

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

**GOVERNORS' REPORT AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023**  
**FOR**  
**SEVENOAKS PREPARATORY SCHOOL LIMITED**

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FOR THE YEAR ENDED 31 AUGUST 2023**

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**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2023. 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 2023**

**OBJECTIVES AND ACTIVITIES**

**Significant activities**

Sevenoaks Prep continues to develop its broad and challenging curriculum to equip children with the knowledge, skills and experience needed for tomorrow. Our location, in 25 acres of well-managed playing fields and woodland, provides not only a vast playground but also the opportunity to extend the classroom and deliver hands-on learning indoors and out in the open.

We are focussed on improving the mental health and wellbeing of all our pupils and staff. A wellbeing team has been created and mental health prefects appointed to actively support the emotional wellbeing and mental health of the whole school.

**Arts**

The choir initially sang outside at both our family day and the Christmas Bazaar and we returned to St Nicholas' Church for the Christmas Service. Throughout the school year, we put on a number of music and drama performances and productions such as the Pre-prep's summer show as well as the Senior School production of 'The War of the Worlds' and the Middle School production of "Oliver!" The annual House Music Competition took place in October and the House Drama competition took place in July allowing the pupils in Year 8 to develop their leadership skills by running their Houses rehearsals and performance. 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. Prep Idol, our annual pop/rock concert, took place in the summer term, and our largest ever audience, nearly 500 people, witnessed the largest number of bands and performers ever take the stage and perform brilliantly. Pre prep students from KG - Year 2 performed in Christmas shows and in summer shows.

**Sports**

**Tennis**

On the Tennis front we achieved an excellent result at the Kent Championships with two boys retaining their title as Kent Schools Tennis Champions and another pupil was selected for the U9 Kent tennis Programme.

**Football**

We had a successful term of Football in the Colts Football tournaments at Hilden Grange and Somerhill. We entered 5 teams against all the local Prep schools with some excellent performances: the Colts A team won the Cup, Colts B lost a close semifinal, the Colts C also lost a tight Semi Final, with the Colts E finishing runners up in their Plate competition.

In the annual St Michael's U10 and U11 tournaments we had two teams reach the semifinals losing on penalties and in Golden Goal. The Senior first team had a difficult season but made the semifinal of the New Beacon tournament. The Senior 2nd team went unbeaten which is positive indication for next year.

**Cross Country**

The Prep had an excellent season of cross country with impressive individual and team performances throughout the season. We once again held a very successful Thomas Trophy here at the Prep with over 400 runners, from local independent and state schools, with all participants electronically timed. The U11 Boys team won their race with individual medals for 1st and 3rd places. In the U13 Boys race a Prep pupil finished 2nd and the U13 Girls were the overall winners.

**Dobson Trophy**

For the first time in many years we entered the Dobson trophy run at Claremont. After a long drive down to St Leonards-on-Sea the U9 girls finished 2nd, U11 Boys winning their race with 1st and 2nd places.

**Bracken Cup Somerhill**

In the Bracken and Woodmanssie cup held at Somerhill the U11 boys put in their most impressive performance of the season with four boys finishing in the top four places leading to an impressive team score.

**Hilden Grange**

At the Hilden Grange race it was the Year 2's turn to take centre stage with both the boys and girls winning their races with pupils in both boys and girls races claiming the winning spot as well as a third place in the boys race. In the U9 Girls race the Prep placed 3rd.

**Rugby**

We had a very enjoyable and competitive season of rugby this year performing well with some pleasing results in our fixtures. There was a lot of enjoyment and progression throughout the season which was excellent to see. In the tournaments the U11 had a strong showing in the Solefield tournament with some impressive results. Unfortunately, the Oldroyd 7s (U11) was cancelled twice due to the appalling weather we witnessed in March but miraculously we managed to hold the Culley Cup (U13). In attritional conditions the standard of rugby was very high with the Prep finishing 3rd in which was a very important event for us considering Ian Culley's passing earlier in the year.

