

Registered number: 01966993
Charity number: 293466

Solefield School Educational Trust Limited
(A company limited by guarantee)

Governors' report and financial statements

For the year ended 31 August 2021

Solefield School Educational Trust Limited
(A company limited by guarantee)

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Solefield School Educational Trust Limited
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Reference and administrative details of the Company, its Governors and advisers
For the year ended 31 August 2021

Governors	Robert Richard Clewley, Chairman Jonathan Christopher Harber (Resigned 17 July 2021) Graham Donald Malcom Ramon Joeseeph Walsh (Resigned 16 March 2021) Claire Louise Major (Resigned 17 July 2021) Salim Somejee Mark Patrick Wrafter Dina Sarah Foster Krishna Shanmuganathan Peter Mark Collini (appointed 22 June 2021) Susan Anne Margaret Grace Webb (appointed 22 June 2021)
Company registered number	01966993
Charity registered number	293466
Registered office	Solefield School Solefields Road Sevenoaks Kent TN13 1PH
Company secretary	Robert Richard Clewley
Independent auditor	Kreston Reeves LLP Chartered Accountants Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
Bankers	Lloyds Bank PLC 83 High Street Sevenoaks Kent TN13 1LG
Solicitors	Berry & Lamberts 1 The Shambles Dorset Street Sevenoaks Kent TN13 1LL

Solefield School Educational Trust Limited
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Governors' report
For the year ended 31 August 2021

The Governors present their annual report together with the audited financial statements of the Company for the year 1 September 2020 to 31 August 2021. The Annual report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The School's object, set out in the Memorandum, is the education of boys from the age of 4 to 13.

In September 2013, The Charity Commission confirmed that the independent school's with charitable status can decide themselves how to discharge their obligations, which should be based on the schools' purpose and not on its activities. Its new guidelines continue to state that private school's that are charities must provide real benefits to families that are unable to afford their fees. The school continues to provide bursaries to support its charitable objectives.

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Activities undertaken to achieve objectives

We are a small school without any endowments, and have limited facilities. Hence we have to maintain a balance between fee paying parents, many of whom make considerable personal sacrifices to fund their child's education, and the beneficiaries of any awards. The school attracts a majority of its post Reception / Year 1 intake from local state schools.

Solefield and its pupils are committed to working with a school in Africa, and funding teacher training and the provision of surplus IT and other equipment. Charitable fundraising by Solefield has been delegated to the senior pupils led by the Head Boy.

The pupils' and parents also raise significant donations for local and national charitable organisations and the pupil's leadership of this activity is a key to developing their social responsibility and social awareness. The school continues to support activities in the local community by singing to entertain the elderly, and taking an active part in the Sevenoaks Festival.

Solefield operates a system of bursaries that will be tested against broad criteria set by the Governing Board. Such criteria will encompass the means of the parents, the value of the educational benefit to the child, and any other factors related to the individual circumstances of each case. The level of support for education fees has continued this year with bursaries and allowances totalling £141,521 compared to £104,561 in 2020. This represents 7% of the gross fee income for the year. The level of support this year reflects the need to provide short-term financial support to families adversely impacted by the Covid19 pandemic.

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Governors' report (continued)
For the year ended 31 August 2021

Objectives and activities (continued)

The Governors would like to take this opportunity to thank all of the staff at the School for their tremendous efforts in creating a first class educational environment. We would also like to thank the parents for their kind support and donations toward the facilities of the School, and last but not least the boys who together make Solefield School community so special.

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the School should undertake.

Achievements and performance

a. Key performance indicators

The school measures its performance against a number of financial and non-financial performance indicators.

The key financial performance indicators are the annual budget, revised annual financial forecast, and termly management information. Performance comparisons are also made with published data sources from independent school sources.

The key non-financial performance indicators include parental satisfaction questionnaires, leavers questionnaires, and termly parental feed back to the Board via Form Representative consultation meetings, and statistical analysis of overall academic performance.

b. Review of activities

The average pupil numbers for the year was 145 (2020: 154) this is considered satisfactory. The continued ability of the school to maintain pupil numbers is testament to the continued excellent teaching. However recent political and economic uncertainty is having an adverse effect on parental commitment to independent education.

