

Company registration number: 02819354

Charity registration number: 1024774

# Sunninghill Preparatory School Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

# Sunninghill Preparatory School Limited

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# Sunninghill Preparatory School Limited

## Reference and Administrative Details

<b>Chair</b>	Miss J R Walker
<b>Trustees</b>	Dr A Blunt, (appointed 12 March 2020) Mr A Boggis, (appointed 12 March 2020) Mr D Brugge Dr S J Dean, (resigned 31 December 2019) Mr I Jefferis Mr C Keenan Mrs R Lewis Mr D Perks Ms K Smith, (appointed 12 March 2020) Miss J R Walker
<b>Senior Management Team</b>	Mr John Thorpe, Headmaster Mrs Eileen Akerman, Bursar Mrs Nancy Sewed, Deputy Head Academic Mr Ian Stazicker, Deputy Head Pastoral Mrs Emma Sleightholme, Head of Junior Prep Mrs Sarah Smith, Head of Humanities, Designated Safeguarding Lead
<b>Principal Office</b>	South Court South Walks Dorchester Dorset DT1 1EB The charity is incorporated in England.

# Sunninghill Preparatory School Limited

## Reference and Administrative Details

**Company Registration Number** 02819354

**Charity Registration Number** 1024774

**Solicitors** Humphries Kirk  
40 High West Street  
Dorchester  
Dorset  
DT1 1UR

**Bankers** Barclays Bank plc  
10 South Street  
Dorchester  
Dorset  
DT1 1BT

**Auditor** Milsted Langdon LLP  
Motivo House  
Bluebell Road  
Yeovil  
Somerset  
BA20 2FG

# Sunninghill Preparatory School Limited

## Trustees' Report

Sunninghill Preparatory School Governors present their annual report for the year ended 31 August 2020 together with the audited accounts for the year and confirm that the accounts comply with current statutory requirements, the School's Articles of Association and the Charities Statement of Recommended Practice (SORP FRS102).

The School is established as a company limited by guarantee (company number 2819354), incorporated on 19 May 1993 and registered with the Charity Commission under Charity number 1024774 on 9 August 1993. The Governors, executive officers and principal addresses of the Charity are as listed on page 1. Particulars of the Charity's professional advisers are given on page 2.

### **Objectives and activities**

#### ***Objects and aims***

The Charity's objects are to promote and provide for the advancement of education of children between the ages of 2 years and 9 months and 13 years.

In setting objectives and planning the School's activities the Governors confirm they have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Within the objects, the School's aim is to provide a first class independent education whilst safeguarding and promoting the welfare of children, both through strong academic tuition and pastoral care, and through developing wider sporting, artistic and social skills in all its pupils.

This is intended to provide a safe and happy environment where pupils can develop at their own speed and fulfil their potential, thus helping to build self-confidence, self-motivation and develop important skills that will be valuable long after their Sunninghill careers have finished. We hope it will be an education for life.

We aim to encourage a spirit of respect and kindness, and to engender in every girl and boy a sense of responsibility for their own learning, happiness and the welfare of others.

It is our aim for pupils, staff and parents to work together as a team, to take ownership and to be proud of their School.

Our mission is to be a School where everyone feels valued and where all pupils are inspired to achieve to the best of their ability. Through our extended curriculum we aim to instil a passion for learning and striving for excellence, together with gaining an understanding of how to become responsible citizens actively helping each other. We set out to create a vibrant and ambitious School community with a family ethos.

# Sunninghill Preparatory School Limited

## Trustees' Report

### ***Objectives, strategies and activities***

The financial year saw many new initiatives as set out below:

- Spiritual, moral, social and cultural aspects of learning will benefit from a new scheme of work in PSHCE. For Senior Pupils, that will include the addition of Relationship and Sex Education in their curriculum further to enhance understanding and respect for each other.
- Learning Support provision will move from a stand-alone service to the hub of the School. Opportunities for in-class support will be increased further to benefit pupil outcomes.
- Further to developing the School's approach to giving pupils feedback to benefit each child's ability to reflect on his or her own performance in all subjects. The intended outcome is to further improve academic achievement for all.
- Becoming more environmentally friendly. The School will do its utmost to reduce the annual cost of utility bills and look for renewable ways sustainably to source our energy requirement.
- Improving our medical provision in a dedicated room with washing facilities.
- Continuing to upgrade some of the changing rooms and toilets.
- Continuing to increase access to drinking water in the Senior Prep.
- Improving opportunities for all staff to develop their learning.
- Providing a dedicated office and Information & Communications Technology (ICT) provision for the Head of Junior Prep.
- Increasing the staff workroom provision and (ICT) in the Junior Prep.
- Continuing to maintain the fabric of the building and the grounds in keeping with its listed status including repairs to the boundary wall.
- Continuing to increase income from non-academic related activities via the School's trading subsidiary in particular providing facilities for weddings.
- To prepare the School's Business Case and commence consultation with the teaching staff who are members of the Teachers' Pension scheme on a possible withdrawal from the scheme at the end of the next academic year.

# Sunninghill Preparatory School Limited

## Trustees' Report

### Strategies to achieve the year's objectives:

- Learning Support will be moved to a location central to teaching classrooms in the Senior Prep.
- A new workroom will be created for all staff in the Junior Prep.
- The School will subscribe to an online learning platform called iLearning which is provided by IAPS. There is a full range of categories including compliance, leadership and wellbeing.
- The School purchased Mark Mate to improve giving pupils' feedback. Mark Mate is a label printer with specialised software to help teachers to give pupils detailed, personalised feedback. Features include the ability to dictate feedback and print labels to stick on pieces of work using the embedded speech recognition. It also has a built-in assessment tracker.