**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023**

**OBJECTIVES AND ACTIVITIES**

**Cricket**

Another fantastic season of cricket was had with the growing success of our mixed cricket programme. Three out of the five senior teams played hardball cricket with a number of girls appearing in the 1st team. The Colts put out 8 teams, 4 of which played regular hardball matches with the E team also having some experience of hardball matches as the season progressed.

In the Rose Hill T10 Tournament the Colts A team were crowned champions for the first time in over a decade. The manner of win was particularly notable with a number of observers highlighting how impressed they were not only with their ability, but the tactics employed and their teamwork and support of each other. One student finished the season with 3 half centuries and was selected for the Kent U11 team for the summer, a fantastic and well-deserved achievement.

**Hockey**

Hockey at The Prep continues to go from strength to strength. The U13 won the Sevenoaks School tournament and at the end of the Easter term the U12 team travelled to the Regionals, having been crowned Kent U12 hockey champions. We were incredibly proud of the way the girls played against much bigger schools. The focus on hockey starting at Year 2 is really paying dividends and with lots of hard work from the girls; they are improving all the time and we have great hopes for them in years to come.

**Netball**

After a very wet then frosty start to the netball season we were finally pleased to start playing matches and getting out to train. At the start of the season, we welcomed some netball specialist teachers from Mayfield again and had an excellent session getting back into the swing of things.

Year 3 played Bee netball - so five a side with lots of changing of positions and lots of time on court trying to perfect our footwork, passing, catching and shooting. Year 4 girls transitioned from Bee Netball to 7-a-side, introducing two new positions to the game: wing attack and wing defence. After a frustrating start to the season because of the cold and icy courts, Year 5 matches got under way and the girls showed real talent by changing positions when needed and working as a team. This attitude was also a strength in the U11s who have shown strong teamwork and collaboration in all of their teams and competed in local tournaments. Two of the U13 pupils were awarded their school colours for netball by the end of the season and we look forward to hearing about their progress in the future.

**Athletics**

Our Year 5-8 pupils competed in the District Schools' Championships in June. It was an extremely successful day with a bronze medal in the U12 800m and silver and bronze in the U13 hurdles. We were incredibly proud that our pupils who placed 1st in the high jump and 2nd in the shot put and 2nd in both the 800m and hurdles went on to compete in the National Athletics in Birmingham on the 3rd of July.

**Trips and Workshops**

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  
Roman Day  
The British Museum  
Horton Kirkby Environmental Centre  
The White Cliffs of Dover  
River Bourne  
Bushcraft  
Knole House  
WW1 Battlefields - France/Belgium  
PGL Marchants Hill  
House General Knowledge Quiz  
The Royal Observatory, Greenwich  
Godstone Farm  
St Nicholas' Church  
Hastings  
Charlie and the Chocolate Factory, Wimbledon  
Frozen, West End

The children's learning is also supported during the year by putting on and attending a wide range of workshops, such as STEAM day where pupils made rockets, World Book Day, author visits, the yearly Scholastic Book Fair, Readathon, an interactive science day, Diwali and Henna painting workshops, visiting performances of pantomimes, a zoo lab visit, a screen printing workshop, specialist netball tuition, and the ever popular Duck Watch of hatching ducklings.

**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023**

**OBJECTIVES AND ACTIVITIES**

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.

The School encourages a more environmental approach wherever it can, and this year has been building on the Eco School status with more work being 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" classrooms and natural areas in our lovely grounds. 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**

Our continuing involvement as a school with local, national and international charities supports the work we do in making children aware of the wider environment and to raise funds for those in need. During the school year we have collected food bank donations for Sevenoaks Larder, and the Spring Ball organised by the parents raised a large amount of money for Friends for Families, which is a local charity supporting the work of social workers with deprived families.

