

# MICKLEFIELD SCHOOL



## Annual Report and Financial Statements 2020

Company Number: 678565

Charity Number: 312069

**MICKLEFIELD SCHOOL (REIGATE) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**REVIEW OF THE YEAR**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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**Welcome by the Chair of the Council of Governors**

What a year it has been! The past year was an eventful one for Micklefield School. There were so many highlights, even though the School was physically closed over part of the year as a result of the COVID-19 pandemic which no one could have foreseen. School routines became different, but education continued, and fundamentally Micklefield School's ethos and atmosphere have not changed.

The School welcomed Mr Ardé as its new Headmaster at the start of the Autumn Term. Mr Ardé is the School's first Headmaster since its foundation in 1910 and instantaneously became part of the School's close-knit community.

The Year 6 pupils successfully prepared for a range of entrance exams for highly-regarded local selective senior schools. This year, Micklefield School's Year 6 children were offered a total of 19 academic, sport, music or art scholarships between them.

Despite the physical closure of the School over part of the Spring and Summer Terms in compliance with the UK Government's decision of 19<sup>th</sup> March 2020, Micklefield School delivered a thorough, diverse, and interactive educational programme and continued to provide pastoral support for its pupils using its safe and secure online platform and the School's iPads. The School managed to welcome all its pupils back safely for a few weeks before the end of the academic year, which was greatly appreciated by all the children, parents and School staff.

As the Governors look to the future, we are conscious of the current economic and political uncertainties affecting the UK and the wider world. The Governors continually assess the possible impact of these uncertainties, together with specific pressures relating to the independent schools' sector, on the School. The Governors remain committed to ensuring that Micklefield School continues to be sufficiently financially resilient to enable it to provide its pupils with a stimulating, caring, and challenging educational environment.

**Mrs J M Hamilton**

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**REVIEW OF THE YEAR (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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### **Headmaster's Review of the Year**

Micklefield School is a happy and flourishing two-form entry school, where its pupils can enjoy all aspects of learning. It fosters the pursuit of high standards in all aspects of education, including behaviour, and encourages success in learning and confidence in every pupil to take his or her place in society. It is my aim that children leave Micklefield School with the integrity and knowledge which they need to engage academically and socially in their subsequent lives, with the potential to be effective contributors and leaders within the community. My motto is: *"Achievement through hard work, strength through kindness."*

The School creates a family atmosphere. Each child is encouraged to develop his or her potential - whether academic, sporting, musical or creative - whilst becoming confident, responsible, and independent members of the School. We pride ourselves on knowing each of the children individually, creating an environment where trust and security encourage children to thrive. All teachers and staff work with the School's parents to instil respect, tolerance, perseverance and self-discipline in the children.

#### ***Activities and achievements***

I am very proud of the extensive and successful work the Micklefield teachers and staff have undertaken over the latter half of the academic year to ensure that the School continued to provide an all-round education remotely to all its pupils in a safe and secure manner, despite the physical closure of the School building.

Our pupils were not only taught the core academic subjects, but all the subjects that form part of the normal curriculum offered at Micklefield. The School, supported by the ICT coordinator, designed a School-specific remote learning platform and we ensured that all our families had the use of a School iPad where possible. The teachers continued to set, mark, and differentiate work for all pupils. Assemblies, music concerts, art competitions and sports challenges continued "virtually", and all teachers kept in touch with their classes to ensure that our pupils' pastoral needs were being met.

From 1<sup>st</sup> June 2020, we gradually and safely reopened the School so that all pupils could return to school to enjoy full school days for the last few weeks of the Summer Term. It was wonderful to see everyone in person before the Summer holidays and to hear the school building full of laughter again. Welcoming everyone back also meant that we could give our Year 6 pupils, who sadly missed out on the traditional highlights of their last half Term at Micklefield such as the Year 5 & 6 play and the trip to France, a proper send off to mark in a formal way the important milestone of finishing primary education.

At the start of the year, the School implemented a new Breakfast Club which offers children a healthy breakfast and various activities for all ages before the school day begins. At the same time, the School extended its After School Club to 6 p.m. From 1<sup>st</sup> January 2020, the School joined the Early Years Funding scheme, which allows for 15 hours free childcare for children aged 3 and 4 years.

During the holidays, many external clubs, such as Playball, use the School's facilities. These holiday clubs are open to both Micklefield and non-Micklefield pupils.

#### ***Academic***

*"The excellent level of achievement is the successful fulfilment of the School's aims to foster the pursuit of high standards and the encouragement to become successful learners."* - Latest ISI Inspection

At Micklefield School, we provide a stimulating, caring and challenging environment appropriate for the relevant age groups that fosters the pursuit of high standards throughout all areas of the curriculum. Pupils are encouraged to become independent learners and grow into individuals who will confidently take up selective senior school offers. Our pupils are given opportunities which will enable them to become effective contributors and responsible citizens from an early age. Kindness and honesty are important values throughout the School.

## MICKLEFIELD SCHOOL (REIGATE) LIMITED

### REVIEW OF THE YEAR (Continued)

### FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020

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The children's studies are not restricted to the classroom and throughout the School they enjoy many trips to museums, galleries, theatres, and field trips to enrich their learning. Guest speakers, specialists and visiting drama groups are also invited to share their knowledge and expertise in School.

Micklefield School is proud of its teachers and teaching assistants, all of whom are dedicated to the success of the school and adhere to its values. Classes are limited to 20 pupils at Reception and above, and each class is taught by a dedicated class teacher assisted by a Teaching Assistant. Specialist teachers teach Art and Design Technology, ICT, French, Music, Science, Speech and Drama, and Sport. It is evident throughout the School that staff help and support each other and everyone one is very much part of a team. Smaller classes enable us to focus on every individual pupil. Where extra support is required, pupils have the support from a full-time Special Educational Needs Coordinator.