In March 2020 the UK was affected by the COVID 19 pandemic and the Government put the Country into lockdown and closed Schools. Sunninghill remained open throughout this lockdown period to educate vulnerable children and those of critical workers. A second home 'school' was set-up providing live lessons (via Google Meet) and the introduction of a virtual learning platform (Seesaw). The School also provided a Holiday Club for vulnerable children and those of critical workers during the Easter and Summer holidays.

Plans that were in place for this academic year were mainly carried through before lockdown, although those that required contractors in School have been postponed until restrictions have been lifted.

Despite being unable to have a traditional Speech Day to say farewell to our Form 8 pupils, we were able to celebrate their achievements in a different way. A grand picnic on the lawn was held for parents and pupils and staff in accordance with the Government's guidelines. This was well received by all, and the weather held up.

# Sunninghill Preparatory School Limited

## Trustees' Report

### **Public benefit**

The School's aim is to continue to contribute to the local community in line with the Charity Commissions' Public Benefit requirement.

We continue to support local schools and charities in a variety of ways by giving access to our facilities and by fundraising, including:

- Making bursary provision to assist pupils who would otherwise be unable to afford the School's fees and to support current pupils whose parents are experiencing financial hardship.
- Maintaining the community defibrillator in the School grounds for use by the whole community.
- Sharing our facilities and staff expertise with other local schools in various activities.
- Making available the all-weather pitch to be used by Weymouth Veterans Hockey Club and Dorchester Rugby club.
- Raising funds throughout the year to support local and national charities (Jeans for Genes, Active, Royal British Legion, Children in Need).
- Making available the School hall to local clubs, charities (Julia's House, Dorset Beekeepers, Dorchester Lions), organisations (Dorchester Arts Centre) and churches at a reduced rate; and
- Making available the School's minibuses to local schools each week for hire at a significantly reduced rate.

All income generated by making our facilities available to the community is invested into the education of current and future pupils of the School through the operation of the School's trading subsidiary.

The School did not obtain services from a professional fund-raiser to carry out any fundraising activities.

### Bursaries and Assisted places

- Our means tested Bursary policy is designed to enable children, from families who would otherwise not be able to afford the School's fees, to access the education we offer. We also aim to help our current parents who find themselves experiencing financial hardship, where the child's education would be at risk. As a result, this year we provided assistance to parents to the value of £46,650 (2019 -£35,377). The School has no endowment fund from which to draw funding for these awards.
- In addition, the School offers standardised discounts to members of the Armed Forces, members of staff and siblings of current pupils. Full details of these discounts are available on our website.

Details of all our awards and assistance is available on the School's website.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

# Sunninghill Preparatory School Limited

## Trustees' Report

### Strategic Report

#### Financial review

In the six years ended 31st August 2020, total income has increased 2% from £1,934,063 in the year ended 31 August 2015 (2014/15) to £1,973,274 in the year ended 31st August 2020 (2019/20). Over the same period, total expenditure decreased by 3.7% from £1,890,959 (2014/15) to £1,821,513 (2019/20). Inflationary increases suggest that these percentages should have been greater but 2017/2018, 2018/2019 and 2019/2020 were the first years for many when there was only a single form entry in each academic year. As a result, pupil numbers reduced from 195 (2016/17) to 185 (2017/18), 165 (2018/19) and 152 (2019/20) thereby reducing total income and requiring cost reductions.

Seven years ago in 2012/13, the School had an excess of expenditure over income of £165,947. Changes were made in the following year and in the six years ended 31st August 2020 the School's total income exceeded its total expenditure by £766,065, being less than 7% of total income during that period. This significant turnaround reflects the hard work, professionalism and focussed effort of all members of the School's team together with the continued support of parents.

The School is committed to continue to make surpluses each year in order to secure its long term future and generate sufficient cash to meet its requirements over the next 5 to 10 years.

During the period from March 2020, the School applied for assistance under the Government's Coronavirus Job Retention Scheme and received grants totalling £140,026 which helped the school significantly to make a surplus of £151,761 (2019 - £99,267).

The School's classes are largely full and there are waiting lists for some years. As mentioned above, with effect from September 2017, the School has had only a single form in each academic year. This has enabled the School to focus on the provision of a high quality education to all pupils by a smaller team of dedicated professionals.

The School's trading subsidiary hired out the School's facilities for weddings during 2019/20 and has been able to pay a management charge to the School as well as make a donation all of which total £13,042. This donation is reduced from £31,245 in 2018/19 as a result of the COVID-19 pandemic and the reduction in letting of the school facilities.

This has helped the School to make capital expenditure of £13,751 during 2019/20 and continue to invest in the School's infrastructure and technological teaching aids.

In order to improve the academic standards of the School, maintain its operating surplus and enable it to make capital expenditure, the School is committed to make savings wherever possible in operational expenditure. At the same time the School will continue to reward fairly its team of high quality professionals.

Making savings in operational expenditure has assumed greater significance since 1st September 2019 when the School's contribution to the Teachers' Pension Scheme increased by 7.2% from 16.48% to 23.68%. (See note 20 on page 39)

The School has regular management accounts produced on the accruals basis and prudent budgets are prepared. Financial control in the School is strong and Governors are considering ways of increasing the School's total income and making savings in operational expenditure.