We have several staff who are governors at other local schools and donate their time and skills, and nationally we raised funds for the Salvation Army, Macmillan Cancer, and the Poppy Appeal. Internationally we also supported the Haller Community charity in Kenya and We See Hope in Kenya, Malawi, Tanzania, Uganda and Zimbabwe from various initiatives that the children themselves set up and ran.

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. Our facilities are used for this and they are available to all working families whether they attend our school or not.

**Scholarships (Years 6 and 8)**

The following Scholarships were awarded to our pupils: -

- 3 Sports Scholarships
- 12 Academic Scholarships
- 1 Music Scholarship
- 2 Arts Scholarships
- 1 Drama 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 14 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 2023 was £5,700,032 (2022: £5,333,477) and the expenditure was £5,101,204 (2022: £4,954,425) which resulted in a surplus for the year of £598,828 compared to a surplus of £379,052 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.

**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023**

**FINANCIAL REVIEW**

**Reserves policy**

The governors have a policy of holding unrestricted cash equal to at least three months budgeted expenditure to be retained as a reserve which equates to between £1.1m and £1.25m (2022: £1.1m and £1.25m). This is intended to allow the school to fund planned maintenance of the buildings and facilities, to provide for future capital project expenditure on improving the educational facilities and for the support of the financial health of the business.

As this fund is built up it may also be depleted as the spend is likely to take place in large tranches rather than continuous amounts, and it will then be replenished over the following number of years. The governors are always mindful of the need to maintain prudent financial provisions.

The School holds restricted funds of £58,614 (2022: £52,710) which have been donated for the funding of bursaries. Unrestricted funds of £5,170,056 (2022: £4,577,132) allow the school to carry out its charitable objectives. The total funds held were £5,228,670 (2022: £4,629,842).

**FUTURE PLANS**

Given the uncertain economic situation the school does not have any immediate plans for capital development. However, planned repairs and improvements to the car park and upgrading of the Sports Hall will take place to ensure that we make the best use of the buildings and grounds and continue to provide high quality.

**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 12 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 at least once per term on 12 October 2022, 16 March 2023, 3 May 2023 and 16 June 2023.

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	K Rush	Chair
Estates and Facilities Committee	A Durnell	Chair
Safeguarding and Wellbeing Committee	T Hornshaw	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 she 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.

**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**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.

**COMMUNITY LINKS AND PUBLIC BENEFIT**

Part of the School's aims is to develop involvement with local, national and international charities. This is an important way of developing children's understanding of wider society. 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 unknown impact of the proposed imposition of VAT on school fees by future Labour Government.

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.

**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Bursary Policy**

This year the Charity awarded Bursaries of £47,546 (0.83% of fee income) 2022: £39,330 (0.75% 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.

**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023**

**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  
R Burgess  
Dr M J Carboni (resigned 16.03.23)  
P Cheveley  
T C Dickinson  
A Durnell  
Mrs T L Hornshaw  
Mrs M L Ismail  
C Jones  
K R Rush  
C J Sutton-Mattocks (resigned 23.11.22)  
Mrs A M Stuart (appointed 12.10.22)

**Company Secretaries**

Miss M Peirce  
Mrs E Walsh

**Auditors**

Azets Audit Services  
River House  
1 Maidstone Road  
Sidcup  
Kent  
DA14 5RH

**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 Early Years - Louisa Rowland

**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023**

**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

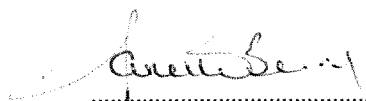
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 26. March 2024 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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 2023 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.

### **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.

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

### 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  
River House  
1 Maidstone Road  
Sidcup  
Kent  
DA14 5RH

Date: 13 May 2024 .....

