activities			
Education	4,840,623	-	4,840,623
Other trading activities	11,618	-	11,618
Investment income	278	3	281
Total	<u>4,903,410</u>	<u>5,402</u>	<u>4,908,812</u>
EXPENDITURE ON			
Raising funds	500	-	500
Charitable activities			
Education	4,562,299	-	4,562,299
Other	2,292	-	2,292
Total	<u>4,565,091</u>	<u>-</u>	<u>4,565,091</u>
NET INCOME	338,319	5,402	343,721

SEVENOAKS PREPARATORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	3,879,026	28,043	3,907,069
TOTAL FUNDS CARRIED FORWARD	<u>4,217,345</u>	<u>33,445</u>	<u>4,250,790</u>

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 property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 September 2021	134,026	9,122,374	910,906	69,948	10,237,254
Additions	-	-	2,422	29,760	32,182
Disposals	-	-	-	(20,223)	(20,223)
At 31 August 2022	<u>134,026</u>	<u>9,122,374</u>	<u>913,328</u>	<u>79,485</u>	<u>10,249,213</u>
DEPRECIATION					
At 1 September 2021	134,026	2,305,003	784,150	65,493	3,288,672
Charge for year	-	352,152	60,094	5,679	417,925
Eliminated on disposal	-	-	-	(20,223)	(20,223)
At 31 August 2022	<u>134,026</u>	<u>2,657,155</u>	<u>844,244</u>	<u>50,949</u>	<u>3,686,374</u>
NET BOOK VALUE					
At 31 August 2022	<u>-</u>	<u>6,465,219</u>	<u>69,084</u>	<u>28,536</u>	<u>6,562,839</u>
At 31 August 2021	<u>-</u>	<u>6,817,371</u>	<u>126,756</u>	<u>4,455</u>	<u>6,948,582</u>

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

SEVENOAKS PREPARATORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

15. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under finance leases are as follows:

	Motor vehicles £
COST	
Additions	29,760
DEPRECIATION	
Charge for year	4,464
NET BOOK VALUE	
At 31 August 2022	25,296
At 31 August 2021	-

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	11,486	21,194
Prepaid expenses	59,320	50,428
	<u>70,806</u>	<u>71,622</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 19)	150,000	-
Finance leases (see note 20)	4,670	-
Trade creditors	97,360	67,745
Social security and other taxes	52,037	54,035
Other creditors	42,405	39,934
Fee deposits	48,000	54,000
Fees received in advance	742,630	799,805
Accrued expenses	36,834	43,510
	<u>1,173,936</u>	<u>1,059,029</u>

SEVENOAKS PREPARATORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

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

	2022 £	2021 £
Bank loans (see note 19)	2,850,000	3,000,000
Finance leases (see note 20)	15,238	-
Long term fee deposits	268,632	253,526
Fees received in advance	183,345	266,625
	<u>3,317,215</u>	<u>3,520,151</u>

19. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year on demand:		
Bank loans	<u>150,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>2,850,000</u>	<u>3,000,000</u>

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.

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

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2022 £	2021 £
Gross obligations repayable:		
Within one year	5,412	-
Between one and five years	<u>16,237</u>	<u>-</u>
	<u>21,649</u>	<u>-</u>
Finance charges repayable:		
Within one year	742	-
Between one and five years	<u>999</u>	<u>-</u>
	<u>1,741</u>	<u>-</u>
Net obligations repayable:		
Within one year	4,670	-
Between one and five years	<u>15,238</u>	<u>-</u>
	<u>19,908</u>	<u>-</u>

SEVENOAKS PREPARATORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

20. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2022 £	2021 £
Within one year	214,547	207,104
Between one and five years	893,637	789,403
In more than five years	4,122,057	2,815,200
	<u>5,230,241</u>	<u>3,811,707</u>

The School operates from premises subject to a lease that expires in December 2041. The rent is reviewed every five years, the last review was concluded in January 2023. A phased increase in rent was agreed between September 2022 and June 2024, increasing from £183,600 per annum to £211,500 per annum from June 2024.

Included within operating leases is £4,046,962 (2021: £3,733,200) relating to land and building and £75,095 (£79,007) relating to other commitments.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
Fixed assets	6,562,839	-	6,562,839	6,948,582
Current assets	2,505,444	52,710	2,558,154	1,881,388
Current liabilities	(1,173,936)	-	(1,173,936)	(1,059,029)
Long term liabilities	(3,317,215)	-	(3,317,215)	(3,520,151)
	<u>4,577,132</u>	<u>52,710</u>	<u>4,629,842</u>	<u>4,250,790</u>

22. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	4,198,528	360,675	4,559,203
Designated capital fund	18,817	(888)	17,929
	<u>4,217,345</u>	<u>359,787</u>	<u>4,577,132</u>
Restricted funds			
Restricted Fund	33,445	19,265	52,710
	<u>33,445</u>	<u>19,265</u>	<u>52,710</u>
TOTAL FUNDS	<u>4,250,790</u>	<u>379,052</u>	<u>4,629,842</u>

SEVENOAKS PREPARATORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

22. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,314,211	(4,953,536)	360,675
Designated capital fund	-	(888)	(888)
	<u>5,314,211</u>	<u>(4,954,424)</u>	<u>359,787</u>
Restricted funds			
Restricted Fund	19,266	(1)	19,265
	<u>19,266</u>	<u>(1)</u>	<u>19,265</u>
TOTAL FUNDS	<u>5,333,477</u>	<u>(4,954,425)</u>	<u>379,052</u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
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>
Restricted funds			
Restricted Fund	28,043	5,402	33,445
	<u>28,043</u>	<u>5,402</u>	<u>33,445</u>
TOTAL FUNDS	<u>3,907,069</u>	<u>343,721</u>	<u>4,250,790</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
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>
Restricted funds			
Restricted Fund	5,402	-	5,402
	<u>5,402</u>	<u>-</u>	<u>5,402</u>
TOTAL FUNDS	<u>4,908,812</u>	<u>(4,565,091)</u>	<u>343,721</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.

SEVENOAKS PREPARATORY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

22. MOVEMENT IN FUNDS - continued

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. 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 £334,567 (2021: £302,998) and at the year-end £37,380 (2021: £36,252) was accrued in respect of contributions to this scheme.

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

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

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

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

SEVENOAKS PREPARATORY SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

23. OTHER FINANCIAL COMMITMENTS - continued

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 £13,887 (2021 - £24,617). The amount owed to the pension schemes at the year end was £5,171 (2021 - £5,483).

24. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022.