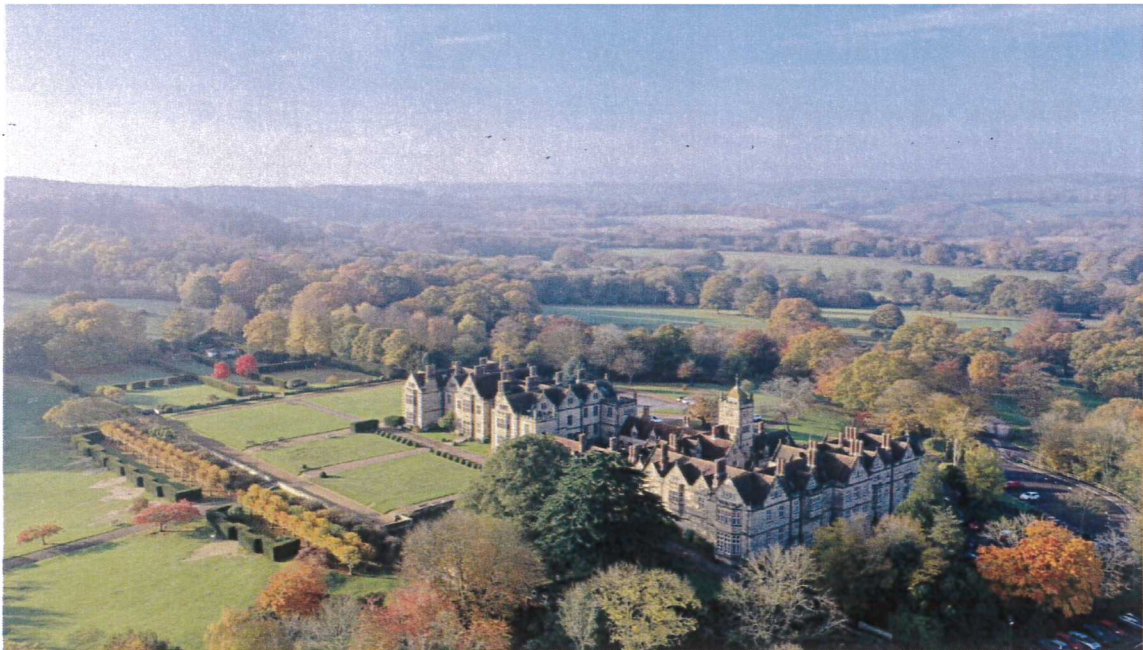


Registered Charity No. 1002212 (England and Wales)
Company Registration No. 02331296



Somerhill Charitable Trust Limited
(A company limited by guarantee)

Report and financial statements
For the year ended 31 August 2021



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 2021

The Directors of Somerhill Charitable Trust Limited (the "School", "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 2021 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.

The Directors from 1 September 2020 to the date of signing were:

P R Brooks+ **
P M 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 A Wells*

* Members of the Finance and General Purposes Committee chaired by J V Irvine.

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

** Members of the HR Committee chaired by D M Huntingford.

++ Members of the Health & Safety Committee chaired by M A Jiskoot.

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Governors' Report and Strategic Report (continued)
For the year ended 31 August 2021

Professional advisers and senior leadership team

Principal of 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 (left 31 st August 2021) Mrs A L McKnight (joined 1 st September 2021)
Vice Principal	Mr R M Raistrick (left 31 st August 2021)
Business Manager/Company Secretary	Mrs C H Morey (left 28 th January 2022) Mr A M Miller (joined 10 th January 2022)
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 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 School. 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 School is delegated to the Principal and the Senior Leadership Team. On 10 March 2021 the Governors approved the formation of HR Committee which first convened during the Trinity Term 2021.

The Principal, in conjunction with the F&GP, the Education Committee and the Senior Leadership Team, prepares the School 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 Somerhill. The Committee meets as and when necessary, but certainly not less than once a term, and reports to the Main Board.



F&GP Committee: This Committee is responsible for monitoring the management of the finances and administration of 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.