Pupils are equipped for entry into a range of senior schools in the maintained and independent sectors at the age of eleven. They are prepared for all entrance exams, including Common Entrance and scholarships exams. Every year, Micklefield School's pupils gain places at highly-regarded local selective senior schools, including Reigate Grammar School, Caterham School, Dunottar School, City of London Freemans School, Lingfield College and St John's School in Leatherhead, and a significant proportion of our pupils have the honour of being awarded academic, sport, music or art scholarships. As mentioned by the Chair of Governors, our Year 6 children who left in July this year were offered 19 scholarships from senior schools between them.

#### **Curriculum enrichment**

*"The pupils' personal development is excellent and is fostered by the School's positive and supportive ethos, reflecting the School's values. Extremely good attention is paid to safeguarding pupils and to health and safety."* - Latest ISI Inspection

- **Art and Design Technology** - In Art and Design Technology we provide multi-sensory experiences to stimulate the children's creativity and imagination. The children are enabled to develop informed aesthetic and practical judgements. They learn to work with others in group activities and to develop their own ideas as individuals while respecting the ideas of others. The children are prepared for the technologies of a rapidly changing world. They are encouraged to think and plan creatively through problem solving and develop an inquisitive awareness of how things work, the importance of design and what materials and processes can do. Above all the children learn through exploration.
- **Music** - We develop the musical potential of every pupil and to provide opportunities in a variety of musical activities. In lessons pupils take part in singing, listening, musical appreciation and composition. The Director of Music teaches all children from Nursery through to Year 6. Making music and performing in groups is also encouraged and we have choirs, an orchestra, and ensembles. In addition, the opportunity to learn a wide variety of musical instruments, including the piano, violin, flute, drums, marimba, harp, saxophone, clarinet, guitar, and voice, is offered by our peripatetic teachers. The pupils enjoy numerous formal and informal performance opportunities, including a number of external concerts.
- **Speech and Drama** - There is great enthusiasm and passion for Speech and Drama within Micklefield. There are weekly class assemblies, and the Years 3 & 4 and 5 & 6 are involved in a large musical production each year. Sadly, this year's Year 5 & 6 play did not happen because of the COVID-19 pandemic, but we are very much looking forward to next year's production. Every pupil is offered the opportunity to take part in weekly Speech and Drama classes taught by our peripatetic Speech and Drama teacher. Children are given opportunities to take London Academy of Speech and Drama (LAMDA) examinations in Communication and Performance and English-Speaking Board (ESB) examinations in Spoken English. All Year 6 children are prepared for their senior school entrance examination interviews in a course of lessons provided by the specialist Speech and Drama teacher.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**REVIEW OF THE YEAR (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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- **Sport** - Sport and Physical Education play a very important and integral part in Preparatory School life and all our children enjoy a full and varied programme. A wonderful playing field, trim trail, netball courts and outdoor activity area allow the children of all year groups ample opportunity for physical development. Children take part in sporting activities every week with the number of lessons and sports available increasing as they progress through the School. Participation is encouraged, and pupils have the opportunity to represent the School in the numerous fixtures arranged throughout the year. Extra-curricular clubs and activities offer the children further opportunities. Pupils take part in cricket, rugby, netball, rounders, athletics, playball and football. Gymnastics is offered during PE lessons. Weekly swimming lessons take place during the year at a local swimming pool. Inter-house competitions at the annual Sports Day are fiercely contested and are amongst the highlights of the year. The children also compete against many local schools. We believe that the physical and educational benefits which flow from a varied and structured sports programme are immeasurable. Sport at Micklefield not only promotes physical fitness and friendship but it also encourages teamwork, loyalty, persistence, and other character-building qualities. This development of the whole child is at the heart of our School's ethos.
- **Micklefield School Council** - We encourage children to take on responsibility for themselves and for others within the school community. By joining the School Council, children can experience working together in a democracy to do good for others. This includes fund raising, school events and having an input into the daily life of the school.
- **Extra-curricular clubs and activities** - A selection of extra-curricular clubs and activities are offered by the School staff throughout the year both at lunchtime and after school. Pupils have the freedom to choose clubs and activities that will stimulate and enhance their learning experience at Micklefield.

**Mr R M Ardé**

**MICKLEFIELD SCHOOL (REIGATE) LIMITED  
GOVERNORS' REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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**Governors' Report**

***The purpose of this report***

We, the Council of Governors, present our annual report for the year ended 31<sup>st</sup> August 2020 under the Companies Act 2006 and the Charities Act 2011, together with the audited Financial Statements for the year, and confirm that the latter complies with the requirements of the Companies Act 2006, the School's Articles of Association and the 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. The School is a charitable company and therefore this report is also the Trustees' Report and the Directors' Report. Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

***Reference and administrative information***

Established in 1910, Micklefield School (Reigate) Limited (the School) was incorporated on 21<sup>st</sup> December 1960, company number 678565. In 1966 the School became a Charitable Trust, registered number 312069, controlled by a voluntary Council. The School does not have a share capital and the liability of the members is limited by guarantee.

***Directors and Governors***

The directors of the company, who are also Governors of the School and Charity Trustees, who served during the year were:

- † Mrs K Ali BA, QTS, NPQH - resigned 6<sup>th</sup> November 2019
- \* Mr J D Anderson MA, FIA
- \* Mrs C M Cartmell LLB (Hons)
- ^ Mr J D Emmerton BSc (Hons)
- \* Ms E L Gabe BA (Hons), ACA
- \* Mrs F Gent BSc (Hons), ACA
- † Mrs J M Hamilton LLB (Hons), LLM (Chair)
- ^ Dr B C Hutt CEng, FIET, FIMechE, FCIBSE, MInstRE, FRSA – retired 1<sup>st</sup> December 2020
- † Mrs S Norville BA, QTS, NPQH - appointed 6<sup>th</sup> November 2019
- \* Mr J Rotheram BSc (Hons) – appointed 1<sup>st</sup> September 2019
- † Mrs M E Stansfield DipEd
- † Mrs R A Sturt BA, MEng, PGCE – appointed 6<sup>th</sup> November 2019
  
