

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 2022**



**Somerhill Charitable Trust Limited**  
**(A company limited by guarantee)**

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### **Chair of Governors' Summary**

The position of Chair changed as of 1<sup>st</sup> September 2022 and I would like to offer our sincere thanks for her leadership to Diane Huntingford, especially through the unprecedented challenge of Covid. Diane will continue to serve as a Governor until 31 August 2023 to assist in continuity.

The year has been one of further transitions and hopefully a return to a more normal operating environment, a number of staff have moved on or retired and we have further restructured our senior leadership team, changing our Business Manager role back into a Bursar position, creating deputy heads positions for the two sections (Derwent Lodge and Yardley Court) and a co-curricular role for the school. We have implemented a number of new and updated policies, created a HR management position, completed transition to a hybrid pension scheme and worked to standardise many of our processes and benefits. We held a strategy meeting for our senior leadership and governing body to provide focus to the direction and resources need to deliver our objectives and this has resulted in our submission of a master building plan to our local council that should provide a suitable template to enhance our facilities to provide the best and most fulfilling education available in this area. We are blessed with over 120 acres of grounds and a most beautiful Grade I listed mansion, which in itself provides challenges in costs and upkeep. In the summer we built infrastructure and started a "dry run" of our new "Saplings" school which is modelled on the well-known "Forest School" concept. In addition to our strategy and master plan, we are focussed on optimisation of our environmental footprint and will invest to progress towards net zero over the coming decade. The school pupil headcount and finances remain strong although along with all independent schools we are wary of challenges that a downturn in the economy, changing tax regimes or a loss of charity status might inflict.

Mark A. Jiskoot

**Chair of the Board of Governors**

**Somerhill Charitable Trust Limited**  
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**Governors' Report and Strategic Report**  
**For the year ended 31 August 2022**

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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 2022 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 2021 to the date of signing were:

P G Bromley (appointed 28 February 2023)  
P R Brooks + \*\*  
P M Goodyer +  
J C Hills \* (resigned 31 August 2022)  
E Henery (appointed 30 November 2022)  
C Holder (appointed 28 February 2023)  
D M Huntingford \* + \*\* (Chair of Governors until 1 September 2022)  
J V Irvine \* \*\*  
M A Jiskoot \* + \*\* ++ (Chair of Governors from 1 September 2022)  
M A Norrie \* (resigned 29 June 2022)  
P J North + (appointed 29 June 2022)  
H P Tebay + (resigned 23 March 2022)  
R E Verrell \*  
D R Walsh \*  
C J Warner + (resigned 29 June 2022)  
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.

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**Governors' Report and Strategic Report (continued)  
For the year ended 31 August 2022**

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**Professional advisers and senior leadership team**

|   |   |
|---|---|
| <b>Principal of Somerhill and<br/>Head of Yardley Court</b> | Mr D B Sinclair   |
| <b>Head of Derwent Lodge</b>                                | Mrs H M Hoffmann (resigned 31 <sup>st</sup> August 2022)  |
| <b>Head of Somerhill Pre-Prep</b>                           | Mrs A L McKnight (joined 1 <sup>st</sup> September 2021)  |
| <b>Business Manager/Company Secretary</b>                   | Mrs C H Morey (resigned 28 <sup>th</sup> January 2022)<br>Mr A M Miller - interim (joined 10 <sup>th</sup> January 2022;<br>departed 13 <sup>th</sup> May 2022) |
| <b>Bursar/Company Secretary</b>                             | Mr J M Hunt (joined 3 <sup>rd</sup> May 2022)   |
| <b>Address and registered office</b>                        | Somerhill<br>Tonbridge<br>Kent<br>TN11 0NJ  |
| <b>Solicitors</b>   | Veale Wasbrough Vizards<br>Orchard Court<br>Orchard Lane<br>Bristol<br>BS1 5WS  |
| <b>Auditors</b>   | Saffery Champness<br>71 Queen Victoria Street<br>London<br>EC4V 4BE   |
| <b>Insurance brokers</b>                                    | Towergate Risk Solutions<br>Towergate House<br>Chaucer Business Park<br>Thanet Way<br>Whitstable<br>Kent<br>CT5 3FE   |
| <b>Bankers</b>  | Barclays Bank plc<br>105 High Street<br>Tonbridge<br>Kent<br>TN9 1DJ<br><br>National Westminster Bank Plc<br>130 High Street<br>Tonbridge<br>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 by a designated person, 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 the Education Committee, the HR Committee and the Finance and General Purposes Committee (F&GP), 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.

