

Registered Charity No. 1002212 (England and Wales)
Company Registration No. 02331296

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Report and financial statements
For the year ended 31 August 2020

Somerhill Charitable Trust Limited
(A company limited by guarantee)

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Somerhill Charitable Trust Limited
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Governors' report and strategic report
For the year ended 31 August 2020

The Directors of Somerhill Charitable Trust Limited (the "School", "Somerhill", "The Schools at Somerhill"), who are also the trustees of the charity and the governors of the School (and will be referred to throughout these financial statements as the "Governors"), present their annual report and the audited financial statements of the company for the year ended 31 August 2020 and confirm they comply with the requirements of the Charities Act 2011, the governing document, the Charities SORP (FRS 102) and the Companies Act 2006.

Constitution

The School is a charitable company incorporated under the Companies Act with company number 02331296 and charity number 1002212. The company is limited by guarantee and does not have a share capital. The liability of the members is limited to £1 each. The School's governing document is the Memorandum and Articles of Association of 29 December 1988 as amended by special resolution passed on 14 February 1991 and incorporated on 25 February 1991.

Directors, Trustees and Governors

The Board should have a minimum of three members, with no maximum unless determined at a General Meeting through an Ordinary Resolution. Each Governor has one vote.

P R Brooks+
P Goodyer+
J C Hills*
D M Huntingford*+ (Chair of Governors)
J V Irvine*
M A Jiskoot*+
M A Norrie*
H P Tebay+
R E Verrell*
D R Walsh
C J Warner+
D Wells*

* Members of the Finance and General Purposes Committee chaired by M A Norrie, until 31 August 2020. J Irvine replaces M A Norrie with effect from 1 September 2020.

+ Members of the Education Committee chaired by P R Brooks.

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Governors' report and strategic report (continued)
For the year ended 31 August 2020

Professional advisers and senior leadership team

Principal of the Schools at Somerhill and Head of Yardley Court	Mr D B Sinclair
Head of Derwent Lodge	Mrs H M Hoffmann
Head of Somerhill Pre-Prep	Mrs K McLauchlan
Vice Principal	Mr R M Raistrick
Business Manager	Mrs C Morey (appointed 7 October 2019)
Address and registered office	Somerhill Tonbridge Kent TN11 0NJ
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Insurance brokers	Towergate Risk Solutions Towergate House Chaucer Business Park Thanet Way Whitstable Kent CT5 3FE
Bankers	Barclays Bank plc 105 High Street Tonbridge Kent TN9 1DJ National Westminster Bank Plc 130 High Street Tonbridge Kent TN0 1DE

Structure, governance and management

Governing documents

The Company is governed by its Memorandum and Articles of Association of 29 December 1988. These were amended by special resolution passed on 14 February 1991 and incorporated on 25 February 1991.

Recruitment and training of governors

Governors are appointed in accordance with the Memorandum and Articles of Association filed at Companies House (and the Charity Commission) adopted in 1991. The composition of the Board of Governors is designed to offer a wide range of expertise to meet the needs of The Schools at Somerhill. Possible candidates for election as new Governors are proposed by an existing Governor and recommended by him or her through the Chair to the Board of Governors. Financial provision is made for external training courses for governors. An induction tour is given by the Chair of the Governors, or a person designated by her, to new Governors. Regular visits and inspections take place by existing Governors applicable to the relevant skills and contributions of those appointed. Trustee indemnity insurance is in place for the benefit of the Governors.

Scope of activities

The Memorandum of Association of the company restricts the trust to provision of education but permits the Governors powers to conduct a wide range of activities in support of its aims. Education is also about the personal development of the pupils as recognised by the Charity Commission in their definition of education.

Organisation and administrative structure

The Governors determine the general strategy of the schools. The Board of Governors meets as and when necessary, but certainly not less than once a term, when it receives reports from both the Finance and General Purposes Committee (F&GP) and Education Committees along with reports from the school's Senior Leadership Team. The day-to-day management of the schools is delegated to the Principal and the Senior Leadership Team of The Schools at Somerhill.

The Principal, in conjunction with the F&GP, the Education Committee and the Senior Leadership Team, prepares the Development Plan (Achievements and Performance) which is considered and reviewed by the Board of Governors on an annual basis at their meeting in the Summer.

Education Committee: This is an advisory committee designed to give guidance and assistance to the Principal and Head Teachers of the three sections. The Education Committee discusses matters specific to the education of children at The Schools at Somerhill. The Committee meets as and when necessary, but certainly not less than once a term, and reports to the Main Board.

F&GP: This committee is responsible for monitoring the management of the finances and administration of The Schools at Somerhill and, where necessary, taking appropriate action. The Committee reports to the Board of Governors and, when necessary, obtains their approval for the recommendations being made to them by this Committee. The Committee is responsible for the maintenance of the buildings, properties and estate owned by the company. Changes to the Charities Acts and Charity Commission procedures are monitored and, if appropriate, recommendations made to ensure that Somerhill Charitable Trust Limited complies with its legal responsibilities and follows best practice. The Committee meets as and when necessary, but certainly not less than once a term, and reports to the Main Board.

On the 10th March 2021 governors approved the new HR & Remuneration Committee consisting of members of the Governing Body, the Principal and the Business Manager. The main responsibility of the committee is to monitor and review all aspects of HR and sets the remuneration for the senior leadership.

Aims and objectives

The Governors' aim, through The Schools at Somerhill, is to provide an all-round excellent education to boys and girls from ages 3 – 13. The company operates three sections at Tonbridge, Kent: Somerhill Pre-Preparatory School (co-educational 3 – 7), Derwent Lodge Preparatory School (girls 7 – 11) and Yardley Court Preparatory School (boys 7 – 13), known collectively as The Schools at Somerhill, operating under one DfE (Department for Education) number.

The objectives are set to reflect the educational aims and ethos of The Schools at Somerhill. It is important that the Governors maintain and enhance the reputation of the schools through the continued success of their curricular and co-curricular programmes. In setting the objectives and planning the activities, the Governors have carefully considered the Charity Commission's general guidance on public benefit and particularly to its supplementary public benefit guidance on advancing education. Particular reference is given to a) promoting the spiritual, moral, cultural, mental and physical development of pupils and b) preparing pupils at the school for the opportunities, responsibilities and experiences of later life.