## SEVENOAKS PREPARATORY SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2023

					2023	2022
	Notes	Unrestricted fund £	Designated fixed asset fund £	Restricted fund £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	2	84,909	-	5,000	89,909	57,417
<b>Charitable activities</b>						
Education	5	5,570,149	-	-	5,570,149	5,265,499
Other trading activities	3	6,140	-	-	6,140	2,636
Investment income	4	26,695	-	904	27,599	3,040
Other income		6,235	-	-	6,235	4,885
<b>Total</b>		<u>5,694,128</u>	<u>-</u>	<u>5,904</u>	<u>5,700,032</u>	<u>5,333,477</u>
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Raising donations and legacies	6	46,663	-	-	46,663	17,482
		46,663	-	-	46,663	17,482
<b>Charitable activities</b>						
Education	7	5,052,910	889	-	5,053,799	4,936,347
Other		742	-	-	742	596
<b>Total</b>		<u>5,100,315</u>	<u>889</u>	<u>-</u>	<u>5,101,204</u>	<u>4,954,425</u>
<b>NET INCOME/(EXPENDITURE)</b>		593,813	(889)	5,904	598,828	379,052
<b>Transfers between funds</b>	23	(3,649,590)	3,649,590	-	-	-
<b>Net movement in funds</b>		(3,055,777)	3,648,701	5,904	598,828	379,052
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		4,559,203	17,929	52,710	4,629,842	4,250,790
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>1,503,426</u>	<u>3,666,630</u>	<u>58,614</u>	<u>5,228,670</u>	<u>4,629,842</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

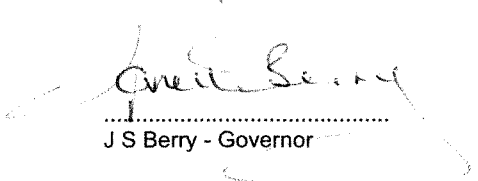
**SEVENOAKS PREPARATORY SCHOOL LIMITED (REGISTERED NUMBER: 03777308)**

**BALANCE SHEET  
31 AUGUST 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	15	6,312,173	6,562,839
<b>CURRENT ASSETS</b>			
Debtors	16	132,818	70,806
Investments	17	200,000	-
Cash at bank		<u>2,749,534</u>	<u>2,487,348</u>
		3,082,352	2,558,154
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(1,145,947)</u>	<u>(1,173,936)</u>
<b>NET CURRENT ASSETS</b>		<u>1,936,405</u>	<u>1,384,218</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,248,578	7,947,057
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	<u>(3,019,908)</u>	<u>(3,317,215)</u>
<b>NET ASSETS</b>		<u>5,228,670</u>	<u>4,629,842</u>
<b>FUNDS</b>	23		
Unrestricted funds:			
General fund		1,503,426	4,559,203
Designated fixed asset fund		<u>3,666,630</u>	<u>17,929</u>
		<u>5,170,056</u>	<u>4,577,132</u>
Restricted funds		<u>58,614</u>	<u>52,710</u>
<b>TOTAL FUNDS</b>		<u>5,228,670</u>	<u>4,629,842</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 21st August 2024 and were signed on its behalf by:

  
J S Berry - Governor

The notes form part of these financial statements

## SEVENOAKS PREPARATORY SCHOOL LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	766,240	682,527
Interest element of finance lease payments paid		<u>(742)</u>	<u>(596)</u>
Net cash provided by operating activities		<u>765,498</u>	<u>681,931</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(185,716)	(32,182)
Sale of tangible fixed assets		9,475	4,885
Investment in fixed term deposits		(200,000)	-
Interest received		<u>27,599</u>	<u>3,040</u>
Net cash used in investing activities		<u>(348,642)</u>	<u>(24,257)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(150,000)	-
Finance lease repayments		<u>(4,670)</u>	<u>19,908</u>
Net cash (used in)/provided by financing activities		<u>(154,670)</u>	<u>19,908</u>
		<u>                    </u>	<u>                    </u>
<b>Change in cash and cash equivalents in the reporting period</b>		262,186	677,582
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>2,487,348</u>	<u>1,809,766</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>2,749,534</u></u>	<u><u>2,487,348</u></u>

