

**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 2023**



# **SOMERHILL CHARITABLE TRUST LIMITED**

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

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## **SOMERHILL CHARITABLE TRUST LIMITED** **(A company limited by guarantee)**

### **CHAIR OF GOVERNORS' SUMMARY** **For the year ended 31 August 2023**

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The board saw the retirement of Diane Huntingford at the end of the summer term 2023 and the election of Christine Barry which strengthens us in the area of HR, she will also take over the chair of the HR committee.

The year has been pleasingly normal and successful in both academic, sporting and other extra-curricular offerings reported elsewhere. Staff turnover is down and extensive refurbishment and improvements have been made to the School. A pre-application was made to the local planning authority in regard to our "masterplan"; this plan encompasses a variety of options to ensure the School is suitably provisioned to support our aims and provide the best structure in support of them.

We have also recently contracted a plan to progress our objectives in the long term to be a net zero site, this is providing some interesting challenges.

We have restructured our board meetings to provide additional focus to risk and strategies, particularly given the potential risk to our parent body (and therefore student headcounts) should VAT be levied on school fees and business rates be charged.

Saplings, our outside teaching environment, is well established, popular and profitable.

The School's 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 and we have appropriate plans in place to mitigate risks as they arise.

DocuSigned by:  
  
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Mark A. Jiskoot  
**Chair of the Board of Governors**

Date:

## **SOMERHILL CHARITABLE TRUST LIMITED** **(A company limited by guarantee)**

### **GOVERNORS' REPORT AND STRATEGIC REPORT** **For the year ended 31 August 2023**

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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 2023 and confirm they comply with the requirements of the Charities Act 2011, the governing document, the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in England and Wales and the Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in England and Wales and the Republic of Ireland' 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 2022 to the date of signing were:

C A Barry \*\* (appointed 30 November 2023)  
P G Bromley \* (appointed 30 November 2022)  
P R Brooks + \*\*  
P M Goodyer +  
E Henery + (appointed 30 November 2022)  
C Holder \* (appointed 28 February 2023)  
D M Huntingford \* + \*\* (resigned 31 August 2023)  
J V Irvine \* \*\*  
M A Jiskoot \* + \*\* ++ (Chair of Governors from 1 September 2022)  
P J North +  
R E Verrell \*  
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 C Barry.

++ Members of the Health & Safety Committee chaired by J M Hunt (Bursar).

## **SOMERHILL CHARITABLE TRUST LIMITED**

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

#### **GOVERNORS' REPORT AND STRATEGIC REPORT (continued)**

##### **For the year ended 31 August 2023**

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### **Strategic Report**

#### **Objectives and Activities**

The Governors' aim is to provide an all-round excellent education to boys and girls from ages 3 – 13. 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 School through the continued success of the 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 across the School
- To continue to monitor and enhance the co-curricular programmes across the School
- To continue to develop the first-class pastoral care the School provides for pupils
- To 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 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
- To manage and maintain the historic buildings and estate in a cost effective, sustainable and environmentally responsible manner

#### **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 School 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

## **SOMERHILL CHARITABLE TRUST LIMITED** **(A company limited by guarantee)**

### **GOVERNORS' REPORT AND STRATEGIC REPORT (continued)** **For the year ended 31 August 2023**

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#### **Remuneration of key management personnel**

The day-to-day running of the School is delegated to the Headmaster of Somerhill. He is supported by other members of the School's Senior Leadership 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.



#### **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 School'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 within the local community. 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 area.

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.

The School provided financial assistance of £495,090 in 2022/23 (2021/22: £560,137).

## SOMERHILL CHARITABLE TRUST LIMITED (A company limited by guarantee)

### GOVERNORS' REPORT AND STRATEGIC REPORT (continued) For the year ended 31 August 2023

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#### Achievements and Performance

**Overview:** Somerhill is a vibrant, successful school with a good reputation within its marketplace. During the final term of the year ended 31 August 2023, Somerhill had 620 pupils.

**Business review, achievements and performance:** The company is principally engaged in the owning and running 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 last 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, notably with 19 boys going to Tonbridge School. Also impressive was the fact that 18 leavers gained 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 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. 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 was 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. Our dedicated "outdoor" classroom, Saplings, goes from strength to strength and allows our pre-school children to enjoy a mixed model where existing and new parents can select internal and external classroom time for our youngest pupils.

