

Charity Registration No. 1155150

Company Registration No. 08808550 (England and Wales)

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

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COMPANY INFORMATION YEAR ENDED 31 AUGUST 2021

Directors and Trustees	Mr M R Slumbers (Chairman) Mrs A-M Edgell (Vice-Chairman)
Secretary	Mrs H Betts
Charity No.	1155150
Company No.	08808550
Principal Address	Broadwater Road Worthing West Sussex BN14 8HU
Registered Office	Lancing College Lancing West Sussex BN15 0RW
Head	Mrs Heather Beeby
Bursar	Mr Mark Milling
Auditor	RSM UK Audit LLP Portland 25 High Street Crawley West Sussex RH10 1BG
Bankers	Barclays Bank plc 1 Churchill Place Canary Wharf London E14 5HP

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

COMPANY INFORMATION *YEAR ENDED 31 AUGUST 2021*

Solicitors

DMH Stallard LLP
Gainsborough House
Pegler Way
Crawley
West Sussex
RH11 7FZ

Veale Wasborough Vizards LLP
Narrow Quay
Bristol
BS1 4QA

Insurance Brokers

Marsh
1 Tower Place West
Tower Place
London
EC3R 5BU

Investment Advisers

Rathbone Brothers Plc
8 Finsbury Circus
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The directors, who are also trustees of the charitable company for the purposes of charity law, present their report and financial statements for the year ended 31 August 2021 and confirm they comply with the requirements of the Companies Act 2006, the Memorandum and Articles of Association, the Charities Act 2011, the 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.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in December 2013 and is registered with the Charity Commission as charity number 1155150. The charity is a limited liability company and wholly owned subsidiary of Lancing College Limited (charity number 1076483) which in turn is a wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is registered in England and Wales.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 10 December 2013. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the school.

Governing Body

The school is governed by the full Governing Body of Lancing College, which owns 100% of the shares of the Company. The Governing Body operates using a number of committees. The Governing Body met termly during the year.

The charitable company has made qualifying third party indemnity provisions for the benefit of its trustees during the year. These provisions remain in force at the reporting date.

Recruitment and Training of Governors

Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The Governing Body look to ensure a mix of skills and select new Governors on the basis of background, competence, specialist skills. Governors are provided with induction training by the Head and Bursar.

Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

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Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school also relies on others to undertake volunteer roles including some classroom assistants. The school also has a number of volunteer groups helping the school to raise funds and assisting in events. The Governing Body would like to thank all these volunteers for their help.

Organisational Management

The school is governed by the Governing Body of Lancing College Limited. The Governors determine the general policy of the school. The day-to-day management of the school is delegated to the Head and the Bursar, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by the Governors, which provide for significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head oversees the recruitment of all educational staff and the Bursar oversees the recruitment of administrative and non-teaching support staff. The Head and Bursar are invited to attend Governors' meetings.

The remuneration of Key Management Personnel is set by the Governing Body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school's success.

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

The Governing Body considers all finance matters including budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations and the results of the audit.

Group Structure and Relationships

The group has developed links with a wide range of organisations to ensure the widest possible access to our facilities and schooling. Through membership of the Headmasters' and Headmistresses' Conference (HMC), Girls' School Association (GSA), the Independent Association of Prep Schools (IAPS) and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance. We encourage our pupils to develop an awareness of the social context of the all-round education they receive at the school and they are engaged in a number of activities to enhance their understanding. We also cooperate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

Employment Policy

The College is an equal opportunity organisation and is a friendly, ethical, vibrant and outward-looking place to work. It acts with integrity and treats all with respect, valuing diversity and rejecting discrimination. The College is fully committed to creating and promoting a diverse and inclusive workforce that reflects both our local community and our cosmopolitan student body. Job applications are welcome from all suitably qualified candidates regardless of ethnicity, religion, sexuality, gender, age or disability and applications from under-represented groups are particularly encouraged. The College will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled. The remuneration of key management personnel is set by the Governing Body. The Governor and Staff Liaison Committee meets termly. This committee enables a forum for Governors and senior management to brief and update employees and to encourage their involvement in strategic and tactical decision making.

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CHARITABLE OBJECTIVES, AIMS AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to advance education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church in the Diocese of Chichester.

Intended Impact and Public Benefit

In setting our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. Lancing College Preparatory School at Worthing Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the school and at a level that is consistent with our aim of providing a first-class education to all pupils.