The notes form part of these financial statements

SEVENOAKS PREPARATORY SCHOOL LIMITED

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023 £	2022 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	598,828	379,052
<b>Adjustments for:</b>		
Depreciation charges	433,143	417,925
Profit on disposal of fixed assets	(6,235)	(4,885)
Interest received	(27,599)	(3,040)
Interest element of hire purchase and finance lease rental payments	742	596
(Increase)/decrease in debtors	(62,013)	816
Decrease in creditors	<u>(170,626)</u>	<u>(107,937)</u>
<b>Net cash provided by operations</b>	<u>766,240</u>	<u>682,527</u>

2. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
<b>Net cash</b>			
Cash at bank	<u>2,487,348</u>	<u>262,186</u>	<u>2,749,534</u>
	<u>2,487,348</u>	<u>262,186</u>	<u>2,749,534</u>
<b>Liquid resources</b>			
Deposits included in cash	-	-	-
Current asset investments	<u>-</u>	<u>200,000</u>	<u>200,000</u>
	<u>-</u>	<u>200,000</u>	<u>200,000</u>
<b>Debt</b>			
Finance leases	(19,908)	4,670	(15,238)
Debts falling due within 1 year	(150,000)	-	(150,000)
Debts falling due after 1 year	<u>(2,850,000)</u>	<u>150,000</u>	<u>(2,700,000)</u>
	<u>(3,019,908)</u>	<u>154,670</u>	<u>(2,865,238)</u>
<b>Total</b>	<u>(532,560)</u>	<u>616,856</u>	<u>84,296</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**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', the Charities Act 2011 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 8 of these financial statements. The nature of the School's operations and principal activities are set out on pages 1 to 4.

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:

- Bad debt provision

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

**1. ACCOUNTING POLICIES - continued**

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

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.

Designated funds relate to the net book value of fixed assets held by the school less the outstanding loans held.

Restricted funds can only be used for particular purposes within the objects of the school. 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 of 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 Balance Sheet. 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

**1. ACCOUNTING POLICIES - continued**

**Donations of goods, services and facilities**

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.

**Current asset investments**

Current asset investments include long-term liquid investments with maturity of three months or more are initially stated at transaction value and subsequently measured at their settlement value.

**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 2023**

**2. DONATIONS AND LEGACIES**

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Donations	83,855	5,000	88,855	52,651
Gift aid	<u>1,054</u>	<u>-</u>	<u>1,054</u>	<u>4,766</u>
	<u>84,909</u>	<u>5,000</u>	<u>89,909</u>	<u>57,417</u>

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
External hire	<u>6,140</u>	<u>-</u>	<u>6,140</u>	<u>2,636</u>

**4. INVESTMENT INCOME**

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Deposit account interest	<u>26,695</u>	<u>904</u>	<u>27,599</u>	<u>3,040</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	2023	2022
	£	£
School fees	5,728,084	5,372,877
Registration fees	7,775	6,310
Bursaries, scholarships and discounts	(169,699)	(141,343)
School shop	<u>3,989</u>	<u>27,655</u>
	<u>5,570,149</u>	<u>5,265,499</u>

**6. RAISING DONATIONS AND LEGACIES**

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Fundraising costs	<u>46,663</u>	<u>-</u>	<u>46,663</u>	<u>17,482</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Support costs (see note 8)
	£
Education	<u>5,053,799</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023

## 8. SUPPORT COSTS

	Finance £	Welfare costs £	Development costs £	Teaching costs £
Education	<u>121,213</u>	<u>329,924</u>	<u>20,070</u>	<u>2,828,832</u>
	Premises costs £	Support costs £	Governance costs £	Totals £
Education	<u>1,248,956</u>	<u>475,459</u>	<u>29,345</u>	<u>5,053,799</u>

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

**Finance**

	2023	2022 Total activities £
Bank interest and charges	<u>121,213</u>	<u>123,246</u>