HR & Remuneration Committee: On the 10th March 2021 governors approved the new HR & Remuneration Committee consisting of members of the Governing Body, the Principal, the HR Manager and the Business Manager. The main responsibility of the Committee is to monitor and review all aspects of HR and set the remuneration of the Senior Leadership Team.

Aims and Objectives

The Governors' aim is to provide an all-round excellent education to boys and girls from ages 3 – 13. The company operates three sections at Somerhill, 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 Somerhill, operating under one DfE (Department for Education) number. The objectives are set to reflect the educational aims and ethos of Somerhill. It is important that the Governors maintain and enhance the reputation of the different sections of the School 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 in particular its supplementary public benefit guidance on advancing education including the provision of assisted places. 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 section within the 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
- 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 Covid 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 2020/21 due to the Covid pandemic. Once government guidance allows, such visits will start again as a priority.

Remuneration of key management personnel

The day-to-day running of the School is delegated to the Principal of 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 and HR Committees. 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

Overview: Somerhill remains vibrant. During the final term of the year ended 31 August 2021, Somerhill had 602 pupils.

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 receive any remuneration.

Academic Achievement: As mentioned in the most recent ISI report, the achievement and progress of pupils at Somerhill is Excellent. Pupils move on successfully to secondary education in both the grammar and independent sectors, with an impressive number gaining scholarships. In the academic year under review, five Academic Scholarships, four Sport Scholarships, four Drama Scholarships, three Music Scholarship, one of each for Art and Dance were won by Somerhill pupils. These awards show the variety of the educational achievements attained by pupils across all sections of the School.

Pupil Experience: 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 online 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.

Pre-Senior Baccalaureate: The introduction of the Pre-Senior Baccalaureate (PSB) in the past few years 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 has extended to art, engineering and drama as well as expanding into Year 6.

Curriculum Enhancements: The School has continued to develop its Engineering Department for the academic year 2020-2021 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. Imminent future plans involve introduction of a dedicated "outdoor" classroom, to

be called Saplings, for our pre-school children allowing a hybrid model for existing and new parents to select internal and external classroom time for our youngest pupils.

Impact of Covid on School operations

Following the impact of Covid in 2019-20 with the first lockdown, Somerhill has had further impacts from the effect of the Covid pandemic. Not only did we have Tier 3 lockdown followed by a further lockdown into the new 2021 calendar year, but we have also managed more key worker care, absence of both pupils and staff from Covid cases and introduced an online teaching resource enabling absent pupils to "beam" into the classroom when well enough. The School continued to take advantage of the Coronavirus Job Retention Scheme (CJRS) albeit to a lesser extent during the previous lockdown periods. A fuller Home Learning Programme was offered and used by most of our pupils during the lockdown periods. We were 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.

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. Somerhill 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

In between and following the Covid lockdowns we were able to enjoy some much-needed sporting competition. Back in September 2020, we returned to school still under lockdown restrictions. These restrictions prevented us from having any fixtures with other schools, which meant we had to take a different approach to our games afternoons. We came up with an ‘options’ programme that allowed the children to choose which activity they would undertake for the term. Activities on offer included, amongst others, swimming, dance, badminton, fitness, multi-games, golf, cross country, tennis and netball. This programme was very well received by the children as they had, for the first time in our games curriculum, the chance to try new activities together with their peers from both Prep schools. The Year Seven and Year Eight boys followed a programme of Sport and Exercise Science which gave them an opportunity to analyse performance and understand how the body responds to exercise.

The boys in the Yardley Court section enjoyed a successful cricket season winning or drawing 75 % of their matches with every boy playing at least 5 matches. What the boys missed in a pandemic year in terms of improving their skill set, they made up for in enthusiasm and enjoyment of being back playing on a cricket square or learning for the first time the skills of cricket. The girls in the Derwent Lodge also enjoyed a season of cricket with each team playing approximately 7 matches across the term.



The pandemic wiped out much of the Winter sports programme however we did get to take part in some cross-country events and held a wonderful set of Sports Day events across all year groups and within Covid guidelines. Congratulations to our Victrix or Victor Ludorum winners.