The school's charitable objectives are 'to promote and extend education', and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested.

The Woodard Corporation and all of the schools it owns, including Lancing College Limited and Lancing College Preparatory School at Worthing Limited, are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses are re-invested in education.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop the pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our school is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers resources to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our Governors are committed to developing our programme of cooperation and joint working with local maintained sector junior and secondary schools.

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first-class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community.

In the furtherance of these aims the Lancing College Preparatory School at Worthing Limited directors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

The Woodard Corporation and its schools provide a significant benefit to the public. The school strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for directors attending training courses: any private benefit to individuals or elements of The Woodard Corporation are incidental to delivery of the charitable objectives.

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Aims

The aims of the school are:

- To preserve and promote the Christian values which lie at the heart of the foundation of the school.
- To provide an education for boys and girls aged 2 to 13 which inspires a desire for excellence and enables them to develop independent, searching minds and to realise their full academic potential.
- To ensure, as far as possible, that the years children spend at the school are happy and fulfilling ones.
- To maintain a close partnership with parents in guiding, and caring for, their children.
- To give each child the opportunity to experience a wide variety of activities which are not part of the examined curriculum and to encourage an interest in sport, music, drama, community service and other pursuits through the provision of excellent facilities and supervision.
- To provide a safe, welcoming, supportive and tolerant environment in which each pupil feels valued as an individual and, in turn, learns the importance of tolerance and consideration towards others.
- To help each child realise the importance of contributing to the community, both inside the school and beyond, and to ensure that the wider community benefits from the existence of the school.
- To facilitate entry, where possible, to the school for children from underprivileged backgrounds with the potential to benefit from a Lancing education.
- To work constantly towards the improvement and good maintenance of the school facilities and to exercise a careful, responsible stewardship of the school grounds.
- To appoint talented staff who enjoy the responsibility of fulfilling these aims and to assist them in their professional development.

Objectives for the Year

This year the focus has been on the following:

- To continue the achievement of academic excellence.
- To implement school-wide developments in teaching and learning.
- To continue to improve facilities, both pastoral and academic.
- To maintain teaching staff expertise through continued professional development combined with the recruitment of teachers of ability and commitment.
- To develop and expand the way in which the senior school and the prep schools work together.
- To increase pupil numbers in the school.
- To extend access to the school's facilities for the local community.

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Strategies to Achieve this Year's Objectives

These included:

- Benchmarking of academic standards against public examinations and independent value-added criteria.
- School-wide developments in Teaching and Learning, in particular to promote independent learning.
- Major investment in the refurbishment of facilities throughout the school and maintaining and developing the school's teaching resources.
- Ensuring the integration of the school with the senior school and sharing both teaching and physical facilities.
- Increasing the local community's awareness of the existence of the school by considered strategic marketing.

Principal Activities of the Period

The principal activity of the school is the delivery of education to pupils ranging from 2 to 13 years of age. We also run a number of summer school activities and the school is open at other times for use by the local community.

Pupil numbers at the school during the period were as follows:

	2020/21	2019/20
Preparatory School	117	110
Pre-Preparatory School	82	90
Total	<u>199</u>	<u>200</u>

	2020/21		2019/20	
	Boys	Girls	Boys	Girls
Preparatory School	61	56	57	53
Pre-Preparatory School	38	44	41	49
Total	<u>99</u>	<u>100</u>	<u>98</u>	<u>102</u>

Bursaries and Scholarships

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our concessions policies, including for bursaries, contribute to a widening of access to the education we offer and the facilities we enjoy.

The school granted awards, including scholarships, bursaries, discounts and concessions of £297k (2020 £324k). In the past year the school has provided Means Tested Financial Assistance or Scholarships to 29 pupils (2020 – 38 pupils) and the total value was £140k (2020 – £199k) which

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represented 7.4% (2020 – 10.7%) of gross fee income. Other discounts or concessions including staff and sibling discounts were awarded to 48 pupils (2020 – 63 pupils) and the value was £157k (2020 – £125k). The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, is advertised on our website at www.lancingcollege.co.uk.

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In assessing means we use the methodology recommended by the Independent Schools' Bursars Association, which takes a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. Our school does not have an endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range from 20% to 50% remission of fees. Information about fee assistance through bursaries is provided to all applying to the school. Further details of our bursary policy and how to apply are available on our website. Details of bursary awards are also set out in note 2 to the accounts.

