

SEATON HOUSE SCHOOL LIMITED

Company Registration No: 2151420 (England and Wales)

Charity Registration No: 800673 (England and Wales)

SEATON HOUSE SCHOOL LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31ST AUGUST 2020

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(A company limited by guarantee)
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31ST AUGUST 2020

Contents	Page
Governors' Report	1 – 8
Independent auditor's report to the members	9 – 10
Statement of Financial Activities	11
Balance Sheet	12
Statement of Cash Flows	13
Notes to the financial statements	14 – 24

GOVERNORS' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2020

The Board of Governors present their annual report for the year ended 31st August 2020, together with the audited financial statements for the year. These have been prepared in accordance with the Companies Act 2006, the Charities Statement of Recommended Practice (Charities SORP (FRS 102)), Financial Reporting Standard 102 (FRS 102) and the Charities Act 2011.

REFERENCE AND ADMINISTRATIVE INFORMATION

Seaton House School Limited was founded in 1931 and became a limited company and charity in 1987. Charity number 800673. The School's principal address and registered office is 67 Banstead Road South, Sutton, Surrey, SM2 5LH.

Governors and Company Directors

The Governors of the School, who are also Charity Trustees, and company directors who served in office as Governors during the year and subsequently are:

Mrs J Evans (Chair)
Ms B Grant (Deputy Chair)
Mr P Patel
Mr M Russell
Mr S Zammit (Resigned 12.11.19)
Mr MA Alidina (Appointed 1.9.19)
Mr O Saeed (Appointed 4.11.19)

Key Leadership Personnel

The Governors

The Headteacher: Mrs R Darvill MEd, BEd (Cantab)

The Bursar: Mr T Roads ACIB

Deputy Heads: Mrs L Wilson BA (Hon) PGCE
Mrs S McGreevy BA (Hon QTS)

Professional Advisors

Bankers: Barclays Bank plc, 6, Clarence Street, Kingston Upon Thames, KT1 1NY

Solicitors: Kennedys, 25 Fenchurch Street, London, EC3M 5AD (general)

Carpenter & Co, 46 Woodcote Road, Wallington, Surrey, SM6 0MW (debt collection)

Auditor: Jacob, Cavenagh & Skeet, 5 Robin Hood Lane, Sutton, Surrey, SM1 2SW

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association.

Governing Body

The Board of Governors currently has six Governors (a maximum of 12 is permitted under the M&A). The Governors are reconfirmed at the AGM every year; in 2020 one Governor resigned and two were appointed. The Board of Governors appoints new Governors in light of specific criteria and the needs created by retirements. Governor appointments are based on the need for the Board as a whole to have the skills and experience to determine the policies of the School and to monitor the implementation of those policies.

Governor training

New Governors are inducted into the workings of the School, and also of the Company as a registered Charity, including Board Policy and Procedures. They receive guidance notes from the Bursar, together with introductory information from AGBIS. The Governors each have their own areas of individual professional expertise and the Chair of Governors and the Clerk to the Governing Body identify and offer suitable training opportunities and courses, either offered via organisations such as AGBIS or online from the school's Educare Training licence. A record of Governor training is maintained. Regular updates from AGBIS, ISBA and other relevant bodies are circulated to the Governors.

Organisational Management

The Governors operate a Sub-Committee Structure to ensure they have a good working knowledge of the school's day to day operations, determine the general policies and to review its overall management and control, for which they are legally responsible. The five Sub-Committee comprise:

Safeguarding
Education
Compliance
Finance & General Purpose
Estates & Development

Each Sub-Committee meets in the first half of each term and then reports through to the full Governor meetings held in the second half of each term. Additionally, the Annual General Meeting is held to review and discuss procedural compliance matters and further Strategy or Ad-hoc meetings are organised, as required. The minutes of these meetings are produced and circulated by the Bursar & Clerk to the Governors. Furthermore, the Chair of Governors meets with the Headteacher and the Bursar on a regular basis and can be called upon at any time by them, should the need arise. The day-to-day running of the School is delegated to the Headteacher and the Bursar who are supported by the remainder of the Leadership team.

The Headteacher oversees the recruitment of all educational staff, whilst the Bursar oversees the recruitment of administrative and non-teaching support staff.

