

Registered number: 00698102
Charity number: 310491

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)

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SOUTH LEE SCHOOL LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020

Governors	Mr S R Honeywood, Chair ¹ Mrs H J Buckingham ¹ Mrs J M Scarff, Secretary (resigned 21 January 2021) ¹ Mr D G Ashton (resigned 1 September 2019) Mr R G Swiney, Vice Chair (resigned 1 January 2021) ¹ Mrs D M Legge (resigned 17 November 2020) ¹ Mrs C E Godfrey (appointed 21 April 2019)
	¹ Served on the Finance Committee with the Head and Business Manager
Company registered number	00698102
Charity registered number	310491
Registered office	Nowton Road Bury St Edmunds Suffolk IP33 2BT
Headmistress	Mrs R O'Sullivan
Independent auditors	Whiting & Partners Chartered Accountants Statutory Auditor Greenwood House Greenwood Court Skyliner Way Bury St Edmunds Suffolk IP32 7GY
Bankers	Lloyds Bank Plc Risbygate Street Bury St Edmunds Suffolk IP33 3AQ
Solicitors	Greene & Greene 80 Guildhall Street Bury St Edmunds Suffolk IP33 1QB

SOUTH LEE SCHOOL LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the audited financial statements of the charity for the 1 September 2019 to 31 August 2020. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published October 2019.

Since the charity qualifies as a small company under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. Constitution

The charity is registered as a company limited by guarantee with charitable purposes and was set up by a Memorandum of Association, and is registered as a charity, number 310491. The charity is constituted under a Memorandum of Association.

The principal object of the charity is to carry on the activity of an independent school.

The Governors are also directors of the charitable company for the purpose of company law. Details of the Governors who served during the year are shown on page 1.

b. Methods of appointment or election of Governors

The management of the charity is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

Governors, whose number cannot be less than seven nor more than nine (excluding Co-opted Governors) are elected at Annual General Meetings. Only members of the charity are eligible to stand for election. The Governors may appoint a person, who need not be a member, either to fill a vacancy or act as an additional Governor. These co-opted Governors, whose number cannot exceed seven, or cause the total number of Governors to exceed twelve, serve until the next Annual General Meeting whereupon they will be eligible for re-election. A co-opted Governor who is not a member of the charity cannot serve for more than three years. The Head Teacher acts as a Governor ex officio. At each Annual General Meeting, one third of the Board of Governors retires, all being eligible for re-election.

c. Organisational structure and decision-making policies

The Board of Governors focuses on the areas of Education, Finance and Human Resources, Health and Safety, Pastoral and Safeguarding, Estates and Development and Marketing determine the general policy of the charity. This is managed through communication with the school lead in each area. The day-to-day management is delegated to the Head Teacher and School Business Manager/Bursar.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Governors

All new Governors are given a special South Lee School Governors' Pack, supported by AGBIS documentation, which outlines their responsibilities as a Trustee\Governor. The pack is designed to provide Governors with a broad insight into the workings of the School. It contains sections on the School; its Governors and their appointment, rotation and powers; Governors' meetings, the Chairman and various sub-committees; duties and responsibilities of Governors and the names of the current Board.

In addition, each new Governor is provided with access to a number of publications, including "Life of a Company", Parts 1 and 2, published by Companies House, and "The Essential Trustee: What You Need to Know", published by the Charity Commission. These publications are accessed on-line, to ensure that Governors are always referring to the latest version, as is the "Code of Conduct for School Governing Boards", published by the National Governors' Association. In addition, the Governors are mindful of their responsibilities regarding the regulatory requirements of the Independent Schools Inspectorate and safeguarding, having regard to "Keeping Children Safe in Education". Furthermore, new Governors are taken on a tour of the School by the School Head/Business Manager/Bursar and given full safeguarding training by the DSL.