Other Policies on Assistance:

Financial planning policy

Timely financial planning is often the key for many parents who are hoping to send their children to Lancing College Preparatory School at Worthing Limited and a school fees plan is available to help those who wish to fund educational costs through regular contributions.

Family discounts policy

To underline the value we place on continuity for families, we offer discounts where parents have more than one child at the school.

Assistance for our teaching staff

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme where staff members choose to educate their children at our school.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

The Promotion of Education

During the year an average of 199 pupils between the ages of 2 and 13 were educated. This compares with 200 pupils in the period 2019/20. The Governors are pleased with the stable pupil roll during these uncertain times and are expecting a rise in pupil numbers in the years to come. The school provides a very high standard of education and this is validated in the review of the academic results, and through external inspections. The school offers a broad curriculum and educates children with a wide range of ability. The school can demonstrate particular excellence in all academic areas (including the Strategically Important and Vulnerable subjects [SIVs] - Mathematics, Science and Modern Languages), Music, Arts, Drama and Sport. The aim is to support children in reaching their potential in all areas of their activity at the school.

Academic Results

Lancing Prep at Worthing started the academic year with all Covid-19 policies and Risk Assessments in place and determination to care for the children, ensuring that they continued to achieve their potential

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and make good progress whilst maintaining their wellbeing. Parental feedback was enormously positive as the teachers provided a rich and engaging curriculum which was only limited by Covid related restrictions. On the evening of 4th January, we were informed that we could not re-open for the Spring Term and we immediately moved to online teaching and learning. This was very well managed by the school. It was imperative to us that the positive relationships and excellent communication between us and our families were continued throughout lockdown. To support this feeling of community we introduced The Hive Wellbeing Newsletter and a pupil-led school newspaper. Important milestone events were recorded, professionally edited and sent home to families. These were received extremely positively alongside weekly 'live' and recorded school assemblies, Eucharist and Family Form Time Fun. School re-opened on 8th March and the children were thrilled to be back in our school community.

Our remote learning provision was excellent. Pupil and parental feedback from the first lockdown and The Education Endowment Foundation (EEF) review of the evidence on remote learning, was used to provide the best practice remote teaching experience for our children. All our children continued to learn and make progress throughout lockdown whether they were in school or working remotely. This was evident from our superb GL Progress Assessment results in all years.

Lancing Prep at Worthing pupils achieved outstanding results at Common Academic Scholarship again this year; our pupils earned the top five academic scholarships to Lancing College and six out of the total eight awarded. Another pupil earned an academic scholarship to Brighton College. All our Year 8 pupils gained a place at their first-choice school. Of the twenty-seven children in Year 8, twenty-one moved onto Lancing College, two moved to state-maintained schools and the remainder went to other local independent schools.

In the EYFS we were 'Early Adopters' of the Revised EYFS Framework which becomes statutory in September 2021. This enabled us to trial the new framework, adapt our planning and offer feedback to the DoF about how well the new framework works. We feel the new framework will hugely benefit our youngest children, focusing upon their communication skills and offering them a wide breadth of experiences through open-ended activities and play. The Early Learning Goals have been changed and now children are only assessed as 'Emerging' or 'Expected'; the 'Exceeding' assessment has been removed. 100% of this year's Reception class reached the Early Learning Goal for Reading and 85% reached a 'Good Level of Development' (being assessed as Expected in the Prime areas and Literacy and Mathematics). Due to the Covid pandemic EYFS Profile data has not been collected by the local authority for 2020 or 2021 so we do not have any figures to compare recent data with, but this percentage is higher than the last statistics locally and nationally from 2019 when 71.7% of children in West Sussex achieved a GLD and 71.8% of children nationally achieved a GLD.

Improving Facilities

Significant investment continues to be made into the buildings.

Arts, Music and Drama

Music and drama continue to be a great strength. Two pupils were awarded Drama Scholarships to Lancing College, and a third was awarded a Drama Exhibition. Very large numbers of children continue to be keen to join the busy musical life of the school through individual music lessons and a range of ensembles. Sadly the Worthing Arts Festival competition was cancelled this year after our previous successes, but all the Lancing Prep at Worthing pupils who took their LAMDA examinations in November earned distinctions: a new school record. Pupils continued studying Music and Drama with their peripatetic teachers remotely throughout lockdown and great progress has been made.