Key management personnel

The Governors consider that they, together with the Headteacher, the Bursar, the Deputy Heads comprise the Key Management Personnel as detailed on Page 1. The Governors give of their time freely, no Governor received remuneration in 2020 (2019: Nil). Details of Governors' expenses are detailed in Note 5 to the Accounts.

Key management personnel (continued)

The pay and remuneration of the Headteacher and senior staff is set by the Governors and is subject to annual review. A number of criteria are used in setting pay both for senior management and for general staff.

- nature of the role and responsibilities
- salaries in the region
- the sector average salary for comparable positions
- economic factors such as Inflation rates

The Governors remain aware that delivery of the school's vision as a Charitable body is largely dependent on the quality of the staff, and the salary costs are the largest single element of the school's expenditure. The School aims to recruit the best qualified and experienced staff and provide scope to reward them for excellence. Wherever possible, new staff will be recruited to the mid-range of expected pay scales to allow scope for growth.

Relationships

The School was a member of IAPS in 2019 but changed to ISA (Independent Schools Association) for 2020 as the school feels the Association is better aligned to the smaller schools such as Seaton House. The Headteacher attended HMC & ISA events and the Bursar is an active member of ISBA. The school also is a member of AGBIS which provides training and guidance to the Governing Body.

We co-operate with as many local organisations and state schools as we can, despite our limited facilities welcoming other independent schools to our premises for matches and competitions as well as travelling to local residential homes for the elderly to sing and entertain the residents. Unfortunately, the Covid-19 Pandemic has restricted our ability to continue this partnership for the second half of the year but we hope that we can return to full local interaction in 2021. We endeavour to increase the awareness of our pupils of the wider social context of the education that they receive at the school. We frequently fundraise for other charities to raise funds for them and awareness of their aims. Amongst the charities supported in the year were BBC Children in Need, Sport Relief, Red Nose Day, Marsden March and Macmillan Cancer Support.

The School benefits from the generosity of its Parents' Association, whose close support we greatly appreciate and acknowledge.

Principal risks and uncertainties

The Board with assistance from the Head and the Bursar reviews the School's current and future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them.

Principal risks and uncertainties (continued)

The Global Pandemic has been the greatest risk the school has had to face in 2020 and like everyone else the speed that we have had to react has made it all the more challenging. Businesses, have for a number of years had Pandemics on the radar of possible risks but the sheer scale of this has taken most by surprise and has forced the School and Education in general to make dramatic changes to combat the disease and continue to operate and deliver in a range of different scenarios. As an Independent School we are acutely aware that in times of economic hardship that there is a high risk of pupil numbers of declining as family finances become stretched, therefore the duration of the Pandemic may well have an increasing effect over coming months and years. On an immediate basis the school's finances were hit as the Governors agreed to discount the Summer Term 2020 fees during Lockdown 1 as a way of helping parents weather the immediate financial impacts of the Pandemic. However, beyond this, the school has been successful in continuing to attract parents to bring their children to the school such that we are retaining pupil numbers at a very good level but we continue to monitor this very closely.

The School is also cognisant of the impact on pupil numbers as state schools in the area expand as well as price competition from rival independent schools investing heavily in state of the art technology and sports facilities. The school has had ambitions on improving its own facilities now for a number of years but is now a step closer to beginning to realise some of those goals having successfully reclaimed the full school site as its own and ended a previous leasehold interest. Whilst the Global Pandemic has hampered speed of progress on the redevelopment, the planning is progressing on a phased development to enable us to complete bespoke aspects whenever the opportunity allows us to.

The Political risks that would have potentially arisen if the Labour Party had been elected have subsided for now but the economic environment presents some very real risks to the school's cost base over and above the pandemic effect on parent finances. Whilst Brexit uncertainty has not significantly affected pupil numbers there remains a risk of higher cost for certain supplies if a no-deal situation ensues after December 2020. Also, Independent schools continue to be a target for potential removal of Tax benefits (as a Charitable entity) and removal of business rates relief continues to be a threat. Any of these will have an adverse effect on surpluses generated; the market will not sustain merely increasing fees to compensate.