South Lee School is a member of AGBIS; the Association of Governing Bodies of Independent Schools. Each board member has been provided with a copy of the AGBIS publication "Guidelines for Governors", which aims to be a manual of good practice for Governors of Independent Schools.

e. Pay policy for senior staff

The Governors consider the board of Governors, who also act as the directors of the company and trustees to the charity, they appoint the senior management team comprising of key management personnel (Head Teacher and School Business Manager). All Governors give their time freely and do not receive remuneration. Details of related party transactions are disclosed in note 19 to the financial statements.

The pay of senior staff is reviewed annually by the Governors and is benchmarked against staff holding similar positions in both the private and maintained sector in the East of England.

f. Related party relationships

No members who served as Governors provided services to the School during the year. There were no other material transactions with related parties such as Trustees or parents, all of whom are members of the Trust.

The Charity is a member of Victory Sports Ground - CIC, which is a community interest company holding the freehold of the Victory Sports Ground and responsible for management of the land. South Lee has taken a long leasehold interest in part of the grounds on which its sports hall sits and is used for its own use as well as community use.

g. Risk management

The Governors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

SOUTH LEE SCHOOL LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Policies and objectives

The objective of the charity, as set out in its Memorandum of Association, is to establish and carry on and develop an independent preparatory school for children residing in Bury St Edmunds and in Suffolk or the adjacent counties.

In determining the overall activities of the charity, the Governors have continued to give regard to the Charity Commission's public benefit guidance. The Board remains mindful of the continuing and changing competition from other Independent Schools and Nurseries and continues to consider other ways in which access to the outstanding facilities offered by South Lee might be further broadened.

The aims of South Lee School are to further the education of its pupils and to pursue excellence in all fields, in the firm belief that "All Have Talent". The School aims to make all of its pupils into good, rounded members of society.

Furthermore, the School aims to support the wider community by making its facilities available to local children from other schools at prescribed times, and to support sport, music and the arts locally. This is supported by the school sports hall being available for public lettings during evenings and weekends and utilising the Victory Ground as a sporting venue for the long term. The school is a Trinity Examination centre for the Arts used by the county of Suffolk. The School, through its various activities, also continues to support local, national and international charities, often those chosen by the children. South Lee School also aims to support each member of its staff by providing a friendly and socially rewarding place to work.

South Lee School's main objectives for the coming year are to continue to encourage the educational, moral and spiritual growth of all of its pupils and to further the cause of local sport and the arts. Consideration continues to be given to widening the resources provided by the School.

South Lee School achieves its objectives year on year through charging its parents a fair and affordable termly fee. Fees are carefully reviewed by the School's Finance Committee annually, which then makes recommendations to the full Board of Trustees. Continued pressure brought to bear by increasing prices for vital items such as utilities, food and business rates will make this process all the more vital in future years. Any surplus funds will, as always, be invested into a programme of continual improvement and updating of the educational environment and facilities provided. Careful consideration is given to many possible ways of facilitating the continued growth of South Lee School, and the broadest possible range of teaching resources are utilised. Considering continuing financial difficulty for many, the Board of Governors and the School's Finance Committee remains committed to securing the long-term future of South Lee. Funds are invested only in the most secure institutions and the continued policy of prudent and sustainable budgeting is maintained.

South Lee School is a Preparatory Day School and Nursery, educating more than 150 full-time pupils from age 4 – 13 and more than 30 Nursery children, aged from 2 – 4. Since the balance sheet date the nursery now takes babies from 4 months old.

The School also offers a holiday club package through 'Schools Out' who hire the premises during the holiday time. This is open to the public and is widely used by children from many local schools, in addition to those from South Lee.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

In addition, South Lee School runs many sports teams, in rugby, football, netball, hockey, cricket and tennis. Pupils regularly gain recognition at area and national level. Staff also actively encourage and support pupils in a range of other sports, including sailing, martial arts, shooting, and cross country running. South Lee, furthermore, has an excellent musical pedigree, with several visiting specialist teachers, offering tuition in a range of musical instruments, as well as in singing and drama. South Lee continues to be a Trinity Examination centre for the Arts offering opportunities for children across the county.