A full inspection by the Independent Schools Inspectorate was completed in December 2019 which confirmed the exceptional education provided to all pupils at the school. The headlines of the Educational Quality Inspection reported that; 'The quality of the pupils' education and other achievements is excellent' and 'The quality of the pupils' personal development is excellent'. The full report is available on the school's website.

The school continues to focus on the individual, helping to achieve the most out of each and every boy, no matter what their talents or interests. Our record at 11+ (95% pass rate) and Common Entrance (100% pass rate) is outstanding, and we continue to gain places at leading selective grammar schools, as well as a high number of scholarships at thirteen. The school's small class sizes remains one of the main reasons for choosing the school over its competitors.

Capital investment during the year totaled £32,240 (2020: £150,693). Most of this was spent on IT enhancements.

During the summer holiday the school introduced a school holiday club for its pupils and siblings to enhance their social interaction following a difficult year during the Covid pandemic.

This has been a challenging period which we have been able to face head on through excellent leadership, taking risks and the adaptability of our staff. We thank all those people who have supported us during this time. We believe we are now set up for the challenges of the new year.

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Governors' report (continued)
For the year ended 31 August 2021

Achievements and performance (continued)

c. Investment policy and performance

Investment powers are governed by the Memorandum and Articles which permit funds to be invested in investments, securities or property as may be thought fit. Following the banking crises, the Governors remain focussed on keeping the school's surplus assets safe, rather than generating higher levels of investment income. Investments during the year consisted of cash on deposit. Investment income for the year was £605 (2020: £1,963).

Financial review

a. Going concern

The Governors assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the School has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the School's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

After making appropriate enquiries, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The Governors have also held positive exploratory discussions to increase the cash resources of the school from the freehold asset base with their banks. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Whilst the impact of the Covid-19 pandemic has been assessed by the Governors, so as far as is reasonably possible, due to its unrepresented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the School's future activities. However taking into consideration the School's level of reserves and the actions they've taken, the Governors believe that the School will be able to continue in operational existence for the foreseeable future.

b. Reserves policy

The School spent all of its restricted funds during the year, which related to parent donations received to be used towards the development plans. Unrestricted reserves stand at £2,122,108.

The Governors have reviewed the reserves policy of the school. The Governors consider that reserves of £250,000 should be maintained, which will ensure that, in the event of a significant drop in funding, they will be able to continue the School's current activities while consideration is given to ways in which additional funds may be raised. The Governors consider that the School's assets are currently at a sufficient level to meet its obligations.

The School has Net Current Assets (Reserves) of £228,912, and the 'shortfall' of £21,088 over the minimum level of cash reserves is expected to be restored over the next few years.

c. Review of the year

The School reported fee income of £1,978,492 for the year (2020: £2,136,415). This is reported net of the bursaries and allowances noted above. The financial statements report a deficit for the year after depreciation of (£220,848) and operating cash flow of (£85,904) (2020: surplus of £30,733 and operating cash flow of (£42,099)) which, net of capital expenditure, will be a reduction to reserves.

The school's investment over the past years in projects including the cyclical upgrade of the IT equipment,

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Governors' report (continued)

For the year ended 31 August 2021

refurbishment of the classrooms, and the development of a new atrium has inevitably led to increased costs and in particular depreciation.

Teaching costs have increased in the year, however the increase in costs will be mitigated in the future following the decision to withdraw from the Teachers' Pension Scheme, a difficult but necessary commercial decision. Additional resources, new schemes of work, subscriptions, IT software, and training were incurred following the recruitment of new staff during the year.

At the year end the School had Net Current Assets of £228,912 (2020: £384,442). The Governors note that the School has no borrowings and owns all of its assets outright including the freehold land and buildings. The school plans to continue to accumulate future surpluses to fund in whole or part, the major development of the school facilities in the future.