A continuing threat has been the school's contribution levels to the Teachers Pensions fund. The Government introduced an increase in Employer contributions of more than 40% in September 2019 which is challenging the whole independent sector. Such increases cannot be easily absorbed, such that a growing number of schools have already withdrawn from the scheme and others are consulting with staff on the matter. Seaton House School is continuing to consider its options whilst keeping an eye on expectations for the next Government review of TPS contribution levels in 2023.

OBJECTS, PUBLIC BENEFIT AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Objective of the Charity, in accordance with its Memorandum and Articles of Association, is to provide for the advancement of education and carry on and develop a school for the education of children.

In addition to the principal activities, the charity also makes its premises available for recreation to the wider public although as stated this has been impossible due to the Covid-19 pandemic in the latter half of the 2019/20 Financial & Academic Year. As soon as conditions allow we will be looking to re-engage with the local community in as many ways as possible, but even if it continues to be impossible physically then we will look for alternative creative ways to engage and support.

OBJECTS, PUBLIC BENEFIT AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES (continued)

The Governors continue to look for ways to offer bursaries at the school, and means-tested opportunities were advertised in 2020 although enquiries were limited and ultimately did not come to fruition. Nevertheless, a fund has been created to support the right pupil(s) when the opportunity arises.

In furthering this Objective, the Governors, as charity trustees, have complied with the duty s17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under that act.

Strategic Aim and Intended Effect

The school's strategic aim to reach its annual objective for the public benefit as a charitable Independent School is the attainment of the highest academic levels consistent with our admissions policy.

We intend to draw out our pupils' abilities and academic potential and develop their wider interests in life for participation in society and to motivate them for a successful outcome at their chosen senior school.

Objectives for the year

The Board's main objectives in pursuit of the charity's public benefit aims were (a) to educate all pupils to at least the same high standard as previously achieved (b) to develop bursary funding so that our high levels of education can be extended those from lower income families.

Our strategy for achieving this is to (a) recruit and retain a high quality teaching and support staff and to invest in their continued education and development and to improve our facilities to provide pupils with the tools of success (b) to build up our own bursary funds and a bursary policy to enable us to extend assistance to pupils from a lower income homes.

Principal activity and income sources

Seaton House's principal activity continues to be to develop and educate children between the ages of 2½ and 11, preparing them for secondary education.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the school

Once again the School has succeeded in its principal objective as demonstrated by our preparing girls for 11+ entry. In the class of 2019, 12 Girls were offered places at Grammar Schools with 10 Scholarships and 12 were offered places at Independent Secondary Schools with 3 Scholarships (Academic, Art).

The school continued to achieve high honours in 2020 when it was ranked number 4 in the Times Parent Power Top 100 Prep Schools (1st in 2018, 5th in 2019). This was based on the 2019 SATS results. In 2019, all 20 girls passed their SATS with 95% attaining higher level in Grammar and Spelling, 90% higher level in Reading and 55% higher level in Maths. These achievements have continued to have an impact on the number of parent enquiries for places; Registrations continue to be buoyant at more than twice the rate of the standard number of year 6 leavers each year. However, the number of Registrations was down year on year as 2019 had unprecedented interest, no doubt generated from the success and status of our number one rating in the Times Parent Power Survey in 2018.

Operational performance of the school (continued)

In addition to the academic successes Music continues to be a major focal area with many talented musicians being produced each year thanks to the dedication of passionate music staff and a number of peripatetic music tutors operating at the school. There have been a wide range of extra-curricular activities undertaken, at least until the Pandemic took hold. We were enjoying inter-school sports with Netball, Hockey and Gymnastic competitions as well as swimming and whilst the good news is some of these activities are now returning, at least internally, we look forward again to inter-school competition in 2021.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The year's operating results exceeded the budgeted figures and whilst this is clearly a good result, there were some important factors to explain why this result was achieved. The school had budgeted for significant spending on our redevelopment plans, which due to the pandemic have been set back in timescale. This in-year bonus has masked the fact that fee income was less than budgeted due to the Summer Term Covid-19 discounts mentioned above. In addition, due to the pandemic, the school was able to benefit from the Government furlough scheme which reduced some of the School's staff costs.