## **SOMERHILL CHARITABLE TRUST LIMITED** **(A company limited by guarantee)**

### **GOVERNORS' REPORT AND STRATEGIC REPORT (continued)** **For the year ended 31 August 2023**

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#### **Environmental Awareness**

Somerhill is very conscious of its responsibilities to the environment and reducing its carbon footprint. There are comprehensive plans under review to achieve a net carbon zero school and these plans will be progressed over the coming years.



#### **Music at Somerhill**

Learning about music and having the opportunity to play musical instruments and make music together is a vital part of a rich and rounded education. It has also been proven that music plays a key role in brain development. This is because it helps with the nurturing of language, motor skills, emotional intelligence and collaboration skills. At Somerhill, we consider music to be integral to our curriculum, with lessons being taught to all children from Reception through to Year Eight by two committed and highly experienced music teachers. In addition, a dynamic group of VMT (Visiting Music Teachers) deliver over 13,000 individual music lessons a year across all three sections of the school.

Beyond the classroom and individual lessons, the children have the opportunity to perform to an audience in a variety of ways. The Michaelmas term always concludes with Christmas performances by the children in the Pre-Prep and with Carol Services for the Prep school children at St Stephen's Church for the Juniors and at Tonbridge School for the Middles and Seniors. Instrumentalists and vocalists are able to perform in informal after-school soirees in the Michaelmas and Lent terms, as well as to their peers in lunchtime soirees in the Trinity term.

## **SOMERHILL CHARITABLE TRUST LIMITED** **(A company limited by guarantee)**

### **GOVERNORS' REPORT AND STRATEGIC REPORT (continued)** **For the year ended 31 August 2023**

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#### **Music at Somerhill (continued)**

More formally, the School holds a Spring Instrumental concert and Junior and Senior Choral and Instrumental concerts in the summer. In these concerts, our music teachers and VMTs are able to showcase their music groups to large audiences of family and friends. Current music groups include a 70-strong orchestra, brass groups, flute groups, strings groups, cello groups and guitar groups.

Somerhill continues to provide half of the tenor line for Tonbridge School, with up to 11 boys committed to three rehearsals a week and one or two performances on Sundays during term time. We remain one of the largest ABRSM (Associated Board of the Royal Schools of Music) centres in the country with pupils entering in a variety of instruments and voice exams 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 curriculum and clubs. 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, hockey, netball, swimming and cross country. In the summer athletics, tennis and cricket. The School has an indoor 25m swimming pool with viewing gallery, four hardcourt tennis courts, an astro and extensive sports pitches on both our terraces and parkland. Somerhill also offers a wide range of other sports as well, such as equestrian, dance, golf, triathlon and judo through the extensive after school clubs' programme.

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT AND STRATEGIC REPORT (continued)**  
**For the year ended 31 August 2023**

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**Sport at Somerhill (continued)**

Somerhill regularly competes in local, county and national tournaments and has an extensive fixture list with local Prep Schools. Somerhill is viewed as one of the strongest sporting schools in Kent across many disciplines.



**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. To maintain the fabric of the buildings the Governors have approved the full redecoration of all school buildings and this process has been underway since Easter with many classrooms and public areas already having been completed. The Governors also approved the final stages of the whole school IT upgrade and this phase was rolled out over the summer holiday, ensuring that all hardware is of the latest specification.

## SOMERHILL CHARITABLE TRUST LIMITED

### (A company limited by guarantee)

#### GOVERNORS' REPORT AND STRATEGIC REPORT (continued)

##### For the year ended 31 August 2023

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#### Financial Review

The financial results of the School for the year ended 31 August 2023 are shown in the Statement of Financial Activities. The School has maintained a strong NOR (numbers on roll) ending the year with 620 pupils. Overall budget has been exceeded by £487k with a net surplus of £634k for the year. Operating surplus was £1.1m, which is a £513k (82%) improvement on budgeted operating surplus of £625k.

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 2023, the School had total reserves of £21,548,916 (2022: £20,914,726), made up of a general fund of £4,765,089 (2022: £9,047,699) and various designated funds, representing the net book value of the school mansion and grounds, of £11,743,827 (2022: £11,867,027) and the capital developments fund of £5,000,000 (2022: £nil). The school's net current assets were £631,011 at 31 August 2023 (2022: £5,124,510).

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 Governors 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) holds circa 5 events across the academic year; these are for existing parents and their families, and other supporters of the school. Some events are designed to raise funds for the School, whilst others are intended to cover expenses and are there to build community spirit. Specific projects may raise funds for external charities e.g., a charity auction at the Summer Ball. Funds raised for the School are assigned to projects in consultation with the parent body, the Headmaster, 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 (2022: 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.