# Sunninghill Preparatory School Limited

## Trustees' Report

The School had cash of £662,519 on its balance sheet at 31 August 2020. However, this comprised of £165,590 for fees received in advance for 2019/20 and deposits received from parents of £93,750. Hence, the School had £403,179 of cash to meet existing liabilities due within 2020/21.

The School's Net current assets increased from £142,665 at 31st August 2019 to £302,217 at 31st August 2020 which means that it should be able to pay all its debts as they fall due.

### ***Policy on reserves***

The School's policy is to continue to make operational surpluses of income over expenditure in order to generate Net current assets of £330,000 by 31 August 2024, which equates to about two months' of current annual total expenditure. In order to achieve this position, the School's policy is to increase the School's cash at bank to about £690,000 by that date. That level of cash at bank should provide the financial security necessary for the School to fulfil its principal activity – the promotion and provision of education of children between the ages of 2 years and 9 months and 13 years. Sunninghill Preparatory School Ltd is now the only independent preparatory school in the Dorchester and Weymouth area and it is important for the pupils and professional team that the School's future is secure.

The School had bank loans of £427,556 at 31 August 2020 of which £288,856 was wholly repayable in five years. In order to meet this liability, the School must make annual surpluses of income over expenditure of about £64,750 on average for each of the next four years. This will enable the School to repay its bank borrowings and achieve its stated goal of creating Net Current Assets of £330,000. The School believes that this is entirely achievable.

A Charity's free reserves are defined as the amount of reserves on the balance sheet after excluding fixed assets and any other asset not readily convertible to cash and restricted funds. As at 31 August 2020 the School's reserves were £2,196,903 (2019 - £2,045,142), including restricted funds of £9,280 (2019 - £10,772), but the School's fixed assets at that date amounted to £2,267,097 (2019 - £2,305,914) and so the School had a deficit of free reserves of £70,194. If the School's policies with regard to annual surpluses of income over expenditure are achieved over the next five years, the School will attain its goal of having free reserves of over £200,000, which should amount to just over two years' annual surplus.

The School aims to make annual capital expenditure broadly equal to the level of the annual depreciation charge, which is currently just over £50,000 per annum. This will maintain the School's capital base.

In addition, the School plans to continue to refurbish the fabric of Sunninghill Preparatory School Ltd, a listed building and the former home of Alfred Pope. Surplus funds will be designated in future years for strategic projects which are important for the continued maintenance and improvement of the School.

# Sunninghill Preparatory School Limited

## Trustees' Report

### Plans for future periods

#### *Aims and key objectives for future periods*

The School is committed to the continuous improvement of Information and Communications Technology (ICT) facilities and opportunities for pupils. It aims for the following:

- To continue to upgrade interactive white boards throughout the School.
- To continue the replacement programme for personal computers in the ICT suite.
- To explore the Bring Your Own Device scheme for pupils in Senior Prep.

Prepare for inspection due in 2021/2022.

Plan for introduction of Design Technology into Junior Prep.

To improve communications for parents and pupils via a dedicated app 'School Ping'.

To update the School's website.

To investigate replacing the homework diary with an online platform such as Seesaw.

### Structure, governance and management

#### *Nature of governing document*

The Charity (and its subsidiary undertaking) is governed by its Memorandum and Articles of Association dating from 1993 as amended in May 2013.

The Charity has a governing body for the School. The details of this are explained below, together with information on how members of each governing body are appointed to office.

#### *Recruitment and appointment of trustees*

The Charity's elected Governors are appointed at a Meeting of the Board by nomination by a Trustee or the Headmaster on the basis of competence, specialist skills and local availability. New Governors are inducted into the workings of the Charity and its subsidiary undertakings and the School, including Board Policy, and have the opportunity to attend external training sessions.

# Sunninghill Preparatory School Limited

## Trustees' Report

### ***Organisational structure***

The Governors, as the trustees of the Charity and its subsidiary undertaking, are legally responsible for the overall management and control of the School, and meet at least six times a year. The work of implementing most of their policies is carried out by the members of Governance Committees; the Finance & Business Committee (covering Finance, Audit, Marketing and Staffing), the Education Committee (covering Education, ISI compliance, and safeguarding) and the Estates, Risk & Compliance Committee (covering Risk, Health & Safety, Property). The Headmaster and the Bursar attend meetings of the above Committees.

The day to day running of the School is delegated to the Headmaster and Senior Leadership Team which consists of the Headmaster (Mr John Thorpe), the Bursar (Mrs Eileen Akerman) the Deputy Heads (Mr Ian Stazicker and Mrs Nancy Sewed), Head of Junior Prep (Mrs Emma Sleightholme) and Designated Safeguarding Lead, and Marketing Co-ordinator, (Mrs Sarah Smith). The aggregate employee-benefits of these key leadership personnel is reported in the notes to the accounts.

The School actively supports the attainment of the highest standards in the Independent Schools sector, partly through networking with other schools and partly through peer group studies for the evaluation of quality and performance improvement methods. We also co-operate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at the school.

The remuneration of key leadership personnel is set by the Board of Governors, with the policy objectives of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the Charity's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that, where relevant, 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.

# Sunninghill Preparatory School Limited

## Trustees' Report

### ***Major risks and management of those risks***

The Board of Governors is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and Business Committee, which is assisted by the Senior Leadership Team. Risks are identified, assessed and controls established throughout the year.