Sport

The pandemic had a severe effect on competitive sport this year with almost all fixtures cancelled due to the risk of infection. However, we seized the opportunity to provide the children with other PE opportunities, which took the form of enrichment masterclasses whether online during lockdown or live, which included badminton, dance, yoga, netball, football, hockey, tennis and circuits. Throughout the year when the children were in school, they were taught hockey, netball and football in co-ed groups and they also enjoyed co-ed house competitions. In the summer term we were able to have a full sports

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day which the children loved. Sadly, we were unable to invite the parents. Fixtures began again in May 2021 after over a year off, and every prep pupil took part in the first mixed cricket fixture of the Summer Term. We were thrilled that two of our Year 8 pupils earned sports scholarships to Lancing College and several Key Stage 3 pupils played at county level or above in football, rugby, cricket, netball and gymnastics. A Year 4 girl was signed for the football academy at Brighton and Hove Albion FC.

Community Activity

Community: Our pupils in Year 1 undertook a beach clean on Worthing beach. Pupils from Year 1 to Year 7 contributed to a local community event organised by Food Pioneers during the summer holiday and their efforts in raising money but also engaging members of the public in enjoyable activities were greatly appreciated. Our Year 5 pupils sang carols to the residents of a care home in December via MS Teams. The pupils in the Prep school sang Christmas carols outside of school and raised money for Crisis at Christmas. **Charity:** The whole school marked Red Nose Day and Children in Need and raised a considerable sum of money for these charities. In addition, every child in the school took part in the Bannister Mile, a sponsored run in the summer term, and they raised over £2,600 for NHS Charities Together. In Learn-to-Learn lessons our Year 7 pupils organised and delivered enterprises. Their businesses covered everything from hand-delivered brownies to personalised face coverings raising over £900 for Great Ormond St, The Snowdrop Trust and other worthwhile causes of their choice.

KPI Review

Fee receipts and cost and margin KPI's were rendered relatively meaningless by the pandemic. Pupil numbers fell by one overall in the year compared to last year.

FINANCIAL REVIEW

Results for the Year

The net deficit for the year was £179k (2020 - £17k deficit) which is in line with our expectations. The fee discounts given for remote teaching in the Lent Term, when the school site was closed due to the pandemic, were partially compensated for using the Government's furlough scheme but we were not able to make the extent of savings like we were able to do in 2019/20 when the school site was closed for 5 months and where we undertook a 10% pay cut for those not furloughed and an immediate freeze on discretionary spending. The deficits are planned to ameliorate over the next three or four years whilst we build pupil numbers.

Reserves Level and Policy, and Financial Viability

The school is fully supported financially by its parent company, Lancing College Limited.

It is the school's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The medium-term aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets. Unrestricted funds decreased by £179k (2020 - £17k) during the year to a total deficit of £2,130k (2020 - £1,950k), as shown in note 14.

The Governors plan to return the school to a net surplus over the next few years. This will involve a growth in pupil numbers and a reasonable reduction in the bursary levels together with the improvement in the building and IT facilities, and an increase in teaching resource.

In common with other independent schools, the Governors have invested substantial sums into new school buildings in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. In common with most independent schools, free reserves are at a negative balance illustrating the extent of the investment in our school. Free reserves describe a charity's ability to meet short to medium-term charitable commitments from 'liquid' net assets. Calculation per the SORP definition excludes fixed assets whilst including the liabilities associated with long-term borrowing to fund their purchase.

The school has negative reserves of £2,130k but is fully supported by Lancing College Limited, which

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has expressed that the inter-company loan balance will not be withdrawn whilst the school is returned to a surplus making position and until it is able to repay the loan. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

These financial statements were compiled during the Covid 19 global pandemic, shortly after the majority of the restrictions on daily living had been relaxed, and after a vaccine was identified and delivered to the majority of the adult population. Like most trustees, the Governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

The Governors consider the economic and political turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risks faced by the school. Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Governing Body is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the executive and the process is overseen by the sub-committees of Lancing College on behalf of the Governing Body.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future.

