

Charity registration number 311027

Company registration number 395056 (England and Wales)

RSSKL LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

RSSKL LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members	S Cook S Henderson A Marcuson
Charity number	311027
Company number	395056
Registered office	Langley Hill Kings Langley Hertfordshire WD4 9HG
Auditor	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU

RSSKL LTD

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RSSKL LTD

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2023

The Council Members present their annual report and financial statements for the year ended 31 July 2023.

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 charitable objectives of RSSKL as stated in its Memorandum of Association are:

To establish and carry on at Kings Langley a school where pupils, scholars and students may obtain on moderate terms a sound general education upon the principals inaugurated by Rudolf Steiner.

In pursuance of RSSKL's charitable objects, the Trustees remain committed to facilitating, in collaboration with Waldorf UK (formerly the Steiner Waldorf Schools Fellowship ("SWSF") and the international Steiner Waldorf movement, the establishment at the earliest opportunity of a Steiner Waldorf school on the RSSKL site by a suitable operator.

The Trustees' vision and strategy for achieving this has been communicated to the RSSKL Association previously and is being implemented.

Charity Commission

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

Changes in Management and Staffing

The following members of the Council of Trustees were active Council Members on 31 July 2023 and are still active today:

- Stefanie Cook
- Sophie Henderson
- Annie Marcuson

Robert Monk is employed by RSSKL as site manager. He works full time and lives on site.

Legal advice to the Charity has been provided by Russell Cooke LLP since the beginning of 2021. The Charity also obtains occasional legal, property, strategic and financial advice from experienced volunteers with relevant backgrounds.

RSSKL LTD

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance

Significant Events in the Financial Year 2022/23 and Plans Going Forward

Financial stability

A detailed strategic and financial plan was developed by the Trustees with suitable financial input in early 2021, which concluded that RSSKL's historic liabilities can be settled if properties owned by the Charity which are not critical to realising its objects are sold off. This mainly refers to residential units that have been occupied by teaching staff in the past in the Grade II* listed Old Priory complex (including the Old Priory itself) and Coombe House (formerly known as The Cottage).

On the strength of the strategic and financial plan, the Charity was able to secure and continued to benefit from a three-year, €360,000 bridging facility (provided in tranches) from the German Freunde der Erziehungskunst, which was secured against one of the residential properties. The interest rate payable on this loan remained significantly below market rate, especially in the current, higher interest rate environment and given the limited visibility on alternative income opportunities for the Charity. Having taken suitable financial advice, it was the Trustees' view that the lower interest rate more than offset the additional currency risk taken as a result of the Euro-denomination of the loan.

In the meantime, the Trustees have continued to generate alternative sources of income from the RSSKL site, mainly from short-term rental contracts with film production companies. This provides income to help cover some of the operating expenses of the site, while the residential units are being marketed and until sufficient funds are generated through property sales to pay-off the Charity's pension liability (see below) and certain lesser historic liabilities.

Activities in pursuance of RSSKL's charitable objects

The Charity has continued to be in close dialogue with Waldorf UK to develop strategic plans for how the RSSKL site with its remaining assets, once unencumbered, can provide a basis for a new Steiner Waldorf school to be established by a suitable operator, in line with the Charity's objects. To this end, Waldorf UK has set up Land Trust and has appointed Trustees.

The Charity also continues to offer its properties for use by the Steiner community and for local community activities that could assist a new Steiner Waldorf school successfully establishing in the future. The Kings Langley Biodynamic Allotments group (which utilises and popularises Rudolf Steiner's methodology of biodynamic agriculture) remains a very active voluntary setting on the site. In addition, there were numerous local groups and activities linked to or supportive of the Steiner community which continued to operate on the site, including:

- Anthroposophical study group
- A third Advent Fair for the RSSKL community organised by the St Albans Steiner Kindergarten
- Steiner/Waldorf Parent and Child group
- Seasonal apple picking with the community
- Pressing apples to make juice for the local community, raising funds for the Parent and Child group
- Bio-dynamic allotments with seasonal community activities
- Lumina Choir rehearsals
- Cricket practice sessions
- Football classes
- Boot camp sessions
- Kings Langley Community choir practice

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COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2023

Property Sales and Use of Funds

The Trustees have continued to work with local planners and Historic England regarding the proposed sale of ancillary properties. The relevant surveys and reports necessary before bringing the residential units to the market were all completed (including section 119 Charities Act reports by chartered surveyors Rumball Sedgwick).

