

Charity Registration No. 311027

Company Registration No. 395056 (England and Wales)

**RSSKL LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

# RSSKL LTD

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Council Members</b>	S Cook S Henderson A Marcuson E Brownlee	(Appointed 27 July 2020) (Appointed 27 July 2020) (Appointed 27 July 2020)
<b>Charity number</b>	311027	
<b>Company number</b>	395056	
<b>Registered office</b>	Langley Hill Kings Langley Hertfordshire WD4 9HG	
<b>Auditor</b>	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU	
<b>Solicitors</b>	Stone King 13 Queen Square Bath England BA1 2HJ	

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# RSSKL LTD

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# **RSSKL LTD**

## **COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2020**

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The Council Members present their report and financial statements for the year ended 31 July 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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).

Definition: "the Council of Trustees", "Council Members", "Trustees" or "trustees" when used in this report should be considered in the same context.

### **Objectives and activities**

The objective of the Rudolf Steiner School Kings Langley Ltd (RSSKL) was to provide high quality Steiner Waldorf education from the age 3 to 19, while at the same time giving students the opportunity to be successful in public examinations in secondary school.

### **Impact of Covid 19**

Following the final closure of the Rudolf Steiner School Kings Langley on 29 March 2019, the Trustees' priority in the year ended 31 July 2020 was to facilitate the establishment of a new Steiner Waldorf school, Langley Hill Independent School (LHIS), by educational charity Avanti Foundation Limited and its related entities (together the "Avanti Group") from the Kings Langley site, under an arm's length lease in the first instance, with a view to the school site being later transferred to the Avanti Group as detailed later in this report.

The impact of Covid 19 was therefore mainly felt by the Charity through the inability of LHIS to instigate a third pre-registration Ofsted inspection during the pandemic period, from March 2020, which caused significant delay in LHIS's intended opening of the new school, originally planned for Autumn 2019, and RSSKL's realisation that this would not be achieved.

Substantial financial costs were incurred by both LHIS and the Charity in the interim, in preparation for the school opening in the case of LHIS and preparing for the implementation of the land transfer arrangements with the Avanti Group in the case of RSSKL.

In the absence of the granting of a licence to operate a school on the site and therefore being able to cause revenue from fee-paying students, LHIS was unable to meet any of the rental payments due under the lease with the Charity, which accrued at the rate of £50,000 per quarter from the rent commencement date of 1 January 2020.

LHIS was eventually re-inspected by Ofsted on 26-27 August 2020. Its third consecutive failure to secure a positive Ofsted inspection led the Trustees to suspend any planned land transfers to, and eventually caused the coming to an end of the collaboration with the Avanti Group in November 2020. The lease with LHIS was terminated with effect from 9 January 2021, at which point rental payments of £202,000 remained outstanding.

LHIS entered creditors' voluntary liquidation on 22 March 2021. Having regard to the financial position of LHIS (in liquidation), no distribution is anticipated to be available to unsecured creditors, including the Charity. A considerable amount of the irrecoverable debt due from LHIS amounting to c. £116k was written off in the 2020 accounts, leaving approx. £86k to be reflected in the Charity's financial statement for the period ended 31 July 2021.

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# **RSSKL LTD**

## **COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020**

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### **History & Background**

Following the closure of the Rudolf Steiner School Kings Langley, the Charity's registration as a school with the Department for Education ("DfE") was discontinued on 29 March 2019 and all teaching operations ceased from that date. Having entertained, unsuccessfully, negotiations with school management company Alpha Holdings Limited for the establishment of a new Waldorf Steiner school on the RSSKL site in Summer 2018, the Trustees were encouraged in Autumn 2018 by the opportunity to start a dialogue with and later close collaboration with the Avanti Group, with a view to it establishing a Waldorf Steiner school on the Kings Langley site.

This led to the Trustees granting a lease of the school site, on arm's length terms, to LHis in September 2019 and following the second Ofsted pre-registration inspection of LHis on 18-19 September 2019, proposals for the transfer of the RSSKL site to the Avanti Group in a two-stage process, subject to a number of safeguards and conditions precedent.

### **Avanti Group Arrangements**

The intended structural and legal framework for RSSKL's collaboration with the Avanti Group and proposed land transfer involved the following legal entities:

1. Avanti Foundation Ltd (AFL), a registered charity;
2. Langley Hill Independent School Ltd (LHis), an unregistered charity, having AFL as its sole member; and
3. Avanti Schools Foundation Ltd (ASF), an unregistered charity, having AFL as its sole member and a sister company of LHis.