- \* Members of the Finance & General Purposes Committee
- † Members of the Education & Staffing Committee
- ^ Members of the Estates Committee

***Registered office and principal address***

Micklefield School  
10 Somers Road  
Reigate  
Surrey  
RH2 9DU

**MICKLEFIELD SCHOOL (REIGATE) LIMITED  
GOVERNORS' REPORT (Continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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***Key executives and professional advisers***

Headmaster: Mr R M Ardé BA, NPQH

Bursar/Secretary: Mr P Flowerday FFA, FIPA

Bankers: Barclays Bank PLC, 90/92 High Street, Crawley, West Sussex, RH10 1BP

Auditors: Kreston Reeves LLP, Springfield House, Springfield Road, Horsham, West Sussex, RH12 2RG

Solicitors: Moore Barlow LLP, The Oriel, Sydenham Road, Guildford, Surrey, GU1 3SR  
Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol BS1 4QA

***Objects and principal activities***

The main object of the School, in accordance with its Memorandum of Association, is to carry on and develop Micklefield School and to advance the education of its pupils. The principal activity continues to be the operation as an independent day school at the premises in Somers Road, Reigate, for boys and girls from the age of 2 years and 9 months up to 11 years.

The School meets its main object by ensuring that its pupils are educated to a first-class standard, based on a wide curriculum taking into account current educational requirements and the importance of the development of the whole child. The School is non-selective and pupils are not required to undertake an entrance test. Through the School's skills unit, pupils receive appropriate support where needed. Pupils with various physical disabilities have attended - and continue to attend – the School. An entrance interview is undertaken with the Headmaster to ensure that the child will benefit from the education being provided. Pupils are encouraged to make the School a happy and fulfilling place by showing courtesy and consideration towards each other. Increasing responsibility is given to the older pupils to help them gain in confidence and poise and thus better equip them for the senior school of their own and their parents' choice.

***Objectives for the year***

In setting the objectives and planning activities, the Governors have carefully considered the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The key objectives for the year were:

- To continue our strategies in running and developing the School – the only *independent* independent school in Reigate, building on its successful history and reputation and maintaining its sound financial position in a competitive environment.
- To develop the Nursery.
- Through the Headmaster and Senior Leadership Team to continue to review the delivery of the curriculum.
- To continue investing in the School's pastoral care by ensuring that the School provides the safest possible environment for all its pupils.

***Public benefit***

The Governors have carefully considered the Charity Commission's guidance on public benefit and the School will continue to fulfil its charitable objects.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED  
GOVERNORS' REPORT (Continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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The Governors keep the School's bursary policy under constant review with a view to widening access to the education the School provides, whilst being mindful of the need to maintain a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

Through the attendance of 234 children from approximately 180 families and the employment directly and indirectly of over 70 people, the School makes a significant contribution to the national and local economies and to the local community.

The School plays an active part in the local community sharing its facilities for LAMDA and Royal College of Music examinations. Local groups use the School's sports facilities and gym for various functions including the local Residents' Meetings. During the holidays, many external clubs use the School's facilities. The clubs are open to both Micklefield and non-Micklefield pupils.

Funds are raised for a number of national, international and local charities. The local charities are chosen by the children's School Council every half term. During the 2019/20 academic year, the School mainly supported Surrey Young Carers. The School also supports a small school in Kibera, Nairobi, Kenya.

The School has strong links with two local homes for the elderly. Micklefield School's pupils visit the homes at various points throughout the year and the residents visit us to enjoy concerts, plays and recitals. The link with the United Reformed Church in Reigate remains strong and the School works with the Church on local community projects when we are able. Each summer the School offers work experience to students from local senior schools; although this year, this was not possible owing to the COVID-19 pandemic.

***Future plans***

The Council intends to continue develop the School and nursery and maintain its sound financial position in a competitive environment and challenging economic climate. The Governors remain committed to curriculum enrichment, broadening the availability of resources used for teaching, in particular, the continued development of the use of technology and iPads as educational tools; as well as pastoral care and mental wellbeing.

The Headmaster and Senior Leadership Team will continue to review the delivery of the curriculum taking into account legislation, professional advice and developments in education within the independent schools' sector.

***Financial review***

The net deficit for the year was £97,040 (2019: £69,210 surplus).

The primary cause of this deficit was the additional cost of £66,150 borne by the School following the UK Government's decision to increase schools' contributions to the Teachers' Pension Scheme (TPS) by 44% from 1<sup>st</sup> September 2019, from 16.48% to 23.68% of member teachers' salaries. During 2019, the Governors carefully reviewed possible options to mitigate this cost. On 25<sup>th</sup> February 2020, the Governors took the formal and final decision for Micklefield School to leave the TPS and instead to offer Micklefield School's teaching staff an alternative pension scheme specifically developed by Aviva for independent schools – the APTIS pension scheme – with effect from 1<sup>st</sup> September 2020. This formal decision followed a thorough, open and transparent consultation process and the Governors have very much appreciated the various consultation meetings with the School's elected staff representatives. This change will result in the total cost to the School of providing teachers' pensions from 1<sup>st</sup> September 2020 to revert to the levels that applied prior to 1<sup>st</sup> September 2019.

The COVID-19 pandemic also affected the School's financial results. During the physical closure of the School as a result of the pandemic, the School continued to support and pay the majority of its staff as they carried on working from home in order to pursue its educational programme without interruption. The School made use of the Government's "Coronavirus Job Retention Scheme" and a number of staff were furloughed.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED  
GOVERNORS' REPORT (Continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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Given that staff's salaries account for most of the School's expenditure and virtually all the School's costs are fixed, the School adjusted its fees for the Summer Term so that no fees were charged for Nursery and a reduction of 15% was applied for Reception to Year 6. The loss of school fee income amounting to £130,500 was offset by the Government grant received totalling £40,968 and the savings in catering and operational costs of £59,000. The Governors carefully review the financials of the School on a regular basis and do not consider that COVID-19 has affected the ability of the School to operate as a going concern. The School's reserves policy and future commitments therefore remain unchanged.