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 / Deputy Head Teachers of the three sections of the School. 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. 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:** The main responsibility of the Committee is to monitor and review all aspects of HR and set the remuneration of the Senior Leadership Team. This Committee also meets as and when necessary, but certainly not less than once a term, and reports to the Main Board.

### **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.

**Governors' Report and Strategic Report (continued)**  
**For the year ended 31 August 2022**

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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
- 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 School
- 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
- Security of school buildings
- Impact of a resurgent Covid pandemic or similar

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

**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 3. The remuneration of key management personnel is agreed by the Board through the School's annual budget as recommended by the

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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 and has recovered from the Covid disruption very well. During the final term of the year ended 31 August 2022, Somerhill had 637 pupils, well ahead of anticipated numbers.

**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, 33 pupils went to Grammar schools, 8 to High Schools and 48 to Public Schools, including 13 to Tonbridge School. This also included 15 scholarships.

**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 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 – from beekeeping to Formula One model design and racing. 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 diamond model allows for a 'best of both worlds' approach – boys and girls are taught in the classroom together until Year 3; at this point classroom lessons become single sex although all other co-curricular and day-to-day activities take place in a co-educational environment. Pupils are then well prepared to go into a co-educational classroom setting at either secondary school or sixth form.

**Pre-Senior Bacculaureate:** The introduction of the Pre-Senior Bacculaureate (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. The Pre-Senior Project Qualification (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:** 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.

We also 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. Pupils of all ages get to experience the outdoor learning whereby more traditional learnt knowledge can be re-enforced using the natural world. This year saw the launch of our dedicated "outdoor" classroom, 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.

#### **Environmental Awareness**

We continue to work to become more environmentally conscious both as a School and as individuals and next year will see the School embark on plans towards Net Zero Carbon. The first part of this plan is to convert all the lighting to LED and to ensure we are recycling as much of our waste as possible.



### **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 a year across all three sections of the school. With Covid now behind us we have been able to reintroduce a full programme of soirees and musical performances. 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 (Associated Board of the Royal Schools of Music) exams and Trinity College exams with pupils entering in a variety of instruments and voice up to Grade 6 standard.



### **Sport at Somerhill**

Somerhill has always had a strong sporting tradition and the Governors are keen that this continues. The excellent and extensive facilities and the number of pupils at the school means that there are a large number of teams across many sporting disciplines, allowing all pupils to take part at a standard that is best suited to their abilities.

Pupils are introduced to a wide range of physical education skills through the Pre-Prep and these skills are then developed in the Prep School in both team and individual disciplines.

In the winter the main sports in the Prep School are football, rugby and hockey and in the summer netball and cricket. The school also has an indoor 25m swimming pool with viewing gallery and four hardcourt

tennis courts. Somerhill also competes in a wide range of other sports as well, such as cross-country running, triathlon and judo and golf through the extensive after school clubs programme.

Somerhill regularly competes in local tournaments and has an extensive fixture list with all the local Prep Schools and is viewed as one of the strongest sporting schools in Kent.



### **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 been restored to their former glory as they would have been 200 years ago. A first draft of the Site Master Plan has been completed and is ready to be submitted as a pre-planning application. This will form the basis of a coordinated approach to development in the short to medium term.

### **Financial results**

The financial results of the School for the year ended 31 August 2022 are shown in the Statement of Financial Activities. The school has bounced back well from Covid and has maintained a strong NOR (numbers on roll) ending the year with over 630 pupils. Overall budget has been exceeded by £286k with a net surplus of £648k for the year. Operating surplus of £1.2m, which is £329k (40%) improvement on budgeted operating surplus of £830k.

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 2022, the School had total reserves of £20,914,726 (2021: £20,266,772), made up of a general fund of £9,047,699 (2021: £8,170,804) and designated funds,

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**Governors' Report and Strategic Report (continued)**  
**For the year ended 31 August 2022**

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representing the net book value of the school mansion and grounds, of £11,867,027 (2021: £12,095,918). The school's net current assets were £5,124,510 at 31 August 2022 (2021: 4,271,097).

Given the uncertain and changing economic and regulatory environment the school will review and update its reserves and investment policy in the next academic year to ensure that it is robust enough to handle the potentially challenging times ahead.

**Other Assets**

In addition to the school mansion and grounds (circa 120 acres), the trust owns five residential properties with an aggregate historic cost of £3.3m, 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 Site Master Plan, and to continue providing appropriate assisted places/financial assistance for the parents of children who could otherwise not afford independent education.

**Somerhill Parents' Association**

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 the Senior Leadership Team.