It is important that we continue to make a reasonable level of surplus each year in order to finance the ongoing capital expenditure needed to upgrade the premises of the School described below. The principal source of funds in the year has come from fees and the furlough grants. The final rent payments from a previous leaseholder were received in 2020 and thus rental income will be at minimal levels going forward as the school will not be granting any further similar arrangements.

The school has continued to receive donations from the Parents Association to fund specific purchases to benefit the pupils.

Reserves policy

The Governors' policy is to maintain a sufficient level of reserves to ensure that the school's continuing activities can be maintained. At 31 August 2020 the school's free reserves, defined as unrestricted funds (excluding designated funds) not invested in fixed assets, stood at £999,176 (2019: £868,518). The Governors aim to maintain free reserves in unrestricted funds at a level which equates to approximately one term's unrestricted expenditure, that is £502,192 (2019: £495,859), we therefore believe that the school is in a strong position to sustain itself in the current economic climate. At 31 August 2020 the school's reserves amounted to £1,980,147 (2019: £1,858,485) of which £74,850 (2019: £60,850) has been designated to providing future bursaries, as and when the opportunity arises to help appropriate pupils. The Governors believe that the reserves are sufficient to meet the charity's obligations and these are reviewed on a regular basis. Reserves are being allowed to grow to support the future building projects.

Going concern

The Governors have reviewed the circumstances of Seaton House School and consider that adequate resources continue to be available to fund activities for the foreseeable future. The Governors are of the view that the charity is a going concern.

Fundraising

In line with the new reporting requirements included in the Charities Act 2016 the Governors are pleased to confirm that all fundraising is done in compliance with best fundraising practice. All fundraising activities follow traditional methods such as cake sales, "mufti days" and a Christmas Carol Concert. During 2020 we did not employ any professional fundraisers. There were no complaints or criticisms during the year about our fundraising activities.

FUTURE PLANS

The school wishes to redevelop its Senior House building and reorganise accommodation making use of the partially complete Pavilion following the successful conclusion in ending the pre-existing lease. The whole premises are now fully available to the school to be able to plan improved facilities to support the continued success of Seaton House for many years to come. The school is actively engaged with the local planning department to ensure that acceptable plans are presented for approval and hopes to commence work in 2021.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Seaton House School 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2015 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

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

AUDITORS

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have 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.

Jacob, Cavenagh & Skeet have expressed their willingness to continue as auditors of the company.

Approved by the Board of Governors at its meeting on 16th March 2021 and signed on its behalf by:



Judith Evans
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31ST AUGUST 2020

Opinion

We have audited the financial statements of Seaton House School Limited (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 where:

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

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 governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2020

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 with the governors' 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors 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 governors' report and from the requirement to prepare a strategic report.

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 7, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 governors 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 governors either intend to liquidate the 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Miriam Hickson FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants



5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 26 April 2021

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
FOR THE YEAR ENDED 31ST AUGUST 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
INCOME FROM			
<i>Charitable activities</i>			
School fees receivable	2	1,505,023	1,493,140
Registration fees		3,080	4,565
<i>Donations and legacies</i>			
	3	1,420	6,340
<i>Other trading activities:</i>			
Rents and lettings		13,590	4,861
<i>Investment income</i>			
CJRS Grant		2,258	2,282
Other income		61,841	-
		41,025	78,545
Total Income		<u>1,628,237</u>	<u>1,589,733</u>
EXPENDITURE ON			
<i>Charitable activities:</i>			
School operating costs		1,501,858	1,482,900
<i>Raising funds:</i>			
School financing costs		4,717	4,676
Total expenditure	7	<u>1,506,575</u>	<u>1,487,576</u>
NET INCOME FOR THE YEAR AND NET MOVEMENT IN FUNDS		121,662	102,157
RECONCILIATION OF FUNDS			
Funds brought forward at 1 st September 2019		1,858,485	1,756,328
Funds carried forward at 31st August 2020		<u><u>1,980,147</u></u>	<u><u>1,858,485</u></u>

The notes on pages 14 to 24 form part of these accounts.