***Reserves***

The Council regularly reviews the School's finances, budgets, and expenditure against budget together with a monthly cash flow analysis, as part of the effective stewardship of the School.

In common with other independent schools, the School has invested substantial sums in its buildings in recent years and has a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils, including enhancing the mobility of the teaching technology.

The total funds held by the charity as at 31<sup>st</sup> August 2020 were £3,416,896. This includes £7,300 of restricted funds held as at 31<sup>st</sup> August 2020.

Although the free reserves (general reserves less tangible assets) remain negative, this illustrates the extent of the investment in the School, which is a common practice by independent schools which have to finance their own capital investment plans. The book value of our tangible assets, that is the buildings and equipment, was £3,943,568 as at 31<sup>st</sup> August 2020.

The Council considers that, given the strength of the School's balance sheet, the stable cash flow, the ongoing popularity of the School, and the available banking facility that can be called upon if need arises, there is no current need to build up a free reserve.

The Council recognises that the level of reserves fluctuates during periods of investment in the School estate and the arrangements with our bank are in place to provide adequate temporary funds should these be required.

***Bursaries***

Within the School's Reserves, the Governors have set aside a designated fund with the aim of helping parents with fees where they are experiencing temporary financial difficulties. The Governors regularly review the size and purpose of the Fund. The Governors' aim is to give bursaries and grants up to a maximum of 2% of gross fee income.

In addition, in Spring 2020, Micklefield School set up a hardship fund to support those pupils and families who were experiencing financial difficulties, particularly as a result of the COVID-19 outbreak, e.g. due to immediate job losses or business closure. The School endeavours to help its families where it can. Any assistance is considered on a case-by-case basis and tailored to the families concerned.

***Investment policy and objectives***

There are no restrictions on the School's powers of investment. Currently, short term surplus funds are placed in an interest-bearing bank deposit account, where they are immediately available to meet planned capital expenditure and working capital requirements.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED  
GOVERNORS' REPORT (Continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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**Structure, Governance and Management**

***Governing body***

The Council of Governors requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new Governors, an important attribute is a passion for the work of the School and most of the Council members are parents of former pupils with an understanding of the School's ethos and its aims. The Council maintains a balance between male and female members and possesses within it a range of skills and experience: our current membership comprises Governors with educational, financial, legal, construction and business backgrounds. The Governors are elected by the Council, one third of whom offer themselves for re-election at each Annual General meeting, being those longest in office since their last election.

***Governor training***

Individual Governors attend seminars run by the Association of Governing Bodies of Independent Schools (**AGBIS**). All Governors have copies of AGBIS' manual of good practice; the Charity Commission's publication "*The Essential Trustee: What you need to know*"; and the most recent version of the UK Government's publication "*Keeping children safe in education*". Online training is also regularly undertaken through the Educare programme on topics such as safeguarding, child protection and online safety.

***Organisational management***

Meetings of the Council are held at least four times a year to determine the general policy of the School and review its overall management and control for which the Governors are legally responsible. There are three sub-committees which meet at least termly: (i) Finance and General Purposes; (ii) Education and Staffing; and (iii) Estates and Health & Safety, all of which are attended *ex officio* by the Headmaster and Bursar. In addition, there are an Awards Committee and Remuneration Committee.

***Key management personnel***

The key management involved in the day-to-day running of the School are the members of the Senior Leadership Team comprising the Headmaster, Bursar, Deputy Head, Head of Lower School and the Director of Studies. Salaries for the Headmaster, Bursar and Deputy Head are set by the Remuneration Committee, whereas the salary for the Heads of Lower School and Director of Studies are set by the Finance & General Purposes Committee. Both Committee decisions are subsequently ratified by the Council.

***Group structure and relationships***

Micklefield School is an active member of the Independent Schools' Bursars Association (**ISBA**) and the Association of Governing Bodies in Schools (**AGBIS**). Through the Headmaster, the School has a membership of the Independent Association of Preparatory Schools (**IAPS**).

Through the "Friends of Micklefield" (**FOM**), the parents and families of pupils have continued to provide support to the School, organising social events and fundraising activities. The FOM made donations towards specific items of expenditure in the year such as new cricket nets, an outdoor learning programme and new branded sports tops. Together with the Headmaster, the Governors wish to express our appreciation for their continuing and valuable support for the School. The School works with the local community, optimising the use of the buildings and the sports ground.

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GOVERNORS' REPORT (Continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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***Information on fundraising practices***

Fundraising activity has historically been carried out by FOM which operates independently from the school. FOM raises money for the school through events and activities which are voluntary and advertised in a non-intrusive manner. The school does not utilise the services of any external commercial fundraisers. Given that the majority of donations are from parents of current pupils, either direct or through FOM, and only limited fundraising activity takes place, the school does not consider it necessary at this time to subscribe to a fundraising regulator.

***Risk management***

The Council is responsible for overseeing potential risks faced by the School. The principal risks relate to regulatory and external factors; governance; finance; and staffing issues.

Risks are identified and assessed throughout the year and appropriate controls to deal with those risks in a timely and adequate manner, have been established. The School's risk management policy is reviewed regularly. However, it is recognised that policies and processes can only provide reasonable, rather than absolute, assurance that major risks have been adequately managed.

The School is strongly committed to safeguarding and promoting the welfare of pupils. The regulatory compliance inspection by the Independent Schools' Inspectorate (ISI) in May 2018 confirmed that effective child protection measures are in place, while the most recent full ISI inspection report from 2014 described the School's pastoral care provided to pupils as outstanding. The School meets all regulatory requirements for the welfare, health and safety of pupils.