**Other fundraising**

The School does not carry out any fundraising activity in order to raise funds from the general public. The School has not received any complaints in relation to fundraising in the year (2021: none).

**Fee Remissions**

The School provides financial assistance through various means tested schemes:

- **Bursaries** – bursary applications are assessed by a third party, Bursary Administration Ltd (BAL), who undertake an assessment and subsequently make a recommendation to the school. The Principal and Bursar then have the final say on the award of a bursary. The award is based on affordability and BAL use a means testing formula to inform their recommendation.
- **Employee Fee Concession** – as part of an emphasis on attracting and retaining high calibre staff, the School offers 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 offers sibling discounts of 5% for the second child and 10% for any further siblings.

The School provided financial assistance of £426,306 in 2021/22 (2020/21: £362,293).

**Public Benefit**

The Governors have given due regard to the Charity Commission's guidance on 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.

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**Governors' Report and Strategic Report (continued)**  
**For the year ended 31 August 2022**

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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. This includes weekly swimming lessons with Somerhill swimming teachers, including transport for four local primary schools, all at no charge to the school. Monson Swimming Club also use the pool on a near daily basis, both to teach swimming and for coaching competitive swimming for children in the local community.

The sports hall and playing fields are used by local sporting clubs, both for children and adult use, and our parkland is regularly used for cross-country events, football tournaments and mountain biking.



**Charitable Activity**

Somerhill pupils take part in regular charitable fundraising activities. Pupils from the preparatory school have previously raised money for a diverse set of charities addressing local and global issues. These have ranged from Comic Relief and Save the Children to the Anti-bullying Alliance and Hospice in the Weald. In addition, the school annually 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.

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**Governors' Report and Strategic Report (continued)  
For the year ended 31 August 2022**

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**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

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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 on 29 August 2023 and signed on its behalf by:



Mark A. Jiskoot  
**Chair of the Board of Governors**

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**Independent auditors' report to the members**  
**For the year ended 31 August 2022**

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**Opinion**

We have audited the financial statements of Somerhill Charitable Trust Limited for the year ended 31 August 2022 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 2022 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.

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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 pages 13 - 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.

### **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**  
**(A company limited by guarantee)**

**Independent auditors' report to the members**  
**For the year ended 31 August 2022**

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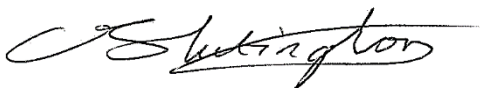
controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion 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](http://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.



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

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

29 August 2023

Saffery Champness 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 2022**

|  | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income and endowments from:</b>                     |       |                            |                          |                    |                    |
| <b>Charitable activities</b>                           |       |                            |                          |                    |                    |
| School fees receivable                                 | 1     | 8,174,768                  | -                        | 8,174,768          | 7,190,992          |
| Ancillary trading income                               | 2     | 388,419                    | -                        | 388,419            | 315,128            |
| Government grants                                      | 3     | -                          | 5,970                    | 5,970              | 46,656             |
| <b>Other trading activities</b>                        |       |                            |                          |                    |                    |
| Lettings income  |       | 105,214                    | -                        | 105,214            | 70,959             |
| <b>Investments</b>                                     |       |                            |                          |                    |                    |
|  |       | 17,788                     | -                        | 17,788             | 2,236              |
| <b>Donations</b>                                       |       | 5,010                      | -                        | 5,010              | 3,667              |
| <b>Other income</b>                                    | 4     | 99,773                     | -                        | 99,773             | -                  |
| <b>Total income</b>                                    |       | 8,790,972                  | 5,970                    | 8,796,942          | 7,629,638          |
| <b>Expenditure on:</b>                                 |       |                            |                          |                    |                    |
| <b>Raising funds</b>                                   |       |                            |                          |                    |                    |
| Financing costs  |       | 10,333                     | -                        | 10,333             | 13,580             |
| Fundraising and development                            |       | 14,794                     | -                        | 14,794             | 7,253              |
| <b>Total deductible costs</b>                          |       | 25,127                     | -                        | 25,127             | 20,833             |
| <b>Charitable activities</b>                           |       |                            |                          |                    |                    |
| Education  |       | 8,117,841                  | 5,970                    | 8,123,811          | 7,582,284          |
| <b>Total expenditure</b>                               | 7     | 8,142,968                  | 5,970                    | 8,148,938          | 7,603,117          |
| <b>Net income and net movement in funds</b>            |       | 648,004                    | -                        | 648,004            | 26,521             |
| Fund balances brought forward at 1 September 2021      |       | 20,266,722                 | -                        | 20,266,722         | 20,240,201         |
| <b>Fund balances carried forward at 31 August 2022</b> | 16    | 20,914,726                 | -                        | 20,914,726         | 20,266,722         |

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 22 to 34 form part of these financial statements.