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 continued 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 has now matured, and the grounds have now been restored to their former glory as they would have been 200 years ago. The School was very proud to have emerged from the second lockdown by launching the Somerhill Vision 2030. As an exciting programme of investment and further development, this vision proves that Somerhill has not only survived the pandemic but is set to thrive in the aftermath. Further strategic developments now include the commissioning of Tim Ronalds Architects to formulate a Site Master Plan which will form the basis of a coordinated approach to development in the coming 10 years.

Financial results

The financial results of the School for the year ended 31 August 2021 are shown in the Statement of Financial Activities. The impact of the lockdown has resulted in a small surplus for the year. This is explained further below. Results for the year include a reduction in fee income of £404,233, this reflects the effect of the 15% fee reduction, which the School gave for the Home Learning period of the Lent term. The School also incurred additional Covid related costs of £76,000. This was offset by £46,656 of grant income from the Coronavirus Job Retention Scheme for the period of closure. Overall, the impact of the lockdown on the 2020/21 accounts was a loss of approximately £286,000.

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

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 2021, the School had total reserves of £20,266,772 (2020: £20,240,201), made up of a general fund of £8,170,804 (2020: £7,915,392) and designated funds, representing the net book value of the school mansion and grounds, of £12,095,918 (2020: £12,324,809). The school's net current assets were £4,271,097 at 31 August 2021 (2020: £3,982,442), 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 School'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 School in support of the Somerhill 2030 Vision and Development Plan, and to continue providing appropriate assisted places/financial assistance for the parents of children who could otherwise not afford independent education.

Fundraising

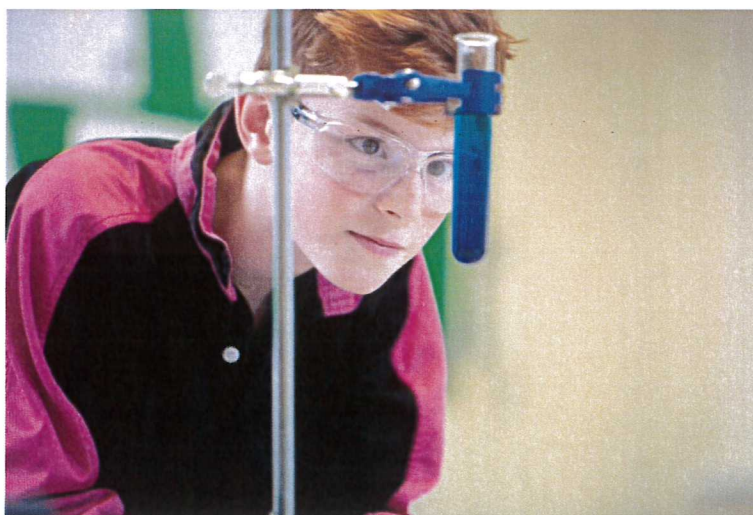
Somerhill Parents' Association (SPA) raises funds for the School, primarily from parents of pupils and other existing supporters of the School, to further enhance particular projects in consultation with the Principal and SLT. In 2020/21 the SPA were unable to raise any funds for the school as a result of Covid lockdowns and restrictions (2019/20: £5,789 net). The Governors and School are extremely grateful for the efforts of the SPA in raising funds and hope 2021/22 will be a better year for our lovely parental team.

Grants

The School 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.
- **Employee Fee Concession** – as part of an emphasis on attracting and retaining high calibre staff, the School offered a discount scheme to staff members who choose to educate their children at Somerhill.
- **Family discounts** – to underline the value the Governors place on continuity for families, the School offered sibling discounts for the year of 5% for the second child and 10% for any further siblings.

The School provided non-means tested financial assistance of £362,293 in 2020/21 (2019/20: £333,632).



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. The School continues to support a range of local schools and organisations where it has been possible to do so within the constraints of Covid lockdown restrictions.

Assisted Places: 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 an annual basis.
- **Tonbridge Scholars** - Somerhill 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 at Yardley Court.

The School provided financial assistance of £202,498 in means tested assisted places in 2020/21 (2019/20: £224,753). As a result of the pandemic, this figure included £30,777 of assisted places support throughout the whole school (Reception to Year 8) and as a direct result of short-term financial hardship. Overall, over 4% of gross fees represent Assisted Places and 4% of pupils have been helped.