**Statement of Governors' responsibilities**

The Governors, who are also the directors of Micklefield School (Reigate) Limited for the purposes of company law, are responsible for preparing the Governors' Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Under company law the Governors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure for that period.

In preparing these Financial Statements, the Governors are required to:

- select the most appropriate accounting policies and apply them consistently;
- observe the methods and principle in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the School will continue to operate.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the School and enable us to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED  
GOVERNORS' REPORT (Continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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**Disclosure of information to the Auditor**

So far as each Council member at the date of approval is aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Council has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

Kreston Reeves LLP have expressed their willingness to continue as auditors for the next financial year.

The Annual Report was approved by the Council of Governors at its meeting on 1<sup>st</sup> December 2020 and signed on its behalf by

  
**Mrs J M Hamilton**  
Chair of Governors

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICKLEFIELD SCHOOL (REIGATE) LIMITED**

## **FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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### ***Opinion***

We have audited the Financial Statements of Micklefield School (Reigate) Limited (the 'charitable company') for the year ended 31<sup>st</sup> August 2020 which comprise the Statement of financial activities including a summary income and expenditure account, the Balance Sheet, the Statement of cash flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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<sup>st</sup> August 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

### ***Other information***

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICKLEFIELD SCHOOL (REIGATE) LIMITED (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

***Responsibilities of trustees***

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees 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.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICKLEFIELD SCHOOL (REIGATE) LIMITED (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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***Auditor's responsibilities for the audit of the Financial Statements (continued)***

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

***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.



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**Sarah Ediss BSc FCA (Senior Statutory Auditor)**

For and on behalf of Kreston Reeves LLP  
Chartered Accountants and Statutory Auditor  
Springfield House  
Springfield Road  
Horsham  
West Sussex  
RH12 2RG

Dated: 4 December 2020

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES (including summary Income and Expenditure)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2019 £
<b>INCOME FROM:</b>					
Donations and legacies	3	40,968	7,064	<b>48,032</b>	9,875
<b>Charitable activities:</b>					
School fees receivable	4	2,374,606	(3,457)	<b>2,371,149</b>	2,497,509
Registration fees		2,580	-	<b>2,580</b>	2,340
Ancillary activities		10,137	-	<b>10,137</b>	50,830
<b>Other trading activities:</b>					
Rents and lettings		2,895	-	<b>2,895</b>	3,620
<b>Investments:</b>					
Bank and other interest		1,897	-	<b>1,897</b>	3,078
<b>Total income</b>		<b>2,433,083</b>	<b>3,607</b>	<b>2,436,690</b>	<b>2,567,252</b>
<b>EXPENDITURE ON:</b>					
<b>Raising funds:</b>					
School financing costs	9	9,863	-	<b>9,863</b>	13,666
<b>Charitable activities:</b>					
School operating costs	10	2,522,060	1,807	<b>2,523,867</b>	2,484,376
<b>Total expenditure</b>	10	<b>2,531,923</b>	<b>1,807</b>	<b>2,533,730</b>	<b>2,498,042</b>
<b>NET INCOME</b>		<b>(98,840)</b>	<b>1,800</b>	<b>(97,040)</b>	<b>69,210</b>
<b>Reconciliation of funds:</b>					
Fund balances at 1 <sup>st</sup> September 2019		3,508,436	5,500	<b>3,513,936</b>	3,444,726
<b>FUND BALANCES at 31<sup>st</sup> August 2020</b>		<b>3,409,596</b>	<b>7,300</b>	<b>3,416,896</b>	<b>3,513,936</b>

There are no other recognised gains and losses other than the net income for the year. All operations and activities are continuing.


The notes on pages 19 to 30 form part of these Financial Statements.

## BALANCE SHEET

AS AT 31<sup>ST</sup> AUGUST 2020

	Notes	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	11		3,943,568		4,127,955
<b>CURRENT ASSETS</b>					
Debtors	12	43,735		47,310	
Cash at bank and in hand		187,320		176,761	
			<u>231,055</u>	<u>224,071</u>	
<b>CREDITORS: due within one year:</b>	13	468,450		447,120	
<b>Net current liabilities</b>			(237,395)		(223,049)
Total assets less current liabilities			<u>3,706,173</u>		<u>3,904,906</u>
<b>CREDITORS: due after more than one year:</b>					
Bank loan	14		(224,077)		(316,790)
Deposits			(65,200)		(74,180)
<b>TOTAL NET ASSETS</b>			<u><b>3,416,896</b></u>		<u><b>3,513,936</b></u>
<b>FUNDS</b>					
Unrestricted designated & general reserves	17		3,409,596		3,508,436
Restricted funds			7,300		5,500
<b>TOTAL CHARITY FUNDS</b>			<u><b>3,416,896</b></u>		<u><b>3,513,936</b></u>

Signed on behalf of the Council of Governors



Mrs M J Hamilton  
Chair of Governors

Approved by the Council of Governors on 1<sup>st</sup> December 2020.

The notes on pages 19 to 30 form part of these Financial Statements.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

	<b>2020</b>		<b>2019</b>	
	£	£	£	£
<b>Reconciliation of net income for the year to net cash flow from operating activities</b>				
Net income for the year		(97,039)		69,210
<b>Adjustments for:</b>				
Depreciation	184,387		205,377	
Bank interest receivable	(1,897)		(3,078)	
Bank interest paid	9,862		13,666	
(Increase)/decrease in debtors	3,575		(1,988)	
(Decrease)/Increase in creditors	<u>(5,308)</u>		<u>(155,519)</u>	
		190,619		58,458
<b>Net cash flow from operating activities</b>		<u>93,580</u>		<u>127,668</u>
<b>Cash flow from investing activities</b>				
Interest income received	1,897		3,078	
Purchase of fixed assets	<u>-</u>		<u>(27,468)</u>	
<b>Net cash flow from investing activities</b>		<u>1,897</u>		<u>(24,390)</u>
<b>Cash flow from financing activities</b>				
Repayment of loans	(75,056)		(189,314)	
Interest paid	<u>(9,862)</u>		<u>(13,666)</u>	
<b>Net cash flow from financing activities</b>		<u>(84,918)</u>		<u>(202,980)</u>
Net increase/(decrease) in cash and cash equivalents		10,559		(99,702)
Cash and cash equivalents at 1 <sup>st</sup> September		176,761		276,463
<b>Cash and cash equivalents at 31<sup>st</sup> August</b>		<u>187,320</u>		<u>176,761</u>

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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**1. ACCOUNTING POLICIES**

**a) General information and basis of preparation**

Micklefield School (Reigate) Limited is a charitable company, limited by guarantee, registered in England and Wales. The address of the registered office is given in the charity information on page 1 of these Financial Statements. The nature of the charity's operations and principal activities are detailed in the Governors' Report.