**Somerhill Charitable Trust Limited**  
**(A company limited by guarantee)**

**Balance sheet**  
**As at 31 August 2022**

|  | Notes | 2022               |                   | 2021               |                   |
|--|-------|--------------------|-------------------|--------------------|-------------------|
|  |       | £                  | £                 | £                  | £                 |
| <b>Fixed assets</b>  |       |                    |                   |                    |                   |
| Tangible fixed assets  | 10    |                    | 15,902,416        |                    | 16,159,791        |
| Investments  | 11    |                    | 100               |                    | 100               |
|  |       |                    | <u>15,902,516</u> |                    | <u>16,159,891</u> |
| <b>Current assets</b>  |       |                    |                   |                    |                   |
| Debtors  | 12    | 2,676,186          |                   | 2,428,707          |                   |
| Cash and bank and in hand                                      |       | 6,482,883          |                   | 5,358,032          |                   |
|  |       |                    | <u>9,159,069</u>  | <u>7,786,739</u>   |                   |
| <b>Creditors: amounts falling due within one year</b>          | 13    | <u>(4,034,559)</u> |                   | <u>(3,515,642)</u> |                   |
| <b>Net current assets</b>                                      |       |                    | <u>5,124,510</u>  |                    | <u>4,271,097</u>  |
| <b>Total assets less current liabilities</b>                   |       |                    | <u>21,027,026</u> |                    | <u>20,430,988</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 14    |                    | <u>(112,300)</u>  |                    | <u>(164,266)</u>  |
| <b>Net assets</b>  |       |                    | <u>20,914,726</u> |                    | <u>20,266,722</u> |
| <b>Reserves</b>  |       |                    |                   |                    |                   |
| Unrestricted funds   | 16    |                    | <u>20,914,726</u> |                    | <u>20,266,722</u> |
| <b>Total funds</b>   |       |                    | <u>20,914,726</u> |                    | <u>20,266,722</u> |

The financial statements on pages 19 to 34 were considered, approved and authorised for issue by the Board of Governors on 29 August 2023.

The notes on pages 22 to 34 form part of these financial statements.

Signed on behalf of the Board



Mark A. Jiskoot  
**Governor**

**Company Registration No. 02331296**

**Somerhill Charitable Trust Limited**  
**(A company limited by guarantee)**

**Cash flow statement**  
**For the year ended 31 August 2022**

|   | Note      | 2022      |           | 2021      |           |
|---|-----------|-----------|-----------|-----------|-----------|
|   |           | £         | £         | £         | £         |
| <b>Cash flows from operating activities</b>                         |           |           |           |           |           |
| <b>Net cash provided by operating activities</b>                    | <b>A</b>  |           | 1,249,354 |           | 446,553   |
| <b>Cash flows from investing activities</b>                         |           |           |           |           |           |
| Payments for tangible fixed assets                                  |           | (219,522) |           | (292,290) |           |
| Interest received   |           | 17,788    |           | 2,236     |           |
| <b>Net cash used in investing activities</b>                        |           |           | (201,734) |           | (290,054) |
| <b>Net cash inflow before financing</b>                             |           |           | 1,047,620 |           | 156,498   |
| <b>Cash flows from financing activities:</b>                        |           |           |           |           |           |
| <b>Fees in advance scheme</b>                                       |           |           |           |           |           |
| New fees in advance money   |           | 334,171   |           | 398,480   |           |
| Amounts utilised  |           | (256,940) |           | (301,026) |           |
| <b>Net cash provided by financing activities</b>                    |           |           | 77,231    |           | 97,454    |
| <b>Change in cash and cash equivalents in the reporting period</b>  |           |           |           |           |           |
|   |           |           | 1,124,851 |           | 253,952   |
| Cash and cash equivalents at the beginning of the reporting period  |           |           | 5,358,032 |           | 5,104,080 |
| <b>Cash and cash equivalents at the end of the reporting period</b> | <b>17</b> |           | 6,482,883 |           | 5,358,032 |

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

|  | 2022      | 2021      |
|--|-----------|-----------|
|  | £         | £         |
| <b>Net income for the reporting period</b>       | 648,004   | 26,521    |
| <b>Adjustments for:</b>                          |           |           |
| Depreciation charges                             | 476,898   | 466,967   |
| Interest receivable                              | (17,788)  | (2,236)   |
| Increase in debtors                              | (247,479) | (132,140) |
| Increase in creditors                            | 389,719   | 87,441    |
| <b>Net cash provided by operating activities</b> | 1,249,354 | 446,553   |