The Priory and associated buildings within its curtilage (Priory complex) has been actively marketed by Savills until the Summer 2023, when an offer was confirmed on the property. The prospective buyer is a reputable developer and his company, District and Circle Ltd, has much experience in the sensitive renovation of historic buildings and in working with Historic England and Conservation. The Trustees are working with this prospective buyer towards exchange of contracts, based on agreed Heads of Terms. In parallel the Trustees are working on an agreement with the Christian Community regarding the access road and the neighbouring parcel of land to agree matters related to this sale. This is taking longer than expected given the complexity of the transaction, though the Trustees are confident to exchange contracts in the weeks to come.

Coombe House was initially marketed by Proffitt & Holt and then by Castles from 28 December 2022 until September 2023, at which time an independent property expert was appointed to support RSSKL in going to auction. Coombe House was sold in November 2023 at auction for £489,000. Rumball Sedgwick wrote an addendum report to confirm that progressing with the sale at this reduced sale price was in the interest of the charity.

As a result of the sale of Coombe House, the Trustees were then able to pay back the loan to the Freunde der Erziehungskunst and carry out the segregation of the Charity's pension liabilities from the Mercury Provident Pension Fund scheme in a first step towards paying off the entire pension liability, once The Priory complex sale completes.

Claimed right of way Tribunal proceedings

The Charity's objection to a claimed right of way over part of the RSSKL land proceeded to determination by the Land Tribunal on referral by the Land Registry. The Tribunal struck out the claim against RSSKL on the basis of it having no reasonable prospect of succeeding. A settlement was reached on costs, which the Trustees are satisfied is in the best interests of the Charity.

The costs of the Tribunal proceedings comprised £2,400 in respect of Counsel's fees, and in excess of 150 hours of volunteer legal advice and similar of trustee time, all chargeable, in the course of the Tribunal proceedings and pre-action. This is in addition to the numerous hours spent in discussions, and managing the disputed claim and actions in connection with it, over the four-year period since it was first intimated in September 2019.

Consequently, first registration of the unregistered land on the west side of the cricket field has been achieved.

RSSKL LTD

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2023

Mercury Provident Pension Fund

The RSSKL school's historic pension fund, unlike many other defined benefit schemes in the UK, is running at a deficit. According to the most recent valuation by the Pension Trustee (per 15 December 2023), this deficit was approx. £947,000 consisting of £798,000 share of the shortfall of the Main Section, plus £149k share of the orphan debt.

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 scheme participants living longer with investment returns not covering the forecast requirements.

The Charity entered into an agreement with the Pension Trustee to make monthly catch-up payments in 2009 and has done so since. Monthly contributions to the scheme are currently payable at approximately £9,500. These catch-up payments are reviewed every two years and adjusted accordingly.

In November 2023, after the sale of Coombe House, Trustees agreed to segregate RSSKL from the Main Section of the multi-employer fund. As part of this process, RSSKL was obliged to pay off the orphan debt part of its deficit to the Main Section. As a result, RSSKL is no longer liable for the pension obligations of other employers of the Main Section in case of their insolvency.

It is the intention of the Trustees to cover the remaining deficit of RSSKL's, now segregated, section in full, once the Priory Complex has been sold and to sell the section to a third party, or as soon as practicable thereafter. The Trustees are working closely with the Trustees of the Mercury Provident Pension Fund on this matter.

Financial review

Statement of Financial Activities

From the proceeds of the sale of Coombe House, Trustees have been able to:

i) pay back the loan to the Freunde der Erziehungskunst for which the Trustees. The support of the Freunde der Erziehungskunst in Germany, granting RSSKL Ltd a loan on very favourable terms, tided the charity over. In January 2024 we were able to pay back the loan. The Trustees would like to thank, in particular, the Executive Director of Freunde der Erziehungskunst, Nana Goebel.

ii) segregate the Charity's pension liabilities from the Main Section of Mercury Provident Pension Fund scheme in a first step towards paying off the entire pension liability, once The Priory complex sale completes (see above). At the most recent valuation by the Pension Trustee (per 15 December 2023), the deficit was approx. £947,000, consisting of £798,000 share of the shortfall of the Main Section, plus £149k share of the orphan debt. RSSKL Ltd. monthly contributions to the scheme are currently payable at approximately £9,500.

Structure, governance and management

The Charity is constituted as a company limited by guarantee. It is governed by a Memorandum and Articles of Association.