Charitable Activity

Somerhill pupils raised £9,097 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 thereby raising their awareness of both local and global issues. Charities donated to in 2020/21 varied from Comic Relief to Save the Children, Anti-bullying Alliance and Hospice in the Weald to name a few. In addition, the school supports the Royal British Legion Poppy Appeal and Books for Africa, whereby books are sent to schools across Africa. We are also delighted to have worked with an Africa-based charity to reuse surplus classroom furniture in Gambia.

Somerhill Charitable Trust Limited
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Governors' Report and Strategic Report (continued)
For the year ended 31 August 2021

Somerhill provided free access to its facilities and support to various local organisations, and example being Kent Fire and Rescue Service's use of the lake facility for a resilience exercise using emergency fire suppressant material at the School.

We sponsor various sporting clubs in Sevenoaks and Tonbridge including the provision of our parkland and pitches when poor weather means local club facilities are inaccessible due to flooding.

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;
- 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.

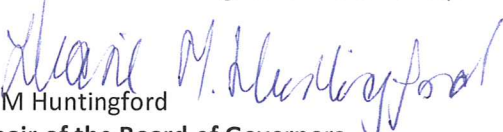
Statement as to disclosure of information to auditor

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.

Somerhill Charitable Trust Limited
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Governors' Report and Strategic Report (continued)
For the year ended 31 August 2021

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 23 March 2022 and signed on its behalf by:


D M Huntingford
Chair of the Board of Governors

Somerhill Charitable Trust Limited
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Independent auditors' report to the members
For the year ended 31 August 2021

Opinion

We have audited the financial statements of Somerhill Charitable Trust Limited for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Somerhill Charitable Trust Limited
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Independent auditors' report to the members
For the year ended 31 August 2021

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

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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual 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 page 14, 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.

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Independent auditors' report to the members
For the year ended 31 August 2021

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 regulations made under 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. 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Governors and informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with Governors and informed management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales. Further the charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charitable company's operations. We identified the most significant laws and regulations to be the Independent School Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of

Somerhill Charitable Trust Limited
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Independent auditors' report to the members
For the year ended 31 August 2021


controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 28 March 2022

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

Somerhill Charitable Trust Limited
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Statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 August 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Charitable activities					
School fees receivable	1	7,190,992	-	7,190,992	6,786,759
Ancillary trading income	2	315,128	-	315,128	251,995
Government grants – coronavirus job retention scheme		-	46,656	46,656	283,836
Other trading activities					
Lettings income		70,959	-	70,959	59,611
Investments		2,236	-	2,236	15,033
Donations		3,667	-	3,667	3,928
Total income		<u>7,582,982</u>	<u>46,656</u>	<u>7,629,638</u>	<u>7,401,162</u>
Expenditure on:					
Raising funds					
Financing costs		13,580	-	13,580	14,075
Fundraising and development		7,253	-	7,253	34,368
Total deductible costs		<u>20,833</u>	<u>-</u>	<u>20,833</u>	<u>48,443</u>
Charitable activities					
Education		7,535,628	46,656	7,582,284	7,364,412
Total expenditure	5	<u>7,556,461</u>	<u>46,656</u>	<u>7,603,117</u>	<u>7,412,855</u>
Net income and net movement in funds		26,521	-	26,521	(11,693)
Fund balances brought forward at 1 September 2020		20,240,201	-	20,240,201	20,251,894
Fund balances carried forward at 31 August 2021	14	<u>20,266,722</u>	<u>-</u>	<u>20,266,722</u>	<u>20,240,201</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 23 to 35 form part of these financial statements.