The charity constitutes a public benefit entity as defined by FRS 102.

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1<sup>st</sup> January 2019.

The Financial Statements are prepared under the historical cost convention. The Financial Statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

**b) Going concern**

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements as outlined in the Statement of Governors' responsibilities.

These considerations take into account the impact of Covid-19 and the Trustees have concluded that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements as outlined in the Statement of Trustees' Responsibilities.

The significant accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**c) Income recognition**

All income is included in the Statement of Financial Activities (**SOFA**) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from charitable activities includes school fees receivable, registration fees and fees from ancillary activities. School fees receivable consist of charges billed for the school year ending 31<sup>st</sup> August, less bursaries, discounts and other allowances. Fees received for education to be provided in future years are carried forward as deferred income. Registration fees are non-refundable fees which are recognised once parents/guardians have committed for the child to attend the school in the school year ending 31<sup>st</sup> August. Income from ancillary activities is generated from additional activities such as music exam fees and after school clubs being offered to pupils in the school year ending 31<sup>st</sup> August.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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**1. ACCOUNTING POLICIES (CONT.)**

Income from trading activities includes income earned from rents and lettings to raise funds for the charity. Income is received in exchange for renting out the pavilion and fields of the School in order to raise funds and is recognised when entitlement has occurred.

Income from investments includes interest which is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Income from grants received are recognised when there is reasonable assurance that the School will comply with the conditions attaching to the grant and the grant will be received.

**d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds relates solely to loan interest payable
- Expenditure on charitable activities includes school operating costs such as teaching costs, welfare costs, premises costs and support costs. Finance and administrative staff costs and other support costs have been directly charged to the charitable main activity.

The irrecoverable element of VAT is included with the item of expense to which it relates.

**e) Support costs**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include administrative and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

**f) Pension schemes**

Until 31<sup>st</sup> August 2020, the School contributed to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102 Section 28 the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The School also contributes to a defined contribution personal pension scheme for non-teaching staff.

**g) Other employee benefits**

When employees have rendered service to the school, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Settlement costs are recognised when notice has been given to the employee.

**h) Operating leases**

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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**i) Tangible fixed assets**

Tangible assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets retained for use by the School at rates calculated to spread each asset's cost, less its estimated residual value at prices ruling at date of acquisition, over its expected useful economic life, which for each class of asset is initially assessed as averaging:

Freehold buildings and improvements                      2%/10% straight line

Furniture, computers, equipment:

- Furniture and equipment                                      10%/20% straight line  
- Computer equipment    33%% straight line

Motor vehicles    20% straight line

No depreciation is provided on freehold land.

Items costing less than £3,000 are written off as an expense as acquired.

**j) Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in expenditure.

**k) Cash**

Cash at bank includes cash and short term highly liquid investments from the date of opening of the deposit or similar account.

**l) Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**m) Funds**

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity. Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. Further details of each fund are disclosed in note 17. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund are set out in the notes of the Financial Statements.

**n) Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***Critical accounting estimates and assumptions:***

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

Under component accounting the freehold buildings are divided into major components which are considered to have substantially different useful lives. Judgement is used in allocating property costs between components and in determining the useful lives of each component and this judgement may have a material impact on the depreciation charge.

***Critical areas of judgement:***

Deposits held by the School repayable when a pupil leaves the School are included in other creditors, a proportion of the total deposits are classified as falling due after one year as this reflects the expected timing of their repayment.

**3. INCOME FROM DONATIONS AND LEGACIES**

	<b>2020</b>	<b>2019</b>
	£	£
The School's donations and legacies comprised:		
Donations	7,064	9,875
Grants received	40,968	-
	<u>48,032</u>	<u>9,875</u>

Included within donations and legacies is restricted income of £7,064 (2019: £9,875) which has been either donated to cover specified items of capital and operating expenditure, has been raised to be given to specific charities or been used to support a Covid-19 hardship grant. Grants received represents amounts from the HM Revenue and Customs 'Job Retention Scheme'.

**4. SCHOOL FEES RECEIVABLE**

	<b>2020</b>	<b>2019</b>
	£	£
The School's fee income comprised:		
Gross fees	2,632,549	2,613,477
Less: bursaries, discounts and other allowances	(261,400)	(115,968)
	<u>2,371,149</u>	<u>2,497,509</u>

£130,500 of the £261,400 discounts and bursaries given in 2020 relates to the fee discount given due to the closure of the School during the Covid-19 lockdown.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

**5. GOVERNORS' REMUNERATION AND EXPENSES**

During the year, the Governors did not receive nor waive any remuneration from the School or other benefits in their capacity as directors and charity trustees. No expenses (2019: nil) were reimbursed to Governors for attending external meetings and seminars.