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT AND STRATEGIC REPORT (continued)**  
**For the year ended 31 August 2023**

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**Professional advisers and senior leadership team**

<b>Headmaster of Somerhill</b>	Mr D B Sinclair
<b>Head of Somerhill Pre-Prep</b>	Mrs A L McKnight
<b>Bursar/Company Secretary</b>	Mr J M Hunt
<b>Address and registered office</b>	Somerhill Tonbridge Kent TN11 0NJ
<b>Solicitors</b>	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
<b>Auditors</b>	Azets Audit Services First Floor, River House 1 Maidstone Road Sidcup Kent DA14 5RH
<b>Insurance brokers</b>	Towergate Risk Solutions Towergate House Chaucer Business Park Thanet Way Whitstable Kent CT5 3FE  Marsh Education Practice (W.E.F. 01/01/2024) 4 Milton Road Haywards Heath West Sussex RH16 1AH
<b>Bankers</b>	Barclays Bank plc 105 High Street Tonbridge Kent TN9 1DJ  National Westminster Bank Plc 130 High Street Tonbridge Kent TN0 1

## **SOMERHILL CHARITABLE TRUST LIMITED** **(A company limited by guarantee)**

### **GOVERNORS' REPORT AND STRATEGIC REPORT (continued)** **For the year ended 31 August 2023**

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#### **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 Headmaster and the Senior Leadership Team.

The Headmaster, 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 Headmaster, Head of Pre-Prep and Deputy Head Teachers. 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.

## SOMERHILL CHARITABLE TRUST LIMITED (A company limited by guarantee)

### GOVERNORS' REPORT AND STRATEGIC REPORT (continued) For the year ended 31 August 2023

#### Organisation and administrative structure (continued)



**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 School. 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.

#### **Charitable Activity**

Somerhill pupils take part in regular charitable fundraising activities. Pupils have previously raised money for a diverse set of charities addressing local and global issues. These include the Nourish Food Bank, Anti Bullying Alliance, Children in Need, Hospice in the Weald, Save the Children, Marie Curie, Battersea Dogs and Cats Home, RSCPA, RNLI, Restless Development and Sport in Mind. In addition, the School annually supports the Royal British Legion Poppy Appeal and Books for Africa, whereby books are sent to schools across Africa.

#### **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.

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**For the year ended 31 August 2023**

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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).



## **SOMERHILL CHARITABLE TRUST LIMITED**

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

#### **STATEMENT OF GOVERNORS' RESPONSIBILITIES (continued)**

#### **For the year ended 31 August 2023**

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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.

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 20 March 2024 and signed on its behalf by:

DocuSigned by:  
  
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**Mark A. Jiskoot**  
**Chair of the Board of Governors**

# **SOMERHILL CHARITABLE TRUST LIMITED**

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

### **INDEPENDENT AUDITOR'S REPORT**

#### **To the Governors of Somerhill Charitable Trust Limited**

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#### **Opinion**

We have audited the financial statements of Somerhill Charitable Trust Limited (the 'School') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the School's affairs as at 31 August 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the School in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 School'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **SOMERHILL CHARITABLE TRUST LIMITED**

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

#### **INDEPENDENT AUDITOR'S REPORT**

#### **To the Governors of Somerhill Charitable Trust Limited (continued)**

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##### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Governors' 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 School and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Governors' report.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Governors' report and from the requirement to prepare a strategic report.

##### **Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the School for the purpose 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 School'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 School or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT**  
**To the Governors of Somerhill Charitable Trust Limited (continued)**

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In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Use of our report**

This report is made solely to the School'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 School's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the School and the School's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services Limited*

M Wilkes FCA  
for and on behalf of Azets Audit Services

Date: 23 May 2024

**Chartered Accountants**  
**Statutory Auditor**

First Floor, River House  
1 Maidstone Road  
Sidcup  
Kent  
DA14 5RH

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Including Income and Expenditure Account**  
**For the year ended 31 August 2023**