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Balance sheet
As at 31 August 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible fixed assets	8				
Freehold land and building			15,402,894		15,640,541
Fixtures, fittings and equipment			685,740		632,655
Motor vehicles			51,275		61,272
Website			19,882		-
			<u>16,159,791</u>		<u>16,334,468</u>
Investments	9		100		100
			<u>16,159,891</u>		<u>16,334,568</u>
Current assets					
Debtors	10	2,428,707		2,296,565	
Cash and bank and in hand		5,358,032		5,104,080	
		<u>7,786,739</u>		<u>7,400,645</u>	
Creditors: amounts falling due within one year	11	<u>(3,515,642)</u>		<u>(3,418,203)</u>	
Net current assets			<u>4,271,097</u>		<u>3,982,442</u>
Total assets less current liabilities			<u>20,430,988</u>		<u>20,317,010</u>
Creditors: amounts falling due after more than one year	12		<u>(164,266)</u>		<u>(76,809)</u>
Net assets			<u>20,266,722</u>		<u>20,240,201</u>
Reserves					
Unrestricted funds	14		<u>20,266,722</u>		<u>20,240,201</u>
Total funds			<u>20,266,722</u>		<u>20,240,201</u>

The financial statements on pages 20 to 35 were considered, approved and authorised for issue by the Board of Governors at its meeting on 23 March 2022.

The notes on pages 23 to 35 form part of these financial statements.

Signed on behalf of the Board

D M Huntingford
Governor



J V Irvine
Governor



Company Registration No. 02331296

Somerhill Charitable Trust Limited
(A company limited by guarantee)

Cash flow statement
For the year ended 31 August 2021

	Note	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	A		446,553		167,990
Cash flows from investing activities					
Payments for tangible fixed assets		(292,290)		(203,673)	
Interest received		2,236		15,033	
Net cash used in investing activities			(290,054)		(188,640)
Net cash inflow before financing			156,498		(20,650)
Cash flows from financing activities:					
Fees in advance scheme					
New fees in advance money		398,480		50,088	
Amounts utilised		(301,026)		(313,085)	
Net cash provided by / (used in) financing activities			97,454		(262,997)
Change in cash and cash equivalents in the reporting period			253,952		(283,647)
Cash and cash equivalents at the beginning of the reporting period			5,104,080		5,387,727
Cash and cash equivalents at the end of the reporting period	16		5,358,032		5,104,080

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

	2021	2020
	£	£
Net income for the reporting period	26,521	(11,693)
Adjustments for:		
Depreciation charges	466,967	467,473
Interest receivable	(2,236)	(15,033)
Increase in debtors	(132,140)	(122,031)
Increase / (decrease) in creditors	87,441	(150,726)
Net cash provided by operating activities	446,553	167,990

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.

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
Website	3 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.

Somerhill Charitable Trust Limited

Accounting policies (continued) Year ended 31 August 2021

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.

Somerhill Charitable Trust Limited

Notes to the financial statements
Year ended 31 August 2021

1. School fees receivable	2021 £	2020 £
Fees	7,761,042	7,345,143
Less:		
Scholarships, assisted places and fee discounts	<u>(570,050)</u>	<u>(558,384)</u>
	<u>7,190,992</u>	<u>6,786,759</u>
<p>The above awards were all made to individuals. These include tuition scholarships, discretionary awards, assisted places and sibling discounts made to 230 (2020: 227) individuals.</p>		
2. Ancillary trading income	2021 £	2020 £
Income from fundraising events	5,037	40,120
Other educational income		
Extras	288,808	201,125
Entrance and registration fees	<u>21,283</u>	<u>10,750</u>
	<u>315,128</u>	<u>251,995</u>
3. Expenditure	2021 £	2020 £
Expenditure includes:		
Depreciation – owned assets	466,967	467,473
Operating lease rentals – equipment	72,345	71,788
Auditor’s remuneration (excl VAT)		
- for audit (current year)	11,500	11,100
- for audit (prior year)	2,000	-
- other services	<u>4,725</u>	<u>2,525</u>
4. Staff costs	2021 £	2020 £
Wages and salaries	3,838,226	3,902,745
Social security costs	380,653	373,051
Pension contributions	<u>683,941</u>	<u>674,572</u>
	<u>4,902,820</u>	<u>4,950,368</u>

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)
Year ended 31 August 2021

4. Staff costs (continued)

	2021 Number	2020 Number
The average number of employees in the year was:		
Teaching	92	94
Establishment staff	16	14
Administration	20	21
	128	129
	128	129

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

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

Total remuneration for key management personnel (including pension contributions) during the year amounted to £545,200 (2020: £519,379).

There were £45,032 termination payments in the year (2020: nil).