**Welfare costs**

	2023	2022 Total activities £
Contracted catering staff	173,487	167,879
Cost of meals	<u>156,437</u>	<u>132,444</u>
	<u>329,924</u>	<u>300,323</u>

**Development costs**

	2023	2022 Total activities £
Wages	18,243	28,745
Social security	1,280	1,943
Pensions	<u>547</u>	<u>830</u>
	<u>20,070</u>	<u>31,518</u>

**Teaching costs**

	2023	2022 Total activities £
Wages	2,070,584	1,991,008
Social security	202,896	200,604
Pensions	326,918	346,047
Tutors and instructors	28,306	44,120
Training	23,266	13,466
Subscriptions	9,102	7,235
Classroom supplies	<u>167,760</u>	<u>237,298</u>
	<u>2,828,832</u>	<u>2,839,778</u>

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	2023	2022
	Education	Total
	£	activities
	£	£
Wages	103,311	100,608
Social security	10,638	10,555
Pensions	3,099	2,905
Rent and rates	229,305	214,579
Insurance	48,657	35,609
Heat and light	120,359	88,990
Repairs and maintenance	92,348	70,807
Grounds	47,990	38,035
Cleaning	129,622	113,190
Motor & travelling expenses	30,484	10,977
Depreciation of tangible fixed assets	433,142	417,923
	<u>1,248,955</u>	<u>1,104,178</u>

**Support costs**

	2023	2022
	Education	Total
	£	activities
	£	£
Wages	317,414	314,388
Social security	31,803	31,922
Pensions	9,523	8,334
Hire of equipment	23,223	35,705
Telephone	9,082	8,392
Advertising & marketing	28,816	33,325
Headmasters entertainment	827	1,961
Sundry expenses	2,466	3,198
Postage and stationery	20,684	22,601
Legal & professional fees	31,621	49,362
	<u>475,459</u>	<u>509,188</u>

**Governance costs**

	2023	2022
	Education	Total
	£	activities
	£	£
Governors' expenses	954	448
Auditors' remuneration	10,125	9,315
Accountancy fees	18,266	18,353
	<u>29,345</u>	<u>28,116</u>

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

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

	2023	2022
	£	£
Depreciation - owned assets	428,678	413,461
Depreciation - assets on hire purchase contracts and finance leases	4,464	4,464
Hire of plant and machinery	23,223	35,705
Other operating leases	229,305	214,579
Surplus on disposal of fixed assets	<u>(6,235)</u>	<u>(4,885)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**10. AUDITORS' REMUNERATION**

Auditors' remuneration for the year totalled £10,125 (2022: £9,315).

**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 (2022: £nil).

**Governors' expenses**

	2023	2022
	£	£
Trustees' expenses	<u>954</u>	<u>448</u>

**12. STAFF COSTS**

	2023	2022
	£	£
Wages and salaries	2,509,552	2,434,749
Social security costs	246,617	245,024
Other pension costs	<u>340,087</u>	<u>358,116</u>
	<u>3,096,256</u>	<u>3,037,889</u>

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

	2023	2022
	<u>83</u>	<u>82</u>

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

	2023	2022
£70,001 - £80,000	1	3
£80,001 - £90,000	2	-
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

Contributions totalling £48,283 (2022: £55,716) 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., Assistant Heads and the Head of Early Years. The total employee benefits including pension contributions for the key management personnel were £694,251 (2022: £675,266).