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies		390	40,000	40,390	5,010
Charitable activities:					
- School fees receivable	2	8,934,333	-	8,934,333	8,174,768
- Ancillary trading income	3	366,466	-	366,466	388,419
- Government grants	4	-	3,658	3,658	5,970
Other trading activities:					
- Lettings income		78,670	-	78,670	105,214
Investments		81,223	-	81,223	17,788
Other income	5	1,644	-	1,644	99,773
<b>Total income</b>		<b>9,462,726</b>	<b>43,658</b>	<b>9,506,384</b>	<b>8,796,942</b>
<b><u>Expenditure on:</u></b>					
Raising funds:					
- Financing costs		14,128	-	14,128	10,333
- Fundraising and development		8,112	-	8,112	14,794
Charitable activities:					
- Education		8,876,571	3,658	8,880,229	8,123,811
<b>Total expenditure</b>	6	<b>8,898,811</b>	<b>3,658</b>	<b>8,902,469</b>	<b>8,148,938</b>
<b>Net income before other gains and losses</b>		<b>563,915</b>	<b>40,000</b>	<b>603,915</b>	<b>648,004</b>
<b>Gains on fixed asset investments</b>	12	<b>30,275</b>	<b>-</b>	<b>30,275</b>	<b>-</b>
<b>Net income and net movement in funds</b>		<b>594,190</b>	<b>40,000</b>	<b>634,190</b>	<b>648,004</b>
Fund balances at 1 September 2022		20,914,726	-	20,914,726	20,266,722
<b>Fund balances at 31 August 2023</b>	19	<b>21,508,916</b>	<b>40,000</b>	<b>21,548,916</b>	<b>20,914,726</b>

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

All income and expenditure derive from continuing activities.

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Including Income and Expenditure Account (continued)**  
**For the year ended 31 August 2023**

**Year ended 31 August 2022 (comparative)**

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies		5,010	-	5,010	3,667
Charitable activities:					
- School fees receivable	2	8,174,768	-	8,174,768	7,190,992
- Ancillary trading income	3	388,419	-	388,419	315,128
- Government grants	4	-	5,970	5,970	46,656
Other trading activities:					
- Lettings income		105,214	-	105,214	70,959
Investments		17,788	-	17,788	2,236
Other income	5	99,773	-	99,773	-
<b>Total income</b>		<b>8,790,972</b>	<b>5,970</b>	<b>8,796,942</b>	<b>7,629,638</b>
<b><u>Expenditure on:</u></b>					
Raising funds:					
- Financing costs		10,333	-	10,333	13,580
- Fundraising and development		14,794	-	14,794	7,253
Charitable activities:					
- Education		8,117,841	5,970	8,123,811	7,582,284
<b>Total expenditure</b>	6	<b>8,142,968</b>	<b>5,970</b>	<b>8,148,938</b>	<b>7,603,117</b>
<b>Net income before other gains and losses</b>		<b>648,004</b>	<b>-</b>	<b>648,004</b>	<b>26,521</b>
<b>Gains/(losses) on fixed asset investments</b>	12	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income and net movement in funds</b>		<b>648,004</b>	<b>-</b>	<b>648,004</b>	<b>26,521</b>
Fund balances at 1 September 2021		20,266,722	-	20,266,722	20,240,201
<b>Fund balances at 31 August 2022</b>	19	<b>20,914,726</b>	<b>-</b>	<b>20,914,726</b>	<b>20,266,722</b>

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**BALANCE SHEET**  
**As at 31 August 2023**

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		16,038,210		15,902,416
Investments	12		5,031,293		100
			<u>21,069,503</u>		<u>15,902,516</u>
<b>Current assets</b>					
Debtors	13	2,613,229		2,676,186	
Investments	14	1,508,007		1,500,384	
Cash at bank and in hand		533,337		4,982,499	
		<u>4,654,573</u>		<u>9,159,069</u>	
<b>Creditors: amounts falling due within one year</b>	15	(4,023,562)		(4,034,559)	
Net current assets			631,011		5,124,510
Total assets less current liabilities			<u>21,700,514</u>		<u>21,027,26</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(151,598)		(112,300)
<b>Net assets</b>			<u>21,548,916</u>		<u>20,914,726</u>
<b>Income funds</b>					
Restricted funds	17		40,000		-
Unrestricted funds	18				
- Designated funds		16,743,827		11,867,027	
- General funds		4,765,089		9,047,699	
		<u>21,508,916</u>		<u>20,914,726</u>	
			<u>21,548,916</u>		<u>20,914,726</u>

The financial statements were approved by the Board of Governors on 20 March 2024 and signed on behalf of the Board by

DocuSigned by:

*Julia Irvine*

Julia Irvine

**Chair of the Finance and General Purposes Committee**

**Company Registration No. 02331296**

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**CASH FLOW STATEMENT**  
**For the year ended 31 August 2023**