5. Analysis of expenditure

5.1 Current year analysis

	Staff costs	Other	Depreciation	2021 Total	2020 Total
	£	£	£	£	£
Raising funds					
Financing costs	-	13,580	-	13,580	14,075
Fundraising events	-	7,253	-	7,253	34,368
	-	20,833	-	20,833	48,443
	-	20,833	-	20,833	48,443
Charitable activities					
Teaching costs	3,896,209	367,700	229,319	4,493,228	4,410,524
Welfare costs	-	357,349	-	357,349	328,156
Premises costs	353,928	971,160	237,648	1,562,736	1,536,247
Support costs (Note 6)	652,683	491,765	-	1,144,448	1,072,662
Governance costs (Note 7)	-	24,523	-	24,523	16,823
	4,902,820	2,212,497	466,967	7,582,284	7,364,412
	4,902,820	2,212,497	466,967	7,582,284	7,364,412
Total expenditure	4,902,820	2,233,330	466,967	7,603,117	7,412,855
	4,902,820	2,233,330	466,967	7,603,117	7,412,855

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)
Year ended 31 August 2021

5.2 Prior year analysis

	Staff costs	Other	Depreciation	2020 Total
	£	£	£	£
Raising funds				
Financing costs	-	14,075	-	14,075
Fundraising events	-	34,368	-	34,368
	-	48,443	-	48,443
Charitable activities				
Teaching costs	3,895,863	284,836	229,825	4,410,524
Welfare costs	-	328,156	-	328,156
Premises costs	333,375	965,224	237,648	1,536,247
Support costs (Note 6)	721,130	351,532	-	1,072,662
Governance costs (Note 7)	-	16,823	-	16,823
	4,950,368	1,946,571	467,473	7,364,412
Total expenditure	4,950,368	1,995,014	467,473	7,412,855

6. Support costs

	2021 £	2020 £
Staff costs	652,683	721,130
Other expenses	426,437	339,529
Travel expenses	64	1,286
Legal and professional fees	54,974	44,788
Movement in provision against debts	10,290	(34,071)
	1,144,448	1,072,662

7. Governance costs

	2021 £	2020 £
Audit and statutory accounts fee	16,950	13,625
Audit and statutory accounts fee – prior year	4,250	-
Teachers' pension scheme audit fee	2,100	2,100
Governors' indemnity insurance	1,223	1,098
	24,523	16,823

Notes to the financial statements (continued)
Year ended 31 August 2021

8. Tangible fixed assets

	School freehold land and buildings £	Other freehold land and buildings £	Equipment fixtures and fittings £	Motor vehicles £	Website £	Total £
Cost or valuation						
1 September 2020	13,426,688	3,342,000	1,276,543	148,375	-	18,193,606
Additions	-	-	270,988	-	21,302	292,290
Disposals	-	-	(332,254)	-	-	(332,254)
31 August 2021	13,426,688	3,342,000	1,215,277	148,375	21,302	18,153,642
Depreciation						
1 September 2020	1,101,879	26,268	643,888	87,103	-	1,859,138
Charge for the year	228,891	8,756	217,903	9,997	1,420	466,967
Disposals	-	-	(332,254)	-	-	(332,254)
31 August 2021	1,330,770	35,024	529,537	97,100	1,420	1,993,851
Net book values						
31 August 2021	12,095,918	3,306,976	685,740	51,275	19,882	16,159,791
31 August 2020	12,324,809	3,315,732	632,655	61,272	-	16,334,468

All freehold land and buildings are valued, for insurance purposes and including contents, at £58 million (2020: £58 million). School freehold land and buildings comprises the school mansion and grounds of 160 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.