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

	Unrestricted fund £	Designated fixed asset fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	38,217	-	19,200	57,417
<b>Charitable activities</b>				
Education	5,265,499	-	-	5,265,499
Other trading activities	2,636	-	-	2,636
Investment income	2,974	-	66	3,040
Other income	<u>4,885</u>	<u>-</u>	<u>-</u>	<u>4,885</u>
<b>Total</b>	<u>5,314,211</u>	<u>-</u>	<u>19,266</u>	<u>5,333,477</u>
<b>EXPENDITURE ON</b>				
<b>Raising funds</b>				
Raising donations and legacies	<u>17,482</u>	<u>-</u>	<u>-</u>	<u>17,482</u>
	17,482	-	-	17,482
<b>Charitable activities</b>				
Education	4,935,459	887	1	4,936,347
Other	<u>596</u>	<u>-</u>	<u>-</u>	<u>596</u>
<b>Total</b>	<u>4,953,537</u>	<u>887</u>	<u>1</u>	<u>4,954,425</u>
<b>NET INCOME/(EXPENDITURE)</b>	360,674	(887)	19,265	379,052
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	<u>4,198,528</u>	<u>18,817</u>	<u>33,445</u>	<u>4,250,790</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>4,559,202</u>	<u>17,930</u>	<u>52,710</u>	<u>4,629,842</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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023

## 15. TANGIBLE FIXED ASSETS

	Capitalised finance lease for classrooms £	Improvements to leasehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 September 2022	134,026	9,122,374	913,328	79,485	10,249,213
Additions	-	106,835	78,881	-	185,716
Disposals	-	-	-	(8,100)	(8,100)
At 31 August 2023	<u>134,026</u>	<u>9,229,209</u>	<u>992,209</u>	<u>71,385</u>	<u>10,426,829</u>
<b>DEPRECIATION</b>					
At 1 September 2022	134,026	2,657,155	844,244	50,949	3,686,374
Charge for year	-	356,317	72,361	4,464	433,142
Eliminated on disposal	-	-	-	(4,860)	(4,860)
At 31 August 2023	<u>134,026</u>	<u>3,013,472</u>	<u>916,605</u>	<u>50,553</u>	<u>4,114,656</u>
<b>NET BOOK VALUE</b>					
At 31 August 2023	<u>-</u>	<u>6,215,737</u>	<u>75,604</u>	<u>20,832</u>	<u>6,312,173</u>
At 31 August 2022	<u>-</u>	<u>6,465,219</u>	<u>69,084</u>	<u>28,536</u>	<u>6,562,839</u>

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

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

	Motor vehicles £
<b>COST</b>	
At 1 September 2022 and 31 August 2023	<u>29,760</u>
<b>DEPRECIATION</b>	
At 1 September 2022	4,464
Charge for year	<u>4,464</u>
At 31 August 2023	<u>8,928</u>
<b>NET BOOK VALUE</b>	
At 31 August 2023	<u>20,832</u>
At 31 August 2022	<u>25,296</u>

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	7,293	11,486
Other debtors	1,170	-
Prepaid expenses	<u>124,355</u>	<u>59,320</u>
	<u>132,818</u>	<u>70,806</u>

## 17. CURRENT ASSET INVESTMENTS

	2023 £	2022 £
Fixed term deposit	<u>200,000</u>	<u>-</u>

**SEVENOAKS PREPARATORY SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	2023	2022
	£	£
Bank loans and overdrafts (see note 20)	150,000	150,000
Finance leases (see note 21)	4,869	4,670
Trade creditors	128,735	97,360
Social security and other taxes	54,299	52,037
Other creditors	31,946	42,405
Fee deposits	39,000	48,000
Fees received in advance	651,569	742,630
Accrued expenses	<u>85,529</u>	<u>36,834</u>
	<u>1,145,947</u>	<u>1,173,936</u>

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

	2023	2022
	£	£
Bank loans (see note 20)	2,700,000	2,850,000
Finance leases (see note 21)	10,369	15,238
Long term fee deposits	280,949	268,632
Fees received in advance	<u>28,590</u>	<u>183,345</u>
	<u>3,019,908</u>	<u>3,317,215</u>

**20. LOANS**

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>150,000</u>	<u>150,000</u>
	<u>150,000</u>	<u>150,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>2,700,000</u>	<u>2,850,000</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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023