The School maintains a whole school risk register, which covers the main areas of risk to the School, and aims to offset those risks:

- to ensure that we live up to our mission statement;
- to provide a safe environment for our children;
- to ensure that the high level of teaching and learning is maintained;
- to ensure we retain and recruit high quality staff;
- to ensure we maintain an effective strategic plan for the School for the medium and long term;
- to ensure we maintain strong and effective governance of the School;
- to meet our legal obligations with regulatory compliance, to include Health & Safety and Employment law;
- to comply with Charity and Company law;
- to ensure that the School campus is maintained and that day to day operational controls are in place; and
- to maintain high levels of financial controls.

The key controls used by the Charity and its subsidiary undertakings to mitigate the risks include:

- formal agendas and minutes for all Committee and Board activity;
- detailed terms of reference for all Committees;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable; and
- whole school risk assessment.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

### **Financial instruments**

#### ***Objectives and policies***

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the Board of Trustees, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

#### ***Cash flow risk***

The Group's activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets and liabilities are largely held at variable rates.

# Sunninghill Preparatory School Limited

## Trustees' Report

### ***Credit risk***

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 24 May 2021 and signed on its behalf by:

.....  
Miss J R Walker  
Chair and Trustee

## **Sunninghill Preparatory School Limited**

### **Statement of Trustees' Responsibilities**

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustees of the charity on 24 May 2021 and signed on its behalf by:

.....  
Miss J R Walker  
Chair and Trustee

## **Sunninghill Preparatory School Limited**

### **Independent Auditor's Report to the Members of Sunninghill Preparatory School Limited**

#### **Opinion**

We have audited the financial statements of Sunninghill Preparatory School Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 August 2020, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, , Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The trustees 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.

## **Sunninghill Preparatory School Limited**

### **Independent Auditor's Report to the Members of Sunninghill Preparatory School Limited**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion 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 and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 13), the trustees 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Sunninghill Preparatory School Limited**

### **Independent Auditor's Report to the Members of Sunninghill Preparatory School Limited**

#### **Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

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

## **Sunninghill Preparatory School Limited**

### **Independent Auditor's Report to the Members of Sunninghill Preparatory School Limited**

#### **Use of our report**

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

.....  
Mr R Cadwallader (Senior Statutory Auditor)  
For and on behalf of Milsted Langdon LLP, Statutory Auditor  
Motivo House  
Bluebell Road  
Yeovil  
Somerset  
BA20 2FG

25 May 2021

## Sunninghill Preparatory School Limited

### Consolidated Statement of Financial Activities for the Year Ended 31 August 2020 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Income and Endowments from:</b>					
Charitable activities	3	1,767,058	-	1,767,058	1,952,655
Investment income	4	2,158	-	2,158	2,415
Other income	5	<u>204,058</u>	-	<u>204,058</u>	<u>75,035</u>
Total income		<u>1,973,274</u>	-	<u>1,973,274</u>	<u>2,030,105</u>
<b>Expenditure on:</b>					
Raising funds	6	(6,435)	-	(6,435)	(2,322)
Charitable activities	7	<u>(1,813,586)</u>	<u>(1,492)</u>	<u>(1,815,078)</u>	<u>(1,928,516)</u>
Total expenditure		<u>(1,820,021)</u>	<u>(1,492)</u>	<u>(1,821,513)</u>	<u>(1,930,838)</u>
Net income/(expenditure)		<u>153,253</u>	<u>(1,492)</u>	<u>151,761</u>	<u>99,267</u>
Net movement in funds		153,253	(1,492)	151,761	99,267
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>2,034,370</u>	<u>10,772</u>	<u>2,045,142</u>	<u>1,945,875</u>
Total funds carried forward	21	<u><u>2,187,623</u></u>	<u><u>9,280</u></u>	<u><u>2,196,903</u></u>	<u><u>2,045,142</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 21.

The notes on pages 22 to 44 form an integral part of these financial statements.

**Sunninghill Preparatory School Limited**  
**(Registration number: 02819354)**  
**Consolidated Balance Sheet as at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	2,267,097	2,305,914
<b>Current assets</b>			
Stocks	15	1,850	1,450
Debtors	16	80,198	70,959
Cash at bank and in hand		<u>662,519</u>	<u>489,508</u>
		744,567	561,917
<b>Creditors: Amounts falling due within one year</b>	17	<u>(442,350)</u>	<u>(419,252)</u>
<b>Net current assets</b>		<u>302,217</u>	<u>142,665</u>
<b>Total assets less current liabilities</b>		2,569,314	2,448,579
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(372,411)</u>	<u>(403,437)</u>
<b>Net assets</b>		<u><u>2,196,903</u></u>	<u><u>2,045,142</u></u>
<b>Funds of the group:</b>			
<b>Restricted income funds</b>			
Restricted funds	21	9,280	10,772
<b>Unrestricted income funds</b>			
Unrestricted funds	21	<u>2,187,623</u>	<u>2,034,370</u>
<b>Total funds</b>	21	<u><u>2,196,903</u></u>	<u><u>2,045,142</u></u>

The financial statements on pages 18 to 44 were approved by the trustees, and authorised for issue on 24 May 2021 and signed on their behalf by:

.....  
Mrs R Lewis  
Trustee

The notes on pages 22 to 44 form an integral part of these financial statements.

