

Company No. 10815140
Registered in England
Charity No. 1174358

DULWICH PREP CRANBROOK

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 AUGUST 2021

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ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the audited financial statements of Dulwich Prep Cranbrook (the School) for the year ended 31 August 2021.

The Governors confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (Charities SORP FRS102).

Status and administration

The School is a company limited by guarantee (company number 10815140) and is registered with the Charity Commission under charity number 1174358. The School, together with Dulwich Prep London, is a subsidiary of Dulwich Preparatory Schools Trust ("the Trust"). The Trust is also a company limited by guarantee and is a registered Charity and the School leases its property from the Trust.

Governors' responsibilities

The Governors (who are also directors of the School for the purposes of company law) are responsible for preparing the Governors' report (including the strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

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

The Governors 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 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.

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

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- so far as that each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The School was created as an independent charity governed by its own Articles of Association with effect from 1 September 2017. The Articles reflect the Companies Act 2006 and the Charities Act 2011 and were approved by the Charity Commission and passed by written resolution on 16th June 2017. Prior to that date the School was part of, and effectively governed by, the Articles of Association of the Trust. At its inception the umbrella charity, the Trust, donated the net assets and undertakings necessary to fulfil its objects to the new charity under a Transfer of Undertakings Agreement dated 1st September 2017. The School is supported in the provision of education by the Trust, from which the School leases its facilities.

Governing Body

The Governors of the School are the charity trustees under charity law and the Directors of the charitable company. All Governors are "members" of the Trust and the School's Chairman and one other Governor also serve as Trustees of the Trust.

The members of the Governing Body who served in office as Governors during the year are detailed below with additional responsibilities or focus shown in brackets:

AP Anderson II	Chairman	(Trustee of the Trust and of the Trust Pension Scheme)
M StJ Ashley		(Trustee of the Trust, Trustee of the Trust Pension Scheme, Member of the Trust Finance Committee)
Mrs S Jenkins		
BEC Lynch		
S Miller		(Safeguarding, Education)
Mrs S C Morgan		(Education)
Mrs C M Nash		(Boarding)
Mrs N Payne		(PR/Marketing)
N Pears		(Early Years)
Mrs S L Rynehart		(HR and Legal)

Mr N Pears resigned from the Governing Body on 25 October 2020.

Mrs S Jenkins and Mr BEC Lynch were appointed on 25th November 2020

Key Management Personnel

Headmaster: P A David BEd (Hons)

Bursar and Clerk to the Governors: F P Scanlon BSc(Hons), MSc, MBA, MIET

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Professional Advisers

Solicitors: Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH Auditor: Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Management Structure

The Governing Body meets a minimum of three times per year, normally once per academic term. Sub-committees for specific purposes are established as and when needed. The Headmaster and Bursar attend each of the full Governing Body meetings and any sub-Committee meetings as required. The day-to-day management of the School is delegated to the Headmaster and Bursar, who collectively comprise the key management personnel and are supported by the School's Senior Management Team. The Headmaster has overall responsibility for the appointment and supervision of all staff, but delegates this function to the Bursar for most non-academic staff.

Remuneration is set by the Governing Body with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly 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. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence.

Governing Body Recruitment & Training

The Governing Body is self-appointing, with new Governors identified by the existing Board, supported by the Headmaster and Bursar, and appointed by the Board following agreement by the Trust. Governors serve for an initial term of four years, but may offer themselves for re-election for a second term of four years and then a final term of two years, making ten years in all.

New members of the Governing Body are elected on the basis of the candidates' professional qualities, experience, personal competence and the specific needs of the School. New Governors are inducted into the workings of the charitable company via a programme organised by the Headmaster and Bursar. The Bursar will also notify members of the Governing Body of relevant external trustee training and information courses and seminars designed to keep them informed and updated on current issues in the sector and regulatory requirements.

Charity Code of Governance

Following its incorporation on 12th June 2017 the School's Board of Governors has taken its governance responsibilities seriously and, as a significant charity, aims to have a governance framework that is fit for purpose, compliant and efficient. The Board has established a solid foundation in governance in which all of its Governors are clear about their roles and legal responsibilities, are committed to supporting the School in delivering its objects most effectively for the benefit of its beneficiaries and contributing to the School's continued improvement.

Overall the School's Board of Governors meets a very significant proportion of the recommended and best practice for governance contained within the Charity Governance Code across the seven areas and are comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code.

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Employment policy

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, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial performance of the School through an annual briefing given by the Bursar. Employees are also aware of the public benefit necessarily provided by the School as a charity and of their part in supporting the School's contribution to the local community.

Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to make staff aware of current issues.

Good examples of effective communication and staff consultation were demonstrated throughout the period and evidenced by the very effective redeployment, over the Christmas holiday period, of our remote learning arrangements for the second Covid lockdown in January 2021. In addition, during the previous year, the School had identified a need to make a small number of positions redundant from the end of the Summer term 2021 and so, during the Spring term lockdown a transparent and thorough consultation process with staff was required. Much of this had been conducted by the Headmaster and HR Manager over Zoom meetings rather than in person and so needed particularly sensitive handling. The business need for the process was clearly articulated and understood, questions and concerns were fully addressed and answered and the process was completed successfully without alienation of the staff affected or their remaining colleagues.

STRATEGIC REPORT

The remainder of the report of the Governors also constitutes the strategic report for the purposes of the Companies Act 2006.

Principal activity and objects of the charitable company

The principal activity of the charitable company is the operation of a preparatory school at Cranbrook, Kent. The objects of the charitable company are the advancement of education by the provision and conduct of the school for boys and girls and by ancillary or incidental educational activities and other associated activities for the benefit of the community. The Governing Body has referred to the guidance contained in 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, when reviewing future aims and objectives.