**Accounting policies**

**Year ended 31 August 2022**

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**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 2022**

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**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**

A hybrid retirement benefits scheme is provided to the teaching employees of the school. They may choose to be included within the Teachers' Pension Scheme (TPS) or opt out into the group pension plan described below and shared with all other employees. The Schools contribution towards teachers pension is limited for either scheme. The TPS 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 also operates a group Personal Pension Plan (defined contribution).. 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 2022**

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**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 (continued)  
Year ended 31 August 2022

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1. School fees receivable

|   | 2022             | 2021             |
|---|------------------|------------------|
|   | £                | £                |
| Fees  | 8,734,905        | 7,761,042        |
| Less:   |                  |                  |
| Scholarships, assisted places and fee discounts | <u>(560,137)</u> | <u>(570,050)</u> |
|   | <u>8,174,768</u> | <u>7,190,992</u> |

The above awards were all made to individuals. These include tuition scholarships, discretionary awards, assisted places and sibling discounts made to 243 (2021: 227) individuals.

2. Ancillary trading income

|                                | 2022           | 2021           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Income from fundraising events | 13,477         | 5,037          |
| Other educational income       |                |                |
| Extras                         | 353,542        | 288,808        |
| Entrance and registration fees | <u>21,400</u>  | <u>21,283</u>  |
|                                | <u>388,419</u> | <u>315,128</u> |

3. Income from government grants

|  | 2022         | 2021          |
|--|--------------|---------------|
|  | £            | £             |
| Coronavirus job retention scheme             | -            | 46,656        |
| Coronavirus statutory sick pay rebate scheme | 2,312        | -             |
| Rural payments agency                        | <u>3,658</u> | <u>-</u>      |
|  | <u>5,970</u> | <u>46,656</u> |

4. Other income

Other income primarily relates to amounts received from an insurance claim. There was no other income for the year ended 31 August 2021.

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)  
Year ended 31 August 2022

5. Expenditure

|                                     | <b>2022</b>    | <b>2021</b>    |
|-------------------------------------|----------------|----------------|
|                                     | £              | £              |
| Expenditure includes:               |                |                |
| Depreciation – owned assets         | 476,898        | 466,967        |
| Operating lease rentals – equipment | 43,239         | 72,345         |
| Auditor’s remuneration (excl VAT)   |                |                |
| - for audit (current year)          | 13,750         | 11,500         |
| - for audit (prior year)            | 435            | 2,000          |
| - other services                    | 4,950          | 4,725          |
|                                     | <u>499,272</u> | <u>557,237</u> |

6. Staff costs

|                       | <b>2022</b>      | <b>2021</b>      |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 3,924,336        | 3,838,226        |
| Social security costs | 374,293          | 380,653          |
| Pension contributions | 647,374          | 683,941          |
|                       | <u>4,946,003</u> | <u>4,902,820</u> |

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | Number      | Number      |
| The average number of employees in the year was: |             |             |
| Teaching   | 104         | 92          |
| Non-teaching                                     | 32          | 36          |
|  | <u>136</u>  | <u>128</u>  |

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

|                     |          |          |
|---------------------|----------|----------|
| £60,000 - £70,000   | 1        | -        |
| £70,001 - £80,000   | -        | 3        |
| £80,001 - £90,000   | -        | 1        |
| £130,001 - £140,000 | 1        | 1        |
|                     | <u>1</u> | <u>1</u> |

Total remuneration for key management personnel (including pension contributions) during the year amounted to £568,673 (2021: £545,200).

There were £19,000 of termination payments in the year (2021: £45,032).

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)  
Year ended 31 August 2022