The key objectives include:

- To continue to enhance the academic curriculum offered in the three sections and maintain the continuity between each school.
- To continue to monitor and enhance the co-curricular programmes in the three sections and to improve where the need is identified.
- To continue to develop the first-class pastoral care the school provides for pupils.
- To monitor and maintain pupil numbers in the school.
- To provide continuing support to the pupils already in receipt of fee assistance through means tested financial assistance.
- To increase the access to the school from age 7 through means tested financial assistance.
- To continue to monitor and review the key policies and procedures to ensure a safe environment for employees, pupils and visitors to the schools.
- To continue to develop the links with local state schools and to open the facilities to the local community.

Risk management

The Governors consider that the principal risks and uncertainties facing the school are as follows:

- Child protection and safer recruitment
 - Safeguarding and welfare of employees, pupils and visitors
 - Maintenance of reputation
 - Reduction in pupil numbers
 - Retention of key personnel
-

Governors' report and strategic report (continued)
For the year ended 31 August 2020

- Imposition by Parliament of changes to charitable status and unknown consequent tax changes together with the announced increase in Teachers Pension Scheme contributions.
- Security of school buildings
- Impact of the COVID19 pandemic

The Governors formally review the major risks that the company faces each financial year when preparing the strategic development plan and budget. The company has developed systems and procedures to manage and monitor these risks. The key controls used by the Governors include:

- Budgeting and budget accountability
- Monitoring of pupil intake and retention
- Formal written policies including policies on the safeguarding of children and health & safety
- Authorisation procedures
- External audit of and internal identification of health & safety risks
- Appropriate training of governors, teaching and non-teaching staff
- Appropriate insurance to mitigate perceived risks

Governors' visiting days were limited in 2019/20 due to the COVID pandemic. Once government guidance allows, such visits will be prioritised.

Remuneration of key management personnel

The day-to-day running of the School is delegated to the Principal of The Schools at Somerhill. He is supported by other members of the School's Senior Leadership Team, as set out on page 2, and by the Senior Management Team. The remuneration of key management personnel is agreed by the Board through the School's annual budget as recommended by the F&GP Committee. It is the objective of the Board to ensure that key management personnel are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the School's success. The appropriateness of the remuneration policy is reviewed annually with reference to published salary levels of other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Strategic report

Business review, achievements and performance

The company is principally engaged in the owning and running of three sections of the school and is a registered charity. The operation of the school is the responsibility of the Governors, who are the directors of the company, none of whom receives any remuneration.

The Schools at Somerhill remain vibrant. During the final term of the year ended 31 August 2020, Somerhill had 582 pupils. Somerhill expects this to rise to 599 pupils by the end of the current academic year. Pupils move on successfully to secondary education with a good number gaining scholarships. In the academic year under review, six Academic Scholarships, eleven Sport Scholarships, two Drama Scholarships and one Music Scholarship were won by Somerhill pupils. These awards show the variety of the educational achievements attained by pupils across all sections of the school

Somerhill prides itself on providing a wide ranging and varied education. The school believes that enjoyment and inclusivity should go hand in hand with the setting of high standards and the pursuit of excellence. This year we have not only continued to celebrate our proud tradition of excellent academic results, but we have thoroughly enjoyed, albeit limited by the impact of COVID, our sporting contests, been wonderfully entertained by top class musical and dramatic performances and seen our children thrive in a broad and exciting co-curricular programme which offers opportunity to all our young people. This year, due to the pandemic, we have had to be creative in our offering including internal school sporting competitions, and superb videos of our pupils' productions including our nativities enabling our parents to see their children in action even though they were sadly not allowed on site to view for themselves. As a unique school with a 'diamond model' for our boys and girls, we have enjoyed recognising where differences exist in their approaches to learning while promoting a unified and equal approach to their broader educational experience.

The introduction of the Prep School Baccalaureate (PSB) last year has moved the curriculum to discovery-led, enquiry-based learning for our pupils, which sees the teacher as a facilitator to learning, not an oracle imparting academic knowledge. The skills extend more broadly into the establishment of skills for life. It is a programme of study that sits not only in the academic lessons of the school, but extends into the creative and performing arts, the practical elements of engineering and also onto the sports pitch and playground. After just one year the Somerhill PSPQ (Pre-Senior Project Qualification) has been completed by all last year's Year 8 boys and has proved to be an outstanding success. The PSPQ aims to develop pupils' independent learning and performance, inspiring them to consider new areas or methods of study and preparing them for their learning at senior schools and later at university and at work. It has been very well received by destination senior schools. The PSPQ is now an established feature of Year 8 with the PSB now firmly established in both Year 8 and Year 7. PSB style project work is becoming more of a feature within Year 6 and below in science, PRE (philosophy, religion and ethics), history and geography.

The school has continued to develop its Engineering Department for the academic year 2019-2020 which also supports the PSB initiative. Somerhill is only the second prep school in the UK to introduce Engineering as part of its curriculum. Pupils have used woodworking skills to make canvas frames and full sized catapults, utilising skills in aerodynamics and civil engineering. Other practical units work with technology such as robotics, GPS systems and micro controllers to understand what engineers do. Our pupils competed in the first Lego-robotics league presenting topical ideas about a modular care home to help ease the pressure on the NHS; little did they know how topical it would be. The team's robotics were crowned overall winners. We continue to leverage the use of our wonderful grounds in which our children have enjoyed pond dipping, den building and learning about the different flora and fauna. Our continued emphasis on outdoor learning saw the implementation of a fully functioning outdoor learning space with composting toilets and storage facilities. Pupils of all ages get to experience the outdoor learning and our plans to further embed this into the prep school curriculum are progressing, whereby more traditional learnt knowledge can be re-enforced using the natural world.

Impact of COVID19 on school operations

In March 2020 the World Health Organisation declared the outbreak of Coronavirus as a global pandemic and subsequently the UK government closed all schools with effect from 23rd March 2020. Somerhill, in line with government guidance, continued to offer on-site education to the children of key workers. All other pupils being taught remotely using the school's Home Learning Programme (HLP). The HLP was devised to be a flexible remote offering which enabled parents, many of whom were required to work from home, to access the remote learning to suit their needs and access to IT. The HLP applied to pupils from Reception to

Year 8 with pre-school children unable to access due to their age and ability to engage in any online offering. At all times all pupils had access to an education from Somerhill.