	Notes	2023		2022	
		£	£	£	£
<b>Cash flows from operating activities</b>					
<b>Net cash provided in operating activities</b>	<b>22</b>		1,069,756		1,249,354
<b>Investing activities</b>					
Purchase of tangible fixed assets		(651,535)		(219,522)	
Purchase of fixed asset investments		(7,590,495)		-	
Sale proceeds of fixed asset investments		2,649,513		-	
Investment income received		81,223		17,788	
<b>Net cash used in investing activities</b>			(5,511,294)		(201,734)
<b>Net cash inflow before financing</b>			(4,441,538)		1,047,620
<b>Financing activities</b>					
New fees in advance money		194,326		334,171	
Fees in advance amounts utilised		(326,108)		(256,940)	
<b>Net cash used in financing activities</b>			(131,782)		77,231
<b>Net (decrease)/increase in cash and cash equivalents</b>			(4,441,538)		1,124,851
Cash and cash equivalents at beginning of year			6,482,883		5,358,032
<b>Cash and cash equivalents at end of year</b>	<b>23</b>		2,041,345		6,482,883

# **SOMERHILL CHARITABLE TRUST LIMITED**

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

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **For the year ended 31 August 2023**

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#### **1 Accounting policies**

The School is a registered Charitable Company limited by guarantee in the United Kingdom. The address of the registered office is given in the reference and administrative details, on page 12.

##### **1.1 Basis of preparation**

The financial statements of the School, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in England and Wales and the Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in England and Wales and the Republic of Ireland' and the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention.

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

##### **1.2 Going concern**

At the time of approving the financial statements, the Governors' have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Consolidation**

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

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

##### **1.4 Charitable funds**

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Governors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

# **SOMERHILL CHARITABLE TRUST LIMITED**

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

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **For the year ended 31 August 2023**

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#### **1 Accounting policies (Continued)**

##### **1.5 Income**

Income is recognised when the School is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Fees and similar earned income 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.

Bursaries are awarded based on financial circumstances.

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

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

##### **1.6 Expenditure**

Expenditure is allocated to functional headings either on a direct cost basis or apportioned accordingly. The irrecoverable element of VAT is included with the item of expense to which it relates. Supplies of books, expenditure and sundry equipment are written off when the expenditure is incurred.

Support costs are those that assist the work of the School but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resource.

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

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the School to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

## SOMERHILL CHARITABLE TRUST LIMITED

### (A company limited by guarantee)

#### NOTES TO THE FINANCIAL STATEMENTS

##### For the year ended 31 August 2023

#### 1 Accounting policies (Continued)

##### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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

No depreciation has been charged in relation to the School mansion building and other residential properties on the estate and owned by the School on the basis of immateriality. The Governors consider that any change and accumulated depreciation would be immaterial to the financial statements, due to the assets having a very long useful economic life, in any instance considered to far exceed 50 years, given the age of the buildings to date. The current estimated residual value would exceed any depreciation charged. An impairment review is undertaken annually.

##### 1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

##### 1.9 Impairment of fixed assets

At each reporting end date, the School reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities.

Deposit accounts with more than 90 day maturity are classified as current asset investments.

# SOMERHILL CHARITABLE TRUST LIMITED

## (A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS

#### For the year ended 31 August 2023

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#### 1 Accounting policies (Continued)

##### 1.11 Financial instruments

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.13 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 School's 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, where 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.

# SOMERHILL CHARITABLE TRUST LIMITED

## (A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### For the year ended 31 August 2023

#### 1 Accounting policies (Continued)

##### 1.14 Finance and operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

##### 1.15 Value Added Tax

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

##### 1.16 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.

##### 1.17 Judgements and uncertainty

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

###### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment, and for the useful economic lives for each class of assets.

###### *Defined benefit pension scheme*

The present value of the defined benefit pension deficit contributions payable depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the future recovery plan contributions due include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pension liability. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

###### *Bad debt provision*

The value of trade debtors is sensitive to the recoverability in full of school fees. Once a debt becomes overdue, it is chased and periodically reviewed to ensure it is recoverable in full. An external debt collection agency is used. If a provision is deemed necessary, this is included on an annual basis.

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

<b>2</b>	<b>School fees receivable</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>The school's fee income comprised:</b>		
	Gross fees	9,550,980	8,734,905
	Less: Assisted places and fee discounts	(616,647)	(560,137)
		<u>8,934,333</u>	<u>8,174,768</u>

The above awards were all made to individuals.

These include discretionary awards, assisted places, staff remission and sibling discounts made to 253 (2022: 243) individuals.