Aim

The Governors' aim is that pupils should have every opportunity to fulfil their potential - academic, artistic, dramatic, musical, sporting, social and moral – by providing a rich and dynamic curriculum, inspirational teaching, building children's self-confidence by supporting their emotional, physical and intellectual needs, and inculcating a desire to contribute to the wider community. By the time children leave the school our aim is that they will have developed the skills and inner confidence to flourish in the next stage of their journey, ready to embrace the opportunities the world outside has to offer.

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Primary objectives

The School seeks to achieve its aim through the following primary objectives:

- To continue to welcome pupils and staff from all backgrounds.
- To continue to develop our exceptional pastoral care.
- To continue to develop the breadth and depth of what we offer so each child can discover new passions, develop their talents, and stretch themselves.
- To continue the professional development of all staff, so they are leaders in their field.
- To continue to develop our academic curriculum so that children have the skills and mindset they need to flourish.
- To nurture good citizenship and encourage children to be contributing members of their community and society generally.
- To continue to improve our facilities, technology and resources.
- To continue to develop and strengthen our relationship with local schools and the wider community.
- To set our fees 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 children.
- To provide financial support to enable children whose parents would not otherwise be able to afford the fees to benefit from an education at the School.
- To maintain a clear and effective management structure and the necessary support framework to meet the needs of staff and pupils alike.

Strategies to achieve the primary objectives

The Governing Body has reviewed the Strategic Development Plan for the School. A new plan which was initiated in 2016 and reviewed in 2018 is now well advanced. The Plan defines educational and investment initiatives and major projects, subject to available funding, in pursuit of the primary objectives.

The strategic review recognised the need for the School to adjust to the changing local market, particularly as a result of Cranbrook School's decision to admit pupils from Year 7 and so diminish our own Year 7 and 8 pupil numbers. In response to this, besides an extensive rebranding programme completed during 2017, an extension of the School's bursary and scholarship programme was implemented with bursaries now being offered from Year 3 onwards. Additionally, the consequent reduction in demand for boarding in Years 7 and 8 enabled the School to consolidate boarding accommodation into one house, The Manor, from September 2018. This freed The Lodge Boarding house and surrounding land for disposal by the parent Trust. The Trust received planning permission for a small residential development on this site during the year and it was sold to a local developer in August 2019.

However, the impact of the COVID-19 pandemic which hit the country in early March 2020 stalled progress on the remaining initiatives and resulted in a fundamental re-examination of the school's market position, priorities and finance. Based on this, and backed by a comprehensive survey of parents the School is now developing an exciting plan to repurpose existing surplus teaching accommodation and extend provision to GCSE in Year 11. If the proposal is approved, the School aims to announce the development during the Spring term 2022 and admit the first cohort of Year 9 pupils in September 2023.

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Public benefit

The School remains committed to the aim of providing public benefit in accordance with its founding principles.

The School actively supports the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practice and a widespread desire to improve standards. We cooperate with local schools and educational bodies in our ongoing endeavours to widen public access to the schooling we provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at the School. However, opportunities to further this have been restricted during the year as a consequence of the COVID-19 pandemic.

This year the School awarded means-tested bursaries totalling £156K to 17 pupils (2020: £142K to 15 pupils), including 4 (2020: 4) for 75% or more of full fees. Awards are fully means-tested through a rigorous and detailed process which includes home visits when appropriate.

Emotional well-being and mental health

During the academic year 2020-21 the school has continued to promote the importance of a focus on positive mental health. Our work with the wider community has been interrupted owing to COVID-19 and as a result we have been unable to host face to face events on the school premises. However, we retain strong links with Mental Health First Aid UK who are able to provide mental health training opportunities for teaching and support staff based in local maintained and independent schools.

Facilities and resources

The School continues to foster strong relationships with many of our local state maintained schools and endeavours to share best practice and provide support wherever possible. Unfortunately, the Covid-19 restrictions this year have limited this and a number of our regular events and planned support programmes could not take place. However, all these events, including the very popular "Rawlinson Run" in which over 200 local primary and prep school pupils participate, are scheduled to resume in academic year 21/22.

In spite of the Covid restrictions we were pleased to be able to provide work experience opportunities in our PE Department for several local grammar school pupils during the Summer term.

The School has a designated member of staff responsible for liaison with and support for local schools. Strong relationships have been established as a consequence and the School continues to actively seek opportunities for close co-operation wherever possible. Local state schools are encouraged to approach the School for support and assistance wherever they feel we may be in a position to provide it.

Charitable fundraising

Pupil fundraising for charitable causes is also encouraged and whilst Covid 19 restrictions limited the opportunities again this year, approximately £1.5K was donated to national charities as a result of pupil led initiatives. Staff charity fundraising ventures were also curtailed as were those of the Friends Association which, besides supporting the School, seeks to raise funds for a range of charities.

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The school does not engage with any external third party fundraisers. There have been no complaints in the period regarding inappropriate or intrusive contact in relation to fundraising activities.

ACHIEVEMENTS AND PERFORMANCE

Art

With all children returning to school in September 2020, the Art Department made it their mission to create work which would be very difficult to produce at home. Large acrylic canvases, ceramic work and textiles dominated the schemes of work for the Autumn Term. When lockdown loomed once again during the winter months, The department saw it as an excellent opportunity to do something different. Whilst the Little Stream Children explored art through stories and books, Upper School pupils concentrated on learning about careers in the Art and Design world. Each week a new area was discussed and introduced to the children, then a hands-on workshop would follow, allowing the pupils to experience each career in turn.

When returning to school, emphasis was back onto challenging projects which stretched the children's skills and enhanced their love for the subject.