We were grateful to be able to return after the first lockdown to as much of a “normal” school as we could although added measures were in place to ensure our hygiene standards remained high and contact between year groups “bubbles” was limited. Our pupils enjoyed “slow school” whereby all year groups returned for the last 3 weeks of the Trinity term and enjoyed a rich timetable of lessons focussing on external pursuits and creative challenge alongside the normal academic curriculum. So many of the aspects of Somerhill’s offer have been restricted with little or no sporting competitions, music soirees, ensemble groups, community activities etc. Although unavoidable and in line with government guidance we have been proud to offer our pupils an expanded outdoor learning with access to marquees, our expansive woodland and parkland, and access to our externally ventilated swimming pool. The wellbeing of our pupils and staff during this time has been paramount and we have done all we can to keep things looking and feeling as normal as possible. Sadly, parental access to site has not been possible, yet our wonderfully adaptable families have navigated and supported our extensive drop off and pick up solutions in our car park to safely deliver their children into our care. We have been able to offer after school care whilst maintaining “social distancing” for the pupils and staff. Much of what follows summarises what we have been able to do under extensive “lockdowns” and whilst always following and interpreting the latest government guidance.

We have been proud to support our critical worker parents by offering care for them during the lockdowns, for example over 60 pupils currently benefit from this support: over 10% of our pupil numbers. We have an extensive and refined Home Learning Programme which offers a mix of online lessons and offline work for the children and parents to access. Its success has been driven by our talented teaching staff and well supported by our hardworking parents. Our strategy to expand the IT curriculum has been essential to empowering both pupils and staff to make this move to online teaching as smooth as possible.

Community links

This year our Years 3 and 4s have been able to visit Barnes Lodge Residential Home before lockdown. The school has also facilitated the provision of much needed PPE for a local doctor’s surgery and continued support of our various charities. We sponsor various sporting clubs in Sevenoaks and Tonbridge including the provision of our parkland/pitches when poor weather saw many areas flooded for weeks. Within our school community we hosted author visits, Stone Age experts and “Silly Science” workshops to name but a few.

Environmental Awareness

We continue to work to become more environmentally conscious both as a school and as individuals. Both the School Council members and the Green Team extracurricular clubs are working towards reducing the use of plastic and wrapping, recycling of plastics and identifying opportunities for us to improve. Sadly, the pandemic has meant much of our plans have had to be placed on hold.

Music at Somerhill

Music improves academic skills, develops physical skills, boosts self-esteem, cultivates social skills and refines discipline and patience. This is why at Somerhill we consider it integral to our curriculum and have a committed staff team and a dynamic group of visiting peripatetic music teachers who usually deliver over 14,000 individual music lessons across all three sections of the school. Even during the pandemic, we worked hard to get as many peripatetic teachers as possible into school, teaching safely and, where this was not possible, our lovely team of teachers offered online lessons to those who wanted them. Use of marquees has enabled us to keep music on the curriculum albeit within government guidance and lots of

warm layers. Until lockdown occurred, we were able to offer 10 soirees including over 200 musical performances played live in front of a willing and supportive audience.

The school continues to support a 60 plus strong school orchestra, senior and junior flute choirs, brass groups, string groups and a swing band. There is an orchestral percussion club, a clarinet and saxophone group, a guitar group, a cello group and a recorder club. The schools had strong success in ABRSM exams and Trinity College exams with pupils entering in a variety of instruments and voice up to Grade 6 standard. Whilst COVID has curtailed much of the music and drama offer we have been able to offer scholarship support to our more able pupils and have run the ABRSM exams in a COVID friendly environment for the exclusive use of our pupils.

Sport at Somerhill

The boys in the Yardley Court section enjoyed a successful football season winning or drawing 70 % of their matches with every boy playing at least 5 matches. We enjoyed success at tournaments with the U11A Team winning the St Michael's 5 a-side tournament for the 4th year in a row and the 1st XI winning the John Norman Cup at New Beacon. Our U10A and U11B teams were runners up in the St Michael's tournaments. There was further success in the rugby season despite the weather, and before the onset of the pandemic. The 1st XV won both the Tonbridge School Rugby Festival and the Windlesham 7s tournament.

The girls in the Derwent Lodge section followed a very good hockey season before Christmas with a Netball season which produced some excellent results. The U11B team won the St Michaels tournament and the U9C team won the Granville tournament. The U11A Team put in some great performances in the St Michaels tournament (3rd) and offered a very strong showing in both the IAPS and Sisters in Netball competitions.

As boys and girls unite to compete as Somerhill in many sports, we continued to dominate the cross-country circuit winning the majority of the local and regional events including the Regional event held at Somerhill. The swimmers performed well in 10 galas with a number of children winning at the regional qualifier to qualify for the cancelled National finals. 13 boys and 5 girls attended Sports Scholarships with 11 receiving awards.

The pandemic wiped out the summer sports programme entirely. The children did manage to play some sport in their pods when they returned at the end of June. The sports department were able to plan effectively for an excellent COVID programme of sport to follow in Michaelmas 2020.

Recent projects and plans for future development

The Governors continue to provide the necessary resources from unrestricted general funds to maintain the buildings and structures that the Trust owns, especially the Grade 1 listed Jacobean Mansion. The school continues its long-term management plan to reinstate the historic Parkland as depicted in J M W Turner's painting of Somerhill of 1811. This project is now in its seventh year of the ten-year agreement with Natural England. Further strategic developments are being considered starting with implementation of a full Site Master Plan. The school are adapting once again to life in lockdown and are offering a full suite of both online and offline lessons. Pastoral support for all our pupils, with our PAWS program (Pastoral & Wellbeing Support) has been vital to monitor the mental health of our pupils and to improve their wellbeing. We look forward to when we can return to school post lockdown and are preparing to ramp up our lateral flow tests to include all staff and pupils of secondary school age.

Financial results

The financial results of the School for the year ended 31 August 2020 are shown in the Statement of Financial Activities. The impact of the lockdown has resulted in a small loss for the year. This is explained further below. Results for the year show a reduction in fee income of £687,466. This primarily reflects the effect of the 20% fee reduction, which the School gave for the Trinity term, as well as an increase in the funding provided by the Schools for assisted places. The School also incurred additional COVID related costs incurred of £113,615. This was offset by £283,836 of grant income from the Coronavirus Job Retention Scheme for the period of closure. Overall, the impact of the first lockdown on the 2019/20 accounts was a loss of approximately £400,000.

The School's subsidiary undertaking, Somerhill Enterprises Limited, was dormant throughout the year.

Impact of COVID19 on the School's financial position

Following the closure of the school as a result of the Coronavirus pandemic a revised budget to the end of the academic year was prepared, based on the information known at the time including assumptions about the longevity of the lockdown, and the impact on our cost base of such a closure. The school took advantage of the Coronavirus Job Retention Scheme (CJRS) and reduced the fee charged to parents in part to represent any variable costs which were no longer chargeable and therefore unspent over the period of lockdown. The impact of the lockdown including the 20% reduction in fees for the Trinity term 2020 has resulted in a small loss for the year.