## Sunninghill Preparatory School Limited

(Registration number: 02819354)  
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	2,267,097	2,305,914
Investments	14	<u>100</u>	<u>100</u>
		<u>2,267,197</u>	<u>2,306,014</u>
<b>Current assets</b>			
Stocks	15	1,850	1,450
Debtors	16	82,557	69,937
Cash at bank and in hand		<u>636,387</u>	<u>470,595</u>
		720,794	541,982
<b>Creditors: Amounts falling due within one year</b>	17	<u>(418,677)</u>	<u>(421,662)</u>
<b>Net current assets</b>		<u>302,117</u>	<u>120,320</u>
<b>Total assets less current liabilities</b>		2,569,314	2,426,334
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(372,411)</u>	<u>(403,437)</u>
<b>Net assets</b>		<u>2,196,903</u>	<u>2,022,897</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		9,280	10,772
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>2,187,623</u>	<u>2,012,125</u>
<b>Total funds</b>		<u>2,196,903</u>	<u>2,022,897</u>

The financial statements on pages 18 to 44 were approved by the trustees, and authorised for issue on 24 May 2021 and signed on their behalf by:

.....  
Mrs R Lewis  
Trustee

The notes on pages 22 to 44 form an integral part of these financial statements.

## Sunninghill Preparatory School Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash income		151,761	99,267
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	13	52,568	54,009
Investment income	4	<u>(2,158)</u>	<u>(2,415)</u>
		202,171	150,861
<b>Working capital adjustments</b>			
Increase in stocks	15	(400)	-
Increase in debtors	16	(9,239)	(4,144)
Increase/(decrease) in creditors	17	12,693	(23,382)
Increase/(decrease) in deferred income	18	<u>9,645</u>	<u>(70,619)</u>
Net cash flows from operating activities		<u>214,870</u>	<u>52,716</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	4	2,158	2,415
Purchase of tangible fixed assets	13	<u>(13,751)</u>	<u>(55,069)</u>
Net cash flows from investing activities		(11,593)	(52,654)
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	17	<u>(30,266)</u>	<u>(42,604)</u>
Net increase/(decrease) in cash and cash equivalents		173,011	(42,542)
Cash and cash equivalents at 1 September 2019		<u>489,508</u>	<u>532,050</u>
Cash and cash equivalents at 31 August 2020		<u><u>662,519</u></u>	<u><u>489,508</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 22 to 44 form an integral part of these financial statements.

# Sunninghill Preparatory School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

South Court  
South Walks  
Dorchester  
Dorset  
DT1 1EB

These financial statements were authorised for issue by the trustees on 24 May 2021.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### Basis of preparation

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

#### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 August 2020.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made net income for the financial year of £174,006 (2019 - £77,022).

## **Sunninghill Preparatory School Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Going concern**

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and 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, the accounts have been prepared on a going concern basis.

In light of the rapid global spread of the Coronavirus "COVID-19" in early 2020, the trustees have reviewed budgets and other financial information for the next twelve months. Following this review, the trustees consider there to be little impact on the Charity's ability to act as a going concern.

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### **Judgements**

In the application of the charitable company's accounting policies, which are described above, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Governors have not made any critical judgements in the process of applying the company's accounting policies that have significant effect on the amounts recognised in the financial statements. The following are areas that are considered to be key sources of estimation uncertainty:

The economic useful life of tangible fixed assets and the expected residual value on future disposal is estimated by the trustees based on their experience. The total carrying of fixed assets at 31 August 2020 is £2,267,097.

#### **Income and endowments**

Fees receivable are accounted for in the period to which they relate. Fees received in advance are included as deferred income and released to the Statement of Financial Activities in the financial year to which they relate. Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

#### **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where entitlement occurs before income is received, the income is accrued. Capital grants are recognised in full when there is an unconditional entitlement to the grant.

#### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### **Investment income**

Interest receivable and other income is accounted for on the accruals basis as far as it is prudent to do so.

## **Sunninghill Preparatory School Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable a settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Raising funds**

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Government grants**

Government grants are recognised under the accrual model and are recognised as income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

As a registered charity, the School benefits from rates relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Governors have considered the component parts of the School's freehold land and buildings. The Governors consider the expected useful life of the majority of the component parts to be no less than 50 years and consider the estimated residual value of those parts to be no less than the current carrying value in the accounts. Those component parts with a useful life of less than 50 years are depreciated over their useful life.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold land and buildings and improvements	50 years straight line
Other improvements	20 years straight line
Furniture and equipment	10 years straight line
Computer equipment	3 years straight line
Musical instruments	10 years straight line
Motor vehicles	4 years straight line

#### Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

#### Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) basis.

#### Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Provisions**

Provisions are recognised when the School has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### **Pensions and other post retirement obligations**

The School contributes to the Teachers' Pension Scheme for its teaching staff at rates set by the Scheme Actuary. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102, the scheme is accounted for as a defined contribution scheme and the employer's contribution to the pension scheme is charged to the Statement of Financial Activities.

The School also operates a defined contribution group personal plan for staff who are not eligible for the Teachers' Pension Scheme. Employer's contributions to the pension scheme are charged to the Statement of Financial Activities.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

##### ***Recognition and measurement***

Basic financial assets, which include trade and other receivables 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 future receipts discounted at a market rate of interest.