Achievements and performance

a. Review of activities

The average number of pupils on the school roll was as follows:-

	Full Time Pupils	Nursery Pupils
Autumn Term	151	35
Spring Term	152	37
Summer Term	151	44

The challenges which have been faced during the COVID-19 have proven difficult across both the educational setting and operation side of the business. However, due to these challenges we have adapted our way of teaching with an online platform enabling children who are isolating to continue to access the education. Along side this a COVID-19 risk assessment has played a major part in our daily running to ensure all are safe and that we continue to provide the highest level of service that we can.

The School continues despite the challenges to have an excellent record in preparing children for the next stage in their education. South Lee also frequently provides winners of scholarships to other local and national schools. Personal testimonials from happy parents indicate a high level of satisfaction with the education provided. Letters from senior schools regarding the progress of former South Lee pupils provide further evidence of the excellent work carried out by the School and its staff.

The School's facilities that are normally used regularly for practice and performance by two local orchestras, has not been able to take place. However, the introduction of 'Schools Out' holiday club has allowed for a continued use. The sports hall and studio facilities continue to increase public access, with several organisations hiring the sports hall on a regular basis, including cricket, football, netball, badminton and tchoukball clubs. The dance and drama studio allows an even wider range of activities to take place, such as dance, Pilates, yoga and baby yoga, as well as sports courses and interviews, have continued where permitted by COVID restrictions.

The Independent Schools Inspectorate gave South Lee School, and its Nursery, an excellent report following their inspection, carried out in March 2017. The school is continuing to prepare for the next inspection.

The relationships between South Lee School, its pupils, parents, and the wider community remain strong and positive. Links have been forged with Suffolk Netball, Bury St Edmunds hockey and rugby clubs, Sporting 87 Football Club, gymnastics, and athletics organisations and with Northampton Saints Rugby. The School enjoys Suffolk County representation in hockey and cricket and expects to continue its strong forward momentum.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance (continued)

b. Information on fundraising practices

The charity does not fundraise from the general public. The charity does not use professional fundraisers as a part of their charitable fundraising. Income to fund the activities of the charity is derived from termly fee income which is generated from parents who are members of the charitable company.

c. Investment policy

The policy of the Governors of South Lee School, as a not for profit organisation, is to ensure that any surplus funds generated by fee income is invested with security as the main priority. It is important that funds are safeguarded so that they are available to improve facilities and secure the continued operation of the School.

SOUTH LEE SCHOOL LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

a. Going concern

The Governors consider that the company has adequate resources to continue in operational existence for the foreseeable future and consequently they continue to adopt the going concern basis in preparing the financial statements.

Navigating the Covid-19 pandemic has come with its challenges, but it has brought with it a layer of tighter control over finances and improvement in technologies. The Governors, along with senior management, carefully monitor and manage cashflows to maintain the financial sustainability of the school.

The school has remained sensitive to the financial impact of the pandemic upon businesses and individual households offering a Covid-19 discount on the 2019/2020 year fees. Since this point the school has invested in online technology to support the roll out of online lessons which has been hugely successful, and we believe a contributor to the shortlisting of South Lee school within the TES independent school awards, pre-prep school of the year category.

Since the balance sheet date, the school has expanded the nursery offering, providing services all year round and taking children from a younger age (4 months as opposed to 2 years). This is generating incremental revenue. The school continues to hire out facilities such as the sports hall to generate additional income. Finally, the school continues to build on its great reputation within the local area to retain and attract new pupils to the school.

The Governors have reviewed the detailed cashflow projections for a period of twelve months beyond the date of signing the accounts. The Governors and senior management have set out a realistic step-by-step plan to ensure the financial stability of the charity which includes other income streams and tighter cost control measures. Based on this, the Governors have concluded that they have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements. They continue to adopt the going concern basis of accounting in preparing these financial statements.

b. Reserves policy

With careful financial planning and management, the school continues to work towards building a surplus, it must be noted that we hold less than one month's reserve with a target of building at least 3 operating months. The Governors are committed to exploring every avenue to increase pupil numbers and manage costs whilst continuing to offer the very best education and facilities available.

c. Deficit

The net operating deficit for the year for all funds was £501,922 (2019 - £196,369).