We estimate that the cost of lockdown to the school was a net £400k in the period to 31 August 2020. The cost of the lockdown included the fee reduction as well as additional cost of cleaning, extra equipment including hire of marquees, cost of PPE, staff cover costs all offset by the grants received from the Coronavirus Job Retention Scheme and savings given by our larger suppliers such as catering and cleaning.

The school was able to re-open to limited year groups from 1 June 2020, including key worker children and subsequently re-opened to all year groups from 22 June 2020. Our ability to re-open fully was made possible by the extensive site from which the school benefits and operated in line with all relevant government guidance at the time.

In addition, the budget for 2020-21 has been amended to represent the impact of COVID19 on the business and to recognise the effect it has had on future fee income for the year, based on no fee increase and the consequential impact on staff costs moving forwards.

Further lockdowns in 2020-21 continue to challenge the school both financially and operationally. The Governors and the Senior leaders have ensured the school is up to date with the current guidance and protecting the safety of all who use our site. We recognise the economic and practical challenges home learning has on our parents and our pupils. The school continues to take advantage of the extended CJRS and expect an adverse impact on fees. The governors have reviewed all financial and operational aspects of the COVID19 pandemic on the school and approved the necessary risk assessments. This situation continues to be proactively managed and reviewed by the governor committees. Although we anticipate another tough year, financially, as a direct result of the COVID lockdowns, we are looking ahead positively with an increased pupil head count and savings from a full review of costs incurred in the school, including savings from the result of the consultation on the Teachers' Pension Scheme, whereby the school have agreed to offer the hybrid model with effect from September 2021.

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Governors are satisfied the school continues to be a going concern and any negative impact of COVID 19 on the school's finances is compensated by the Trust's strong balance sheet. The reserves policy remains unchanged.

Reserves policy

The Governors' policy on reserves is to hold sufficient liquid assets to cover short term requirements which range between £1.5 million and £2 million. At 31 August 2020, the school had total reserves of £20,240,201 (2019: £20,251,894), made up of a general fund of £7,915,392 (2019: £7,706,239) and designated funds, representing the net book value of the school mansion and grounds, of £12,234,809 (2019: £12,545,655). The school's net current assets were £3,982,442 at 31 August 2020 (2019: £4,008,129), a sum that is in excess of the target range of liquid assets but allows for some provision for any unknown further future impact of the pandemic and a cushion against any unknown Parliamentary changes in the company's tax status.

In addition to the school mansion and grounds (circa 160 acres), the trust owns five residential properties with an aggregate historic cost of £3.342m, a figure the directors consider to be an approximate current value. These could be liquidated without affecting the ability of the school to operate and continue to provide the excellent facilities enjoyed at present.

The Governors intend to build financial reserves so that they can continue to upgrade the facilities of the schools as necessary and to establish appropriate assisted places/financial assistance for the parents of children who could otherwise not afford independent education.

Fundraising

The School does not currently carry out any fundraising activity in order to raise funds from the general public. The School did not receive any complaints in the year in relation to its fundraising activities (2018/19: none). The Schools at Somerhill Parents' Association (SSPA) raises funds for the school, primarily from parents of pupils and other existing supporters of the Schools, to further enhance particular projects in consultation with the Principal and Heads. In 2019/20 the SSPA raised £5,789 net of relevant expenses (2018/19: £5,701 net). The Governors and school are extremely grateful for the efforts of the SSPA in raising funds.

Grants

The company provides financial assistance through various non-means tested schemes:

- Scholarships - the maximum award is normally 25% of fees. The award is based on a pupil's ability.
- Teacher assistance – as part of an emphasis on attracting and retaining high calibre staff, the schools offer a discount scheme to staff members who choose to educate their children at our schools.
- Family discounts – to underline the value the Governors place on continuity for families, the schools offer sibling discounts of up to 10%.

The school provided non-means tested financial assistance of £333,632 in 2019/20 (2018/19: £344,347).

Public benefit

As a Registered Charity, the Trustees (Governors) are mindful of the company's obligation to provide public benefit through means tested assisted places, by providing access to the school's facilities and links with

local maintained schools which complement its objectives to provide for the advancement of education. The school maintains a Public Benefit Register which is reviewed by the Governors each year. Subject to the impact that COVID has had on these operations we continued to support the links below when we were able to.

It is important to the Governors that access to the education we offer is not restricted only to those who can afford our fees. An Assisted Places policy has been adopted by the Governors to widen access and provide means tested financial assistance through the following schemes:

- Admission Support – the Governors' scheme provides admission bursaries to allow for the education of boys and girls from the age of seven. The aim of these means tested assisted places is to provide access to children from families who would otherwise not be able to afford an independent school education.
- Hardship Support – the Governors' scheme helps those families who find themselves in altered financial circumstances. These bursaries are normally awarded for a maximum of one year and are reviewed on a termly basis.
- Tonbridge Scholars - Yardley Court Preparatory School maintains a historic link with Tonbridge School to provide up to 100% bursaries for pupils identified by Tonbridge as 'Junior Foundation Scholars' so that they may attend Years 7 and 8.

The school provided financial assistance of £224,753 in means tested assisted places in 2019/20 (2018/19: £128,892). As a result of the pandemic this figure included £58,957 of Assisted places support throughout the whole school (reception to Year 8) and as a direct result of short-term financial hardship. Overall, over 3% of gross fees represent Assisted Places and 3% of pupils have been helped.

The school through its links with local maintained schools provided the following support:

- i. Tonbridge Grammar School – use of 10 acres of land for sports pitches, the tenth year of such support;
 - ii. Tonbridge Grammar School - occasional use of swimming pool by TGS pupils as part of their GCSE practical exam;
 - iii. Brenchley & Matfield Primary School – weekly use of swimming pool. This link is in its eleventh year and includes transportation and instruction;
 - iv. Cross Country Primary Schools' event – for the participation of local primary schools. There are races for U9 and U11 boys and girls which have been hosted by The Schools at Somerhill for the past seven years;
 - v. Capel Primary School – weekly use of swimming pool including transportation. Attended Somerhill "Book Day" including transportation. Use of transport plus drivers to drop off at Paddock Wood Station for visit to London. Donation of books;
 - vi. Hadlow Primary School – Book donations;
 - vii. Use of the Parkland by Kent Primary Schools' Cross Country League to hold a Primary Schools' cross country league match.
 - viii. Chiddingstone Primary School – use of pool for a gala
 - ix. Hayesbrook School – use of sports facilities
- The pupils at the school raised £3,786 for charities during the year. Pupils from the preparatory school organise fund raising on a weekly basis. They decide, after research, which charities they wish to donate to therefore raising their awareness of both local and global issues. Charities

donated to in 2019/20 varied from Sports Relief to the RSPCA, Save the Children and Hospice in the Weald to name a few. In addition, the school supports the Royal British Legion Poppy Appeal.