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### ***Investments***

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

##### ***Fair value measurement***

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 3 Income from charitable activities

	<b>Unrestricted funds General £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Tuition fees (incl. nursery and fledglings)	1,806,230	1,806,230	1,965,388
Extracurricular activities	52,697	52,697	91,320
Catering	1,121	1,121	1,948
Insurance commissions	256	256	881
Registration fees	1,725	1,725	1,500
Discounts allowable	(94,971)	(94,971)	(108,382)
	<u>1,767,058</u>	<u>1,767,058</u>	<u>1,952,655</u>

Amounts included above relating to restricted funds total £nil (2019: £nil).

The net income of tuition fees following discounts and bursaries for the year was £1,711,259 (2019: £1,857,006).

#### 4 Investment income

	<b>Unrestricted funds General £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Interest receivable and similar income; Interest receivable on bank deposits	<u>2,158</u>	<u>2,158</u>	<u>2,415</u>

Amounts included above relating to restricted funds total £nil (2019: £nil)

#### 5 Other income

	<b>Unrestricted funds General £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Hire of school buildings and grounds	21,565	21,565	35,901
Early years funding	42,467	42,467	39,134
Coronavirus grant income	140,026	140,026	-
	<u>204,058</u>	<u>204,058</u>	<u>75,035</u>

Amounts included above relating to restricted funds total £nil (2019: £nil)

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 6 Expenditure on raising funds

##### a) Costs of trading activities

	Note	Unrestricted funds General £	Total 2020 £	Total 2019 £
Trading subsidiary costs		5,348	5,348	2,322
Allocated support costs	8	1,087	1,087	-
		<u>6,435</u>	<u>6,435</u>	<u>2,322</u>
		Allocated support costs £	Total 2020 £	Total 2019 £
Costs of trading activities	Direct costs £	<u>5,348</u>	<u>6,435</u>	<u>2,322</u>

#### 7 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Teaching costs and related expenditure		199,256	-	199,256	263,956
Running costs and school maintenance		216,855	1,492	218,347	229,002
Staff costs		1,175,337	-	1,175,337	1,213,729
Support and Governance costs	8	<u>222,138</u>	-	<u>222,138</u>	<u>221,829</u>
		<u>1,813,586</u>	<u>1,492</u>	<u>1,815,078</u>	<u>1,928,516</u>

£1,813,586 (2019 - £1,927,024) of the above expenditure was attributable to unrestricted funds and £1,492 (2019 - £1,492) to restricted funds.

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 8 Analysis of governance and support costs

##### Support costs allocated to raising funds

	Basis of allocation	Other support costs £	Total 2020 £
Management charges	U	1,087	1,087

##### Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Other support costs £	Total 2020 £	Total 2019 £
Staff costs	U	-	116,533	116,533	114,152
Motor and travel costs	U	-	32,670	32,670	34,089
Postage stationery and printing	U	-	10,174	10,174	10,738
Telephone	U	-	4,158	4,158	3,604
Advertising and marketing	U	-	11,225	11,225	15,073
Legal and professional fees	U	5,166	-	5,166	7,170
Audit and accountancy fees	U	6,000	14,364	20,364	19,832
Bank charges	U	-	2,040	2,040	1,483
Loan interest	U	-	9,935	9,935	12,616
Sundry expenses	U	-	2,996	2,996	8,307
Bad debt provision	U	-	1,483	1,483	(8,750)
Ipad Lease	U	-	5,394	5,394	3,515
		11,166	210,972	222,138	221,829

##### Basis of allocation

Reference	Method of allocation
U	Unrestricted
R	Restricted

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 9 Net incoming/outgoing resources

Net incoming resources for the year include:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Audit fees	8,100	8,100
Other non-audit services	4,200	4,188
Depreciation of fixed assets	<u>52,568</u>	<u>54,009</u>

#### 10 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

£55 (2019: £Nil) of expenses were reimbursed during the year.

Expenses were reimbursed to one trustee in relation to a governors meeting.

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

#### 11 Staff costs

The aggregate payroll costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	1,062,655	1,139,849
Social security costs	88,473	91,366
Pension costs	<u>140,742</u>	<u>96,666</u>
	<u>1,291,870</u>	<u>1,327,881</u>

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
Teachers	33	32
Admin and Support	<u>25</u>	<u>26</u>
	<u>58</u>	<u>58</u>

The full time equivalent numbers of staff for the same period was Teachers 26 (2019: 28) and Administration and support 13 (2019: 12).

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

The number of employees whose emoluments fell within the following bands was:

	<b>2020 No</b>	<b>2019 No</b>
£60,001 - £70,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £355,821 (2019 - £350,354).

1 (2019 - 1) of the above employees participated in the Defined Benefit Pension Schemes.

#### 12 Taxation

The group is a registered charity and is therefore exempt from taxation.

#### 13 Tangible fixed assets

<b>Group</b>	<b>Land and buildings £</b>	<b>Furniture and equipment £</b>	<b>Computer equipment £</b>	<b>Musical instruments £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 September 2019	2,460,463	236,432	70,329	17,691	2,784,915
Additions	<u>4,065</u>	<u>8,458</u>	-	<u>1,228</u>	<u>13,751</u>
At 31 August 2020	<u>2,464,528</u>	<u>244,890</u>	<u>70,329</u>	<u>18,919</u>	<u>2,798,666</u>
<b>Depreciation</b>					
At 1 September 2019	276,839	135,307	50,452	16,403	479,001
Charge for the year	<u>18,543</u>	<u>21,705</u>	<u>12,058</u>	<u>262</u>	<u>52,568</u>
At 31 August 2020	<u>295,382</u>	<u>157,012</u>	<u>62,510</u>	<u>16,665</u>	<u>531,569</u>
<b>Net book value</b>					
At 31 August 2020	<u>2,169,146</u>	<u>87,878</u>	<u>7,819</u>	<u>2,254</u>	<u>2,267,097</u>
At 31 August 2019	<u>2,183,624</u>	<u>101,125</u>	<u>19,877</u>	<u>1,288</u>	<u>2,305,914</u>