The objective was to enable LHis to establish and operate a Waldorf Steiner school from the RSSKL site in Kings Langley, in furtherance of the Charity's charitable objects, which were mirrored by those of LHis. Initially, this was proposed to be on the basis of an 80-year lease at market rent, between LHis and RSSKL. Subsequently, this was changed to a 3-year term starting on 27 July 2020, with rents payable from 1 January 2020.

Following the second failed Ofsted inspection of LHis on 18-19 September 2019, Avanti requested that the Trustees consider the transfer of the RSSKL land to an entity in the Avanti Group to enable LHis to meet DfE requirements. The Trustees were willing to consider this, provided various structural and legal safeguards were put in place.

In particular, it was agreed that any land transferred to the Avanti Group would be held by ASF (rather than LHis), whose membership would be reinforced by the introduction of an additional Waldorf member, with majority voting rights on certain issues to ensure the provision of Waldorf education from the site and protection of the Charity's assets for that purpose for the long-term. Further, ASF would have a 'hung' board, with two Waldorf appointees and two Avanti appointees.

Transfer of the RSSKL land to ASF would take place in two phases. Phase 1 would involve the transfer of two buildings, the SMT building and the Gatehouse, for consideration of £149,999, to enable ASF to obtain a loan, secured on those assets, for the purpose of providing LHis with working capital. As part of Phase 2, the remainder of the RSSKL site would be transferred to ASF at an amount sufficient to discharge RSSKL's current and significant contingent liabilities, mainly to the trustees of the Mercury Provident Pension Fund (the "Pension Trustee"). Phase 2 would be conditional on LHis passing an Ofsted pre-registration inspection successfully and obtaining a DfE licence as a school, amongst other conditions.

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# RSSKL LTD

## **COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020**

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Following the third failed Ofsted inspection of LHis on 26-27 August 2020 (see below), the Trustees were left unable to be satisfied of LHis's capacity to establish and run a viable Steiner Waldorf school on the site and on 13 November 2020 resolved not to proceed with the Phase 1 land transfer to ASF. This precipitated the coming to an end of the collaboration with the Avanti Group and LHis subsequently entering administration.

The Trustees remain committed to facilitating the establishment of a Steiner Waldorf school on the RSSKL site at the earliest opportunity, in collaboration with the Steiner Waldorf Schools Fellowship (SWSF) and international Steiner Waldorf movement. The Trustees' vision and strategy for achieving this has been articulated, presented to the Association membership and is in the process of being executed by the Trustees.

### **Charity Commission**

The Trustees have been in continuous dialogue with the Charity Commission throughout to keep them updated on all aspects of the Charity's activities.

Between January and May 2020, the Trustees received correspondence from the Charity Commission, following a considerable number of complaints from Association members and the wider Steiner community concerning aspects of the Trustees' decision-making relating to the proposed transfer of the Charity's assets to a non-registered charity with no track record of running Steiner schools.

The Trustees provided extensive information and detailed responses to the Commission's queries, including in a meeting with the Charity Commission held in Spring of 2020. The conclusion of the inquiry carried out by the Charity Commission was contained in correspondence to the Charity dated 19 May 2020 in the following terms:

*"We are satisfied that we have received cooperation from the Trustees who have provided explanations and a satisfactory response to the allegations put to them which we have verified for assurance purposes. Whilst we have found no regulatory concerns at the charity and no evidence of mismanagement and/or misconduct by the Trustees, we will engage with the Trustees and monitor developments at the charity as appropriate. Based upon the explanations and assurances we have obtained from the Trustees we do not consider any regulatory action is required but we signpost the Trustees to our advice and guidance."*

Following the coming to an end of the working partnership with the Avanti Group, the Trustees have been in regular and transparent contact with the Charity Commission to update them about the discontinuance of the Avanti Group proposals, LHis's subsequent liquidation, the Charity's financial position and strategic vision for the future, and the handling of certain complaints.

### **Changes in Management & Staffing**

In July 2019 there were 6 Trustees. Between 1 August 2019 and 31 July 2020 there were 2 resignations and one appointment (see detail below).

In September 2019, the Trustees signed a lease agreement with LHis as part of their objective of establishing a new Steiner Waldorf school on the site. At this time the remaining "skeleton" staff of RSSKL was transferred under TUPE arrangements to LHis. Stacey Hunter's temporary role as Administrator had been terminated in Summer 2019, although she continued to provide ad hoc administrative support to the Charity on a consultancy basis until January 2020.

Brian Phipps continued to provide financial advice to the Charity on a consultancy basis throughout the year ended 31 July 2020. This engagement came to an end in December 2020.