Significant risk areas:

- the market in which the school operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations
- the school operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up to date information and support
- the school operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic and political conditions and directors and senior managers in the school keep abreast of conditions locally, nationally and internationally to identify trends and develop plans to address issues
- the Covid-19 pandemic and the associated risks around safety of pupils and staff together with the current and future financial impacts to the school

The key controls used by the school include:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting

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- established and identifiable organisational structures and reporting lines which are regularly reviewed
- maintenance of an up to date risk register
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

The school plans strategically having regard for risk. The executive team provide the Governing Body with regular reports which include details of the principal strategic objectives and the activity to achieve those objectives. The school also records significant achievements and updates the Governing Body and Woodard on short-term plans. The strategy is discussed between the Governing Body and the Woodard Board and protocols have been developed and agreed which outline the relationship between the two bodies.

Financial Risk Management Objectives and Policies

The school uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the school's operations. The school is fully supported financially by Lancing College, its parent company.

The main issues arising from the school's financial instruments are liquidity risk and interest rate risk. The directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders.
- Interest rate risk – the School finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities.

GOING CONCERN

Lancing Prep at Worthing is fully supported by Lancing College Limited. The Governing Body of Lancing College has reviewed the impact of the global pandemic on the charity's operations and finances and have considered carefully whether it is appropriate to prepare the financial statements on the basis that the Charity is a going concern

In the year to 31st August 2021, the financial impact was mitigated through use of the various elements of support provided by the Government including the Coronavirus Job Retention Scheme (furlough scheme). The governing body recognise that the financial implications in 2020-21 brought about as a result of the pandemic will continue into 2021-22, and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on the school continues to be mitigated in the most appropriate way. Furthermore, the school has the full support of its bank, Barclays. The school has negative reserves of £2,129,569 but is fully supported by its parent Lancing College Limited. Lancing College Limited has, whilst not legally binding, confirmed its ability and intention to continue to support the school in meeting its liabilities as they fall due for a period of at least 13 months from the date of signing of these accounts. The inter-company loan balance will not be withdrawn whilst the school is returned to a surplus making position and until it is able to repay the loan.

Having considered all factors and reviewing the available evidence, the directors have a reasonable expectation that the charity will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 21.

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PLANS FOR FUTURE PERIODS

The Strategic Development Plan of Lancing College and its Prep Schools is revised annually.

The key current objectives are:

- To promote teaching that encourages active learning and critical, creative and independent thinking.
- To maintain and improve monitoring of pupil progress.
- To maintain and improve the current high standards of academic achievement.
- To promote and maintain standards of excellence in sport, music, drama and all other aspects of our extra-curricular provision.
- To develop and improve facilities and ICT for pupils and staff.
- To recruit and retain members of the Common Room capable and willing to involve themselves fully in the academic, pastoral and extra-curricular activities of the school.
- To develop and enhance the school's relationship with both the local and the wider community and to develop wider community access to the school's facilities.
- To increase the capability of the school to offer education to children whose parents are unable to afford full fees.
- To provide and improve pre-prep and prep education in Worthing.

AUDITORS

RSM UK Audit LLP having expressed their willingness to continue in office will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors who are also trustees for the purpose of charity law are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, (United Kingdom Accounting Standards and applicable law) including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2021

financial position of the charitable company and 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.

Provision of information to the Auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' Report incorporating the Strategic Report have been approved by the board of directors of Lancing College Preparatory School at Worthing Limited on 30 November 2021 and signed on their behalf:



M R Slumbers CHAIRMAN

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

Independent auditor's report to the trustees of Lancing Preparatory School at Worthing Limited

Opinion

We have audited the financial statements of Lancing College Preparatory School at Worthing Limited (the charitable company) for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

Independent auditor's report to the trustees of Lancing Preparatory School at Worthing Limited

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 Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Directors' responsibilities set out on page 13, the trustees (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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

Independent auditor's report to the trustees of Lancing Preparatory School at Worthing Limited

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP, Companies Act 2006, Charities Act 2011, the charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are the Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

Independent auditor's report to the trustees of Lancing Preparatory School at Worthing 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Zoe Longstaff-Tyrrell
Senior Statutory Auditor
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Portland
25 High Street
Crawley
RH10 1BG

1 December 2021.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure
Account)
YEAR ENDED 31 AUGUST 2021

		2021	2020
	Notes	Unrestricted Funds £	Unrestricted Funds £
INCOME			
Income from Charitable Activities			
School fees	2	1,583,660	1,540,032
Ancillary trading income	3	26,606	21,835
Non-ancillary trading income	3	35,319	80,972
TOTAL INCOMING RESOURCES		1,645,585	1,642,839
EXPENDITURE			
Charitable Activities			
Schools and grant-making		1,824,712	1,659,952
TOTAL EXPENDITURE	7	1,824,712	1,659,952
NET EXPENDITURE FOR THE PERIOD	4	(179,127)	(17,113)
Fund balances brought forward		(1,950,442)	(1,933,329)
FUND BALANCES AS AT 31 AUGUST		(2,129,569)	(1,950,442)

The accompanying notes form an integral part of these financial statements.