- The Schools at Somerhill provided free access (unless otherwise stated) to its facilities and support as follows to the local community:
 - Work experience for pupils from local maintained schools;
 - West Kent Cross Country League, Kent Cross Country League, and Tonbridge Athletics Club - use of cross country course;
 - Pembury Athletic (Youth) Football Club mini football tournament – use of parkland pitches;
 - Hospice in the Weald – Christmas “Ho Ho Ho Run” and writing for patients’ project;
 - St Stephens Church, Tonbridge – use of grounds and buildings for church retreat;
 - St Peters Church, Tonbridge - use of grounds and buildings for church retreat;
 - Monson Swimming Club – use of swimming pool 6 days per week covering costs only;
 - Tonbridge Archery Club – use of facilities twice a week covering costs only;
 - Southborough Wheelers – cyclo-cross training in Parkland;
 - Just Dance Ballet School – use of facilities for examinations;
 - Tonbridge Juddians Junior Rugby club – provision of pitches when theirs were water logged;
 - Waterfield House Surgery – provision of safety goggles and sanitizer;
 - Kent Downs - provision of a member of staff as a trustee.

Investment powers and investment policy

The Memorandum of Association of the School empowers the Governors to invest the monies of the School not immediately required for its purposes in such investments, securities or property as may be thought fit and within the law. The Governors will take professional advice as required.

Governors' responsibilities

The Governors 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 a financial statement for each financial year which gives a true and fair view of the state of affairs of the charitable company, the incoming resources and application of resources, including the income and expenditure of the charitable company for the accounting period. In preparing this financial statement, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
 - observe the methods and principles in the Charities SORP (FRS 102);
 - make judgments and 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;
-

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For the year ended 31 August 2020

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

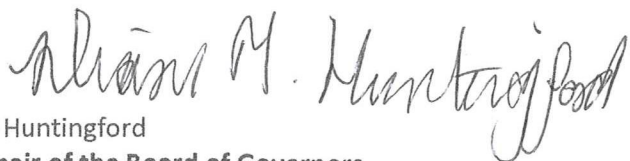
The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure of information to auditor

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

The Governors' Report was approved by the board of Trustees and the Strategic Report (included therein) was approved by the board of Governors in their capacity as the directors of the company at a meeting on 10 March 2021 and signed on its behalf by:



D Huntingford
Chair of the Board of Governors

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Independent auditors' report to the governors and members
For the year ended 31 August 2020

Opinion

We have audited the financial statements of Somerhill Charitable Trust Limited for the year ended 31 August 2020 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's state of affairs as at 31 August 2020 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we

Independent auditors' report to the governors and members (continued)
For the year ended 31 August 2020

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Annual Report which includes the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report and Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; 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 set out on pages 12 and 13, the Governors (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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.

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Independent auditors' report to the governors and members (continued)
For the year ended 31 August 2020

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.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cara Turtington (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory auditors

71 Queen Victoria Street
London
EC4V 4BE

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 August 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income and endowments from:					
Charitable activities					
School fees receivable	1	6,786,759	-	6,786,759	7,474,225
Ancillary trading income	2	251,995	-	251,995	499,016
Government grants – coronavirus job retention scheme		-	283,836	283,836	-
Other trading activities					
Lettings income		59,611	-	59,611	68,874
Investments		15,033	-	15,033	22,289
Donations		3,928	-	3,928	19,815
Other income		-	-	-	3,500
Total income		<u>7,117,326</u>	<u>283,836</u>	<u>7,401,162</u>	<u>8,087,719</u>
Expenditure on:					
Raising funds					
Financing costs		14,075	-	14,075	12,660
Fundraising and development		34,368	-	34,368	78,031
Total deductible costs		<u>48,443</u>	<u>-</u>	<u>48,443</u>	<u>90,691</u>
Charitable activities					
Education		7,080,576	283,836	7,364,412	7,699,006
Total expenditure	5	<u>7,129,019</u>	<u>283,836</u>	<u>7,412,855</u>	<u>7,789,697</u>
Net income and net movement in funds		(11,693)	-	(11,693)	298,022
Fund balances brought forward at 1 September 2019		20,251,894	-	20,251,894	19,953,872
Fund balances carried forward at 31 August 2020	14	<u>20,240,201</u>	<u>-</u>	<u>20,240,201</u>	<u>20,251,894</u>

All activities are classed as continuing. The company had no recognised gains or losses other than the surplus for this and last year.

The notes on pages 20 to 32 form part of these financial statements.

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Balance sheet
At 31 August 2020


	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible fixed assets	8				
Freehold land and building			15,640,541		15,870,143
Fixtures, fittings and equipment			632,655		605,191
Motor vehicles			61,272		38,080
			<u>16,334,468</u>		<u>16,513,414</u>
Investments	9		100		100
			<u>16,334,568</u>		<u>16,513,514</u>
Current assets					
Debtors	10	2,296,565		2,174,534	
Cash and bank and in hand		5,104,080		5,387,727	
		<u>7,400,645</u>		<u>7,562,261</u>	
Creditors: amounts falling due within one year	11	<u>(3,418,203)</u>		<u>(3,554,132)</u>	
Net current assets			<u>3,982,442</u>		<u>4,008,129</u>
Total assets less current liabilities			<u>20,317,010</u>		<u>20,521,643</u>
Creditors: amounts falling due after more than one year	12		<u>(76,809)</u>		<u>(269,749)</u>
Net assets			<u>20,240,201</u>		<u>20,251,894</u>
Reserves					
Unrestricted funds	14		<u>20,240,201</u>		<u>20,251,894</u>
Total funds			<u>20,240,201</u>		<u>20,251,894</u>

The financial statements on pages 17 to 32 were considered, approved and authorised for issue by the Board of Governors at its meeting on 10 March 2021.

The notes on pages 20 to 32 form part of these financial statements.