Music

We are so proud of what we achieved during the academic year, 2020-21. As a Music Department, we provided the children with a comprehensive music education, both online and in the classroom. Whilst our restrictions were plentiful, (no singing), we adapted our approach considerably and were still able to provide the children with much-needed performance experience. Our trips within the community were somewhat curtailed, but in-house, we were able to prepare for all the big events that traditionally the school has always presented – (albeit via recordings, rather than to live audiences.) The Joint Harvest Festival, (a new initiative), the Upper School Winter Concert, Upper School and Little Stream contributions to the Carol Service, the Year 1 Nativity, the Year 2 Christmas Play, the Year 3 Concert, as well as all the usual informal concerts, all took place. Unexpectedly, all of these recordings, gave us more opportunities to reach out to the wider community, allowing more people to enjoy the children's achievements. Two masterclasses during lockdown, enabled us to maintain our links with the Director of Music at Sevenoaks Senior School and the opera singer, Gillian Keith.

Whilst the Young Voices Concert did not go ahead, we hope to be celebrating its 25th Anniversary in 2022 and contributing to the Teenage Cancer Charity and Place2Be? During our online learning, the Doctor Who theme was performed by our orchestra and provided a chance for the children to play 'virtually' together. The summer term saw the return of the Wind/Brass ensemble, Jazz Band and Rock School, as well as the Senior Choirs, performing to parents at several open air events. In addition to the performing arts scholarship to Claremont, pupils obtained music scholarships to Sutton Valence School and Ashford School. Our school community was celebrated in sound, through the collaboration of Year 8 and Paul Cheese, a local sound recordist. The Sounds of Dulwich is a lasting testimony of all that we do here. Despite much of the year having a virtual bias, the children were able to benefit greatly from the musical opportunities the school was able to offer.

iSpace

This year, four Year 7 and 8 children took part in the iSpace Advisory Board, an opportunity for representatives from various schools to discuss wellbeing in schools and how we can help, which

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included contributions from Wellbeing activist Hope Virgo. Since then our pupils have contributed to the Forward of the Government White Paper, which Paula Talman, (the creator of iSpace) submitted to the Government, outlining the necessity for all children to receive a 'mental health and wellbeing' education. As part of this cause a video of our Year 3 performing a 'Planet Heads Up routine', was sent to Mims Davies MP, to highlight the work that we are doing and how impactful a wellbeing education is. The school has received considerable interest in this aspect of our curriculum, and has featured in the national magazine The School Report, describing its involvement in the iSpace curriculum, along with its benefits.

Drama

Responding to the Covid restrictions and guidelines, the Drama Department had to be inventive and innovative this year. From the magical professionally filmed and edited Year 6 Grimm Tales to the fun, fast and fantastic online drama and dance workshops held during lockdown, pupils were engaged and their inner diva was kept alive! Exploring various forms of new performance genres not only enabled pupils to continue to experience the wonders of performing, but also sewed the seed for future exciting ventures where the possibilities of interactive audiences and immersive experiences could intertwine with more familiar formats. Thrown into the mix were a few firm favourites such as the Year 8 Revue and the Year 5 Showcase, performed in the John Leaky Hall; it was good to be back, treading the boards, after so many months.

Sport

With the children returning in full in the Autumn term, many tribe events were held and this became a main focus as fixtures against other schools were curtailed. Events included tribe cross-country, hockey, football, rugby and lacrosse. We competed in the National Prep School Cross Country Competition and produced some excellent times, although they did not actually announce any winners this year.

During the Spring term lockdown, Dulwich combined a variety of in school and online learning, creating excellent resources from Nash house through to the senior age group. The children were fully engaged with a programme of online PE and Games including zoom PE lessons, fitness videos, challenges, IAPS virtual sports, zoom football sessions, dance lessons to name but a few. The children, staff and pupils were encouraged to log any distances travelled during online learning. This could be running, walking, cycling, horse riding, cartwheeling etc. The combined total for this challenged was a massive 25,936 miles. Dulwich also won two of the IAPS virtual football and hockey challenges. Children also used the time at home to discover their own sporting and active passions within their surroundings. Girls' cricket is now running across the school, with inter-school fixtures and tournaments held during the summer. Over 80 cricket fixtures were completed during the summer term despite the COVID disruptions. The U12 girls won the Coursehorn Cup cricket tournament which is held at Dulwich and was one of the first girls only cricket tournaments set up on the local circuit. The U13 1st XI boys team was particularly strong with them winning all but 2 of their fixtures. The girls have been moving on to hard ball with the seniors, ready to compete from the start of next season.

Continued Education under COVID-19

On the 7th August 2020, the Department for Education (DfE) published guidance for the full opening of schools in September 2020, following the partial re-opening that some schools effected during the second half of the Summer Term 2020. Further guidance was throughout the summer holidays

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relating to safe working in education, transport and, most recently, in respect of face coverings in education, following a statement published by the World Health Organization.

This guidance extended the framework that had been adopted in schools to minimize the risk of potential transmission of the coronavirus (COVID-19) through a system of controls building on a hierarchy of protective measures that had been in use throughout the coronavirus (COVID-19) outbreak.

Leading into the beginning of the Autumn Term 2020 it was recognised that there could not be a 'one-size-fits-all' approach where the system of controls describes every scenario. In reviewing all the government guidance, the school leadership team reflected on the school's excellent site, buildings and teaching environment and made informed judgments about how to balance delivering a broad and balanced curriculum within the measures needed to manage risk.