<b>3</b>	<b>Ancillary trading income</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Income from fundraising events	8,930	8,783
	Other educational income:		
	- Extras	340,786	353,542
	- Entrance and registration fees	16,750	21,400
		<u>366,466</u>	<u>388,419</u>

<b>4</b>	<b>Income from government grants</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Coronavirus sick pay rebate scheme	-	2,312
	Rural payments agency	3,658	3,658
		<u>3,658</u>	<u>5,970</u>

**5 Other income**

Other income in 2022 primarily relates to amount received from an insurance claim. There was no other income for the year ended 31 August 2023.

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

6 Expenditure	Staff costs (note 10) £	Direct costs (note 9) £	Support costs (note 7) £	Total 2023 £	Total 2022 £
<b>Raising funds</b>					
Financing costs	-	-	14,127	14,128	10,333
Fundraising events	-	-	8,112	8,112	14,794
	-	-	22,240	22,240	25,127
<b>Charitable activities</b>					
Education	3,967,077	2,238,621	2,674,531	8,880,229	8,123,811
	3,967,077	2,238,621	2,674,531	8,880,229	8,123,811
Total expenditure	3,967,077	2,238,621	2,696,771	8,902,469	8,148,938
				£	£
<b>Expenditure includes:</b>					
Depreciation – owned assets				515,741	476,898
Operating lease rentals – equipment				52,200	43,239
Auditor's remuneration (excl VAT)					
- Current year audit				14,750	13,750
- Prior year audit				5,485	435
- Other services				3,650	4,950
				1,027,076	938,972
				£	£
<b>7 Support costs</b>				<b>2023</b> £	<b>2022</b> £
Staff costs				1,736,683	1,480,568
Other expenses				155,934	117,113
Depreciation				283,895	248,007
Insurance				148,875	136,102
IT costs				143,815	123,776
Legal and professional fees				69,640	59,032
Motor costs				64,818	47,637
Advertising				53,948	52,960
Movement in provision against debts				8,552	33,500
Governance costs (note 8)				30,611	25,137
				2,696,771	2,112,464

**SOMERHILL CHARITABLE TRUST LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

<b>8 Governance costs</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Audit and statutory accounts fee	21,000	19,800
Audit and statutory accounts fee – prior year	6,582	522
Teachers' pension scheme audit fee	1,080	2,640
Governors' indemnity insurance	1,949	2,175
	<u>30,611</u>	<u>25,137</u>
<b>9 Direct costs</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Teaching costs	516,305	542,999
Welfare costs	740,197	694,669
Premises costs	982,119	817,410
	<u>2,238,621</u>	<u>2,055,077</u>
<b>10 Staff costs</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,323,534	3,924,336
Social security costs	415,399	374,293
Pension contributions	877,162	647,374
Other staff costs	87,665	28,137
	<u>5,703,760</u>	<u>4,946,003</u>
This is made up of:	<b>£</b>	<b>£</b>
Teaching salaries	3,967,077	3,493,572
Support salaries	1,736,683	1,480,568
	<u>5,703,760</u>	<u>4,974,140</u>
The average number of employees in the year was:	<b>Number</b>	<b>Number</b>
Teaching	111	104
Non-teaching	36	32
	<u>147</u>	<u>136</u>

**SOMERHILL CHARITABLE TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

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**10 Staff costs (continued)**

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
£60,00 - £70,000	3	1
£80,001 - £90,000	1	-
£130,001 - £140,000	1	1
	<u>1</u>	<u>1</u>

Total remuneration for key management personnel (including employer national insurance and pension contributions) during the year amounted to £543,589 (2022: £568,673).

There were £nil of termination payments in the year (2022: £19,000).

Governors were reimbursed £1,379 (2022: £nil), £558 for travel and £821 for other meeting related costs.

**SOMERHILL CHARITABLE TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

11 Tangible fixed assets	School freehold land and buildings £	Other freehold land and buildings £	Equipment, fixtures and fittings £	Motor vehicles £	Website £	Total £
<b>Cost or valuation</b>						
At 1 September 2022	13,426,688	3,342,000	1,313,077	136,971	21,302	18,240,038
Additions	108,647	146,016	396,872	-	-	651,535
At 31 August 2023	13,535,335	3,488,016	1,709,949	136,971	21,302	18,891,573
<b>Depreciation and impairment</b>						
At 1 September 2022	1,559,662	43,780	629,966	95,692	8,521	2,337,621
Charge for the year	231,846	17,280	249,518	9,997	7,101	515,741
At 31 August 2023	1,791,508	61,060	879,485	105,689	15,622	2,853,363
<b>Net book values</b>						
At 31 August 2023	11,743,827	3,426,956	830,514	31,282	5,680	16,038,210
At 31 August 2022	11,867,026	3,298,219	683,111	41,279	12,781	15,902,416

## SOMERHILL CHARITABLE TRUST LIMITED

### (A company limited by guarantee)

#### NOTES TO THE FINANCIAL STATEMENTS (continued)

##### For the year ended 31 August 2023

#### 11 Tangible fixed assets (continued)

All freehold land and buildings are valued, for insurance purposes and including contents, at £97 million (2022: £68 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.