Between 1 September 2019 and 9 January 2021, the personnel as well as site maintenance and running costs of the Charity reduced significantly, as LHis became responsible for all operating costs associated with the Kings Langley site. The majority of the Charity's expenditure in the year ended 31 July 2020 was therefore in connection with legal and professional fees incurred in developing and progressing the Avanti Group deal and servicing the pension deficit instalment payments as they fell due.

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# RSSKL LTD

## **COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020**

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### **Plans going forward**

The developments over the past three years have shown that no new Waldorf school initiative is financially viable while RSSKL's historic liabilities – principally the deficit related to the Mercury Provident Pension Fund – have not been fully paid off. The trustees have made that their short-term strategic target while considering medium-term opportunities to establish a Steiner-Waldorf school on the site.

A detailed financial plan has been developed in 2021 that suggests that historic liabilities can be settled if properties owned by the charity which are not critical to realising the charity's objects, are sold off. This mainly refers to residential units that have been occupied by teaching staff in the past in the Old Priory complex (incl. the Old Priory itself) and the SMT/Cottage building.

The Charity is in close dialogue with the Steiner Waldorf School Fellowship (SWSF) to develop plans how these assets, once unencumbered, can provide a basis for a new Steiner Waldorf school on the site. These discussions remain ongoing.

The Charity expects the process to complete the sale of all units to take 12 to 18 months, given the regulatory complexities associated with it (e.g. listed buildings, ancient monument requirements) and their integrated nature (e.g. overlapping spaces and joint areas and infrastructure). Advisers have been appointed, relevant surveys have been provided, and bids have been received on the first units that have been marketed.

Bridging finance from the Freunde der Erziehungskunst, a German charity that supports Waldorf schools around the world, has been obtained at favourable terms to cover trade creditors and operational expenses until the sale of some of the units have completed.

### **Financial review**

The financial results for the trading year ending 31 July 2020 reflect a credit of £773,651.

The lease with LHis commenced, and LHis formally took occupation of the Kings Langley site, on 1 September 2019. Thereafter, it took both responsibility for the maintenance and running costs associated with the site, and the benefit of rental agreements with tenants at the SMT Building and Gatehouse. As a result, during this period, the Charity had minimal sources of income apart from certain rentals of the Priory complex and debt collection.

In 2018 the Charity had secured a bridging loan from Reparo Finance Limited ("Reparo") in the sum of £750,000. As the proceeds of prior land disposals had been exhausted by Summer 2019, a further loan in the sum of £200,000 was arranged and granted by Reparo on 22 July 2019, to provide working capital to the Charity until the proposed sale of Friars Wood had completed.

The main source of funding for the Charity in the period ended 31 July 2020 therefore came from the proceeds of sale of the Friars Wood property for a consideration of £1.5 million less the incidental costs of sale. This allowed the Charity to discharge the Reparo borrowing, including accrued interest and costs, and satisfy obligations to its creditors.

For the rest of the financial year the Charity was able to continue operating without further recourse to expensive third-party borrowing, albeit with a number of the Charity's creditors currently awaiting payment from the anticipated proceeds of sale of RSSKL's non-core property assets (see the Trustees' strategy above).

Costs continued to be incurred throughout the year mainly relating to professional and legal costs incurred in developing and supporting the Avanti Group proposals, servicing the deficit on the Mercury Provident Pension Fund, debt collection, as well as dealing with the Charity Commission enquiry and various complaints and claims.

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# **RSSKL LTD**

## **COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020**

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Mercury Provident Pension Fund catch-up payments: Levies paid to the Pension Protection Fund (this is an insurance policy we have to have and related to the risk we pose as members of the scheme) of £10k and £16k for the last 2 years. Monthly payments of £8,000.

### **Bad Debt provisioning**

There remained certain outstanding trade debts from the period when the Rudolf Steiner School Kings Langley was operational, which the Charity is still seeking to enforce. Debt collection is ongoing, carried out by the Charity approaching debtors directly and through Redwood Debt Collection Agency.

### **Mercury Provident Pension Fund**

The school's historic pension fund, not unlike many other defined benefit schemes in the UK, is running at a deficit, in this case circa £1.89 million. The Charity has entered an agreement with the Pension Trustee to make monthly catch-up payments and has done so since 2009.

The deficit is the result of a combination of factors, including contributions being underpaid in past years, the costs of running the fund being capitalised, the Charity being part of a group scheme which means that if any company in the group defaults, other scheme employers have to pick up the deficit, and that scheme participants are living longer with investment returns not covering the forecast requirements. The catch-up payments are reviewed every two years and adjusted accordingly.

As security for the deficit, the Pension Trustee had been granted a charge over Priory Lodge. This charge was lifted by the Pension Trustee in February 2019, to enable a sale of the property by RSSKL. In exchange, the Trustees at the time gave an undertaking that following completion of the Friars Wood sale and repayment of the Reparo loan, the Pension Trustee would be given replacement security over another school building, to be agreed.