The system of protective measures was similar to those adopted in the Summer Term 2020 and included a requirement that people who display even the mildest symptoms of coronavirus (COVID-19) stay at home, robust hand and respiratory hygiene, enhanced cleaning arrangements and active engagement with NHS Test and Trace. Formal consideration was also given to how to reduce contacts and maximise distancing between those in school wherever possible and minimise the potential for contamination. During this period the school was able to operate a full programme of lessons without compromising pupil learning, curriculum breadth or pastoral support in the lead up to Christmas, creatively adapting planned events such as Nativity plays, concerts and even delivering an online Carol Service.

A directive from the government on the 5th January indicated the need for all schools to close until at least half term and, as a result of the new lockdown imposed, a further period of online learning commenced at the beginning of the Spring Term. Having learnt a great deal from the summer experience the school issued Phase 4 of its Dulwich Virtual Learning arrangements. This included Remote Learning Guidelines for Parents, Remote Learning Guidelines for Children, guidance for Teaching and Learning, Pastoral Support and Co-Curricular activities and an Online Learning Zoom Help Guide.

The full reopening of schools on the 8th March required a 'Testing Task Force' to be put in place to plan, prepare and deliver an asymptomatic test regime for children in Years 7 and 8 and all staff prior to term commencing. The willingness and flexibility of staff to train, rehearse and provide this service in school, prior to the 8th March, allowed the school to open with a full range of clubs and after school activities with no delay. Despite continuing separation in the form of year group 'bubbles', the school was able to resume face-to-face teaching whilst effectively managing the inevitable positive COVID-19 cases which emerged throughout the Spring and Summer Terms. As lockdown arrangements relaxed further towards the end of the summer term, the school gradually opened up to parents with spectators watching home sports matches and carefully managed performances, albeit with limited occupancy. Parental response to the school's provision throughout the COVID-19 period has been extremely positive.

FINANCIAL REVIEW

The operating deficit for the year ended 31 August 2021 was £583,326 compared to £28,562 surplus in the previous year. Total income of £5,535,584 and expenditure of £6,118,910 in the year compared with total income of £5,886,966 and expenditure of £5,858,404 in the previous year. Although income was supported by the receipt of £83,733 in furlough grants (2020 £233,933)

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through the Government Coronavirus Job Support Scheme, the reduced level of income is primarily attributable to the reduction in pupil roll and the reduction by 25% in fees charged during the first half of the Spring term when the School was required to revert to remote learning. The net book value of fixed assets amounted to £160,453 (2020 £166,917).

In addition to revenue from school fees, the School seeks to enhance its income through letting its facilities and through rents received for staff residential properties. Besides casual lettings of sports facilities, classrooms and halls for birthday parties etc., regular hirers of the School's facilities include a local children's dance company who hire the main school hall at weekends throughout the term and a children's holiday activities company who hire a range of facilities to operate a day camp over a period of four weeks during the School's summer holidays. Covid-19 restrictions resulted in a reduction in the extent of both these lettings this year. Additionally, in normal circumstances there are a number of holiday activities from which income is earned that are run by the School's own staff and available to current pupils including sports camps, chef school and a summer holiday activity camp for younger children. These activities were not possible this year.

Reserves

The School's reserves policy is to maintain its unrestricted reserves (excluding pension liabilities or assets) broadly at the level of one month's expenditure in order to meet day to day running costs of the School and the costs associated with the maintenance of the fabric of its buildings. This allows the School to ensure sufficient liquidity for normal operation. In addition, the School may hold additional reserves to support anticipated capital expenditure and its longer term liabilities in particular its pension fund obligations. Free reserves held at the year-end totalled £432,386 (2020: £845,887) excluding pension liabilities and £13,681 (2020: £437,987) including pension liabilities. At this level the free reserves fall below the level required by the reserves policy. Despite this, the Governors have considered the reserves policy in light of the Covid-19 pandemic and have concluded that no adjustments to the policy need to be made. At the year end funds were sufficient to support the Governors aims.

Going Concern

Having reviewed the cash position of the School together with the expected ongoing demand for places and the School's future projected cash flows, including the ongoing effects of Covid-19 and potential lockdowns, together with support available from the parent Trust, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the principal risks to the School to be those associated with Safeguarding of children and those associated with continued economic and political turbulence, particularly those arising from the Covid-19 crisis.

Safeguarding and Health and Safety

To ensure continuity of communication between the governing body and the School, one governor holds designated responsibility for Safeguarding and Health and Safety. The designated governor attends termly safeguarding meetings with the School's Safeguarding team comprising the

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Designated Safeguarding Lead (DSL) and four deputy DSLs and, together with the DSL, reports to the Board of Governors at each Board meeting. The designated governor also conducts an annual Safeguarding Audit which normally takes place during the Spring term.

All Governors receive full safeguarding training when they join the Board and receive regular updates as necessary from the DSL. All are required to scrutinise and approve the safeguarding policies of the School at least annually. In addition to this all governors are required to complete any further necessary training such as updates on Keeping Children Safe in Education. Where appropriate, this is provided online and a full record of training is held by the DSL and the HR Manager.

Safeguarding continues to be the highest priority for governors and the School staff. In addition to the day-to-day attention given to ensure the School remains a safe place for pupils, governors maintain oversight of out of school activities undertaken by pupils. Full safeguarding meetings are held in advance of any residential trips and appropriate adjustments to arrangements and staffing are made for pupils with additional needs.

Whilst the Governors are respectful of the boundary between governance and management, they continue to work to make themselves visible to staff and parents, attending as many school events as possible and getting to know not just the Headmaster and Bursar, but staff in all areas of the School. Their presence is welcomed by the whole community. The annual safeguarding audits have provided a particularly good opportunity for personal contact between Governors and staff – including support staff.