South Lee School has, along with other schools in the independent sector, faced another challenging year in 2019-20 which has been compounded by the COVID-19 pandemic. The hard work to address the school deficit continues to be the focus and after making substantial staffing reductions has seen the deficit projection drop considerably. The school has also benefitted from investment via 'Devon and Cornwall Securities'. The school continues to work hard to retain pupils in year 7 and 8. The evidence from the hard work that the Senior Management team lead by the Headmistress, have put into future schooling, has seen a dramatic reduction in pupil loses in years 7 and 8. Pupil numbers across the whole school remain steady and have shown no decline which is the first time in many years. Costs continue to be carefully analysed and managed, strong financial management by the Governors continues to assure the long-term financial stability of South Lee.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

d. Principal risks and uncertainties

South Lee School faces a difficult road ahead financially. Costs continue to be carefully analysed and managed. However, as the independent prep school sector remains a challenging environment, the Board and the School Business Manager/Bursar are working to secure facilities to ensure the future of South Lee School whilst reevaluating the school's business model.

e. Plans for future periods

Future developments

The school currently operates below its optimum level in terms of pupil numbers, being at approximately 50% of full capacity. The School continues to consolidate its financial position. Consideration is continually being given to ideas to improve classroom provision and other facilities. At all times the Governors remain determined to provide accommodation which will maintain the character and atmosphere of the school whilst providing the appropriate facilities for both pupils and staff alike.

The Board remains ever mindful of the requirements of the Charity Commission in ensuring that Independent Schools make their facilities available to as many children as possible. One of the Governors' key priorities moving forward is to build pupil numbers with the focus on recruiting and retaining the very best staff and always driving standards whilst being true to the South Lee culture and ethos.

The Board continues to consider a wide range of possible options to encourage the healthy growth and renewed expansion of South Lee School and the services it provides.

Statement of Governors' responsibilities

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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.

SOUTH LEE SCHOOL LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Whiting & Partners, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:

Mr S R Honeywood
Director



Date: 2 August 2021

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH LEE SCHOOL LIMITED

Opinion

We have audited the financial statements of South Lee School Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company'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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 1.6 in the financial statements, which indicates that the charitable company has incurred a net deficit of £501,922 for the year ended 31 August 2020. As stated in note 1.6, these events or conditions, along with the other matters as set out in the note 1.6, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH LEE SCHOOL LIMITED
(CONTINUED)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

SOUTH LEE SCHOOL LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH LEE SCHOOL LIMITED
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Whiting & Partners

Whiting & Partners
Chartered Accountants
Statutory Auditor
Greenwood House
Greenwood Court
Skyliner Way
Bury St Edmunds
Suffolk
IP32 7GY

2 August 2021

Whiting & Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SOUTH LEE SCHOOL LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Income from:					
Donations and legacies	2	2,495	-	2,495	10,839
Charitable activities	3	-	1,303,748	1,303,748	1,715,664
Surplus on disposal of freehold property		-	-	-	93,992
Interest receivable		-	46	46	6
Other income	4	-	134,106	134,106	48,000
Total income		2,495	1,437,900	1,440,395	1,868,501
Expenditure on:					
Charitable activities		1,828	1,940,489	1,942,317	2,064,870
Total expenditure		1,828	1,940,489	1,942,317	2,064,870
Net movement in funds		667	(502,589)	(501,922)	(196,369)
Reconciliation of funds:					
Total funds brought forward		31,996	2,001,593	2,033,589	2,229,958
Net movement in funds		667	(502,589)	(501,922)	(196,369)
Total funds carried forward		32,663	1,499,004	1,531,667	2,033,589

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 32 form part of these financial statements.