The new charge, pursuant to this undertaking, remains to be granted. It is anticipated that it will be over the Old Priory and Priory Flats.

### **Plans for the Future**

The school is at a pivotal point in its existence.

From the 29th March 2019 the school for the first time in decades had no schooling taking place on the site, the teachers and most of the staff now having been made redundant and exists as what can only be described as a severely pared down operation. This should not be a surprise to anyone as it is what was recommended by the former trustees and ratified by the Association at the EGM in June 2018.

However, the trustees who have come and gone since then, together with their advisors, seemingly have dealt with many of the issues which existed in 2017 and in 2018, those which are still in existence are being addressed and gradually being resolved and the current trustees are now hopeful of a clean slate to start the rebuild in order to fulfil RSSKL's charitable objects, Association wishes, and community desire thereby ratifying the recommendations made that sad day at the EGM.

### **Structure, governance and management**

The school as a charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. Members of the Council of Trustees are Directors for the purpose of the Companies Act 2006 and Trustees for the purpose of the Charities Act 2011 and are appointed and removed by the Association members in the General Meeting. There is an option for additional Trustees to be co-opted by the Board from time to time, such appointments being effective until the next AGM.

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# **RSSKL LTD**

## **COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020**

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In appointing Council Members the aim is to find a mix of individuals who not only support the ethos of Waldorf education but also bring external, independent and objective oversight and a blend of governance, educational, financial, legal and practical management experience to the deliberations of the Council. New Council Members are inducted into the workings of the Charity, including policy and procedures, by the existing or outgoing Trustees.

Relevant literature regarding the roles and responsibilities of trustees is distributed to new Trustees as appropriate.

### **The following members of the Council of Trustees were active Council Members on 31 July 2019:**

Stefanie Cook, Nicola Finlayson, Stephen Nardelli, Paul Kiss, Antoaneta Proctor, Tobias Zundel.  
Antoaneta Proctor resigned on 8th October 2019, Stephen Nardelli's term in office ceased on 15th July 2020.

### **An AGM was held on 27 July 2020, at which new Trustees were elected. The meeting was attended by 90 members of the Association.**

The following Trustees were appointed and/or resigned during the period ended 31 July 2020:

Graham Pannell on 17th March 2020 (resigned 17th November 2020)  
Sandeep Bassan on 27th July 2020 (resigned on 13th November 2020)  
Gavriel Magonet on 27th July 2020 (resigned on 16th November 2020)  
David Spivack on 27th July 2020 (resigned on 18th November 2020)  
Jessica Hardiman on 27th July 2020 (resigned 19th November 2020)  
Sophie Henderson on 27th July 2020  
Erdmute Brownlee on 27th July 2020  
Ann Marcuson on 27th July 2020

### **The following Trustees resigned during the period ended 31 July 2020 (in addition to those listed above and shown as having resigned):**

Nicola Finlayson resigned on 15th October 2020  
Tobias Zundel resigned on 18th November 2020  
Paul Kiss resigned on 19th November 2020

### **AGM**

The company's Articles of Association require that an AGM be held once a year. The Association's AGM for the period ended 31 July 2020 was held on 27 July 2020 and was attended by 54 members and 2 proxies.

### **Extraordinary General Meeting (EGM)**

On 4 February 2020 an EGM was held to authorise the Trustees' transfer of the RSSKL land to an entity in the Avanti Group on such terms as the Trustees deemed appropriate. The EGM was adjourned to 3 March 2020 due to former trustees' names having been removed from the register of Association members without consultation.

Following a requisition by five Association members, and taking into account the introduction of Covid restrictions on gatherings, a virtual EGM and vote took place on 25-28 March 2020. The requisitioners proposed an ordinary resolution requiring significant dealings with RSSKL land to be made subject to a requirement that a special resolution be passed by the Association members approving such dealings.

A second, special resolution was proposed by the Trustees authorising the land transfer to a entity in the Avanti Group upon certain conditions. The ordinary resolution was not passed and it was decided therefore that the special resolution be withdrawn.

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# RSSKL LTD

## COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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### Auditor

In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

### Disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information of which the charity's auditors are unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditors are aware of that information.

The Council Members' report was approved by the Board of Council Members.



S Cook

Council Member

Dated: 27.4.21



E Brownlee

Council Member

Dated: 27.04.21

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# **RSSKL LTD**

## **STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 31 JULY 2020**

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The Council Members, who are also the directors of RSSKL Ltd for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council Members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Council Members are required to:

- select suitable accounting policies and then 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Council Members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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.