#### 12 Fixed asset investments

	2023 £	2022 £
Investment in managed funds	5,031,193	-
Investment in subsidiary	100	100
	<u>5,031,293</u>	<u>100</u>

Investments in managed funds are made up of an Insignis Cash Account with a market value of £2,000,917 (2022: £nil) and a portfolio with LGT Wealth Management with a market value of £3,030,276 (2022: £nil).

	£	£
Market value at 1 September 2022	-	-
Additions	7,590,495	-
Disposal	(2,589,577)	-
Gain in market value	30,275	-
	<u>5,031,193</u>	<u>-</u>
Market value at 31 August 2023	<u>5,031,193</u>	<u>-</u>
Cost at 31 August 2023	<u>5,036,513</u>	<u>-</u>

Included in the above are the following investments that make up more than 5% of the total portfolio value:

Insignis Cash Account	£2,000,917	40%
United Kingdom (Government of) 0.25% BDS 31.01.2025 GBP1000	£214,190	7%
Columbia Thead OPPY FDS (UK) ICVC CT UK Social Bond INSTL GBP Acc	£136,675	5%
Ishares VII PLC USD Treas BD 3-7yrs UCITS ETF GBP DIS HGD	£198,447	7%
Legal & General (Unit Trust MGRS) Ltd Legal & Gen GBL INF LKD BD IDX C ACC	£186,889	6%
Mirova Funds SICAV Mirova Euro SHT TRM SUST BOND H GBP ACC	£167,487	6%
Vontobel Fund TwentyFour SUST SHT TERM BD INC G GBP	£308,066	10%
10%	£233,030	5%
Trojan Investment Funds Trojan Ethical GBP X ACC	£233,030	
Institutional Cash Series PLC Blackrock ICS STG LQDTY PREM GBP DIS	£237,939	8%

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 2023 was £100 (2022: £100).

**SOMERHILL CHARITABLE TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

<b>13 Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,411,372	2,440,713
Other debtors	313	284
Prepayments and accrued income	201,543	235,189
	<u>2,613,229</u>	<u>2,676,186</u>
<b>14 Current asset investments</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash held in deposit accounts	<u>1,508,007</u>	<u>1,500,384</u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	359,896	353,380
Other taxation and social security costs	177,163	94,055
Accruals	174,403	255,385
Deferred income	2,877,974	2,771,421
Advance fees	154,702	325,782
Other creditors	279,324	234,436
Amounts payable to subsidiary company	100	100
	<u>4,023,562</u>	<u>4,034,559</u>

Included within other creditors are amounts totalling £55,227 (2022: £44,435) in respect of outstanding pension contributions.

**Deferred income**

Included within creditors is an amount of £2,877,974 (2022: £2,771,421) in respect of fees invoiced prior to the year-end relating to future terms.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Balance at 1 September 2022	2,771,421	2,641,823
Released to fee income in year	<u>(2,771,421)</u>	<u>(2,641,823)</u>
	-	-
New deferred income	<u>2,877,974</u>	<u>2,771,421</u>
Balance at 31 August 2023	<u>2,877,974</u>	<u>2,771,421</u>

**SOMERHILL CHARITABLE TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

**15 Creditors: amounts falling due within one year (continued)**

**Advanced fees**

Included within creditors is an amount of £154,702 (2022: £325,782) in respect of fees received in advance, there is also a further amount of £151,598 (2022: £112,300) in respect of fees due after more than one year. Fees paid in advanced are analysed as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Balance at 1 September 2022	438,082	360,852
New amounts paid	194,326	334,171
	<u>632,408</u>	<u>695,023</u>
Amounts utilised in the payments of fees	(326,108)	(256,941)
Balance at 31 August 2023	<u><u>306,300</u></u>	<u><u>438,082</u></u>

**16 Creditors: amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees in advance	<u>151,598</u>	<u>112,300</u>

**17 Restricted funds – current year**

	<b>Balance at 1</b>			<b>Balance at 31</b>
	<b>September 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>August 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Long Library fund	-	40,000	-	40,000
Government grants	-	3,658	(3,658)	-
	<u>-</u>	<u>43,658</u>	<u>(3,658)</u>	<u>40,000</u>

Restricted funds represent donations received for specific items or appeals.