SOUTH LEE SCHOOL LIMITED
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REGISTERED NUMBER: 00698102

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	8	2,265,799	2,331,041
		<hr/>	<hr/>
		2,265,799	2,331,041
Current assets			
Debtors	9	17,269	38,441
Cash at bank and in hand		266,987	199,978
		<hr/>	<hr/>
		284,256	238,419
Creditors: amounts falling due within one year	10	(221,721)	(289,069)
		<hr/>	<hr/>
Net current assets / liabilities		62,535	(50,650)
		<hr/>	<hr/>
Total assets less current liabilities		2,328,334	2,280,391
Creditors: amounts falling due after more than one year	11	(796,667)	(246,802)
		<hr/>	<hr/>
Total net assets		1,531,667	2,033,589
		<hr/> <hr/>	<hr/> <hr/>

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 00698102

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Charity funds			
Restricted funds	12	32,663	31,996
Unrestricted funds	12	1,499,004	2,001,593
Total funds		<u>1,531,667</u>	<u>2,033,589</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

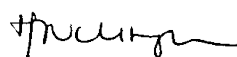
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

Mr S R Honeywood
Director
Date: 2 August 2021



Mrs H J Buckingham
Director



The notes on pages 17 to 32 form part of these financial statements.

SOUTH LEE SCHOOL LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(445,046)	(207,947)
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	-	416,871
Purchase of tangible fixed assets	(2,351)	(38,643)
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(2,351)	378,228
	<hr/>	<hr/>
Cash flows from financing activities		
Cash inflows from new borrowing	800,000	-
Repayments of borrowing	(285,594)	(37,682)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	514,406	(37,682)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	67,009	132,599
Cash and cash equivalents at the beginning of the year	199,978	67,379
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	266,987	199,978
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 32 form part of these financial statements

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

South Lee 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.

1.2 Company status

The charity is a private company limited by guarantee, registered in England. The members of the company are the parents of the children at the school. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is Nowton Road, Bury St Edmunds, Suffolk, IP33 2BT. The charity's principal activity is the operation of an independent school.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All income is recognised once the Charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

School fees and charges are recognised in the period in which the service is provided. Any bursaries, scholarships, or other discounts given are deducted from fees income.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

Following a period of significant operating deficits, the Governors have undertaken a major programme of reorganisation commensurate with the level of predicted pupil numbers. This was implemented at the start of the 2018-19 academic year and continued into 2019-2020. The charitable company has reported a deficit for the year of £501,922. The charitable company, at the balance sheet date, had total unrestricted funds of £1,499,004 of which £2,265,799 were represented by tangible fixed assets.

The Governors have reviewed the detailed cashflow projections for a period of twelve months beyond the date of signing the accounts. The Governors and senior management have set out a realistic step-by-step plan to ensure the financial stability of the charity which includes other income streams and tighter cost control measures.

Based on this, the Governors have concluded that they have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements. They continue to adopt the going concern basis of accounting in preparing these financial statements. They recognise that due to the circumstances, the existence of a material uncertainty which may cast significant doubt over the charitable company's ability to continue as a going concern exists.

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Government grants

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Where the government pays loan interest on behalf of the charity, this is recognised as a loan interest expense and government grant income respectively.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £350 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight line
Long-term leasehold property	-	2%	Straight line
Motor vehicles	-	25%	Reducing balance
Fixtures and fittings	-	5%	Reducing balance
Office equipment	-	20%	Straight line
Educational equipment - computers	-	33%	Straight line
Educational equipment - Other	-	20%	Straight line

1.10 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Pensions

The charity contributes to the Teachers Pension Scheme, which is a defined benefit scheme, at rates set by the scheme actuary and advised to the school by the scheme administrator. The scheme is a multi employer pension scheme and it is not possible for the governors to identify the underlying assets and liabilities of the scheme which are attributable to the charity. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

The company also operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working life with the charity.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

1.15 Redundancy and termination payments

Redundancy and termination payments are recognised where there is a present legal or constructive obligation. These are recognised within staff and employment costs.

1.16 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.17 Critical accounting estimates and areas of judgment

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.

Critical accounting estimates and assumptions:

The charity 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.

Critical areas of judgement:

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 re-assessed 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.

Impairment of debtors:-

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience.

2. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	2,495	-	2,495	10,839
<i>Total 2019</i>	9,906	933	10,839	

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
School fees receivable	1,289,926	1,289,926	1,677,184
Ancillary income	13,822	13,822	38,480
	<u>1,303,748</u>	<u>1,303,748</u>	<u>1,715,664</u>
<i>Total 2019</i>	<u>1,715,664</u>	<u>1,715,664</u>	

4. Other income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Other incoming resources	4,186	4,186	2,621
Sports hall income	44,873	44,873	45,379
Furlough grant income	79,242	79,242	-
Other Government grants receivable	5,805	5,805	-
	<u>134,106</u>	<u>134,106</u>	<u>48,000</u>
<i>Total 2019</i>	<u>48,000</u>	<u>48,000</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Governance costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Governance Auditors' remuneration	4,650	4,650	4,650
Governance Auditors' non audit costs	5,563	5,563	10,183
Governors indemnity insurance	424	424	470
	<u>10,637</u>	<u>10,637</u>	<u>15,303</u>
<i>Total 2019</i>	<u>15,303</u>	<u>15,303</u>	

6. Analysis of total resources expended

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Teaching costs	1,194,450	2,796	75,994	1,273,240	1,328,517
Welfare costs	62,178	-	37,219	99,397	125,628
Premises costs	49,873	58,983	118,624	227,480	320,009
Finance costs	-	-	80,247	80,247	12,176
Donations	-	-	2,321	2,321	4,811
Support costs	98,675	5,813	144,508	248,996	258,426
Governance expenses	-	-	10,637	10,637	15,303
	<u>1,405,176</u>	<u>67,592</u>	<u>469,550</u>	<u>1,942,318</u>	<u>2,064,870</u>
<i>Total 2019</i>	<u>1,349,419</u>	<u>67,831</u>	<u>647,620</u>	<u>2,064,870</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Staff costs

	2020	2019
	£	£
Wages and salaries	1,146,082	1,136,316
Social security costs	92,358	89,242
Other pension costs	166,736	123,861
	<u>1,405,176</u>	<u>1,349,419</u>

Included in staff costs are redundancy payments of £46,495 (2019 - £Nil).

The average number of persons employed by the Charitable company during the year was as follows:

	2020	2019
	No.	No.
Teaching staff	23	26
Ancillary staff	14	16
Admin	7	5
Other	11	6
	<u>55</u>	<u>53</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £80,001 - £90,000	1	-

Key management personnel of the school are considered to be the Governors, who do not receive any remuneration, and Senior Management Team of the school. The aggregate remuneration of the key management personnel was £371,539 (2019 - £326,821).

During the year, no Governors received any remuneration or other benefits (2019 - £Nil).

During the year, no Governor expenses have been incurred (2019 - £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Education Equipment £	Total £
Cost or valuation						
At 1 September 2019	1,676,226	1,628,621	49,633	271,751	403,316	4,029,547
Additions	-	-	-	2,351	-	2,351
At 31 August 2020	<u>1,676,226</u>	<u>1,628,621</u>	<u>49,633</u>	<u>274,102</u>	<u>403,316</u>	<u>4,031,898</u>
Depreciation						
At 1 September 2019	907,079	183,999	46,327	159,849	401,253	1,698,507
Charge for the year	26,411	32,572	826	5,813	1,970	67,592
At 31 August 2020	<u>933,490</u>	<u>216,571</u>	<u>47,153</u>	<u>165,662</u>	<u>403,223</u>	<u>1,766,099</u>
Net book value						
At 31 August 2020	<u><u>742,736</u></u>	<u><u>1,412,050</u></u>	<u><u>2,480</u></u>	<u><u>108,440</u></u>	<u><u>93</u></u>	<u><u>2,265,799</u></u>
At 31 August 2019	<u><u>769,148</u></u>	<u><u>1,444,622</u></u>	<u><u>3,306</u></u>	<u><u>111,902</u></u>	<u><u>2,063</u></u>	<u><u>2,331,041</u></u>

Included within the cost of freehold property are freehold buildings and property improvements with a cost of £1,216,087 on which depreciation has been charged.