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities.

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2021**

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	9		243,639		285,888
			<u>243,639</u>		<u>285,888</u>
CURRENT ASSETS					
Debtors	10	30,512		18,651	
		<u>30,512</u>		<u>18,651</u>	
CREDITORS: due within one year	11	(2,403,620)		(2,254,881)	
				<u></u>	
NET CURRENT LIABILITIES			<u>(2,373,108)</u>		<u>(2,236,230)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,129,469)</u>		<u>(1,950,342)</u>
NET LIABILITIES			<u>(2,129,469)</u>		<u>(1,950,342)</u>
CAPITAL AND RESERVES					
Called up share capital	12		100		100
FUNDS					
Unrestricted funds:					
General reserve			<u>(2,129,569)</u>		<u>(1,950,442)</u>
EQUITY SHAREHOLDERS' FUNDS	14		<u>(2,129,469)</u>		<u>(1,950,342)</u>

The financial statements were approved and authorised for issue by the Board on 30 November 2021 and signed on its behalf by



Mr M R Slumbers (Chairman)

Company registration number: 08808550

The notes on pages 21 to 31 form part of these financial statements

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the period:

a) Basis of Accounting

These accounts are the individual company accounts for Lancing College Preparatory School at Worthing Limited, a private charitable company limited by shares incorporated and registered in England and Wales. The accounts of the company have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis. These financial statements are presented in sterling and the functional currency is Sterling.

Lancing College Preparatory School at Worthing meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The address of the registered office is given on Page 1.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in the accounting policies for bad debts.

b) Going Concern

The accounts have been prepared on a going concern basis. The Lancing College Preparatory School at Worthing Limited and Lancing College Limited boards review the financial information for the charity and consider whether the charity is a going concern for a period of at least 12 months from the date of approval of the accounts.

The governing body has reviewed the impact of the global pandemic on the school operations and finances. In summer term of 2019-20 the financial impact was mitigated through use of the various elements of support provided by the government including the furlough scheme. This continued into the 2020-21 financial year and the governing body recognise that the financial implications brought about as a result of the pandemic will continue into 2021-22 and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on the school continues to be mitigated in the most appropriate way.

The school has negative reserves of £2,129,569 but is fully supported by its parent Lancing College Limited. Lancing College Limited has, whilst not legally binding, confirmed its ability and intention to continue to support the school in meeting its liabilities as they fall due for a period of at least 12 months from the date of signing of these accounts. The inter-company loan balance will not be withdrawn whilst the school is returned to a surplus making position and until it is able to repay the loan.

Having considered all the factors and reviewing the available evidence, the directors have a reasonable expectation that the charity has adequate resources to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

c) Fees and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

d) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

Also included in non-ancillary income is CJRS Income. The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other Charitable Income - Grants' (note 3).

e) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services or facilities.

f) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

g) Governance costs

Governance costs include the costs attributable to Lancing College Preparatory School at Worthing Limited's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

h) Pension Costs

The school participates in the Teachers' Pensions scheme, which is an unfunded government scheme providing benefits based on final pensionable pay. The funds of the scheme are separate from the company, although the charitable company's share of the schemes cannot be identified as the scheme is a multi-employer scheme, and so the pension costs are accounted for as defined contribution schemes. The charitable company also contributes to

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

other defined contribution pension schemes for non-teaching staff.

i) **Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Leasehold land	- Over the shorter of the economic life of the asset or the life of the lease
Computer equipment	- 25% on cost
Fixtures and fittings	- between 4% and 25% on cost

The company has reviewed its tangible assets, which comprise of leasehold buildings, computer equipment, and furniture and fittings.