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 2023 was a hybrid one, held in the Theatre at the former school and online on 5th July 2023. It was attended by 20 members. The association had 82 members as of 31 July 2023.

Council Members:

S Cook
S Henderson
A Marcuson

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.

RSSKL LTD

**COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2023**

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.


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S Cook
Council Member


.....
S Henderson
Council Member


.....
A Marcuson
Council Member

Date: **30th April 2024**
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RSSKL LTD

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2023

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.

RSSKL LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSSKL LTD

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements which describes the current uncertainty surrounding the issues facing the School in the current climate. As stated in note 1.2, these events indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Council Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Council Members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

RSSKL LTD

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

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud, the specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

RSSKL LTD

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

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the company operates in and how the company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are The Charities SORP (FRS 102), Companies Act 2006 and the Charities Act 2011. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Directors' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are the compliance with relevant health and safety law and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Knill James LLP

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

3 May 2024

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

RSSKL LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	2,703	-	2,703	315	-	315
Investments	4	394,815	-	394,815	339,624	-	339,624
Total income		<u>397,518</u>	<u>-</u>	<u>397,518</u>	<u>339,939</u>	<u>-</u>	<u>339,939</u>
Charitable activities	5	499,153	-	499,153	436,857	-	436,857
Other expenditure	9	3,740	-	3,740	2,911	-	2,911
Total expenditure		<u>502,893</u>	<u>-</u>	<u>502,893</u>	<u>439,768</u>	<u>-</u>	<u>439,768</u>
Net losses on investments	10	(395,000)	-	(395,000)	(123,554)	-	(123,554)
Net expenditure		<u>(500,375)</u>	<u>-</u>	<u>(500,375)</u>	<u>(223,383)</u>	<u>-</u>	<u>(223,383)</u>
Other recognised gains and losses:							
Actuarial gains on defined benefit pension schemes		384,000	-	384,000	186,000	-	186,000
Net movement in funds		<u>(116,375)</u>	<u>-</u>	<u>(116,375)</u>	<u>(37,383)</u>	<u>-</u>	<u>(37,383)</u>
Reconciliation of funds:							
Fund balances at 1 August 2022		<u>1,358,897</u>	<u>98,270</u>	<u>1,457,167</u>	<u>1,396,280</u>	<u>98,270</u>	<u>1,494,550</u>
Fund balances at 31 July 2023		<u><u>1,242,522</u></u>	<u><u>98,270</u></u>	<u><u>1,340,792</u></u>	<u><u>1,358,897</u></u>	<u><u>98,270</u></u>	<u><u>1,457,167</u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.


RSSKL LTD

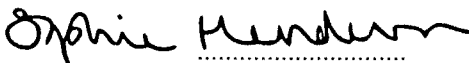
BALANCE SHEET


AS AT 31 JULY 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		1,021,558		1,050,945
Investment property	13		2,035,000		2,430,000
Investments	14		6,654		6,654
			<u>3,063,212</u>		<u>3,487,599</u>
Current assets					
Debtors	15	31,259		44,596	
Cash at bank and in hand		66,445		51,393	
		<u>97,704</u>		<u>95,989</u>	
Creditors: amounts falling due within one year	17	563,124		485,421	
Net current liabilities			<u>(465,420)</u>		<u>(389,432)</u>
Total assets less current liabilities			<u>2,597,792</u>		<u>3,098,167</u>
Provisions for liabilities			<u>(1,257,000)</u>		<u>(1,641,000)</u>
Net assets			<u>1,340,792</u>		<u>1,457,167</u>
The funds of the charity					
Restricted income funds	20	98,270		98,270	
Unrestricted funds		1,242,522		1,358,897	
		<u>1,340,792</u>		<u>1,457,167</u>	

The financial statements were approved by the Council Members on 30th April 2024.


S Cook
Trustee


S Henderson
Trustee


A Marcuson
Trustee

Company registration number 395056 (England and Wales)

RSSKL LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	24		(405,525)		(345,382)
Investing activities					
Purchase of tangible fixed assets		-		(15,438)	
Investment income received		394,815		339,624	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			394,815		324,186
Financing activities					
Repayment of borrowings		25,762		-	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			25,762		-
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			15,052		(21,196)
Cash and cash equivalents at beginning of year			51,393		72,589
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>66,445</u>		<u>51,393</u>

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The Council Members have a reasonable expectation that the charity will continue in operational existence for the foreseeable future, however, the Council Members are aware of certain material uncertainties which may cast doubt on the charity's ability to continue as a going concern.