The School's management of more general Health and Safety risks are also closely monitored by the Board. The risks range from fire and infrastructure to personal risks (most notably when pupils are away from the campus on trips and outdoor activities). The level and breadth of these activities at the School is impressive and the risks associated with all are minimised by thorough planning and risk assessment by the School's designated External Visits Co-ordinator. In addition, since the onset of the COVID-19 pandemic, a full COVID specific risk assessment has been implemented and is updated and reviewed on a regular basis and in line with Government guidance. The Board has scrutinised the assessment in detail and is fully apprised of any changes as they become necessary.

The School's Health and Safety Committee comprises representatives from all sections of the School and reports, via the Bursar, to the Governors on a termly basis. The School also employs an external Health and Safety adviser who provides detailed advice when necessary as well as providing audit and reporting in specific areas when required.

Economic and Political Turbulence

The Governors consider the continuing economic turbulence of recent years and the affordability of fees by parents across the independent sector to represent significant risks to the School. This risk was heightened by the continuing financial impact of Covid-19 through the year and by the reduction in pupil numbers attending the school which made it necessary to reduce staffing levels by means of a small redundancy programme combined with non-replacement of some retirees. By doing this the school has ensured that staff levels are appropriately matched to pupil numbers and that the deficit experienced in 20/21 is not repeated in 21/22 or beyond. Although the risks associated with continuing increases in Teachers' Pension contributions were fully mitigated by the Schools' withdrawal from the TPS in November 2019, other economic and political risks, including the potential loss of charitable status and the removal of business rates relief currently enjoyed by

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the School as a charity together with the potential introduction of VAT on school fees, remain. Governors remain alert to the impact of these both on the School's supply costs and to the livelihoods of the parents who pay fees.

Enrolment at the School remained strong through the year with a significant number of new joiners moving to the local area from London. However, the School continues to adjust to the impact of the increased proportion of pupils choosing to leave at 11+, often to join local State grammar schools. As a consequence, Years 7 and 8 have been reduced from three to two forms per year group. Pupil numbers are now considered to be stable although continued economic uncertainty and political threat leaves no room for complacency.

Detailed consideration of risk is undertaken for the School by the Governors in conjunction with the Headmaster and Bursar. A risk register is maintained, reviewed termly by the Governors and updated as necessary. The risk management process and the resulting report identify risks, assess their impact and likelihood and, where necessary, recommend controls to mitigate and monitor those risks which are assessed as high. The generic controls used by the School to minimise risk include:

- detailed terms of reference together with formal agendas for Committee and Board activity;
- strategic development planning, reviewed annually by Board of Governors;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks for the School.

Approved by the Governing Body of Dulwich Prep Cranbrook, including, in their capacity as company directors, approving the Directors' and Strategic Report contained therein, and signed on its behalf by:



M StJ Ashley
Governor

Date 30th April 2022

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Independent Auditor's Report to the Members of Dulwich Prep Cranbrook

Opinion

We have audited the financial statements of Dulwich Prep Cranbrook, the 'charitable company' for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of 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 trustee's 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

DULWICH PREP CRANBROOK

ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2021

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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 1, 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Data Protection Regulation (GDPR), Health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing any regulatory correspondence with the

DULWICH PREP CRANBROOK

ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2021

Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Tina Allison
Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP
Statutory Auditor
London

26 May 2022

DULWICH PREP CRANBROOK
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021
(Incorporating an income and expenditure account)

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Charitable activities:					
School fees receivable	2	5,372,272	-	5,372,272	5,561,474
Other educational income	3	40,928	-	40,928	48,660
Ancillary income	4	8,628	-	8,628	18,298
Other trading activities					
Non-ancillary trading income	5	27,439	-	27,439	20,263
Voluntary sources					
Donations and legacies		-	2,584	2,584	4,338
Furlough grant income scheme		83,733	-	83,733	233,933
Total income		5,533,000	2,584	5,535,584	5,886,966
Expenditure on:					
Raising funds					
Financing costs	6	(280,741)	-	(280,741)	(9,107)
Total costs of raising funds		(280,741)	-	(280,741)	(9,107)
Charitable activities					
Education	6	(5,838,169)	-	(5,838,169)	(5,849,297)
Total expenditure		(6,118,910)	-	(6,118,910)	(5,858,404)
Net (expenditure)/income		(585,910)	2,584	(583,326)	28,562
Transfer between funds	13	140	(140)	-	-
Pension scheme actuarial gains/(losses)	15	155,000	-	155,000	(51,700)
Net movement in funds for the year		(430,770)	2,444	(428,326)	(23,138)
Fund balances brought forward at 1 September 2020		604,904	478	605,382	628,520
Fund balances carried forward at 31 August 2021		174,134	2,922	177,056	605,382

The notes on pages 21 to 36 form part of these financial statements

**DULWICH PREP CRANBROOK
BALANCE SHEET
AS AT 31 AUGUST 2021**

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	8		160,453		166,917
CURRENT ASSETS					
Debtors	9	578,241		881,327	
Cash at bank and in hand		842,708		855,847	
		<u>1,420,949</u>		<u>1,737,174</u>	
CREDITORS: Amounts falling due within one year	10	(985,641)		(890,809)	
NET CURRENT ASSETS			<u>435,308</u>		<u>846,365</u>
TOTAL ASSETS LESS CURRENT LIABILITIES EXCLUDING PENSION SCHEME LIABILITY			595,761		1,013,282
Defined benefit pension scheme liability	15		<u>(418,705)</u>		<u>(407,900)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>177,056</u>		<u>605,382</u>
CHARITY FUNDS					
Unrestricted funds excluding pension reserve			592,839		1,012,804
Pension reserve	15		(418,705)		(407,900)
Restricted funds			<u>2,922</u>		<u>478</u>
TOTAL FUNDS			<u>177,056</u>		<u>605,382</u>

The financial statements were approved by the Governors on 30th April 2022

and signed on their behalf,
by:


M StJ Ashley
Governor

The notes on pages 21 to 36 form part of these financial statements.