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### Charity

	Land and buildings £	Furniture and equipment £	Computer equipment £	Musical instruments £	Total £
<b>Cost</b>					
At 1 September 2019	2,460,463	236,432	70,329	17,691	2,784,915
Additions	<u>4,065</u>	<u>8,458</u>	-	<u>1,228</u>	<u>13,751</u>
At 31 August 2020	<u>2,464,528</u>	<u>244,890</u>	<u>70,329</u>	<u>18,919</u>	<u>2,798,666</u>
<b>Depreciation</b>					
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Charge for the year	<u>18,543</u>	<u>21,705</u>	<u>12,058</u>	<u>262</u>	<u>52,568</u>
At 31 August 2020	<u>295,382</u>	<u>157,012</u>	<u>62,510</u>	<u>16,665</u>	<u>531,569</u>
<b>Net book value</b>					
At 31 August 2020	<u><u>2,169,146</u></u>	<u><u>87,878</u></u>	<u><u>7,819</u></u>	<u><u>2,254</u></u>	<u><u>2,267,097</u></u>
At 31 August 2019	<u><u>2,183,624</u></u>	<u><u>101,125</u></u>	<u><u>19,877</u></u>	<u><u>1,288</u></u>	<u><u>2,305,914</u></u>

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 14 Fixed asset investments

##### Charity

##### Shares in group undertakings and participating interests

	<b>Subsidiary undertakings £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 September 2019	100	100
At 31 August 2020	100	100
<b>Net book value</b>		
At 31 August 2020	100	100
At 31 August 2019	100	100

##### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2020	2019	
<b>Subsidiary undertakings</b>					
Sunninghill Enterprises Limited	UK	Ordinary	100%	100%	Hire of facilities

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### Subsidiaries

Sunninghill Enterprises Limited is a company incorporated in England, registration number 09193650. Turnover for the year was £21,565 (2019: £35,901) and expenditure for the year was £17,523 (2019: £13,656). The profit for the financial period was £4,042 (2019: £22,245) and the aggregate of capital and reserves at the end of the period was £4,142 (2019: £22,345).

#### 15 Stock

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Stocks	1,850	1,450	1,850	1,450

#### 16 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	20,340	3,702	16,201	2,680
Due from group undertakings	-	-	2,856	-
Prepayments	25,253	39,689	24,853	39,689
Accrued income	34,605	25,853	38,647	25,853
Other debtors	-	1,715	-	1,715
	80,198	70,959	82,557	69,937

#### 17 Creditors: amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank loans	55,145	54,385	55,145	54,385
Trade creditors	11,966	10,538	11,936	10,538
Due to group undertakings	-	-	-	6,885
Other taxation and social security	21,342	22,437	21,342	22,437
Other creditors	109,251	104,608	109,251	104,608
Accruals	58,394	50,677	55,413	47,702
Deferred income	186,252	176,607	165,590	175,107
	442,350	419,252	418,677	421,662

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

Creditors due within one year includes the following liabilities on which security has been given:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank loan	55,145	54,385	55,145	54,385

Legal charges are held over the School's freehold property as security against outstanding bank loans.

The loan financing is in the form of secured loans with a variable interest rate which have been treated as basic financial instruments measured at amortised cost.

#### Deferred income Group

	2020 £	2019 £
Deferred income at 1 September 2019	176,607	247,226
Resources deferred in the period	186,252	176,607
Amounts released from previous periods	(176,607)	(247,226)
Deferred income at year end	186,252	176,607

Deferred income relates to fees received from parents in advance of the term to which they relate and to monies received in relation to events that haven't yet taken place due to COVID-19. All of the fees received in advance at 31 August 2020 are considered to be on normal terms for these types of transactions.

#### Charity

	2020 £	2019 £
Deferred income at 1 September 2019	175,107	247,226
Resources deferred in the period	165,590	175,107
Amounts released from previous periods	(175,107)	(247,226)
Deferred income at year end	165,590	175,107

Deferred income relates solely to fees received from parents in advance of the term to which they relate. All of the fees received in advance at 31 August 2020 are considered to be on normal terms for these types of transactions.

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 18 Creditors: amounts falling due after one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	372,411	403,437	372,411	403,437

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loan	372,411	403,437	372,411	403,437

Legal charges are held over the School's freehold property as security against outstanding bank loans.

The loan financing is in the form of secured loans with a variable interest rate which have been treated as basic financial instruments measured at amortised cost.

Legal charges are held over the School's freehold property as security against the outstanding bank loans totalling £427,556 (2019: £457,822), representing 19.71% (2019: 21.0%) of the property carrying value at 31 August 2020.

The loan financing is in the form of secured loans with a variable interest rate which have been treated as basic financial instruments measured at amortised cost. The total expense on these loans in the year was £9,935 (2019: £12,616). The market risk facing the School is that it is widely expected that interest rates will rise. Refer to the risk management section of the Report of the Governors for information as to the policies that have been put in place to manage risk.