7. Analysis of expenditure

7.1 Current year analysis

|                              | Staff costs      | Other            | Depreciation   | 2022<br>Total    | 2021<br>Total    |
|------------------------------|------------------|------------------|----------------|------------------|------------------|
|                              | £                | £                | £              | £                | £                |
| <b>Raising funds</b>         |                  |                  |                |                  |                  |
| Financing costs              | -                | 10,333           | -              | 10,333           | 13,580           |
| Fundraising events           | -                | 14,794           | -              | 14,794           | 7,253            |
|                              | -                | 25,127           | -              | 25,127           | 20,833           |
| <b>Charitable activities</b> |                  |                  |                |                  |                  |
| Teaching costs               | 4,114,073        | 548,315          | 248,007        | 4,910,395        | 4,493,228        |
| Welfare costs                | -                | 486,866          | -              | 486,866          | 357,349          |
| Premises costs               | -                | 1,033,833        | 228,891        | 1,262,724        | 1,562,736        |
| Support costs (Note 7)       | 831,930          | 595,330          | -              | 1,427,260        | 1,144,448        |
| Governance costs (Note 8)    | -                | 36,566           | -              | 36,566           | 24,523           |
|                              | 4,946,003        | 2,700,910        | 476,898        | 8,123,811        | 7,582,284        |
| <b>Total expenditure</b>     | <b>4,946,003</b> | <b>2,726,037</b> | <b>476,898</b> | <b>8,148,938</b> | <b>7,603,117</b> |

7.2 Prior year analysis

|                              | Staff costs      | Other            | Depreciation   | 2021<br>Total    |
|------------------------------|------------------|------------------|----------------|------------------|
|                              | £                | £                | £              | £                |
| <b>Raising funds</b>         |                  |                  |                |                  |
| Financing costs              | -                | 13,580           | -              | 13,580           |
| Fundraising events           | -                | 7,253            | -              | 7,253            |
|                              |                  | 20,833           |                | 20,833           |
| <b>Charitable activities</b> |                  |                  |                |                  |
| Teaching costs               | 3,896,209        | 367,700          | 229,319        | 4,493,228        |
| Welfare costs                | -                | 357,349          | -              | 357,349          |
| Premises costs               | 353,928          | 971,160          | 237,648        | 1,562,736        |
| Support costs (Note 7)       | 652,683          | 491,765          | -              | 1,144,448        |
| Governance costs (Note 8)    | -                | 24,523           | -              | 24,523           |
|                              | 4,902,820        | 2,212,497        | 466,967        | 7,582,284        |
| <b>Total expenditure</b>     | <b>4,902,820</b> | <b>2,233,330</b> | <b>466,967</b> | <b>7,603,117</b> |

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)

Year ended 31 August 2022

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8. Support costs

|                                     | 2022             | 2021             |
|-------------------------------------|------------------|------------------|
|                                     | £                | £                |
| Staff costs                         | 831,930          | 652,683          |
| Other expenses                      | 499,643          | 426,437          |
| Travel expenses                     | 3,155            | 64               |
| Legal and professional fees         | 59,032           | 54,974           |
| Movement in provision against debts | 33,500           | 10,290           |
|                                     | <u>1,427,260</u> | <u>1,144,448</u> |

9. Governance costs

|   | 2022          | 2021          |
|---|---------------|---------------|
|   | £             | £             |
| Audit and statutory accounts fee              | 19,800        | 16,950        |
| Audit and statutory accounts fee – prior year | 522           | 4,250         |
| Teachers' pension scheme audit fee            | 2,640         | 2,100         |
| Governors' indemnity insurance                | 2,175         | 1,223         |
| Other professional services                   | 11,429        | -             |
|   | <u>36,566</u> | <u>24,523</u> |

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)  
Year ended 31 August 2022

10. Tangible fixed assets

|                          | School<br>freehold<br>land and<br>buildings<br>£ | Other<br>freehold<br>land and<br>buildings<br>£ | Equipment<br>fixtures<br>and fittings<br>£ | Motor<br>vehicles<br>£ | Website<br>£ | Total<br>£ |
|--------------------------|--|---|--|------------------------|--------------|------------|
| <b>Cost or valuation</b> |  |   |  |                        |              |            |
| 1 September 2021         | 13,426,688                                       | 3,342,000                                       | 1,215,277                                  | 148,375                | 21,302.20    | 18,153,642 |
| Additions                | -  | -   | 219,522                                    | -                      | -            | 219,522    |
| Disposals                | -  | -   | (121,723)                                  | (11,405)               | -            | (133,128)  |
| 31 August 2022           | 13,426,688                                       | 3,342,000                                       | 1,313,077                                  | 136,971                | 21,302       | 18,240,038 |
| <b>Depreciation</b>      |  |   |  |                        |              |            |
| 1 September 2021         | 1,330,770  | 35,024  | 529,537                                    | 97,100                 | 1,420        | 1,993,851  |
| Charge for the year      | 228,892  | 8,756   | 222,152                                    | 9,997                  | 7,101        | 476,898    |
| Disposals                | -  | -   | (121,723)                                  | (11,405)               | -            | (133,128)  |
| 31 August 2022           | 1,559,662  | 43,780  | 629,966                                    | 95,692                 | 8,521        | 2,337,621  |
| <b>Net book values</b>   |  |   |  |                        |              |            |
| 31 August 2022           | 11,867,026                                       | 3,298,219                                       | 683,111                                    | 41,279                 | 12,781       | 15,902,416 |
| 31 August 2021           | 12,095,918                                       | 3,306,976                                       | 685,740                                    | 51,275                 | 19,882       | 16,159,791 |

All freehold land and buildings are valued, for insurance purposes and including contents, at £68 million (2021: £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.