BALANCE SHEET
AS AT 31ST AUGUST 2020
Company number 2151420

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets			
School land, buildings and equipment	9	906,121	929,117
CURRENT ASSETS			
Debtors	10	80,590	48,723
Investment: cash on short-term deposit		534,876	104,785
Cash		<u>750,913</u>	<u>998,625</u>
CREDITORS: Due within one year	11	<u>1,366,379</u> <u>(159,853)</u>	<u>1,152,133</u> <u>(94,265)</u>
Net Current Assets		<u>1,206,526</u>	<u>1,057,868</u>
Total Assets less Current Liabilities		2,112,647	1,986,985
CREDITORS: Due after more than one year			
Final term deposits	12	<u>(132,500)</u>	<u>(128,500)</u>
NET ASSETS		<u>1,980,147</u>	<u>1,858,485</u>
UNRESTRICTED FUNDS:	15		
Designated: Scholarship fund		74,850	60,850
General fund		<u>1,905,297</u>	<u>1,797,635</u>
TOTAL FUNDS		<u>1,980,147</u>	<u>1,858,485</u>

Approved by the board on 16th March, 2021 and signed on its behalf by



J Evans

Chair



P Patel

Finance Governor

The notes on pages 14 to 24 form part of these accounts

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2020

	2020	2019
	£	£
CASH PROVIDED BY OPERATING ACTIVITIES		
NET INCOME	121,662	102,157
Add back depreciation charge	38,329	35,244
Add back loss on disposal of fixed assets	163	-
Deduct interest income in investing activities	(2,258)	(2,282)
(Increase)/decrease in debtors	(31,867)	7,233
Increase/(decrease) in creditors	69,588	(21,866)
	<hr/>	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES	195,617	120,486
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	2,258	2,282
Net (additions to) investments	(430,091)	(1,024)
Purchase of tangible fixed assets	(15,496)	(19,910)
	<hr/>	<hr/>
CASH (USED IN) INVESTING ACTIVITIES	(443,329)	(18,652)
	<hr/>	<hr/>
(DECREASE)/INCREASE IN CASH FOR THE YEAR	(247,712)	101,834
Cash and cash equivalents at the beginning of the year	998,625	896,791
	<hr/>	<hr/>
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>750,913</u>	<u>998,625</u>

1. ACCOUNTING POLICIES

Charity information

Seaton House School Limited was founded in 1931 and became a limited company and charity in 1987. Charity number 800673. The School's principal address and registered office is 67 Banstead Road South, Sutton, Surrey, SM2 5LH.

a. Basis of Preparation

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting. The financial statements are prepared in sterling, rounded to the nearest pound.

Seaton House School charity meets the definition of a public benefit entity under FRS 102.

At the time of approving the financial statements, the Governors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting.

b. Fees

Fees consist of charges invoiced for the School Year ending 31st August, less discounts and allowances. Fees received in advance for education to be provided in future years are carried forward as deferred income. All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be reliably measured.

c. Coronavirus Job Retention Scheme grant

Income is recognised in the period to which the underlying furloughed staff costs relate.

d. Direct and Overhead Expenditure

Expenditure is summarised by reference to the objectives of activities undertaken either on a direct cost basis or, for overhead costs, by apportionment based on management estimates of staff time spent. Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The irrecoverable VAT is included with the item of expense to which it relates.

e. Teaching materials

Supplies of games equipment, books, stationery and sundry materials are written off to expenditure in the year which the goods are purchased for.

1. ACCOUNTING POLICIES (continued)

f. Pension schemes

The School contributes 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 Charity. In accordance with SORP(FRS 102) 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 personal pension schemes for non-teaching staff at 1% of annual basic pay and these contributions are accrued accordingly.

g. Support costs and governance costs

Expenditure is classified under the following activity headings:

Costs of raising funds – this comprises the cost of fundraising, commercial trading and associated support costs.

Expenditure on charitable activities – this includes the cost of activities undertaken to further the purpose of the charity and their associated support costs

Other expenditure – includes those items not falling under any other heading.