Structure, governance and management

a. Constitution

The Company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28/11/1985 and has a registered charity number 293466.

b. Methods of appointment or election of Governors

The Governors, who are also the directors for the purpose of company law, are set out in page 1 to the accounts. None of the Governors has any beneficial interest in the company. All of the Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

The Governors are appointed by the Board for a term of three years. They may be re-elected.

c. Organisational structure and decision-making policies

The School is governed through four Board sub committees, one each for Finance, Education, Marketing, and Administration and Health & Safety. The structure of the Board of Governors is regularly reviewed to ensure that there is an appropriate mix of business and educational skills. The School draws upon Governors with appropriate skill sets from both business professions such as accountancy and banking and from the education sector with a mix of Governors from both preparatory and secondary schools. In addition, the School operates a policy of ensuring where practicable that at least two Governors are recruited from the parents of existing pupils at the School.

The Governors determine the strategic direction of the School. The day to day management of the School is delegated to the Headmistress Helen McClure (appointed 1 September 2020).

d. Policies adopted for the induction and training of Governors

All new Governors are provided with a Guideline for Governors manual produced by the Independent Schools' Council, and will in the first year of their appointment attend a professional induction to the responsibility of governorship.

e. Pay policy for key management personnel

The remuneration of the Headmaster is set by the Board of Governors

Senior staff pay is agreed by the Headmaster and the Chairman of the Board of Governors and compared with current market rates and the range of responsibility within the senior staff.

f. Financial risk management

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Governors' report (continued)
For the year ended 31 August 2021

Structure, governance and management (continued)

The Governors have assessed the major risks to which the School is exposed, and are satisfied that systems are in place to manage exposure to the major risks. The most significant risks to the school continue to be pupil numbers, quality of teaching staff, and changes to the charitable status of the school. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. A detailed Risk Register is maintained by the Board and this is used to proactively manage and review the scale and scope of risks to which the school and its pupils and staff could be exposed. The Risk Register is part of the Board's annual governance review.

The Covid19 pandemic has continued to be the greatest uncertainty over the last twelve months demanding continual re-appraisal of risk. The Governors wish to recognise the enormous amount of extra work from all the staff in continuing to provide the best possible education for our pupils.

Plans for future periods

The Governing Board confirms its ongoing commitment to invest in the school facilities to provide a high quality environment, and a technology platform that aids and supports education.

The Governors have agreed to a phased development plan that will both optimise and enhance the school educational facilities on the existing site, to provide improved access, flexible shared space provision, enhanced teaching space, and new catering and administration 'hubs'. The initial phase was completed in 2019.

Statement of Governors' responsibilities

The Governors (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Governors' report (continued)
For the year ended 31 August 2021

Disclosure of information to auditor

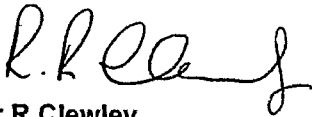
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that 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 charity's auditor is aware of that information.

Auditor

The auditor, Kreston Reeves LLP, has indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

Approved by order of the members of the board of Governors on 21st April 2022 and signed on their behalf by:



Mr R Clewley

Solefield School Educational Trust Limited
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Independent auditor's report to the Members of Solefield School Educational Trust Limited

Opinion

We have audited the financial statements of Solefield School Educational Trust Limited (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 the related notes, 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 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 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 Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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Independent auditor's report to the Members of Solefield School Educational Trust Limited (continued)

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 Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Independent auditor's report to the Members of Solefield School Educational Trust Limited (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

Based on our understanding of the charity and the sector as a whole, and through discussions with the Trustees and other management (as required by auditing standards), we identified that the principle risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), The Companies Act 2006 and other relevant charity legislation. We have communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Governors' and managements incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to (examples of risks might include: posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the estimation of useful economic lives of tangible fixed assets and the classification of lease commitments.) Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by the management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and

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Independent auditor's report to the Members of Solefield School Educational Trust Limited (continued)

- reviewing correspondence with relevant tax and regulatory authorities; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of the significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

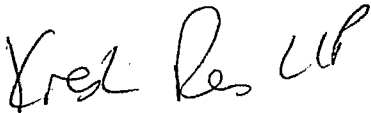
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent auditor's report to the Members of Solefield School Educational Trust Limited (continued)

Use of our report

This report is made solely to the charitable Company's governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Montague Place

Quayside

Chatham Maritime

Chatham

Kent

ME4 4QU

Date: 25 April 2022

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	4	250	250	6,475
Charitable activities	5	1,978,492	1,978,492	2,136,415
Investments	6	605	605	1,963
Other income		26,100	26,100	74,147
Total income		2,005,447	2,005,447	2,219,000
Expenditure on:				
Charitable activities	7	2,226,295	2,226,295	2,188,267
Total expenditure		2,226,295	2,226,295	2,188,267
Net movement in funds		(220,848)	(220,848)	30,733
Reconciliation of funds:				
Total funds brought forward		2,342,956	2,342,956	2,312,223
Net movement in funds		(220,848)	(220,848)	30,733
Total funds carried forward		2,122,108	2,122,108	2,342,956

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 16 to 30 form part of these financial statements.