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# RSSKL LTD

## INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF RSSKL LTD

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### Opinion

We have audited the financial statements of RSSKL Ltd (the 'charity') for the year ended 31 July 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 July 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

### Emphasis of matter - uncertainty regarding going concern

In forming our opinion on the financial statements we have considered the adequacy of the disclosures made in the financial statements concerning the trustees use of the going concern basis. Our opinion is not modified in respect of this matter.

Some of the key issues, which are highlighted in the Council Members' report, are as follows:

- completion of the current sale of property, or drawdown of loan finance, to enable the charity to meet its current and ongoing liabilities
- the future sale of realisable property assets owned by the charity for sufficient funds to enable it to meet its current liabilities and achieve an orderly settlement of all outstanding liabilities including amounts due on exit from the pension scheme
- on completion of the sale of those assets, transfer the educational assets of the charity including any remaining funds, restricted for educational purposes, and any amounts owed to it, to a successor charity in order to enable the school to operate as intended
- on completion of the transfer of the educational property and other assets, to voluntarily wind up the charity on a solvent basis

### 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 Council Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
  - the Council Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.
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# RSSKL LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE COUNCIL MEMBERS OF RSSKL LTD

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### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information. 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.

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.

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

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

- the information given in the Council Members' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Council Members' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Council Members' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council Members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Council Members' report and from the requirement to prepare a strategic report.

### Responsibilities of Council Members

As explained more fully in the statement of Council Members' responsibilities, the Council Members, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members 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 Council Members 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 Council Members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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# RSSKL LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE COUNCIL MEMBERS OF RSSKL LTD

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### **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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Knill James LLP*

**David W Martin (Senior Statutory Auditor)**  
for and on behalf of Knill James LLP

*29 April 2021*

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

One Bell Lane  
Lewes  
East Sussex  
BN7 1JU

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# RSSKL LTD

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b><u>Income and endowments from:</u></b>					
Donations and fundraising	3	38,527	-	38,527	8,691
Charitable activities	4	-	-	-	51,089
Rental income & investments	5	160,113	-	160,113	114,911
Gain on disposal of property	6	1,416,126	-	1,416,126	1,039,498
<b>Total income and endowments</b>		<b>1,614,766</b>	<b>-</b>	<b>1,614,766</b>	<b>1,214,189</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	7	833,954	2,283	836,237	2,259,566
Net gain/(loss) on investments		122	-	122	740
Defined benefit pension scheme deficit		(5,000)	-	(5,000)	(732,936)
<b>Net movement in funds</b>		<b>775,934</b>	<b>(2,283)</b>	<b>773,651</b>	<b>(1,777,573)</b>
Fund balances at 1 August 2019		(1,768,903)	100,553	(1,668,350)	109,223
<b>Fund balances at 31 July 2020</b>		<b>(992,969)</b>	<b>98,270</b>	<b>(894,699)</b>	<b>(1,668,350)</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# RSSKL LTD

## BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		1,141,480		1,382,925
Investments	12		10,208		10,086
			<u>1,151,688</u>		<u>1,393,011</u>
<b>Current assets</b>					
Debtors	13	47,111		94,249	
Cash at bank and in hand		88,071		21,330	
		<u>135,182</u>		<u>115,579</u>	
<b>Creditors: amounts falling due within one year</b>	15	(291,569)		(1,291,940)	
Net current liabilities			(156,387)		(1,176,361)
<b>Total assets less current liabilities</b>			<u>995,301</u>		<u>216,650</u>
<b>Provisions for liabilities</b>	16		(1,890,000)		(1,885,000)
<b>Net liabilities</b>			<u>(894,699)</u>		<u>(1,668,350)</u>
<b>Income funds</b>					
Restricted funds	18		98,270		100,553
Unrestricted funds - general			(992,969)		(1,768,903)
			<u>(894,699)</u>		<u>(1,668,350)</u>

The accounts were approved by the Council Members on .....