Freehold land and buildings are pledged as security for bank loans.

9. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	7,117	17,743
Other debtors	-	2,000
Prepayments and accrued income	10,152	18,698
	<u><u>17,269</u></u>	<u><u>38,441</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	3,333	38,792
Income received in advance	97,469	111,490
Trade creditors	31,520	17,645
Other taxation and social security	23,320	24,492
Other creditors	29,456	31,169
Accruals and deferred income	36,623	65,481
	<u>221,721</u>	<u>289,069</u>

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

	2020 £	2019 £
Bank loans	<u>796,667</u>	<u>246,802</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Repayable by instalments	<u>756,667</u>	<u>77,430</u>
	<u>756,667</u>	<u>77,430</u>

Bank loans of £750,000 are interest only and have an open ended term. Interest is charged at a fixed rate of 1.5% a month, or 1% on early payment. The loan is secured by a charge over freehold property.

Bank loans of £50,000 have a term of 72 months, the first 12 months are interest only and this is paid by the Government. Over the remaining 60 months, the loan is repayable by monthly instalments. Interest is charged at a fixed rate of 2.5%. The Government has guaranteed this debt.

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
General Funds	2,001,593	1,437,900	(1,940,489)	1,499,004
Restricted funds				
Outgoing Charitable Donations Fund	514	2,172	(400)	2,286
South Lee PTA Fund	31,122	323	(1,428)	30,017
Pearl Music Prize	160	-	-	160
Citizen Foundation Fund	200	-	-	200
	<u>31,996</u>	<u>2,495</u>	<u>(1,828)</u>	<u>32,663</u>
Total of funds	<u><u>2,033,589</u></u>	<u><u>1,440,395</u></u>	<u><u>(1,942,317)</u></u>	<u><u>1,531,667</u></u>

The Tuckshop Fund represents surpluses from the tuckshop. Expenditure from the fund is decided by the pupils.

The Sports Development Fund represents surpluses from the various activities and was set aside for purchasing of sports equipment and to subsidise trips.

The Outgoing Charitable Donations Fund was established by way of donations received to be expended for specific charitable purposes.

The South Lee PTA Fund was established by way of donations received from South Lee PTA to be used for specific expenditure.

The Pearl Music Prize was established by way of a parent donation to reward pupil achievements in music.

The Citizenship Fund was set up by a donation of £100 from the Citizenship Foundation. It is designed to teach children about finance skills and to enable them to operate a small business. At the end of each year, the fund is restored to £100, with any surplus generated being donated to a charity of the children's choice.

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds					
Designated funds					
Tuckshop	1,149	-	-	(1,149)	-
Sports development	27,172	5,665	(335)	(32,502)	-
	<u>28,321</u>	<u>5,665</u>	<u>(335)</u>	<u>(33,651)</u>	<u>-</u>
General funds					
General Funds	<u>2,165,891</u>	<u>1,852,930</u>	<u>(2,050,879)</u>	<u>33,651</u>	<u>2,001,593</u>
Total Unrestricted funds	<u>2,194,212</u>	<u>1,858,595</u>	<u>(2,051,214)</u>	<u>-</u>	<u>2,001,593</u>
Restricted funds					
Outgoing Charitable Donations Fund	260	884	(630)	-	514
South Lee PTA Fund	31,995	9,022	(9,895)	-	31,122
SLAM Fund	3,131	-	(3,131)	-	-
Pearl Music Prize	160	-	-	-	160
Citizen Foundation Fund	200	-	-	-	200
	<u>35,746</u>	<u>9,906</u>	<u>(13,656)</u>	<u>-</u>	<u>31,996</u>
Total of funds	<u><u>2,229,958</u></u>	<u><u>1,868,501</u></u>	<u><u>(2,064,870)</u></u>	<u><u>-</u></u>	<u><u>2,033,589</u></u>