11. Fixed asset investments

The School has a wholly owned subsidiary, Somerhill Enterprises Limited, a company incorporated in England and Wales (company number 02580724). The company was dormant throughout the reporting period. The cost and net book value of the School's investment as at 31 August 2022 was £100 (2021: £100).

12. Debtors

|                                | 2022<br>£        | 2021<br>£        |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 2,440,713        | 2,102,667        |
| Other debtors                  | 284              | 70,137           |
| Prepayments and accrued income | 235,189          | 255,903          |
|                                | <u>2,676,186</u> | <u>2,428,707</u> |

Notes to the financial statements (continued)  
Year ended 31 August 2022

**13. Creditors: Amounts falling due within one year**

|  | <b>2022</b>      | <b>2021</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Trade creditors                          | 353,380          | 223,604          |
| Other taxation and social security costs | 94,055           | 166              |
| Accruals                                 | 255,385          | 209,187          |
| Deferred income                          | 2,771,421        | 2,641,823        |
| Advance fees                             | 325,782          | 196,586          |
| Other creditors                          | 234,436          | 244,176          |
| Amounts payable to subsidiary company    | 100              | 100              |
|  | <u>4,034,559</u> | <u>3,515,642</u> |

Included within other creditors are amounts totalling £44,535 (2021: £13,426) 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 2021 was released in the year.

**Advance fees**

Included within creditors is an amount of £325,782 (2021: £195,586) in respect of fees received in advance, there is also a further amount of £112,300 (2021: £164,266) in respect of fees due after more than one year.

Fees paid in advance are analysed as follows:

|  | <b>2022</b>      | <b>2021</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Balance at 1 September 2021              | 360,852          | 263,398          |
| New amounts paid                         | 334,171          | 398,480          |
|  | <u>695,023</u>   | <u>661,878</u>   |
| Amounts utilised in the payments of fees | <u>(256,941)</u> | <u>(301,026)</u> |
| Balance at 31 August 2022                | <u>438,082</u>   | <u>360,852</u>   |

**14. Creditors: Amounts falling due after more than one year**

|                 | <b>2022</b>    | <b>2021</b>    |
|-----------------|----------------|----------------|
|                 | <b>£</b>       | <b>£</b>       |
| Fees in advance | <u>112,300</u> | <u>164,266</u> |

Notes to the financial statements (continued)  
Year ended 31 August 2022

15. Other financial commitments

At 31 August 2022, the School was committed to make minimum lease payments in respect of non-cancellable operating leases as follows.

|                      | 2022<br>£      | 2021<br>£      |
|----------------------|----------------|----------------|
| Amounts payable:     |                |                |
| Within one year      | 61,482         | 64,275         |
| In two to five years | 153,558        | 70,839         |
| Over five years      | 695            | -              |
| Total commitment     | <u>215,735</u> | <u>135,114</u> |

All leases relate to amounts payable in respect of equipment.

16. Statement of funds

16.1 Current year

|                            | Restricted<br>£ | Designated<br>property<br>£ | Unrestricted<br>general<br>£ | Total<br>£ |
|----------------------------|-----------------|-----------------------------|------------------------------|------------|
| At 1 September 2021        | -               | 12,095,918                  | 8,170,804                    | 20,266,722 |
| Surplus/(deficit) for year | -               | (228,891)                   | 876,895                      | 648,004    |
| At 31 August 2022          | -               | 11,867,027                  | 9,047,699                    | 20,914,726 |

16.2 Prior year

|                            | Restricted<br>£ | Designated<br>property<br>£ | Unrestricted<br>general<br>£ | Total<br>£ |
|----------------------------|-----------------|-----------------------------|------------------------------|------------|
| At 1 September 2021        | -               | 12,324,809                  | 7,915,392                    | 20,240,201 |
| Surplus/(deficit) for year | -               | (228,891)                   | 255,412                      | 26,521     |
| At 31 August 2022          | -               | 12,095,918                  | 8,170,804                    | 20,266,722 |

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. The Schools received restricted government grant income of £5,970 in the year (2021: £46,656) - see note 3 for further details.