**6. NET INCOME FOR THE YEAR**

Net income is stated after charged:	<b>2020</b>	2019
	£	£
Depreciation of tangible fixed assets	184,387	205,377
Operating lease rentals	7,200	7,200
	<u>                    </u>	<u>                    </u>

**7. STAFF COSTS**

	<b>2020</b>	2019
	£	£
Wages and salaries	1,444,718	1,387,298
Employer's NI costs	147,213	136,922
Pension contributions	250,813	174,337
	<u>                    </u>	<u>                    </u>
	<b>1,842,744</b>	1,698,557
	<u>                    </u>	<u>                    </u>

Average number of monthly employees in the year:	<b>2020</b>	2019
	Number	Number
Teaching	37	35
Administration	5	5
Maintenance and Housekeeping	5	7
	<u>                    </u>	<u>                    </u>
	<b>47</b>	47
	<u>                    </u>	<u>                    </u>

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000) is as follows:

	<b>2020</b>	2019
£60,000 - £70,000	1	1
£70,000 - £80,000	1	-
£80,000 - £90,000	-	1

One of the employees above is a member of the Teachers' Pension Scheme: see note 15 on page 27.

	<b>2020</b>	2019
	£	£
Contributions made in the year	<b>17,760</b>	13,532
	<u>                    </u>	<u>                    </u>

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

**8. REMUNERATION OF KEY MANAGEMENT PERSONNEL**

	<b>2020</b>	2019
	£	£
Wages and salaries	289,140	287,497
Employer's NI costs	33,901	33,803
Pension contributions	60,053	43,473
	<u><b>383,094</b></u>	<u>364,773</u>

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2020</b>	2019
	£	£
Bank loans and overdrafts	<u><b>9,863</b></u>	<u>13,666</u>

**10. EXPENDITURE: analysis of total expenditure – Current year**

	<b>Staff costs</b>	<b>Other</b>	<b>Dep'n</b>	<b>2020</b>
	£	£	£	Total
				£
<b>Charitable activities</b>				
<b>School operating costs:</b>				
Teaching	1,615,781	79,125	53,133	<b>1,748,039</b>
Welfare	-	116,066	7,974	<b>124,040</b>
Premises	40,301	161,577	118,507	<b>320,385</b>
Support	191,456	135,174	4,773	<b>331,403</b>
	<u>1,847,538</u>	<u>491,942</u>	<u>184,387</u>	<u><b>2,523,867</b></u>
<b>Raising funds</b>				
School financing costs	-	9,862	-	<b>9,862</b>
	<u>1,847,538</u>	<u>501,804</u>	<u>184,387</u>	<u><b>2,533,729</b></u>

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

**EXPENDITURE: analysis of total expenditure – Prior year**

	Staff costs	Other	Dep'n	2019 Total
	£	£	£	£
<b>Charitable activities</b>				
School operating costs:				
Teaching	1,469,742	127,559	70,624	<b>1,667,925</b>
Welfare	-	152,317	9,255	<b>161,572</b>
Premises	37,515	179,094	122,385	<b>338,994</b>
Support	193,864	18,908	3,113	<b>315,885</b>
	<u>1,701,121</u>	<u>577,878</u>	<u>205,377</u>	<u><b>2,484,376</b></u>
<b>Raising funds</b>				
School financing costs	-	13,666	-	<b>13,666</b>
	<u>1,701,121</u>	<u>591,544</u>	<u>205,377</u>	<u><b>2,498,042</b></u>

£1,807 (2019 - £4,375) of the above costs were attributable to restricted funds; £2,531,922 (2019 - £2,493,667) of the above costs were attributable to unrestricted funds.

Governance costs included within charitable activities can be analysed below:

	2020	2019
	£	£
Auditors' remuneration	<b>9,360</b>	8,796

**11. TANGIBLE FIXED ASSETS**

	Freehold Land	Freehold Buildings and Improvements	Furniture, computers, equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 <sup>st</sup> September 2019	359,500	4,823,330	558,166	19,920	5,760,916
Additions	-	-	-	-	-
At 31 <sup>st</sup> August 2020	<u>359,500</u>	<u>4,823,330</u>	<u>558,166</u>	<u>19,920</u>	<u>5,760,916</u>
<b>Depreciation</b>					
At 1 <sup>st</sup> September 2019	-	1,193,517	437,120	2,324	1,632,961
Charge for the year	-	107,923	72,480	3,984	184,387
At 31 <sup>st</sup> August 2020	<u>-</u>	<u>1,301,440</u>	<u>509,600</u>	<u>6,308</u>	<u>1,817,348</u>
<b>Net Book Value</b>					
<b>At 31<sup>st</sup> August 2020</b>	<u><b>359,500</b></u>	<u><b>3,521,890</b></u>	<u><b>48,566</b></u>	<u><b>13,612</b></u>	<u><b>3,943,568</b></u>
At 31 <sup>st</sup> August 2019	<u>359,500</u>	<u>3,629,813</u>	<u>121,046</u>	<u>17,596</u>	<u>4,127,955</u>

Tangible fixed assets with a net book value of £3,521,890 (2019 - £3,629,813) have been pledged as securities for liabilities of the charity.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

**12. DEBTORS**

	<b>2020</b>	2019
	£	£
Trade debtors	12,780	-
Prepayments and accrued income	30,955	47,310
	<u>43,735</u>	<u>47,310</u>

**13. CREDITORS: DUE WITHIN ONE YEAR**

	<b>2020</b>	2019
	£	£
Trade creditors	19,172	20,281
Fees in advance (deferred income)	273,672	270,164
Deposits	14,000	12,020
Accruals	15,046	15,343
Other creditors	990	1,400
Bank loans	145,570	127,912
	<u>468,450</u>	<u>447,120</u>

	<b>2020</b>	2019
	£	£
Deferred income at 1 September	270,164	335,720
Resources deferred in the year	273,672	270,164
Amounts released from previous years	(270,164)	(335,730)
	<u>273,672</u>	<u>270,164</u>

**14. LOANS CREDITOR**

	<b>2020</b>	2019
	£	£
Due within one year (note 13)	145,570	127,912
Due in more than one year	224,077	316,790
	<u>369,647</u>	<u>444,702</u>

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
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<b>Five year analysis:</b>	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Due within one year	<b>145,570</b>	127,912
Due within two to five years	<b>224,077</b>	316,790
	<hr/> <b>369,647</b> <hr/>	<hr/> 444,702 <hr/>

£358,815 of the loan creditor is secured by legal charges over the freehold land and buildings by a debenture in favour of Barclays Bank PLC.