Lancing College Preparatory School at Worthing exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

j) **Financial Instruments**

Lancing College Preparatory School at Worthing only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. 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.

k) **Taxation**

Lancing College Preparatory School at Worthing Limited is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

l) **Cash flow statement**

The cash flows of Lancing College Preparatory School at Worthing Limited are included in the consolidated cash flow statement of Lancing College Limited. The company is exempt under the terms of Section 1 of FRS 102 from publishing a cash flow statement.

m) **Accounting estimates and judgements**

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement. There are no key sources of estimation uncertainty. Lancing College Preparatory School at Worthing also exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

n) **Debtors**

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

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

o) Cash

Cash at bank and cash 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.

p) Creditors

Creditors and provisions are recognised where the charity 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.

q) FRS 102 Exemptions

As a qualifying entity within the meaning of FRS 102, the charitable company has chosen to take advantage in its financial statements of the following disclosure exemptions:

- Section 11 and section 12 - Financial instruments disclosures.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

2. CHARITABLE ACTIVITIES - SCHOOL FEES

	2021	2020
	£	£
The school fees income comprises:		
Gross fees	1,880,996	1,863,617
Less: Total scholarships, bursaries, etc	(297,336)	(323,585)
	<u>1,583,660</u>	<u>1,540,032</u>

Scholarships, bursaries and other awards were paid to 91 pupils (2020: 104 pupils). Within this, means tested bursaries and scholarships totalling £140k were paid to 29 pupils (2020: £199k to 38 pupils)

3. CHARITABLE ACTIVITIES - OTHER INCOME

	2021	2020
	£	£
Ancillary income:		
Wraparound care	20,038	10,336
Entrance and registration fees	2,695	2,250
Extra school care and SEN	3,873	9,249
	<u>26,606</u>	<u>21,835</u>
Non-ancillary activities:		
Other income	600	185
Government Grants - CJRS	34,719	80,787
	<u>61,925</u>	<u>102,807</u>

The Coronavirus Job Retention Scheme (CJRS) grant relates to government funding received to cover 80% of furloughed staff wages plus employer National Insurance and pension contributions. £34,719 of the unrestricted income in the current year (2020: £80,787) and costs relate to the CJRS grant. No CJRS grants were claimed relating to government funded contracts where work and government funding has continued. There are no unfulfilled conditions and other contingencies attached to government grants that have been recognised in income. There are no other forms of government assistance from which the charity has directly benefitted.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2021

4. NET EXPENDITURE FOR THE PERIOD

	2021	2020
	£	£
Net expenditure for the period is stated after charging:		
Depreciation	31,983	32,473
Auditors' remuneration – audit	4,620	4,450
	<u>36,603</u>	<u>36,923</u>

5. STAFF COSTS

	2021	2020
	£	£
Total staff costs comprise:		
Wages and salaries	1,086,445	1,061,376
Social security costs	99,957	96,979
Pension contributions	159,731	173,857
	<u>1,346,133</u>	<u>1,332,212</u>

Number of employees:

The average monthly number of employees during the period on a headcount basis was:

	2021 Number	2020 Number
Teaching staff	29	31
Others	11	12
	<u>40</u>	<u>43</u>

One employee was remunerated between £90,001 and £100,000 in the year (2020: One between £80,001 and £90,000).

Contributions of £Nil (2020: £13,236) were made to the Teachers Superannuation Scheme which is a defined benefits scheme for no (2020: one) higher paid group employees.

The aggregate employee benefits of key personnel during the year were £407,433 (2020 - £366,224). These key employees are employed by the parent company, Lancing College Limited.

6. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration or reimbursement of expenses during the period (2020: none).

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2021

7a. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff (Note 5)	Other Costs	Depreciation (Note 9)	2021 Total	2020 Total
	£	£	£	£	£
Charitable activities					
Teaching	1,158,475	45,859	-	1,204,334	1,194,513
Welfare	57,882	61,183	-	119,065	97,333
Premises	68,886	276,859	31,983	377,728	236,764
Support cost of schooling	60,890	62,695	-	123,585	131,342
School operating costs	1,346,133	446,596	31,983	1,824,712	1,659,952
Grants, awards and prizes	-	-	-	-	-
Total resources expended	<u>1,346,133</u>	<u>446,596</u>	<u>31,983</u>	<u>1,824,712</u>	<u>1,659,952</u>

b. Governance Costs included in support costs

	2021 £	2020 £
Remuneration paid to auditor for audit services	4,620	4,450
Others Governance Costs	600	5,442
	<u>5,220</u>	<u>9,892</u>

8. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

9. TANGIBLE FIXED ASSETS

	Land and Buildings Short Leasehold £	Under Construction £	Computer Equipment £	Fittings and Equipment £	Total £
Cost					
At 1 September 2020	182,619	10,266	96,884	251,099	540,868
Additions	-	-	-	-	-
Disposals	-	(10,266)	-	-	(10,266)
At 31 August 2021	182,619	-	96,884	251,099	530,602
Depreciation					
At 1 September 2020	41,317	-	93,612	120,051	254,980
Charge for the year	8,214	-	1,842	21,927	31,983
At 31 August 2021	49,531	-	95,454	141,978	286,963
Net book value at 31 August 2021	133,088	-	1,430	109,121	243,639
Net book value at 31 August 2020	141,302	10,266	3,272	131,048	285,888

All assets are used for charitable purposes.

Lancing College Preparatory School at Worthing Limited has a fixed and floating charge with Barclays Bank PLC.

10. DEBTORS

	2021 £	2020 £
Fee debtors	16,419	953
Trade debtors	480	480
Prepayments and accrued income	13,613	17,218
	30,512	18,651

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

11. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	47,930	7,175
Amounts owed to group undertakings	1,879,657	1,896,839
Other creditors	44,067	43,915
Accruals	65,128	48,060
Entrance Deposits	32,950	31,550
Deferred income - fees received in advance	333,888	227,342
	<u>2,403,620</u>	<u>2,254,881</u>

Deferred income relates to fees received in advance for the forthcoming academic year, £227,342 was released in the year to the Statement of Financial Activities and £333,888 was deferred.

Included within the other creditors is an amount owing to the Teachers' Pension Scheme at the end of the year of £17,461 (2020: £17,787)

12. SHARE CAPITAL

	2021 and 2020 £
Authorised	
100 Ordinary Shares of £1 each	<u>100</u>
Allotted, called up and fully paid	
100 Ordinary Shares of £1 each	<u>100</u>

The company's shares which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

13. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

The company's net liabilities belong to the various funds as follows:

	Fixed Assets £	Net Current Liabilities £	2021 Total £
Unrestricted Funds	243,639	(2,373,108)	(2,129,469)
	<u>243,639</u>	<u>(2,373,108)</u>	<u>(2,129,469)</u>

	Fixed Assets £	Net Current Liabilities £	2020 Total £
Unrestricted Funds	285,888	(2,236,230)	(1,950,342)
	<u>285,888</u>	<u>(2,236,230)</u>	<u>(1,950,342)</u>

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14. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2021 £	2020 £
Opening shareholders' funds	(1,950,342)	(1,933,229)
Net movements in funds	(179,127)	(17,113)
Closing shareholders' funds	<u>(2,129,469)</u>	<u>(1,950,342)</u>

The shareholders' funds are unrestricted funds representing those resources which may be used towards meeting any of the charitable objects of the school at the discretion of the Trustees. The funds are currently in deficit but the school has plans to return to a surplus position to reduce this deficit position.

15. TEACHERS' PENSION SCHEME

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £209,422 (2020: £226,160) and at the year-end £17,461 (2020 - £17,787) 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.

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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 consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary and are aiming to implement these changes in time for the 2020 valuations.

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 revision 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.

16. RELATED PARTIES AND ULTIMATE CONTROLLING PARTY

The parent company and controlling party is Lancing College, a company registered in England and Wales and limited by shares. Control is exercised by the parent by virtue of owning 100% of the share capital of Lancing College Preparatory School at Worthing. Lancing College Limited has company registration number 03779985 and charity registration number 1076483. Lancing College's principal activity is the education of girls and boys aged 13 to 18. The registered address of Lancing College Limited is Lancing College, Lancing, West Sussex BN15 0RW.

The directors consider that the ultimate parent undertaking is The Woodard Corporation (Company number 04659710), a registered charity, number 1096270 which is registered in England and Wales. The Woodard Corporation's principal activity is to act as a holding company for various schools, colleges and academies. Control is exercised by the ultimate parent by virtue of Owning 100% of the share capital of Lancing College Limited.

In line with paragraph 33.1A of FRS 102, the company, as a wholly owned subsidiary, is not required to disclose transactions with other wholly owned members of the group. There were no other related party transactions during the year.

The largest group of undertakings for which group accounts are drawn up is that headed by The Woodard Corporation and the smallest is that headed by Lancing College Limited. Copies of these accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ or are available on the Charity Commission website.