DULWICH PREP CRANBROOK
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Net cash inflow/(outflow) from operations			
Net cash provided/(used) by operating activities	(i)	38,043	(162,297)
Cash flows from investing activities:			
Additions to fixed assets		(51,182)	(19,044)
Proceeds from sale of fixed assets		-	424
Net cash (used in) investing activities		<u>(51,182)</u>	<u>(18,620)</u>
 Change in cash and cash equivalents in the reporting period		 (13,139)	 (180,917)
Cash and cash equivalents at the beginning of period		855,847	1,036,764
Cash and cash equivalents at the end of the reporting period	(ii)	<u>842,708</u>	<u>855,847</u>

The notes on pages 21 to 36 form part of these financial statements

DULWICH PREP CRANBROOK
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2021

	2021	2020
	£	£
(i) Reconciliation of net income to net cash flow from operating activities		
Net (expense)/income	(583,326)	28,562
Elimination of non-operating cash flows:		
Depreciation charge	57,646	63,122
Profit on disposal of fixed assets	-	(424)
Decrease in debtors	303,086	115,491
Increase/(decrease) in creditors (excluding fees in advance scheme and deposit)	87,463	(107,674)
Increase/(decrease) in fees in advance scheme creditors	5,369	(142,714)
Increase/(decrease) in parents' deposits	2,000	(13,060)
Difference between pension contributions paid and charges made	165,805	(105,600)
	<u>621,369</u>	<u>(190,859)</u>
Net cash inflow/(outflow) from operations	<u>38,043</u>	<u>(162,297)</u>
	2021	2020
	£	£
(ii) Analysis of cash and cash equivalents		
Cash at bank and in hand	<u>842,708</u>	<u>855,847</u>

**DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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). The accounts are drawn up on the historical cost basis of accounting.

The School is a Public Benefit Entity registered as a charity in England and Wales (charity number: 1174358) and a company limited by guarantee, (company number: 10815140). Its registered office is Coursehorn, Cranbrook, Kent, England, TN17 3NP.

The ultimate parent company and controlling party of Dulwich Prep Cranbrook is Dulwich Preparatory Schools Trust (the Trust), a charitable company incorporated in the United Kingdom (company number: 00579923). The accounts of the School have been consolidated into the ultimate parent entity's financial statements. Copies of these financial statements can be obtained from the registered office, 42 Alleyn Park, Dulwich, London SE21 7AA. Control is exercised by the parent company by virtue of board representation.

The principal activity of the Trust is the operation of preparatory schools at Dulwich London and at Cranbrook Kent. The objects of the Trust are the advancement of education primarily by the provision and conduct of schools in Dulwich and Cranbrook for boys and girls and by ancillary or incidental educational activities and other associated activities for the benefit of the communities.

1.2 Going concern

Having reviewed the cash position of the School together with the expected ongoing demand for places and the School's future projected cash flows, including the ongoing effects of Covid-19 and potential lockdowns, together with the support available from the parent Trust, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 ACCOUNTING POLICIES (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The School's liability for the Non-Teaching Staff defined benefit pension scheme involves a number of assumptions as disclosed in note 16. In the view of the Governors, no other assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Schools's financial statements.

1.4 Income

All income is included in the statement of financial activities when the School has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability. Fees consist of charges for the school year ending August, less bursaries and allowances. Fees received in advance are deferred and released to income in the period to which the fees relate. Furlough grant income is recognised as and when entitlement arises which can be reliably quantified and benefit is probable.

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs include all costs relating to the management, administration and running the functions of the School.

Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases. Fixed assets costing more than £200 are capitalised.

Leasehold	-	2% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	10% straight line
Computer equipment	-	25-50% straight line

**DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

1 ACCOUNTING POLICIES (continued)

1.7 Fund accounting

General Funds are the accumulated surplus on the Schools income and expenditure account which is available for use at the discretion of the Governors in furtherance of the general objectives of the charity, including support of the Trust.

Restricted Funds may only be spent on the charitable purpose specified by the donor.

1.8 Pension costs

Retirement benefits to employees of the School are provided through two defined contribution schemes and the employer's pension costs are charged in the period in which the salaries they relate to are payable. The two schemes are as follows:

(a) The Dulwich Preparatory Schools Trust Non Teaching Staff Group Personal Pension Plan - This is a group personal pension plan with Aviva.

(b) From 1 November 2019, the School's teaching staff have become members of the Aviva Pension Trust for Independent Schools which as its name implies is operated by Aviva for a number of private schools.

In addition the School has historically provided retirement benefits to non-teaching staff through a defined benefit scheme - The Dulwich Preparatory Schools Trust non-teaching Staff Pension Scheme.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

1 ACCOUNTING POLICIES (continued)

The scheme is closed so there are no current service costs, other than administration expenses which are borne directly by the School. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

1.9 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.10 Taxation

The School is a registered charity No. 1174358 and as such is not liable to United Kingdom income tax or corporation tax on charitable activities.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

2 FEES RECEIVABLE	2021	2020
	£	£
Fees receivable consist of:		
School fees	5,953,650	6,183,800
Less: total awards and concessions	(581,378)	(622,326)
	<u>5,372,272</u>	<u>5,561,474</u>

Included within awards and concessions are means-tested bursaries totalling £156,358 (2020: £142,110) which were paid to 17 pupils (2020: 15 pupils).