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Registered number: 01966993

Balance sheet
As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	1,893,196	1,958,514
		<u>1,893,196</u>	<u>1,958,514</u>
Current assets			
Debtors	12	55,344	66,281
Cash at bank and in hand		647,667	765,207
		<u>703,011</u>	<u>831,488</u>
Creditors: amounts falling due within one year	13	(474,099)	(447,046)
Net current assets		<u>228,912</u>	<u>384,442</u>
Total net assets		<u><u>2,122,108</u></u>	<u><u>2,342,956</u></u>
Charity funds			
Unrestricted funds	14	2,122,108	2,342,956
Total funds		<u><u>2,122,108</u></u>	<u><u>2,342,956</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Governors on 21st April 2022 and signed on their behalf by:


Mr R Clewley

The notes on pages 16 to 30 form part of these financial statements.

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Statement of cash flows
For the year ended 31 August 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(85,905)	276,286
Cash flows from investing activities		
Dividends, interest and rents from investments	605	1,963
Proceeds from the sale of tangible fixed assets	-	476
Purchase of tangible fixed assets	(32,240)	(150,623)
Net cash used in investing activities	(31,635)	(148,184)
Net cash (outflow)/inflow brought forward	(117,540)	128,102
Change in cash and cash equivalents in the year	(117,540)	128,102
Cash and cash equivalents at the beginning of the year	765,207	637,105
Cash and cash equivalents at the end of the year	647,667	765,207

The notes on pages 16 to 30 form part of these financial statements

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Notes to the financial statements
For the year ended 31 August 2021

1. General information

Solefield School Educational Trust Limited is a charity and company limited by guarantee incorporated in England. The Charity's registered office is Solefield School, Solefields Road, Sevenoaks, Kent, TN13 IPH. The principal activity of the charity is the education of boys from the age of 4-13.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Solefield School Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

School fee income is accounted for on a receivable basis and consists of charges billed for the school year ended 31 August 2021, less bursaries and allowances. Fees receivable for education to be provided in future years are carried forward as deferred income. Fees received in advance of education to be provided in future years under an advance fee payment scheme contract are held as interest bearing liabilities until either taken to income in the term when used or refunded.

Donations are accounted for when received by the school.

Investment income is accounted for in the period in which the school is entitled to receipt.

All other income is accounted for on a receivable basis.

Notes to the financial statements
For the year ended 31 August 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Going concern

The Trustees assess whether the use of going concern is appropriate i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt a going concern basis of accounting in preparing the financial statements.

Whilst the impact of Covid-19 pandemic has been assessed by the Trustees, so far as it is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Solefield School Educational Trust Limited
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Notes to the financial statements
For the year ended 31 August 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	-	2% on cost excluding the value of land
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	13% straight line
Computer equipment	-	33% straight line

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The Company 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.

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Notes to the financial statements
For the year ended 31 August 2021

2. Accounting policies (continued)

2.13 Pensions

Pensions Teaching staff are members of the Teachers Pension Scheme (TPS). The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multiemployer scheme and there is insufficient information available to use defined purposes and the contributions recognised in the period to which they relate.

The uncertainty of future liabilities and contribution rates, and the commercial affordability of the Teacher's Pension Scheme led the Governors to enter into a formal consultation with teaching staff at the beginning of 2021. Following the conclusion of this process the Governors decided to withdraw Solefield from the Teacher's Pension Fund with effect from 31st August 2021. Teaching staff were invited to join a defined contribution scheme operated on behalf of many independent schools by Aviva. All members of the teaching staff transferred to the Aviva scheme from 1st September 2021.