The Council Members' report discusses the pressures that the charity has been under over the past few years and states their strategy for the future. The members' are preparing for the sale of certain ancillary residential properties owned by the charity to gather 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, the educational assets of the charity including any remaining funds, restricted for educational purposes, and any amounts owed to it, will be transferred to a successor charity in order to enable the school to operate as intended. Once the transfer is complete, the intention of the members' is to voluntarily wind up the charity on a solvent basis.

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 or grantors 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 Income

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.

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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.

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 the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

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

1.9 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.10 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.

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.

1.11 Employee benefits

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

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

1.12 Retirement benefits

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 provision of the liability is recognised on the basis of the estimate of the debt due at that time provided by the scheme's actuary, with the net movement on the provision recognised in income/(expenditure) for the year.

1.13 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.14 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.

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.

Pension liability valuation

The charity reviews at each reporting date the estimate of debt due on ceasing participation with the multi-employer defined benefit pension scheme. The scheme actuary provides to management an estimate of the Section 75 debt that would be payable on ceasing participation, without segregating. This estimate reflects the current membership of the scheme and the market conditions at the time of valuation.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	2,703	315

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	394,619	339,616
Interest receivable	196	8
	<u>394,815</u>	<u>339,624</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

5 Charitable activities	Education costs		Property Administration costs		Total		Education costs		Property Administration costs		Total	
	2023	£	2023	£	2023	£	2022	£	2022	£	2022	£
Staff costs	124,950		-		124,950		124,248		-		124,248	
Depreciation and impairment	29,387		-		29,387		29,939		-		29,939	
Classroom accounts, trips and plays	86,874		-		86,874		48,449		-		48,449	
Rent and rates	-		63,223		63,223		-		17,181		17,181	
Insurance	-		19,319		19,319		-		21,717		21,717	
Light and heat	-		41,783		41,783		-		50,933		50,933	
Cleaning	-		24,388		24,388		-		78,195		78,195	
Printing, stationery and advertising	-		19,644		16,645	(2,999)	-		-		58	
Subscriptions, telephone and computer	-		-		2,007		-		-		717	
Sundry expenses	-		-		9,733		-		-		9,600	
	<u>241,211</u>		<u>168,357</u>		<u>418,309</u>		<u>202,636</u>		<u>168,026</u>		<u>381,037</u>	
Share of support costs (see note 6)	65,452		-		65,452		43,010		-		43,010	
Share of governance costs (see note 6)	-		-		15,392		-		-		12,810	
	<u>306,663</u>		<u>168,357</u>		<u>499,153</u>		<u>245,646</u>		<u>168,026</u>		<u>436,857</u>	

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

6 Support costs allocated to activities

	2023 £	2022 £
Staff costs	19,406	19,444
Bank charges and interest	40	109
Legal and professional	46,006	23,457
Governance costs	15,392	12,810
	<u>80,844</u>	<u>55,820</u>
Analysed between:		
Support costs	65,452	43,010
Governance costs	15,392	12,810
	<u>80,844</u>	<u>55,820</u>
	2023	2022
	£	£
Governance costs comprise:		
Audit fees	15,392	12,810
	<u>15,392</u>	<u>12,810</u>

7 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 (2022 - None)

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

8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administration & Support	<u>1</u>	<u>1</u>
Employment costs	2023	2022
	£	£
Wages and salaries	19,406	19,444
Other pension costs	124,950	124,248
	<u>144,356</u>	<u>143,692</u>

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

8 Employees

(Continued)

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

9 Other

	Unrestricted funds general 2023	Unrestricted funds general 2022
Financing costs	3,740	2,911
	<u>3,740</u>	<u>2,911</u>

10 Net gains/(losses) on investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Net gain/(loss) on investments	-	(3,554)
Revaluation of investment properties	(395,000)	(120,000)
	<u>(395,000)</u>	<u>(123,554)</u>

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

12 Tangible fixed assets

	Freehold property £	Furniture & fittings £	Equipment & computer £	Motor vehicles £	Total £
Cost					
At 1 August 2022	1,395,005	626,542	149,113	21,243	2,191,903
At 31 July 2023	1,395,005	626,542	149,113	21,243	2,191,903
Depreciation and impairment					
At 1 August 2022	392,612	579,873	147,382	21,091	1,140,958
Depreciation charged in the year	24,244	4,671	434	38	29,387
At 31 July 2023	416,856	584,544	147,816	21,129	1,170,345
Carrying amount					
At 31 July 2023	978,149	41,998	1,297	114	1,021,558
At 31 July 2022	1,002,393	46,669	1,731	152	1,050,945