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)
Year ended 31 August 2021

9. Fixed asset investments

	Shares £
Investment in subsidiary company	100
Cost and net book value	
At 1 September 2020 and 31 August 2021	100

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 2021 was as follows:

		Capital and reserves £	Result for the year £
Somerhill Enterprises Limited	Dormant	100	-

10. Debtors

	2021 £	2020 £
Trade debtors	2,102,667	2,028,754
Other debtors	70,137	67,881
Prepayments and accrued income	255,903	199,930
	<u>2,428,707</u>	<u>2,296,565</u>

Notes to the financial statements (continued)
Year ended 31 August 2021

11. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	223,604	335,806
Other taxation and social security costs	166	120,674
Accruals	209,187	92,643
Deferred income	2,641,823	2,404,958
Advance fees	196,586	186,589
Other creditors	244,176	277,433
Amounts payable to subsidiary company	100	100
	<u>3,515,642</u>	<u>3,418,203</u>

Included within other creditors are amounts totalling £13,426 (2020: £80,682) 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 2020 was released in the year.

Advance fees

Included within creditors is an amount of £195,586 (2020: £186,589) in respect of fees received in advance, there is also a further amount of £164,266 (2020: £76,809) in respect of fees due after more than one year.

Fees paid in advance are analysed as follows:

	2021	2020
	£	£
Balance at 1 September 2020	263,398	526,394
New amounts paid	398,480	50,088
	661,878	576,482
Amounts utilised in the payments of fees	(301,026)	(313,084)
Balance at 31 August 2021	<u>360,852</u>	<u>263,398</u>

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

	2021	2020
	£	£
Fees in advance	<u>164,266</u>	<u>76,809</u>

Notes to the financial statements (continued)
Year ended 31 August 2021

13. Other financial commitments

At 31 August 2021 the School was committed to make minimum lease payments in respect of non-cancellable operating leases as follows.

	2021 £	2020 £
Amounts payable:		
Within one year	64,275	40,541
In two to five years	70,839	84,571
Total commitment	<u>135,114</u>	<u>125,112</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 2020	-	12,324,809	7,915,392	20,240,201
Surplus/(deficit) for year	-	(228,891)	255,412	26,521
At 31 August 2021	-	12,095,918	8,170,804	20,266,722

14.2 Prior year

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

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 £46,656 (2020: £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.

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)
Year ended 31 August 2021

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	4,063,873	100	4,271,097	(164,266)	8,170,804
Designated fund - property	<u>12,095,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,095,918</u>
	<u>16,159,791</u>	<u>100</u>	<u>4,271,097</u>	<u>(164,266)</u>	<u>20,266,722</u>

15.2 Prior 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	<u>12,324,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,324,809</u>
	<u>16,334,468</u>	<u>100</u>	<u>3,982,442</u>	<u>(76,809)</u>	<u>20,240,201</u>

16. Net funds

16.1 Current year

	At start of year £	Cash – flows £	At end of year £
Cash	<u>5,104,080</u>	<u>253,952</u>	<u>5,358,032</u>

16.2 Prior year

	At start of year £	Cash – flows £	At end of year £
Cash	<u>5,387,727</u>	<u>(283,647)</u>	<u>5,104,080</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 £580,728 (2020: £586,385) and at the year-end £330 (2020: £48,553) 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 moved 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.

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 £102,956 (2020: £88,186). At the year-end £8,974 (2020: £8,468) was accrued in respect of employer contributions to other pension schemes.

18. Related party transactions

There were no related party transactions in the year (2020: none). No Governors received remuneration, payments for services or reimbursed expenses during the year (2020: none).

19. Prior year Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income and endowments from:			
Charitable activities			
School fees receivable	6,786,759	-	6,786,759
Ancillary trading income	251,995	-	251,995
Government grants – coronavirus job retention scheme	-	283,836	283,836
Other trading activities			
Lettings income	59,611	-	59,611
Investments	15,033	-	15,033
Donations	3,928	-	3,928
Total income	<u>7,117,326</u>	<u>283,836</u>	<u>7,401,162</u>
Expenditure on:			
Raising funds			
Financing costs	14,075	-	14,075
Fundraising and development	34,368	-	34,368
Total deductible costs	48,443	-	48,443
Charitable activities			
Education	7,080,576	283,836	7,364,412
Total expenditure	<u>7,129,019</u>	<u>283,836</u>	<u>7,412,855</u>
Net income and net movement in funds	(11,693)	-	(11,693)
Fund balances brought forward at 1 September 2020	20,251,894	-	20,251,894
Fund balances carried forward at 31 August 2021	<u>20,240,201</u>	<u>-</u>	<u>20,240,201</u>