In addition, the school contributes to externally funded defined contribution schemes for other staff. Contributions payable under all these schemes are charged in the Statement of Financial Activities as incurred.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Tangible Fixed Assets

The charity has recognised tangible fixed assets with a carrying value of £1,893,196 (see note 11). These assets are stated at their cost less provision for depreciation and impairment.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and the residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Lease Commitments

The charity has entered into a range of lease commitments in respect of property, plant and equipment. The classification of the leases as either financial or operating leases requires the Governors to consider whether the terms and conditions of each lease are such that the charity has acquired the risks and rewards associated with the ownership of the underlying assets.

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Notes to the financial statements
For the year ended 31 August 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	250	250	6,475
Total 2020	6,475	6,475	

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gross School Fees including Extras	2,120,013	2,120,013	2,240,976
Bursaries and Discounts	(141,521)	(141,521)	(104,561)
	1,978,492	1,978,492	2,136,415
Total 2020	2,136,415	2,136,415	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank Interest Received	605	605	1,963
Total 2020	1,963	1,963	

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Notes to the financial statements
For the year ended 31 August 2021

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Teaching	1,505,688	1,505,688	1,516,769
Welfare	221,232	221,232	200,796
Premises	215,615	215,615	204,812
Finance	956	956	1,021
Support Costs	260,530	260,530	254,094
Legal & Professional	14,474	14,474	2,775
Auditor's Remuneration	7,800	7,800	8,000
	<u>2,226,295</u>	<u>2,226,295</u>	<u>2,188,267</u>
Total 2020	<u>2,188,267</u>	<u>2,188,267</u>	

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £	Total funds 2020 £
Teaching	1,436,774	-	68,914	1,505,688	1,516,769
Welfare	43,165	-	178,067	221,232	200,796
Premises	-	97,557	118,058	215,615	204,812
Finance	-	-	956	956	1,021
Support Costs	160,449	-	100,081	260,530	254,094
Legal & Professional	-	-	14,474	14,474	2,775
Auditor's Remuneration	-	-	7,800	7,800	8,000
	<u>1,640,388</u>	<u>97,557</u>	<u>488,350</u>	<u>2,226,295</u>	<u>2,188,267</u>
Total 2020	<u>1,644,709</u>	<u>100,503</u>	<u>443,055</u>	<u>2,188,267</u>	

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Notes to the financial statements
For the year ended 31 August 2021

8. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,800	8,000

9. Staff costs

	2021	2020
	£	£
Wages and salaries	1,269,752	1,267,404
Social security costs	130,926	132,171
Contribution to defined contribution pension schemes	239,710	245,134
	1,640,388	1,644,709

The average number of persons employed by the Company during the year was as follows:

	2021	2020
	No.	No.
Teaching Staff	32	33
Welfare Staff	3	2
Administration Staff	5	5
	40	40

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Teaching Staff	27	29
Welfare Staff	2	2
Administration Staff	4	4
	33	35

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Notes to the financial statements
For the year ended 31 August 2021

9. Staff costs (continued)

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

	2021	2020
	No.	No.
In the band £70,001 - £80,000	-	1
In the band £120,001 - £130,000	1	-
In the band £130,001 - £140,000	-	1

The total employment benefits including employer pension contributions of the key management personnel were £600,123 (2020: £693,622), including employers national insurance of £51,152 (2020: £59,176).

10. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £NIL).

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Notes to the financial statements
For the year ended 31 August 2021

11. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	2,777,777	58,503	478,456	175,690	3,490,426
Additions	-	1,100	8,988	22,152	32,240
At 31 August 2021	2,777,777	59,603	487,444	197,842	3,522,666
Depreciation					
At 1 September 2020	949,455	51,399	378,498	152,560	1,531,912
Charge for the year	50,556	2,052	28,189	16,761	97,558
At 31 August 2021	1,000,011	53,451	406,687	169,321	1,629,470
Net book value					
At 31 August 2021	1,777,766	6,152	80,757	28,521	1,893,196
At 31 August 2020	1,828,322	7,104	99,958	23,130	1,958,514

12. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	10,161	10,498
Prepayments and accrued income	45,183	55,783
	55,344	66,281

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Notes to the financial statements
For the year ended 31 August 2021

13. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Payments received on account	277,556	234,143
Trade creditors	23,754	50,870
Other taxation and social security	32,256	34,315
Other creditors	77,022	80,502
Accruals and deferred income	63,511	47,216
	474,099	447,046

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Notes to the financial statements
For the year ended 31 August 2021

14. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds				
Designated funds				
Development fund	-	250	(250)	-
General funds				
General Funds	514,634	2,005,197	(2,175,489)	344,342
Land and Building Fund	1,828,322	-	(50,556)	1,777,766
	<u>2,342,956</u>	<u>2,005,197</u>	<u>(2,226,045)</u>	<u>2,122,108</u>
Total Unrestricted funds	<u><u>2,342,956</u></u>	<u><u>2,005,447</u></u>	<u><u>(2,226,295)</u></u>	<u><u>2,122,108</u></u>

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Notes to the financial statements
For the year ended 31 August 2021

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
Unrestricted funds					
Designated funds					
Development fund	62,500	6,475	-	(68,975)	-
General funds					
General Funds	434,568	2,212,525	(2,138,111)	5,652	514,634
Land and Building Fund	1,815,155	-	(50,156)	63,323	1,828,322
	<u>2,249,723</u>	<u>2,212,525</u>	<u>(2,188,267)</u>	<u>68,975</u>	<u>2,342,956</u>
Total Unrestricted funds	<u>2,312,223</u>	<u>2,219,000</u>	<u>(2,188,267)</u>	<u>-</u>	<u>2,342,956</u>

15. Summary of funds

Summary of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Designated funds	-	250	(250)	-
General funds	2,342,956	2,005,197	(2,226,045)	2,122,108
	<u>2,342,956</u>	<u>2,005,447</u>	<u>(2,226,295)</u>	<u>2,122,108</u>

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Notes to the financial statements
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15. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
Designated funds	62,500	6,475	-	(68,975)	-
General funds	2,249,723	2,212,525	(2,188,267)	68,975	2,342,956
	<u>2,312,223</u>	<u>2,219,000</u>	<u>(2,188,267)</u>	<u>-</u>	<u>2,342,956</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,893,196	1,893,196
Current assets	703,011	703,011
Creditors due within one year	(474,099)	(474,099)
Total	<u>2,122,108</u>	<u>2,122,108</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,958,514	1,958,514
Current assets	831,488	831,488
Creditors due within one year	(447,046)	(447,046)
Total	<u>2,342,956</u>	<u>2,342,956</u>

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Notes to the financial statements
For the year ended 31 August 2021

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(220,848)	30,733
Adjustments for:		
Depreciation charges	97,558	100,502
Dividends, interest and rents from investments	(605)	(1,963)
Profit on the sale of Fixed Assets	-	(452)
Decrease in debtors	10,937	17,652
Increase in creditors	27,053	129,814
Net cash provided by/(used in) operating activities	(85,905)	276,286

18. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	647,667	765,207
Total cash and cash equivalents	647,667	765,207

19. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	765,207	(117,540)	647,667
	765,207	(117,540)	647,667

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Notes to the financial statements
For the year ended 31 August 2021

20. Pension commitments

The School participated in the Teachers Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £217,862 (2020: £215,686). At the year end £26,388 was accrued in respect of contributions to this scheme. The Governors decided to withdraw Solefield from the Teacher's Pension Fund with effect from 31st august 2021. Teaching staff were invited to join a defined contribution scheme operated on behalf of many independent schools by Aviva. All members of the teaching staff transferred to the Aviva scheme from 1st September 2021.

The School also operate a defined contributions pension scheme for non teachers. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £22,847 (2020: £22,837). Contributions totalling £3,336 (2020: £3,547) were payable to the fund at the balance sheet date and are included in the creditors.

21. Operating lease commitments

At 31 August 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	1,082	1,377
Later than 1 year and not later than 5 years	738	344
Later than 5 years	2,029	-
	<u>3,849</u>	<u>1,721</u>

22. Related Parties Transactions

Sarah Shanmuganathan, the wife of Krishna Shanmuganathan is an employee of Solefield School. In her role as teacher her salary costs for the year were £34,023, (2021: £34,023) including employer pension and national insurance contributions.