.....  
S Cook  
Trustee

.....  
E Brownlee  
Trustee

Company Registration No. 395056

# RSSKL LTD

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2020

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	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	23		(593,605)		(1,854,784)
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(1,300)	
Proceeds on disposal of tangible fixed assets		1,450,233		1,064,766	
Rental income and interest received		160,113		114,384	
<b>Net cash generated from investing activities</b>			1,610,346		1,177,850
<b>Financing activities</b>					
New loans /repayment of loans		(950,000)		200,000	
<b>Net cash (used in)/generated from financing activities</b>			(950,000)		200,000
<b>Net increase/(decrease) in cash and cash equivalents</b>			66,741		(476,934)
Cash and cash equivalents at beginning of year			21,330		498,264
<b>Cash and cash equivalents at end of year</b>			88,071		21,330

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# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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### 1 Accounting policies

#### Charity information

RSSKL Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Langley Hill, Kings Langley, Hertfordshire, WD4 9HG.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.2 Going concern

At the time of approving the accounts, the Council Members have had a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Contingency plans are in place to address potential liquidity issues related to any further legal expenses to defend any claims on the school. Items of a contingent nature such as deficits have payment agreements attached to them, fixed charges, insurance policies or are in the process of settlement. Thus, the Council members continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Charitable funds

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

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

#### 1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Fundraising income is shown gross with the associated costs included in costs of fundraising.

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# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

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.

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

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on estimated usage as a proportion of directly attributable expenditure.

#### 1.6 Tangible fixed assets

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

Items of a capital nature with a useful economic life in excess of 12 months and costing over £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	1% & 4% per annum on cost
Furniture & fittings	10% per annum on the reducing balance
Equipment & computer	10% & 25% per annum on the reducing balance
Motor vehicles	25% on the reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

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

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

#### **Basic financial assets**

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2020

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1 Accounting policies

(Continued)

**Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.9 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The charity belongs to the Mercury Provident Pension Scheme which is a defined benefit scheme. This is a collective scheme for a number of employers.

The pension costs charged in the financial statements represent the contributions payable by the charity during the year. The Mercury Provident Pension Scheme is now closed and with effect from 1 January 2009 existing members at that date were given the opportunity to transfer to a defined contribution scheme administered by The Pension Trust Company.

It is not possible to identify the charity's share of the net assets and liabilities of the defined benefit pension scheme. The charity has entered into an agreement that determines how the deficit will be funded. Consequently the present value of the future contributions has been accounted for as a provision in the financial statements in accordance with FRS 102, with the net movement on the provision recognised in income/(expenditure) for the year.

**1.10 Value added tax**

VAT is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

**1.11 Fund accounting**

Unrestricted funds – the charity's unrestricted fund consists of funds which the charity will use to fulfil its general charitable objectives (at the discretion of the Trustees).

Designated funds - these are funds set aside by the Trustees for a particular purpose.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor.

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# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Council Members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

##### Depreciation

The charity exercises judgement to determine useful lives and residual values of intangibles, property, plant and equipment and investment property. The assets are depreciated down to their residual values over their estimated useful lives.

##### Bad debt provision

The charity reviews each individual debt at the year end and forms a judgement as to the likelihood of recovery at that date. Where, in the opinion of the charity, there is sufficient uncertainty as to recovery an appropriate provision is made against the debt.

### 3 Donations and fundraising

	2020	2019
	£	£
Donations and gifts	38,527	8,691

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# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 4 Charitable activities

	School fees £	Classroom income £	Other income £	Total 2020 £	Total 2019 £
Income within charitable activities	-	-	-	-	51,089
Analysis by fund	-	-	-	-	
<b>For the year ended 31 July 2019</b>					
Unrestricted funds - general	41,651	-	7,102		48,753
Restricted funds	-	2,336	-		2,336
	<u>41,651</u>	<u>2,336</u>	<u>7,102</u>		<u>51,089</u>

### 5 Rental income & investments

	Total 2020 £	Total 2019 £
Rental income	160,113	114,309
Interest receivable	-	602
	<u>160,113</u>	<u>114,911</u>

Investment income is unrestricted.

### 6 Gain on disposal of property

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Net gain on disposal of tangible fixed assets	<u>1,416,126</u>	<u>1,039,498</u>

# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 7 Charitable activities

	Education costs £	Property costs £	Administration costs £	Total 2020 £	Total 2019 £
Staff costs	100,384	-	-	100,384	607,829
Depreciation and impairment	207,338	-	-	207,338	67,685
School supplies	2,283	-	-	2,283	817
Transport	-	-	-	-	2,881
Examinations	94	-	-	94	873
Staff development	-	-	-	-	372,408
Maintenance of grounds	-	-	-	-	35,012
Rent and rates	-	5,392	-	5,392	50,262
Insurance	-	2,215	-	2,215	31,453
Light and heat	-	5,595	-	5,595	60,777
Cleaning	-	3,783	-	3,783	23,657
Printing, stationery and advertising	-	-	20,073	20,073	24,095
Subscriptions, telephone and computer	-	-	9,281	9,281	13,257
Sundry expenses	-	-	1,761	1,761	2,580
Loss on disposal of fixed assets	-	-	-	-	(715)
	<u>310,099</u>	<u>16,985</u>	<u>31,115</u>	<u>358,199</u>	<u>1,292,871</u>
Share of support costs (see note 8)	234,668	-	-	234,668	412,820
Share of governance costs (see note 8)	-	-	243,370	243,370	553,875
	<u>544,767</u>	<u>16,985</u>	<u>274,485</u>	<u>836,237</u>	<u>2,259,566</u>
<b>Analysis by fund</b>					
Unrestricted funds - general	542,484	16,985	274,485	833,954	
Restricted funds	2,283	-	-	2,283	
	<u>544,767</u>	<u>16,985</u>	<u>274,485</u>	<u>836,237</u>	
<b>For the year ended 31 July 2019</b>					
Unrestricted funds - general	1,465,313	201,161	593,092		2,259,566
	<u>1,465,313</u>	<u>201,161</u>	<u>593,092</u>		<u>2,259,566</u>

# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 8 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Staff costs	8,720	-	8,720	64,308
Bad debt write off	136,467	-	136,467	113,501
Bank charges and interest	7,116	-	7,116	14,537
Legal and professional	14,951	-	14,951	60,313
Loan interest	67,414	-	67,414	138,296
Agency support staff	-	-	-	21,865
Audit fees	-	10,200	10,200	13,590
Legal and professional	-	233,170	233,170	536,630
Trustee expenses	-	-	-	3,655
	<u>234,668</u>	<u>243,370</u>	<u>478,038</u>	<u>966,695</u>
Analysed to:				
Charitable activities	<u>234,668</u>	<u>243,370</u>	<u>478,038</u>	<u>966,695</u>

### 9 Council Members

None of the Council Members (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were reimbursed to the trustees during the year (2019; £3,655)

The key management personnel for the year were the Trustees and their remuneration was nil.

# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Administration & Support (for 2 months)	2	4

#### Employment costs

	2020 £	2019 £
Wages and salaries	8,545	547,111
Other pension costs	100,559	125,026
	<u>109,104</u>	<u>672,137</u>

There were no employees whose annual remuneration was £60,000 or more.

### 11 Tangible fixed assets

	Freehold property £	Furniture & fittings & £	Equipment & computer £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 August 2019	1,512,292	626,542	149,799	21,243	2,309,876
Disposals	(44,858)	-	(1,124)	-	(45,982)
At 31 July 2020	<u>1,467,434</u>	<u>626,542</u>	<u>148,675</u>	<u>21,243</u>	<u>2,263,894</u>
<b>Depreciation and impairment</b>					
At 1 August 2019	323,374	440,080	145,205	18,292	926,951
Depreciation charged in the year	74,180	128,814	1,662	2,682	207,338
Eliminated in respect of disposals	(11,383)	-	(492)	-	(11,875)
At 31 July 2020	<u>386,171</u>	<u>568,894</u>	<u>146,375</u>	<u>20,974</u>	<u>1,122,414</u>
<b>Carrying amount</b>					
At 31 July 2020	<u>1,081,263</u>	<u>57,648</u>	<u>2,300</u>	<u>269</u>	<u>1,141,480</u>
At 31 July 2019	<u>1,188,918</u>	<u>186,462</u>	<u>4,594</u>	<u>2,951</u>	<u>1,382,925</u>

# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 12 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 31 July 2020	10,086
Valuation changes	122
At 31 July 2020	<u>10,208</u>
<b>Carrying amount</b>	
At 31 July 2020	<u>10,208</u>
At 31 July 2019	<u><u>10,086</u></u>

The investment represents 135 Depository Receipts of Triodos Bank BV. There had a market value of E84 at July 2020 translated at a rate of 0.9002.

### 13 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	37,559	63,540
Other debtors	7,784	18,232
Prepayments and accrued income	1,768	12,477
	<u>47,111</u>	<u>94,249</u>

### 14 Loans and overdrafts

	2020 £	2019 £
Other loans	-	950,000
	<u>-</u>	<u>950,000</u>
Payable within one year	-	950,000
	<u>-</u>	<u>950,000</u>

The loan was secured by fixed charges over the assets of the charity. All charges were satisfied at the year end.

Interest only payments were made at 1.5% per month until May 2019. The capital was repayable in full in June 2019 but this period was extended and a further facility provided in July 2019. Repayment of the loan was met with proceeds from the sale of property in November 2019.

# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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

	2020	2019
	£	£
Loans	-	950,000
Other taxation and social security	(791)	25,549
Trade creditors	-	452
Other creditors	42,320	48,537
Accruals	250,040	267,402
	<u>291,569</u>	<u>1,291,940</u>

### 17 Provisions for liabilities

	2020	2019
	£	£
Retirement benefit obligations (note 18)	1,890,000	1,885,000
	<u>1,890,000</u>	<u>1,885,000</u>

The provision made in the accounts represents the amount which will fall due at the point that the charity ceases participating in the scheme.