Signed on behalf of the Board


D Huntingford
Governor


J Irvine
Governor

Company Registration No. 02331296

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Cash flow statement
For the year ended 31 August 2020

	Note	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	A	167,990		1,107,454	
Cash flows from investing activities					
Payments for tangible fixed assets	(203,673)		(473,468)		
Proceeds on sale of tangible fixed assets	-		3,500		
Interest received	15,033		22,289		
Net cash used in investing activities		(188,640)		(447,679)	
Net cash inflow before financing		(20,650)		659,775	
Cash flows from financing activities:					
Fees in advance scheme					
New fees in advance money	50,088		578,654		
Amounts utilised	(313,085)		(336,629)		
Net cash (used in)/ provided by financing activities		(262,997)		242,025	
Change in cash and cash equivalents in the reporting period		(283,647)		901,800	
Cash and cash equivalents at the beginning of the reporting period		5,387,727		4,485,927	
Cash and cash equivalents at the end of the reporting period	16	5,104,080		5,387,727	

Note A – Reconciliation of net income to net cash provided by operating activities

	2020	2019
	£	£
Net income for the reporting period	(11,693)	298,022
Adjustments for:		
Depreciation charges	467,473	424,015
Profit on sale of fixed assets	-	(3,500)
Interest receivable	(15,033)	(22,289)
(Increase)/ decrease in debtors	(122,031)	195,503
(Decrease) / increase in creditors	(150,726)	215,703
Net cash provided by operating activities	167,990	1,107,454

Accounting policies

Year ended 31 August 2020

Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (Second Edition) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The company meets the definition of a public benefit entity under FRS 102.

The accounts are prepared in sterling which is the functional currency of the School.

Having reviewed the funding facilities available to the School together with expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Fees and similar earned income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

Invoices are raised in advance of each school term; any invoices outstanding at the balance sheet date are shown as trade debtors. Any element of fees relating to future terms is treated as deferred income and included within current liabilities.

Donations, legacies, grants and other voluntary income

Donations and other voluntary income are accounted for as and when entitlement arises, the amount can be reasonably quantified, and receipt is considered probable.

Scholarships and bursaries

Scholarships are awarded on the basis of the performance of individual pupils. Bursaries are awarded based on financial circumstances.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the School to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of raising funds are those costs associated with generating income from all sources other than from charitable activities.

The School undertakes the running of the school and as such education, premises and the majority of administrative expenses are treated as direct charitable expenditure. Other indirect expenditure has been classified separately.

Somerhill as a Grade 1 listed building, by virtue of the fact that it is occupied by the School, is preserved by the Charitable Trust in consultation with the local authority and Historic England.

Accounting policies (continued)
Year ended 31 August 2020

Expenditure

(continued)

Governance costs include those incurred in the governance of the School and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Tangible fixed assets

Tangible fixed assets are included at cost and are stated net of depreciation and any provision for impairment.

Assets below the value of £1,000 are not capitalised.

Depreciation is provided to write off the cost of tangible fixed assets over their useful economic lives on a straight-line basis as follows:

Land	Not depreciated
Freehold buildings	Between 0 and 50 Years
Equipment, fixtures and fittings	Between 3 and 10 years
Motor vehicles	5 years

No depreciation has been charged in relation to the School mansion and other residential buildings owned by the School as it would be immaterial due to the length of the expected useful life of the mansion and the high residual values of the residential buildings.

Financial instruments

The School only has financial assets and liabilities of a kind that qualify as basic financial instruments (i.e. debtors and creditors).

Assets and liabilities

Current assets are recognised at the lower of cost and net realisable value. Liabilities are recognised at their settlement value.

Pension schemes

Retirement benefits to the teaching employees of the school are provided by the Teachers' Pension Scheme (TPS). This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government actuary, are charged in the period in which the salaries to which they relate are payable.

The School operates a group Personal Pension Plan (defined contribution) for all other employees. The assets of the plan are held separately from those of the School. For every 1% contribution by employees the School contributes 2% with the School's minimum contribution being 6% and a maximum of 10%. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

Accounting policies (continued)
Year ended 31 August 2020

Operating leases

Rentals paid under operating leases are charged against income as incurred.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Value Added Tax

The school is not registered for VAT. All amounts in the financial statements are shown inclusive of VAT where appropriate.

Consolidation

The School is exempt from the requirement to produce group accounts as the subsidiary is considered immaterial.

Accordingly, the accounts present a view of the individual charitable company and not of the group of which it is the parent.

Reserves

Unrestricted funds are all incoming resources for the objects of the School without further specified purpose and are available as general funds.

A Property designated fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of essential school freehold land and buildings less associated bank debt.

Restricted funds are used for specific purposes determined at the time of the appeal/donation.

Corporation tax

Somerhill Charitable Trust Limited is a registered charity and as such its income and gains falling within Section 471 to 489 of the Corporation Tax Act 2010 or Section 256 of Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Critical estimates and judgements

Judgements and estimates 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. In making these estimates the School makes assumptions concerning the future. The Governors do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year.

Notes to the financial statements (continued)
Year ended 31 August 2020

1. School fees receivable

	2020	2019
	£	£
Fees	7,345,143	7,947,464
Less:		
Scholarships, assisted places and fee discounts	<u>(558,384)</u>	<u>(473,239)</u>
	<u>6,786,759</u>	<u>7,474,225</u>

The above awards were all made to individuals. These include tuition scholarships, discretionary awards, assisted places and sibling discounts made to 227 (2019: 232) individuals.

2. Ancillary trading income

	2020	2019
	£	£
Income from fundraising events	40,120	83,681
Other educational income		
Extras	201,125	404,135
Entrance and registration fees	<u>10,750</u>	<u>11,200</u>
	<u>251,995</u>	<u>499,016</u>

3. Expenditure

	2020	2019
	£	£
Expenditure includes:		
Depreciation – owned assets	467,473	424,015
Operating lease rentals – equipment	71,788	104,682
Auditor’s remuneration (excl VAT) - for audit	11,100	10,950
- other services	2,525	3,383
	<u>552,886</u>	<u>543,030</u>

4. Staff costs

	2020	2019
	£	£
Wages and salaries	3,902,745	3,973,498
Social security costs	373,051	381,842
Pension contributions	<u>674,572</u>	<u>482,633</u>
	<u>4,950,368</u>	<u>4,837,973</u>

Notes to the financial statements (continued)
Year ended 31 August 2020

4. Staff costs

(continued)

	2020 Number	2019 Number
The average number of employees in the year was:		
Teaching	94	93
Establishment staff	14	14
Administration	21	21
	129	128

The number of employees whose gross pay and benefits (excluding pension contributions) exceeded £60,000 in the year were:

£60,000 - £70,000	3	1
£80,001 - £90,000	2	3
£90,000 - £100,000	-	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	1	-

Total remuneration for key management personnel (including pension contributions) during the year amounted to £519,379 (2019: £563,270).