3 OTHER EDUCATIONAL INCOME	2021	2020
	£	£
Entrance and registration fees	4,760	3,140
Courses and sub-lettings	36,168	45,520
	<u>40,928</u>	<u>48,660</u>

4 ANCILLARY AND OTHER INCOME	2021	2020
	£	£
School shop, School trips and Other income	8,628	18,298

5 OTHER TRADING ACTIVITIES	2021	2020
	£	£
Rents receivable	27,439	20,263

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

6 ANALYSIS OF EXPENDITURE

	Staff costs (Note 7) £	Depreciation (Note 9) £	Other costs £	Total 2021 £	Total 2020 £
Raising funds					
Financing costs	279,105	-	1,636	280,741	9,107
Total costs of raising funds	279,105	-	1,636	280,741	9,107
Charitable expenditure					
Teaching	3,374,713	-	299,098	3,673,811	3,669,508
Welfare	263,017	-	99,621	362,638	364,113
Premises	163,457	57,646	799,796	1,020,899	1,036,191
Support costs	551,369	-	229,452	780,821	779,485
Total charitable expenditure	4,352,556	57,646	1,427,967	5,838,169	5,849,297
Total expenditure	4,631,661	57,646	1,429,603	6,118,910	5,858,404

Governance included in support costs:	2021	2020
	£	£
Governor costs	0	175
Legal and consultancy fees	4,932	8,010
Remuneration paid to auditor for audit services	10,100	9,380

Financing costs include a past service cost of £273,705 in respect of pension equalisation which is not expected to recur, as detailed in note 15.

7 STAFF COSTS	2021	2020
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and salaries	3,525,108	3,513,683
Social security costs	305,105	310,207
Pension costs and other benefits	801,448	571,412
	4,631,661	4,395,302

Aggregate employee-benefits of key management personnel amounted to £266,829 (2020 £271,258) including pension contributions of £35,711 (2020 £38,515).

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

7 STAFF COSTS (CONTINUED)

	2021	2020
Number of higher paid employees in bands of:		
£70,001 to £80,000	1	1
£120,001 to £130,000	1	1
 The number with retirement benefits accruing		
- in Defined Contribution schemes was	2	2
of which the contributions amounted to	35,711	34,313
- in Defined Benefit schemes was	<u>1</u>	<u>1</u>

The average number of the School's employees during the year, calculated on headcount, was:

	2021	2020
Teaching	81	83
Domestic and estates	24	28
Administrative	<u>17</u>	<u>17</u>
	<u>122</u>	<u>128</u>

During the year redundancy payments totalled £49,903 (2020 £nil), of which £nil was outstanding at the year end (2020 £nil).

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

8 Tangible Fixed Assets

	Leashold Land and Buildings	Furniture Fixtures and Equipment	Computer Hardware	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2020	19,060	651,128	308,067	53,114	1,031,369
Additions	5,068	23,606	22,508	-	51,182
Disposals	-	-	(13,722)	-	(13,722)
At 31 August 2021	<u>24,128</u>	<u>674,734</u>	<u>316,853</u>	<u>53,114</u>	<u>1,068,829</u>
Depreciation					
At 1 September 2020	964	530,220	293,341	39,927	864,452
Charged in year	483	33,320	20,547	3,296	57,646
Disposals	-	-	(13,722)	-	(13,722)
At 31 August 2021	<u>1,447</u>	<u>563,540</u>	<u>300,166</u>	<u>43,223</u>	<u>908,376</u>
Net book values					
At 31 August 2020	18,096	120,908	14,726	13,187	166,917
At 31 August 2021	<u>22,681</u>	<u>111,194</u>	<u>16,687</u>	<u>9,891</u>	<u>160,453</u>

9 DEBTORS

	2021	2020
	£	£
Fee debtors	63,418	100,235
Sundry debtors	9,625	128,479
Prepayments and accrued income	102,586	105,955
Amounts due from parent undertaking	402,612	546,658
	<u>578,241</u>	<u>881,327</u>

10 CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	49,366	42,123
Social security and other taxation	78,997	71,891
Fees in advance	456,364	450,995
Other creditors	156,768	44,795
Fee deposits	178,940	176,940
Accruals and deferred income	65,206	104,065
	<u>985,641</u>	<u>890,809</u>

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

11 FEES IN ADVANCE

	2021 £	2020 £
Within one year	<u>456,364</u>	<u>450,995</u>
	<u>456,364</u>	<u>450,995</u>
<u>Movements in fees in advance</u>		
Opening fees in advance	450,995	593,709
Amount released to income during the year	(450,995)	(552,154)
Amount deferred during the year	<u>456,364</u>	<u>409,440</u>
	<u>456,364</u>	<u>450,995</u>

12 OPERATING LEASE COMMITMENTS

At 31 August 2021 the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Within 1 year	403,500	387,875	21,612	18,599
Between 2 and 5 years	1,614,000	1,616,000	27,012	16,726
After more than 5 years	<u>16,543,500</u>	<u>16,968,000</u>	<u>-</u>	<u>-</u>

The charge in the year was £408,987 (2020 £422,362).

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

13 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 September 2020 £	Incoming resources £	Resources expended £	Actuarial gains £	Transfer £	At 31 August 2021 £
Unrestricted Funds	604,904	5,533,000	(6,118,910)	155,000	140	174,134
Restricted Funds	478	2,584	-	-	(140)	2,922
Total funds	605,382	5,535,584	(6,118,910)	155,000	-	177,056

A transfer of £140 (2020 £2,000) has been made during the year to reflect restricted income spent on Musical instruments (2020: Bursary awards). The comparative figures are shown in note 17 (B).