### 17 Retirement benefit schemes

#### Defined contribution scheme

Rudolf Steiner School Kings Langley Limited makes contributions to a defined contribution stakeholder scheme. The charge to the profit and loss in respect of defined contribution schemes was £175 (2019 - £13,236).

#### Defined benefit schemes

The charity and other employers participate in the Mercury Provident Pension Scheme, that provides benefits on the basis of final pensionable pay for participants. The assets of the scheme are held separately from those of the charity and invested by a pension fund management company.

Readers of these financial statements should also be aware that the liability arising from the scheme is joint and several amongst participating institutions.

As it is impractical to attempt to extract that part of the total scheme attributable to RSSKL, and as the charity has the intention of exiting the scheme in the near term, the pension deficit has been included in the balance sheet of the charity calculated on the basis of the estimate of the debt due on that basis. The scheme actuary has provided an estimate of the Section 75 debt that would be payable on ceasing participation, without segregating.

# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 17 Retirement benefit schemes

(Continued)

Contributions continue to be made each month to ensure that the liability does not increase. Total contributions for the year were £86,699 in addition to the pension levy of £13,685.

### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 August 2019 £	Movement in funds		Balance at 31 July 2020 £
		Income £	Expense £	
Bursary fund	63,250	-	-	63,250
Classroom funds	30,949	-	(2,283)	28,666
K L Concert fund	2,877	-	-	2,877
Hockey Club	1,352	-	-	1,352
Teacher wish list	500	-	-	500
Music department legacy	1,625	-	-	1,625
	<u>100,553</u>	<u>-</u>	<u>(2,283)</u>	<u>98,270</u>

#### Restricted funds:

Bursary fund	- to assist with children's education in extraordinary circumstances
Classroom funds	- are donations made by parents for use by the class
K L Concert fund	- organisation of concerts
Hockey Club	- donations made by parents towards the club's activities
Teacher wish list	- donations towards teacher's wish list
Music department legacy	- donation made by an individual towards the department's activities

The Council Members have undertaken a review of restricted funds. Transfers from unrestricted to restricted funds have been processed to eliminate any shortfall in such funds. As the charity is currently not operational, the Council Members intend to transfer these funds to a new entity which will re-commence activities and therefore spend these funds on their intended purposes.

# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 July 2020 are represented by:				
Tangible assets	1,141,480	-	1,141,480	1,382,925
Investments	10,208	-	10,208	10,086
Current assets/(liabilities)	(254,657)	98,270	(156,387)	(1,176,361)
Provisions and pensions	(1,890,000)	-	(1,890,000)	(1,885,000)
	<u>(992,969)</u>	<u>98,270</u>	<u>(894,699)</u>	<u>(1,668,350)</u>

### 20 Contingent liability

The charity is currently in discussions with the local council regarding its liability in respect of business rates relating to the period when the charity was responsible for the buildings and properties. At this time no provision has been made on the basis that the charity should receive a charitable discount as it continues to pursue its charitable objectives, albeit that it is unable to offer direct educational services on the premises due to restrictions that are outwith its control.

### 21 Events after the reporting date

In January 2021 the charity obtained a loan from Freunde Der Erziehungskunst Rudolf Steiners E.V. of £105k to assist with ongoing cashflow requirements pending realisation of assets. The lender has security over the property known as the gatehouse for all amounts due in respect of the funds loaned.

### 22 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	-	234,325

# RSSKL LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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<b>23 Cash generated from operations</b>		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Surplus/(deficit) for the year		773,651	(1,777,573)
Adjustments for:			
Dividends interest and rents from investment		(160,113)	(114,911)
Gain on disposal of tangible fixed assets		(1,416,126)	(1,040,213)
Fair value gains and losses on investments		(122)	(740)
Depreciation and impairment of tangible fixed assets		207,338	67,685
Movements in working capital:			
Decrease in debtors		47,138	175,185
(Decrease)/increase in creditors		(50,371)	102,847
Increase in provisions		5,000	732,936
<b>Cash absorbed by operations</b>		<b>(593,605)</b>	<b>(1,854,784)</b>
		<u><u>                    </u></u>	<u><u>                    </u></u>
<b>24 Analysis of changes in net funds/(debt)</b>			
	<b>At 1 August 2019</b>	<b>Cash flows</b>	<b>At 31 July 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	21,330	66,741	88,071
Loans falling due within one year	(950,000)	950,000	-
	<u><u>(928,670)</u></u>	<u><u>1,016,741</u></u>	<u><u>88,071</u></u>

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