There were no termination payments in the year (2019: £99,973).

5. Analysis of expenditure

5.1 Current year analysis

	Staff costs	Other	Depreciation	2020 Total	2019 Total
	£	£	£	£	£
Raising funds					
Financing costs	-	14,075	-	14,075	12,660
Fundraising events	-	34,368	-	34,368	78,031
	-	48,443	-	48,443	90,691
Charitable activities					
Teaching costs	3,895,863	284,836	229,825	4,410,524	4,549,367
Welfare costs	-	328,156	-	328,156	443,334
Premises costs	333,375	965,224	237,648	1,536,247	339,047
Support costs (Note 6)	721,130	351,532	-	1,072,662	1,071,712
Governance costs (Note 7)	-	16,823	-	16,823	16,258
	4,950,368	1,946,571	467,473	7,364,412	7,699,006
Total expenditure	4,950,368	1,995,014	467,473	7,412,855	7,789,697

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)
Year ended 31 August 2020

5.2 Prior year analysis

	Staff costs	Other	Depreciation	2019 Total
	£	£	£	£
Raising funds				
Financing costs	-	12,660	-	12,660
Fundraising events	-	78,031	-	78,031
	-	90,691	-	90,691
Charitable activities				
Teaching costs	3,811,034	551,965	186,368	4,549,367
Welfare costs	-	443,334	-	443,334
Premises costs	330,693	1,049,995	237,647	1,618,355
Support costs (Note 6)	696,246	375,466	-	1,071,712
Governance costs (Note 7)	-	16,258	-	16,258
	4,837,973	2,437,018	424,015	7,699,006
Total expenditure	4,837,973	2,527,709	424,015	7,789,697

6. Support costs

	2020 £	2019 £
Staff costs	721,130	696,246
Other expenses	339,529	241,924
Travel expenses	1,286	55,734
Legal and professional fees	44,788	41,515
Movement in provision against debts	(34,071)	36,293
	1,072,662	1,071,712

7. Governance costs

	2020 £	2019 £
Audit and statutory accounts fee	13,625	13,230
Teachers' pension scheme audit fee	2,100	1,135
Governors' indemnity insurance	1,098	1,893
	16,823	16,258

Notes to the financial statements (continued)
Year ended 31 August 2020**8. Tangible fixed assets**

	School freehold land and buildings £	Other freehold land and buildings £	Equipment fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
1 September 2019	13,418,642	3,342,000	1,073,419	118,441	17,952,502
Additions	8,046	-	250,547	29,934	288,527
Disposals	-	-	(47,423)	-	(47,423)
31 August 2020	13,426,688	3,342,000	1,276,543	148,375	18,193,606
Depreciation					
1 September 2019	872,987	17,512	468,228	80,361	1,439,088
Charge for the year	228,892	8,756	223,083	6,742	467,473
Disposals	-	-	(47,423)	-	(47,423)
31 August 2020	1,101,879	26,268	643,888	87,103	1,859,138
Net book values					
31 August 2020	12,324,809	3,315,732	632,655	61,272	16,334,468
31 August 2019	12,545,655	3,324,488	605,191	38,080	16,513,414

All freehold land and buildings are valued, for insurance purposes and including contents, at £58 million (2019: £58 million). School freehold land and buildings comprises the school mansion and grounds of 150 acres and other buildings owned by the School that are used for educational purposes. Other freehold land and buildings comprises other residential properties owned by the School.

Notes to the financial statements (continued)
Year ended 31 August 2020

9. Fixed asset investments

	Shares £
Investment in subsidiary company	100
Cost and net book value	
At 1 September 2019 and 31 August 2020	<u>100</u>

In the opinion of the Governors the aggregate value of the School's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The School holds more than 10% of the share capital of the following company:

Subsidiary undertaking	Country of registration or incorporation	Class	Shares held %
Somerhill Enterprises Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the result of this undertaking for the year ended 31 August 2020 was as follows:

		Capital and reserves £	Result for the year £
Somerhill Enterprises Limited	Dormant	<u>100</u>	<u>-</u>

10. Debtors

	2020 £	2019 £
Trade debtors	2,028,754	1,994,628
Other debtors	67,881	4,177
Prepayments and accrued income	199,930	175,729
	<u>2,296,565</u>	<u>2,174,534</u>

Notes to the financial statements (continued)
Year ended 31 August 2020

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	335,806	291,438
Other taxation and social security costs	120,674	94,094
Accruals	92,643	227,629
Deferred income	2,404,958	2,448,628
Advance fees	186,589	256,646
Other creditors	277,433	235,596
Amounts payable to subsidiary company	100	100
	<u>3,418,203</u>	<u>3,554,132</u>

Included within other creditors are amounts totalling £80,682 (2019: £68,846) in respect of outstanding pension contributions.

Deferred income relates to fees invoiced prior to year-end relating to future terms. Income deferred at 31 August 2019 was released in the year.

Advance fees

Included within creditors is an amount of £186,589 (2019: £256,646) in respect of fees received in advance, there is also a further amount of £76,809 (2019: £269,749) in respect of fees due after more than one year.

Fees paid in advance are analysed as follows:

	2020 £	2019 £
Balance at 1 September 2019	526,394	284,369
New amounts paid	50,088	578,654
	576,482	863,023
Amounts utilised in the payments of fees	(313,084)	(336,629)
Balance at 31 August 2020	<u>263,398</u>	<u>526,394</u>

12. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Fees in advance	<u>76,809</u>	<u>269,749</u>

Notes to the financial statements (continued)
Year ended 31 August 2020

13. Other financial commitments

At 31 August 2020 the School was committed to make minimum lease payments in respect of non-cancellable operating leases as follows.

	2020 £	2019 £
Amounts payable:		
Within one year	40,541	45,627
In two to five years	<u>84,571</u>	<u>68,325</u>
Total commitment	<u>125,112</u>	<u>113,952</u>

All leases relate to amounts payable in respect of equipment.

14. Statement of funds

14.1 Current year

	Restricted £	Designated property £	Unrestricted general £	Total £
At 1 September 2019	-	12,545,655	7,706,239	20,251,894
Surplus/(deficit) for year	<u>-</u>	<u>(220,846)</u>	<u>209,153</u>	<u>(11,693)</u>
At 31 August 2020	<u>-</u>	<u>12,324,809</u>	<u>7,915,392</u>	<u>20,240,201</u>

14.2 Prior year

	Restricted £	Designated property £	Unrestricted general £	Total £
At 1 September 2018	-	12,701,239	7,252,633	19,953,872
Surplus/(deficit) for year	<u>-</u>	<u>(155,584)</u>	<u>453,606</u>	<u>298,022</u>
At 31 August 2019	<u>-</u>	<u>12,545,655</u>	<u>7,706,239</u>	<u>20,251,894</u>

The unrestricted general reserve represents the free funds of the School which are not designated for particular purposes.