14 SUMMARY OF NET ASSETS BY FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
2021			
Tangible Assets	160,453	-	160,453
Net Current Assets	432,386	2,922	435,308
Long Term Creditors	(418,705)	-	(418,705)
	174,134	2,922	177,056
2020			
Tangible Assets	166,917	-	166,917
Net Current Assets	845,887	478	846,365
Long Term Creditors	(407,900)	-	(407,900)
	604,904	478	605,382

15 PENSION SCHEMES

Retirement benefits to employees of the School are provided through two defined contribution schemes, which are funded by both the School and employees' contributions. In addition the School has previously provided retirement benefits through a defined benefit scheme, as detailed in accounting policy 1.8.

Defined contribution schemes

The pension cost charge in the year in respect of the defined contribution schemes was £493,252 (2020 £444,566).

**DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

15 PENSION SCHEMES (CONTINUED)

Non-teaching staff defined benefit scheme

The parent Trust operated this Scheme (the Dulwich Preparatory Schools Trust Non-Teaching Staff Pension Scheme), which was closed on 31 December 2004, both in respect of new members and accrual for existing members.

On 1 September 2017 the Trust transferred the obligations to contribute to the Scheme to each of the Schools in proportions determined by the actuary based on the staff who participated in the Scheme. The valuation in these accounts uses that proportion and has been derived by projecting the results of the last comprehensive actuarial valuation of the Scheme as at 1 January 2021 and have been prepared by an independent qualified actuary.

Following this latest actuarial valuation a revised Schedule of Contributions was agreed between the Trust, the Schools and the Scheme Trustees with the aim of eliminating the deficit over a period of 5 years from 1 January 2021. Under this Schedule of Contributions the School expects to contribute £123,938 to the Scheme in 2021/22 (2020/21 £113,300). The school has recognised a past service cost in respect of equalisation estimated at £273,705.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

15 PENSION SCHEMES (CONTINUED)

	2021 £	2020 £
a) The amounts recognised in the balance sheet are as follows		
Present value of funded obligations	(2,394,705)	(2,210,400)
Fair value of scheme assets	<u>1,976,000</u>	<u>1,802,500</u>
Net Liability	<u>(418,705)</u>	<u>(407,900)</u>
b) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,210,400	2,186,500
Prior service cost	273,705	-
Interest cost	35,500	39,300
Actuarial (profits)/losses	(104,900)	30,100
Benefits paid	<u>(20,000)</u>	<u>(45,500)</u>
	<u>2,394,705</u>	<u>2,210,400</u>
c) Closing fair value of scheme assets		
Opening fair value of scheme assets	1,802,500	1,724,700
Interest income	30,100	31,600
Return greater/(lower) than the discount rate	50,100	(21,600)
Contributions by employer	113,300	113,300
Benefits paid	<u>(20,000)</u>	<u>(45,500)</u>
Closing fair value of scheme assets	<u>1,976,000</u>	<u>1,802,500</u>

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

15 PENSION SCHEMES (CONTINUED)

	2021	2020
d) The amounts included within the Statement of Financial Activities	£	£
Past service cost	273,705	-
Interest on obligation	35,500	39,300
Interest income	(30,100)	(31,600)
Total amount charged to the Statement of Financial Activities	279,105	7,700
Net actuarial gains/(losses) recognised in the year	155,000	(51,700)

e) Principal actuarial assumptions at the balance sheet date

Financial Assumptions		
Discount rate	1.7%	1.6%
RPI inflation assumption	3.4%	3.0%
Rate of increase of pensions in payment	3.7%	3.3%
Rate of increase of pensions in deferment	2.6%	2.2%
Assumed life expectancy in years at age 65:		
Non Pensioners		
Females	26.2	25.4
Males	23.7	23.4
Pensioners		
Females	24.4	23.9
Males	22.0	21.9

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

16 RELATED PARTY TRANSACTIONS AND GOVERNORS COSTS

The School paid rental expenditure of £387,375 (2020 £400,750) to the Trust.

Cash resources for the Group are managed centrally by the Trust and as a consequence at 31 August 2021 £402,612 (2020 £546,658) was due from the Trust.

During the year no Governors received any remuneration or reimbursement of expenses for travel or subsistence (2020: £nil).

There were no other related party transactions in the period.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

17 PRIOR YEAR COMPARATIVE NOTE

(A) 2020 STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Income from:				
Charitable activities:				
School fees receivable	2	5,561,474	-	5,561,474
Other educational income	3	48,660	-	48,660
Ancillary income	4	18,298	-	18,298
Other trading activities				
Non-ancillary trading income	5	20,263	-	20,263
Voluntary sources				
Donations and legacies		2,000	2,338	4,338
Furlough grant income scheme		233,933	-	233,933
Total income		5,884,628	2,338	5,886,966
Expenditure on:				
Raising funds				
Financing costs	6	(9,107)	-	(9,107)
Total costs of raising funds		(9,107)	-	(9,107)
Charitable activities				
Education	6	(5,849,297)	-	(5,849,297)
Total expenditure		(5,858,404)	-	(5,858,404)
Net income		26,224	2,338	28,562
Transfer between funds	13	2,000	(2,000)	-
Pension scheme actuarial losses	15	(51,700)	-	(51,700)
Net movement in funds for the year		(23,476)	338	(23,138)
Fund balances brought forward at 1 September 2019		628,380	140	628,520
Fund balances carried forward at 31 August 2020		604,904	478	605,382

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

17 PRIOR YEAR COMPARATIVE NOTE (CONTINUED)

(B) 2020 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 September 2019 £	Incoming resources £	Resources expended £	Actuarial losses £	Transfer £	At 31 August 2020 £
Unrestricted Funds	628,380	5,884,628	(5,858,404)	(51,700)	2,000	604,904
Restricted Funds	140	2,338	-	-	(2,000)	478
Total funds	<u>628,520</u>	<u>5,886,966</u>	<u>(5,858,404)</u>	<u>(51,700)</u>	<u>-</u>	<u>605,382</u>