## 21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2023	2022
	£	£
Gross obligations repayable:		
Within one year	5,412	5,412
Between one and five years	<u>10,825</u>	<u>16,237</u>
	<u>16,237</u>	<u>21,649</u>
Finance charges repayable:		
Within one year	543	742
Between one and five years	<u>456</u>	<u>999</u>
	<u>999</u>	<u>1,741</u>
Net obligations repayable:		
Within one year	4,869	4,670
Between one and five years	<u>10,369</u>	<u>15,238</u>
	<u>15,238</u>	<u>19,908</u>
	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	246,247	214,547
Between one and five years	953,557	893,637
In more than five years	<u>2,803,899</u>	<u>4,122,057</u>
	<u>4,003,703</u>	<u>5,230,241</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 £3,854,644 (2022: £4,046,962) relating to land and building and £149,058 (2022: £75,095) relating to other commitments.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023

## 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				2023	2022
	Unrestricted fund £	Designated fixed asset fund £	Restricted fund £	Total funds £	Total funds £
Fixed assets	6,312,173	-	-	6,312,173	6,562,839
Current assets	(642,892)	3,666,630	58,614	3,082,352	2,558,154
Current liabilities	(1,145,947)	-	-	(1,145,947)	(1,173,936)
Long term liabilities	(3,019,908)	-	-	(3,019,908)	(3,317,215)
	<u>1,503,426</u>	<u>3,666,630</u>	<u>58,614</u>	<u>5,228,670</u>	<u>4,629,842</u>

## 23. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
<b>Unrestricted funds</b>				
General fund	4,559,203	593,813	(3,649,590)	1,503,426
Designated fixed asset fund	<u>17,929</u>	<u>(889)</u>	<u>3,649,590</u>	<u>3,666,630</u>
	4,577,132	592,924	-	5,170,056
<b>Restricted funds</b>				
Restricted Fund	<u>52,710</u>	<u>5,904</u>	<u>-</u>	<u>58,614</u>
<b>TOTAL FUNDS</b>	<u>4,629,842</u>	<u>598,828</u>	<u>-</u>	<u>5,228,670</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	5,694,128	(5,100,315)	593,813
Designated fixed asset fund	<u>-</u>	<u>(889)</u>	<u>(889)</u>
	5,694,128	(5,101,204)	592,924
<b>Restricted funds</b>			
Restricted Fund	<u>5,904</u>	<u>-</u>	<u>5,904</u>
<b>TOTAL FUNDS</b>	<u>5,700,032</u>	<u>(5,101,204)</u>	<u>598,828</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023

## 23. MOVEMENT IN FUNDS - continued

## Comparatives for movement in funds

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

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	5,314,211	(4,953,536)	360,675
Designated fixed asset fund	-	(888)	(888)
	5,314,211	(4,954,424)	359,787
<b>Restricted funds</b>			
Restricted Fund	19,266	(1)	19,265
<b>TOTAL FUNDS</b>	<u>5,333,477</u>	<u>(4,954,425)</u>	<u>379,052</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 balance sheet has been amended to show the property assets of the school as distinct. This designated fixed asset fund equates to the net book value of the fixed assets of the school less the outstanding amount of bank loan.

## 24. CAPITAL COMMITMENTS

	2023 £	2022 £
Contracted but not provided for in the financial statements	<u>49,888</u>	<u>-</u>

The play equipment that we have on both the Prep and Pre-Prep sides of the school has reached the end of its life and we have committed to it being replaced in the beginning of the new school year. This will improve and build upon the facilities provided for the children to enjoy during break times as well as aiding their physical development.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

**25. 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 £222,556 (2022: £334,567) and at the year-end £26,281 (2022: £37,380) 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**

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

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2023**

**25. OTHER FINANCIAL COMMITMENTS - continued**

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 2024.

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 £117,591 (2022: £13,887). The amount owed to the pension schemes at the year end was £5,665 (2022: £5,171).

**26. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 August 2023.