Somerhill Charitable Trust Limited

Notes to the financial statements (continued)  
Year ended 31 August 2022

17. Analysis of assets between funds

17.1 Current year

|                            | Tangible fixed assets<br>£ | Investments<br>£ | Net current assets/<br>(liabilities)<br>£ | Non-current liabilities<br>£ | Total<br>£        |
|----------------------------|----------------------------|------------------|---|------------------------------|-------------------|
| <b>Unrestricted funds</b>  |                            |                  |   |                              |                   |
| General                    | 4,035,389                  | 100              | 5,124,510                                 | (112,300)                    | 9,047,699         |
| Designated fund - property | <u>11,867,027</u>          | <u>-</u>         | <u>-</u>                                  | <u>-</u>                     | <u>11,867,027</u> |
|                            | <u>15,902,416</u>          | <u>100</u>       | <u>5,124,510</u>                          | <u>(112,300)</u>             | <u>20,914,726</u> |

17.2 Prior year

|                            | Tangible fixed assets<br>£ | Investments<br>£ | Net current assets/<br>(liabilities)<br>£ | Non-current liabilities<br>£ | Total<br>£        |
|----------------------------|----------------------------|------------------|---|------------------------------|-------------------|
| <b>Unrestricted funds</b>  |                            |                  |   |                              |                   |
| 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> |

18. Net funds

18.1 Current year

|      | At start of year<br>£ | Cash – flows<br>£ | At end of year<br>£ |
|------|-----------------------|-------------------|---------------------|
| Cash | <u>5,358,032</u>      | <u>1,124,851</u>  | <u>6,482,883</u>    |

18.2 Prior year

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

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

**19. Pension and similar obligations**

**Defined contribution pension schemes**

The School makes contributions to various defined contribution schemes on behalf of its employees. The assets of the defined contribution schemes in which employees participate 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 £528,841 (2021: £102,956). At the year-end £44,027 (2021: 8,974) was accrued in respect of employer contributions to other pension schemes.

**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. Teachers are now offered a hybrid scheme and they have a choice to remain in this scheme or to opt out of it completely.

The TPS is an unfunded scheme and members to which both the member and employer makes contributions, as a percentage of salary - these contributions along with those made by employers 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 £303,922 (2021: £580,728) and at the year-end £508 (2021: £330) 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

Notes to the financial statements (continued)  
Year ended 31 August 2022

- 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](#).

**20. Related party transactions**

There were no related party transactions in the year (2021: none). No Governors received remuneration, payments for services or reimbursed expenses during the year (2021: none).

**21. Prior year Statement of Financial Activities**

|  | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ |
|--|----------------------------|--------------------------|--------------------|
| <b>Income and endowments from:</b>                     |                            |                          |                    |
| <b>Charitable activities</b>                           |                            |                          |                    |
| School fees receivable                                 | 7,190,992                  | -                        | 7,190,992          |
| Ancillary trading income                               | 315,128                    | -                        | 315,128            |
| Government grants                                      | -                          | 46,656                   | 46,656             |
| <b>Other trading activities</b>                        |                            |                          |                    |
| Lettings income  | 70,959                     | -                        | 70,959             |
| <b>Investments</b>                                     | 2,236                      | -                        | 2,236              |
| <b>Donations</b>                                       | 3,667                      | -                        | 3,667              |
| <b>Total income</b>                                    | <u>7,582,982</u>           | <u>46,656</u>            | <u>7,629,638</u>   |
| <b>Expenditure on:</b>                                 |                            |                          |                    |
| <b>Raising funds</b>                                   |                            |                          |                    |
| Financing costs  | 13,580                     | -                        | 13,580             |
| Fundraising and development                            | 7,253                      | -                        | 7,253              |
| <b>Total deductible costs</b>                          | <u>20,833</u>              | <u>-</u>                 | <u>20,833</u>      |
| <b>Charitable activities</b>                           |                            |                          |                    |
| Education  | 7,535,628                  | 46,656                   | 7,582,284          |
| <b>Total expenditure</b>                               | <u>7,556,461</u>           | <u>46,656</u>            | <u>7,603,117</u>   |
| <b>Net income and net movement in funds</b>            |                            |                          |                    |
| Fund balances brought forward at 1 September 2020      | <u>20,240,201</u>          | <u>-</u>                 | <u>20,240,201</u>  |
| <b>Fund balances carried forward at 31 August 2021</b> | <u>20,266,722</u>          | <u>-</u>                 | <u>20,266,722</u>  |