13 Investment property

	2023 £
Fair value	
At 1 August 2022	2,430,000
Net gains or losses through fair value adjustments	(395,000)
At 31 July 2023	2,035,000

The fair value of the investment property has been arrived at on the basis of a valuation carried by the Trustees. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2023 £	2022 £
Cost	87,429	87,429
Accumulated depreciation	43,795	(42,921)
Carrying amount	131,224	44,508

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

13 Investment property (Continued)

	2023 £	2022 £
Freehold	43,634	44,508

14 Fixed asset investments

	Unlisted investments £
Cost or valuation At 1 August 2022 & 31 July 2023	6,654
Carrying amount At 31 July 2023	6,654
At 31 July 2022	6,654

The investment represents 135 Depository Receipts of Triodos Bank BV. They had a market value of €59 at 31 July 2022 translated at a rate of 0.8354.

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	12,294	16,638
Other debtors	7,154	7,154
Prepayments and accrued income	11,811	20,804
	31,259	44,596

16 Loans and overdrafts

	2023 £	2022 £
Other loans	233,634	207,872
Payable within one year	233,634	207,872

The loan is secured by fixed charges over the land and buildings of the charity.

Interest is charged at 1.25% per annum on the drawn-down and not repaid amount. The capital is repayable in full in December 2023.

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

17 Creditors: amounts falling due within one year

	2023	2022
	£	£
Borrowings	233,634	207,872
Other taxation and social security	(791)	(791)
Trade creditors	101,611	47,433
Other creditors	54,471	56,035
Accruals and deferred income	174,199	174,872
	<u>563,124</u>	<u>485,421</u>

18 Provisions for liabilities

	Notes	2023	2022
		£	£
Retirement benefit obligations	19	1,257,000	1,641,000
		<u>1,257,000</u>	<u>1,641,000</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.

19 Retirement benefit schemes

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 £781 (2022 - £1,121).

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 at that time. The scheme actuary has provided an estimate of the Section 75 debt that would be payable on ceasing participation, without segregating.

Contributions continue to be made each month to ensure that the liability does not increase. Total contributions for the year were £113,175 in addition to the pension levy of £9,332.

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 August 2022 £	At 31 July 2023 £
Bursary fund	63,250	63,250
Classroom funds	28,666	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>98,270</u>	<u>98,270</u>

Previous year:	At 1 August 2021 £	At 31 July 2022 £
Bursary fund	63,250	63,250
Classroom funds	28,666	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>98,270</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 2023

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 July 2023 are represented by:						
Tangible assets	1,021,558	-	1,021,558	1,050,945	-	1,050,945
Investment properties	2,035,000	-	2,035,000	2,430,000	-	2,430,000
Investments	6,654	-	6,654	6,654	-	6,654
Current assets/(liabilities)	(563,690)	98,270	(465,420)	(487,702)	98,270	(389,432)
Provisions and pensions	(1,257,000)	-	(1,257,000)	(1,641,000)	-	(1,641,000)
	<u>1,242,522</u>	<u>98,270</u>	<u>1,340,792</u>	<u>1,358,897</u>	<u>98,270</u>	<u>1,457,167</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

23 Analysis of changes in net (debt)/funds

	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
Cash at bank and in hand	51,393	15,052	66,445
Loans falling due within one year	(207,872)	(25,762)	(233,634)
	<u>(156,479)</u>	<u>(10,710)</u>	<u>(167,189)</u>

RSSKL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

24 Cash generated from operations	2023 £	2022 £
Deficit for the year	(500,375)	(223,383)
Adjustments for:		
Investment income recognised in statement of financial activities	(394,815)	(339,624)
Fair value gains and losses on investment properties	395,000	120,000
Fair value gains and losses on investments	-	3,554
Depreciation and impairment of tangible fixed assets	29,387	29,939
Movements in working capital:		
Decrease/(increase) in debtors	13,337	(6,354)
Increase in creditors	51,941	70,486
Cash absorbed by operations	<u>(405,525)</u>	<u>(345,382)</u>
Difference	<u>384,000</u>	<u>186,000</u>
Per cash flow statement page	<u>(21,525)</u>	<u>(159,382)</u>