The School received restricted government grant income of £3,658 in the year (2022: £5,970) – see note 4 for further details. All monies were fully spent during the year.

The School received a donation of £40,000 in the year (2022: £nil) specifically towards the Long Library refurbishment and all monies, including gift aid recoverable, were fully spent post year end on the works carried out. Further donations were received in the year 2023/24 to cover the final costs of the project.

**SOMERHILL CHARITABLE TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

**17 Restricted funds (continued) – prior year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
Restricted funds	-	5,970	(5,970)	-

**18 Designated funds – current year**

	Balance at 1 September 2022 £	New designations £	Designations released £	Balance at 31 August 2023 £
Designated property	11,867,027	-	(123,200)	11,743,827
Capital developments fund	-	5,000,000	-	5,000,000
	<u>11,867,027</u>	<u>5,000,000</u>	<u>(123,200)</u>	<u>16,743,827</u>

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.

The capital developments fund represents funds designated for future projects that support the strategic vision of the School.

**Prior year**

	Balance at 1 September 2021 £	New designations £	Designations released £	Balance at 31 August 2022 £
Designated property	<u>12,095,918</u>	<u>-</u>	<u>(228,891)</u>	<u>11,867,027</u>

**SOMERHILL CHARITABLE TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

**19 Analysis of net assets between funds – current year**

	Unrestricted funds £	Designated funds £	Restricted Funds £	Total £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	4,294,383	11,743,827	-	16,038,210
Investments	31,293	5,000,000	-	5,031,293
Current assets/(liabilities)	591,011	-	40,000	631,011
Non-current liabilities	(151,598)	-	-	(151,598)
	<u>4,765,089</u>	<u>16,743,827</u>	<u>40,000</u>	<u>21,548,916</u>

**Prior year**

	Unrestricted funds £	Designated funds £	Restricted Funds £	Total £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	4,035,389	11,867,027	-	15,902,416
Investments	100	-	-	100
Current assets/(liabilities)	5,124,510	-	-	5,124,510
Non-current liabilities	(112,300)	-	-	(112,300)
	<u>9,047,699</u>	<u>11,867,027</u>	<u>-</u>	<u>20,914,726</u>

**20 Related party transactions**

There were no related party transactions in the year (2022: none). No Governors' received remuneration, payments for services or reimbursed expenses during the year (2022: none).

**21 Operating lease commitments**

At 31 August 2023, the School was committed to make minimum lease payments in respect of non-cancellable operating leases as follows:

	2023 £	2022 £
Amounts payable:		
Within one year	43,737	61,482
Between two and five years	51,702	153,558
More than five years	-	695
	<u>95,439</u>	<u>215,735</u>

All leases relate to amounts payable in respect of equipment.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 August 2023**

<b>22</b>	<b>Cash generated from operations</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Surplus for the year	634,190	648,004
	Adjustments for:		
	Depreciation charges	515,741	476,898
	Interest receivable	(81,223)	(17,788)
	Gain in market value of fixed asset investments	(30,275)	-
	Movement in working capital:		
	Decrease/(increase)/in debtors	62,957	(247,479)
	(Decrease)/increase in creditors	(31,634)	389,719
	<b>Cash generated from operations</b>	<b>1,069,756</b>	<b>1,249,354</b>

  

<b>23</b>	<b>Analysis of changes in net funds</b>	<b>At 1 September</b>	<b>Cash flows</b>	<b>At 31 August</b>
		<b>2022</b>		<b>2023</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Cash at bank and in hand	4,982,499	(4,449,161)	533,338
	Current asset investments	1,500,384	7,623	1,508,007
		<u>6,482,883</u>	<u>(4,441,538)</u>	<u>2,041,345</u>

## SOMERHILL CHARITABLE TRUST LIMITED

### (A company limited by guarantee)

#### NOTES TO THE FINANCIAL STATEMENTS (continued)

##### For the year ended 31 August 2023

#### 24 Pension and similar obligations

##### ***Defined contribution pension scheme***

The School makes contributions to one defined contribution scheme on behalf of its employees. The assets of the defined contribution scheme 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 £538,638 (2022: £528,841). At the year-end £54,681 (2022: £44,027) 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 £295,011 (2022: £303,922) and at the year-end £546 (2022: 508) 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 HMR, 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.

#### 25 Capital commitments

Capital commitments totalling £20,448 (2022: £nil) relate to the roofing works on 3 and 4 Bothy Cottages properties, which straddled the year-end.