After a review in December 2019, this loan is repayable over the remaining period to October 2022 in equal monthly instalments of capital and interest which is based on a variable rate, currently 2% (2019 – 2%).

**15. PENSION SCHEMES**

Until 31<sup>st</sup> August 2020, the School participated in the Teachers' Pension Scheme (England and Wales) (**TPS**) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £223,722 (2019: £147,781) and at the year-end £nil (2019 - £nil) was accrued in respect of contributions to this scheme.

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

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

The 31<sup>st</sup> March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied as at 5<sup>th</sup> March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the *McCloud/Sargeant* case. This case has required the courts to reconsider the implementation of the UK Government's pension reforms from 2015 to public service pension schemes, including the TPS.

On 27<sup>th</sup> June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgment that transitional provisions introduced in 2015 to reform public service pension schemes gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

As at 31<sup>st</sup> August 2020, the School withdrew from the TPS (England and Wales) and joined the Aviva Pension Trust for Independent Schools (**APTIS**), a defined contribution pension scheme.

The School also runs a defined contribution personal pension scheme for those members of staff not entitled to join the TPS. The cost for the year represents the School's contributions to the scheme of £27,091 (2019: £29,497) and there were no contributions due at the year end.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

**15. PENSION SCHEMES (CONT.)**

Contributions in respect of the company's defined contribution pension scheme are charged to the income and expenditure account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

**16. FUNDS: ANALYSIS OF NET ASSETS – current year**

	Fixed Assets £	Net Current Liabilities £	Long Term Liabilities £	2020 Fund Balances £
<b>Restricted Funds</b>				
Grants and donations	-	7,300	-	<b>7,300</b>
<b>Unrestricted Funds:</b>				
Designated – bursaries	-	58,613	-	<b>58,613</b>
General reserves	3,943,568	(303,308)	(289,277)	<b>3,350,983</b>
	<u>3,943,568</u>	<u>(237,395)</u>	<u>(289,277)</u>	<u><b>3,416,896</b></u>

**FUNDS: ANALYSIS OF NET ASSETS – prior year**

	Fixed Assets £	Net Current Liabilities £	Long Term Liabilities £	2019 Fund Balances £
<b>Restricted Funds</b>				
Grants and donations	-	5,500	-	<b>5,500</b>
<b>Unrestricted Funds:</b>				
Designated – bursaries	-	55,088	-	<b>55,008</b>
General reserves	4,127,955	(283,637)	(390,970)	<b>3,453,348</b>
	<u>4,127,955</u>	<u>(223,049)</u>	<u>(390,970)</u>	<u><b>3,513,936</b></u>

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

**17. FUNDS MOVEMENT – current year**

	1 September 2019 £	Income £	Expenditure £	Transfers £	31 August 2020 £
<b>Restricted Funds</b>					
Grants and donations	5,500	3,607	(1,807)	-	<b>7,300</b>
<b>Unrestricted Funds:</b>					
Designated - bursaries	55,088	-	(55,036)	58,561	<b>58,613</b>
General reserves	3,453,348	2,433,083	(2,476,887)	(58,561)	<b>3,350,983</b>
	<u>3,513,936</u>	<u>2,436,690</u>	<u>(2,533,730)</u>	<u>-</u>	<u><b>3,416,896</b></u>

**FUNDS MOVEMENT – prior year**

	1 September 2018 £	Income £	Expenditure £	Transfers £	31 August 2019 £
<b>Restricted Funds</b>					
Grants and donations	-	9,875	(4,375)	-	<b>5,500</b>
<b>Unrestricted Funds:</b>					
Designated - bursaries	48,008	-	(42,870)	49,950	<b>55,088</b>
General reserves	3,396,718	2,557,377	(2,450,797)	(49,950)	<b>3,453,348</b>
	<u>3,444,726</u>	<u>2,567,252</u>	<u>(2,498,042)</u>	<u>-</u>	<u><b>3,513,936</b></u>

Restricted funds partly relate to grants received from the 'Friends of Micklefield' that are to be fully utilised in the purchase of specific resources and equipment. Also included are donations received by parents, pupils and staff for specific fundraising ventures where the equal amount received have been paid over to nominated charities. In Spring 2020 a fund was set up to support those pupils and families who were experiencing financial difficulties as a result of the Covid-19 outbreak. All monies donated were used during the year to help support affected families.

The designated fund has been set aside to use as the Governors deem appropriate with the aim of helping parents with fees outstanding where they are experiencing financial difficulties or to assist with entrance bursaries. The transfer in the year is the amount needed to cover anticipated bursaries for the next academic year.

The general reserves comprise of the accumulated resources which may be expended without restriction in furtherance of the charity's objects.

**MICKLEFIELD SCHOOL (REIGATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

**18. OPERATING LEASE COMMITMENTS**

	<b>Land and buildings</b>	
	<b>£</b>	<b>£</b>
	<b>2020</b>	<b>2019</b>
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Within one year	<b>7,200</b>	7,200

**19. CONTRACTS AND COMMITMENTS**

There was no un-accrued capital expenditure contracted for as at 31<sup>st</sup> August 2020 (2019: £nil).

**20. ANALYSIS OF CHANGES IN NET DEBT**

	1 September 2019 £	Cashflow £	31 August 2020 £
Cash at bank and in hand	176,761	10,559	<b>187,320</b>
Debt due within 1 year	(127,812)	(17,658)	<b>(145,570)</b>
Debt due after 1 year	(316,790)	92,713	<b>(224,077)</b>
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	(267,941)	85,614	<b>(182,327)</b>
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**21. RELATED PARTY TRANSACTIONS**

There are no related party transactions during the period (2019: £ nil).