During the financial year ended 31 August 2019, the loans were re-constructed and payable over five years. The new loan taken out during the year is at a fixed interest rate for five years.

#### Group

Included in the creditors are the following amounts due after more than five years:

	2020	2019
	£	£
After more than five years by instalments	138,700	168,966

#### Charity

Included in the creditors are the following amounts due after more than five years:

	2020	2019
	£	£
After more than five years by instalments	138,700	168,966

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 19 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Within one year	68,337	68,337	68,337	68,337
In two to five years	-	68,337	-	68,337
	<u>68,337</u>	<u>136,674</u>	<u>68,337</u>	<u>136,674</u>

#### 20 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £3,423 (2019 - £3,608).

##### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £137,319 (2019: £93,058) and at the year end £15,257 (2019: £12,308) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

## **Sunninghill Preparatory School Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 21 Funds

#### Group

Group	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>				
<i>General</i>				
Unrestricted income funds	2,033,384	1,973,274	(1,819,035)	2,187,623
<i>Designated</i>				
Designated swimming pool fund	986	-	(986)	-
<b>Total unrestricted funds</b>	<u>2,034,370</u>	<u>1,973,274</u>	<u>(1,820,021)</u>	<u>2,187,623</u>
<b>Restricted funds</b>				
Woodland Play area fund	3,833	-	(500)	3,333
Cyber Coach equipment fund	6,939	-	(992)	5,947
<b>Total restricted funds</b>	<u>10,772</u>	<u>-</u>	<u>(1,492)</u>	<u>9,280</u>
<b>Total funds</b>	<u>2,045,142</u>	<u>1,973,274</u>	<u>(1,821,513)</u>	<u>2,196,903</u>
	<b>Balance at 1 September 2018 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 August 2019 £</b>
<b>Unrestricted funds</b>				
<i>General</i>				
Unrestricted income funds	1,928,109	2,030,105	(1,924,830)	2,033,384
<i>Designated</i>				
Designated swimming pool fund	5,502	-	(4,516)	986
<b>Total unrestricted funds</b>	<u>1,933,611</u>	<u>2,030,105</u>	<u>(1,929,346)</u>	<u>2,034,370</u>
<b>Restricted funds</b>				
Woodland Play area fund	4,333	-	(500)	3,833
Cyber Coach equipment fund	7,931	-	(992)	6,939
<b>Total restricted funds</b>	<u>12,264</u>	<u>-</u>	<u>(1,492)</u>	<u>10,772</u>
<b>Total funds</b>	<u>1,945,875</u>	<u>2,030,105</u>	<u>(1,930,838)</u>	<u>2,045,142</u>

## **Sunninghill Preparatory School Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

The specific purposes for which the funds are to be applied are as follows:

During the year ended 31 August 2017 the Governors agreed to earmark funds of £35,000 to cover the anticipated cost of repair work required to the school swimming pool. Expenses incurred in this year have been deducted from this fund balance as work is carried out.

The Woodland Play Area fund represents a donation from the School's PTFA of £5,000 which was put towards the cost of a new low ropes course during 2016/17 and is being written off over the expected useful life of the asset.

During the year ended 31 August 2016 the School received a grant from The National Lottery towards the purchase of a Cyber Coach dance equipment (£9,915) and this is being written off over the expected useful life of the asset.

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 22 Analysis of net assets between funds

##### Group

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds at 31 August 2020 £</b>
Tangible fixed assets	2,257,817	9,280	2,267,097
Current assets	747,423	-	747,423
Current liabilities	(445,206)	-	(445,206)
Creditors over 1 year	(372,411)	-	(372,411)
<b>Total net assets</b>	<b>2,187,623</b>	<b>9,280</b>	<b>2,196,903</b>
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds at 31 August 2019 £</b>
Tangible fixed assets	2,295,142	10,772	2,305,914
Current assets	561,917	-	561,917
Current liabilities	(419,252)	-	(419,252)
Creditors over 1 year	(403,437)	-	(403,437)
<b>Total net assets</b>	<b>2,034,370</b>	<b>10,772</b>	<b>2,045,142</b>

#### 23 Analysis of net funds

##### Group

	<b>At 1 September 2019 £</b>	<b>Financing cash flows £</b>	<b>At 31 August 2020 £</b>
Cash at bank and in hand	489,508	173,011	662,519
Net debt	489,508	173,011	662,519
	<b>At 1 September 2018 £</b>	<b>Financing cash flows £</b>	<b>At 31 August 2019 £</b>
Cash at bank and in hand	532,050	(42,542)	489,508
Net debt	532,050	(42,542)	489,508

## Sunninghill Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 24 Related party transactions

##### Charity

During the year the charity made the following related party transactions:

##### Sunninghill Enterprises Ltd

Children of staff and Governors may attend the school. In such cases Governors pay the normal fees applicable but staff members receive a discount.

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School in the year (2019: £Nil). During the year, legal advice fees of £1,395 (2019: £7,170), including VAT, were paid to a firm of solicitors of which one Governor is a partner.

The School owns 100% of the £100 ordinary share capital of Sunninghill Enterprises Limited.

The trading subsidiary is due to donate profits of £4,042 (2019: £22,245) to the school within nine months of the financial year end. In addition, management charges of £9,000 (2019: £9,000) in respect of the year ended 31 August 2020 are receivable from the trading subsidiary. At the balance sheet date the amount due from Sunninghill Enterprises Ltd was £2,856 (2019 - £6,885 due to).