The designated property reserve fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of school freehold land and buildings.

Restricted funds represent donations received for specific items or appeals. During the year the School received restricted funding of £283,836. This reflects grant income received from the government as part of the Coronavirus Job Retention Scheme. This was used to fund relevant salary costs in the year.

Notes to the financial statements (continued)
Year ended 31 August 2020

15. Analysis of assets between funds

15.1 Current year

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Non-current liabilities £	Total £
Unrestricted funds					
General	4,009,659	100	3,982,442	(76,809)	7,915,392
Designated fund - property	12,324,809	-	-	-	12,324,809
	<u>16,334,468</u>	<u>100</u>	<u>3,982,442</u>	<u>(76,809)</u>	<u>20,240,201</u>

15.2 Prior year

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Non-current liabilities £	Total £
Unrestricted funds					
General	3,967,759	100	4,008,129	(269,749)	7,706,239
Designated fund - property	12,545,655	-	-	-	12,545,655
	<u>16,513,414</u>	<u>100</u>	<u>4,008,129</u>	<u>(269,749)</u>	<u>20,251,894</u>

16. Net funds

16.1 Current year

	At start of year £	Cash – flows £	At end of year £
Cash	5,387,727	(283,647)	5,104,080
	<u>5,387,727</u>	<u>(283,647)</u>	<u>5,104,080</u>

16.2 Prior year

	At start of year £	Cash – flows £	At end of year £
Cash	4,485,927	901,800	5,387,727
	<u>4,485,927</u>	<u>901,800</u>	<u>5,387,727</u>

All cash balances for the current and prior year relate to cash in hand.

17. Pension and similar obligations

Teachers' Pension Scheme

Introduction

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in schools. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The pension charge for the period includes employer contributions payable to the TPS of £586,385 (2019: £409,960) and at the year-end £48,553 (2019: £32,796) was accrued in respect of employer contributions to this scheme.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set from 1 September 2019 at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218.1 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196.1 billion giving a notional past service deficit of £22 billion
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

With effect from September 2021 the school has agreed to move to the Hybrid Model following a full consultation with affected staff. Eligible staff will be able to select either remaining in the TPS or moving to a new defined contribution scheme.

Notes to the financial statements (continued)
Year ended 31 August 2020

Other pension schemes

The School also makes contributions to its employees' various pension schemes. The assets of the schemes are held separately from those of the School in independently administered funds. The pension costs charge represents contributions payable by the School to the funds and amounted to £88,186 (2019: £77,003). At the year-end £8,468 (2019: £6,507) was accrued in respect of employer contributions to other pension schemes.

18. Related party transactions

There were no related party transactions in the year (2019: none). No Governors received remuneration, payments for services or reimbursed expenses during the year (2019: none).

19. Prior year Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Income and endowments from:			
Charitable activities			
School fees receivable	7,474,225	-	7,474,225
Ancillary trading income	499,016	-	499,016
Other trading activities			
Non-ancillary trading income	68,874	-	68,874
Investments	22,289	-	22,289
Donations	7,584	12,231	19,815
Other income	3,500	-	3,500
Total income	<u>8,075,488</u>	<u>12,231</u>	<u>8,087,719</u>
Expenditure on:			
Raising funds			
Financing costs	12,660	-	12,660
Fundraising and development	78,031	-	78,031
Total deductible costs	90,691	-	90,691
Charitable activities			
Education	7,686,775	12,231	7,699,006
Total expenditure	<u>7,777,466</u>	<u>12,231</u>	<u>7,789,697</u>
Net income and net movement in funds	298,022	-	298,022
Fund balances brought forward at 1 September 2018	19,953,872	-	19,953,872
Fund balances carried forward at 31 August 2019	<u>20,251,894</u>	<u>-</u>	<u>20,251,894</u>



THE SCHOOLS AT SOMERHILL

SOMERHILL, TONBRIDGE, KENT TN11 0NJ

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Somerhill Charitable Trust Limited
Tonbridge
Kent
TN11 0NJ

10 March 2021

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Somerhill Charitable Trust Limited ('the School') for the year ended 31 August 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of the School in accordance with The Companies Act 2006, the Charities Act 2011 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have as Governors fulfilled our responsibility, as set out in the terms of your engagement dated 28 March 2017, for preparing financial statements in accordance with The Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) which give a true and fair view of the financial position of the charitable company as of 31 August 2020 and of the results of its operations and its cash flows for the year then ended and for making accurate representations to you.
2. Significant assumptions used by us in making accounting estimates are reasonable.
3. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
5. Related party relationships and transactions have been appropriately accounted for and disclosed and we are not aware of further related party matters that require disclosure.
6. All events subsequent to the date of the financial statements and which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or included in the financial statements.



The Schools at Somerhill are under the care and control of Somerhill Charitable Trust Limited
Registered in England No. 2331296 – Registered Office as above – Registered Charity No. 1002212

7. The financial statements are free of material misstatements, including omissions.

Information provided

8. All accounting records and relevant information have been made available to you for the purpose of your audit of the financial statements. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have determined it necessary to obtain audit evidence. All other records and related information including minutes of all management and Governors meetings have been made available to you.

9. All transactions undertaken by the School have been recorded in the accounting records and are reflected in the financial statements.

10. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

11. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves management, employees who have a significant role in internal control, or others, where fraud could have a material effect on the financial statements.

12. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

13. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

14. We confirm that we have disclosed to you the identity of the entity's related parties and all related party relationships and transactions relevant to the School that we are aware of.

15. The School has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.

16. The School has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for Governors, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.

17. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.

18. Grants and donations

All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions during the period in the application of such income.

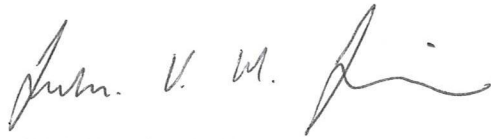
19. Legacies and similar sources of assets

Notifications of legacies and similar sources of assets have been monitored, and all such assets have been recognised in accordance with the recommendations of the SORP on charity reporting.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Governor has taken all the steps that he /she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J Irvine', written in a cursive style.

.....
J Irvine – Chair of Finance & General Purpose Committee
Signed on behalf of the Board of Governors