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Summary of funds

Summary of funds - current year

	Balance at 1 September 2019	Income	Expenditure	Balance at 31 August 2020
	£	£	£	£
General funds	2,001,593	1,437,900	(1,940,489)	1,499,004
Restricted funds	31,996	2,495	(1,828)	32,663
	<u>2,033,589</u>	<u>1,440,395</u>	<u>(1,942,317)</u>	<u>1,531,667</u>

Summary of funds - prior year

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£
Designated funds	28,321	5,665	(335)	(33,651)	-
General funds	2,165,891	1,852,930	(2,050,879)	33,651	2,001,593
Restricted funds	35,746	9,906	(13,656)	-	31,996
	<u>2,229,958</u>	<u>1,868,501</u>	<u>(2,064,870)</u>	<u>-</u>	<u>2,033,589</u>

14. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020	Unrestricted funds 2020	Total funds 2020
	£	£	£
Tangible fixed assets	19,045	2,246,754	2,265,799
Current assets	13,618	270,639	284,257
Creditors due within one year	-	(221,722)	(221,722)
Creditors due in more than one year	-	(796,667)	(796,667)
Total	<u>32,663</u>	<u>1,499,004</u>	<u>1,531,667</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	15,956	2,315,085	2,331,041
Current assets	16,040	222,380	238,420
Creditors due within one year	-	(289,069)	(289,069)
Creditors due in more than one year	-	(246,802)	(246,802)
Total	<u>31,996</u>	<u>2,001,594</u>	<u>2,033,590</u>

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	<u>(501,922)</u>	<u>(196,369)</u>
Adjustments for:		
Depreciation charges	67,593	67,832
Loss/(profit) on the sale of fixed assets	-	(93,992)
Decrease in debtors	21,169	17,528
Decrease in creditors	(31,886)	(2,946)
Net cash used in operating activities	<u>(445,046)</u>	<u>(207,947)</u>

16. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	266,975	146,030
Notice deposits (less than 3 months)	12	53,948
Total cash and cash equivalents	<u>266,987</u>	<u>199,978</u>

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	199,978	67,009	266,987
Debt due within 1 year	(38,792)	35,459	(3,333)
Debt due after 1 year	(246,802)	(549,865)	(796,667)
	<u>(85,616)</u>	<u>(447,397)</u>	<u>(533,013)</u>

18. Pension commitments

The charity operates a defined benefit scheme and a defined contribution scheme.

Defined benefit scheme:

The charity contributes to the Teachers Pension Scheme administered by the Department for Education. The contributions of the charity and employees are 16.48% and 7.4% - 11.7% of salary respectively. The pension cost charge for the year was £158,192 (2019 - £113,015). Contributions totalling £17,211 (2019 - £14,375) were payable to the fund at 31 August 2020 and are included in creditors.

Defined contribution scheme:

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year represents contributions payable and amounted to £8,544 (2019 - £10,845). Contributions totalling £1,973 (2019 - £2,522) were payable to the fund at 31 August 2020 and are included in creditors.

19. Operating lease commitments

At 31 August 2020 the Charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Amounts payable		
Not later than 1 year	25,597	25,597
Later than 1 year and not later than 5 years	9,310	26,457
	<u>34,907</u>	<u>52,054</u>

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Related party transactions

The majority of the charity's income is derived from education fees paid by parents who are members of the charity.

Transactions with Governors:-

No member of the Board of Governors received emoluments during the year and no expenses were reimbursed.

During the year the company building and maintenance services totalling £3,930 (2019 - £3,522) were purchased from Servest Limited, a company in which Mrs D Legge is a director. All goods and services were acquired under normal commercial terms.

The Charity is a member of Victory Sports Ground CIC which is a community interest company holding the freehold of the Victory Sports Ground and responsible for management of the facility. South Lee has taken a long leasehold interest in part of the grounds on which it has constructed a new sports hall for its own and community use.

21. Company limited by guarantee

The charity has no share capital, but is limited by guarantee. Every member of the charity is a guarantor and undertakes to contribute to the assets of the charity in the event of it being wound up. Each member's liability is limited to £1.

The charity's Memorandum of Association states that in the event of winding up or dissolution any surplus shall be given or transferred to a similar institution.