All expenses, including support and governance costs, are allocated or apportioned to the applicable heading in the SOFA.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, administrative personnel, payroll and governance costs which support the school's activities.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

1. ACCOUNTING POLICIES (continued)

h. Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets retained for use by the Charity, other than on the freehold land, at rates calculated to spread each assets cost, less its estimated residual value at current market price, evenly over its expected useful economic life, which for each class of asset is initially assessed as averaging:

Freehold buildings	50 years
Fixtures and fittings	10 years
Computer equipment	3 years

Depreciation is not provided on freehold land as the estimated residual value is considered to be the same or higher than the carrying value of the land in the accounts.

i. Debtors

Other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

j. Current asset investments

Current asset investments are deposits with a maturity date of more than three months from the date of opening the deposit or with more than three months' notice required.

k. Cash at bank and in hand

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

l. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

m. Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2020

2. SCHOOL FEES RECEIVABLE

	2020	2019
	£	£
Gross school fees	1,668,994	1,517,312
Less: Total Scholarships, sibling and other discounts	<u>(163,971)</u>	<u>(24,172)</u>
	<u><u>1,505,023</u></u>	<u><u>1,493,140</u></u>

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Legacies	-	-
Sundry donations	<u>1,420</u>	<u>6,340</u>
	<u><u>1,420</u></u>	<u><u>6,340</u></u>

4. TRANSACTIONS WITH RELATED PARTIES

The Governors received no remuneration or other benefits during the year.

The following Governors and Key Management Personnel were parents of pupils attending the school during the year: Mr P Patel, Mr M Alidina, Mr O Saeed and Mrs R Darvill for whom fees were payable to the school.

Members of the close family of Governors and Key Management Personnel received remuneration of £2,370 (2019: £43,851), employers pension contributions of £nil (2019: £374) and were paid £4,230 (2019: £9,426) for ground maintenance and estates work.

There were no other related party transactions in the year.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2020

5. GOVERNORS' EXPENSES

Governors incurred entertainment costs of £nil during the year (2019: £277) and other various sundry costs of £1,106 (2019: nil). No reimbursements were made to any Governors. Other than incidental costs of travel to Governors meetings no expenses were waived by Governors (2019: nil). £233 was paid to third parties on behalf of Governors (2019: nil).

6. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	921,530	888,738
Social security costs	63,710	68,403
Pension contributions	112,354	83,220
	<u>1,097,594</u>	<u>1,040,361</u>
	No.	No.
The average number of employees in the year:		
Teaching	28	28
Administration	<u>8</u>	<u>8</u>
The following number of employees received:		
£60,000-£70,000 emoluments	2	-
£70,000-£80,000 emoluments.	<u>-</u>	<u>1</u>

The retirement benefits for the above employees are accruing under a defined benefits scheme for which employer contributions in the year amounted to £15,523 (2019: £10,521).

The aggregate employee-benefits of key management personnel were £312,543 (2019: £310,297).

Termination payments of £5,801 were made in the year (2019: £25,906) and are included in the costs above. These are recognised when legal agreement is reached.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2020

7 (a) EXPENDITURE	Staff costs	Other	Depreciation and loss on disposal	2020	2019
	£	£	£	£	£
Charitable Expenditure					
<i>School operating costs:</i>					
Teaching costs	1,097,594	67,667	-	1,165,261	1,102,799
Premises	-	101,442	38,492	139,934	157,934
Support costs	-	192,043	-	192,043	217,757
<i>Governance costs</i>	-	4,620	-	4,620	4,410
	<u>1,097,594</u>	<u>365,772</u>	<u>38,492</u>	<u>1,501,858</u>	<u>1,482,900</u>
Raising Funds					
Finance costs	-	4,717	-	4,717	4,676
	<u>1,097,594</u>	<u>370,489</u>	<u>38,492</u>	<u>1,506,575</u>	<u>1,487,576</u>

7 (b) EXPENDITURE - Other disclosures	2020	2019
	£	£
Support costs include:		
Outings	33,509	44,964
Advertising and printing	34,128	63,648
Utilities	28,741	31,272
Insurance	14,555	16,073
Office expenses	11,145	9,689
Other expenses	4,113	9,495
Other legal and professional costs	62,596	37,255
Auditor's remuneration : for other services	3,256	5,361
	<u>192,043</u>	<u>217,757</u>
Governance costs include:		
Auditor's remuneration : for audit	<u>4,620</u>	<u>4,410</u>

8. TAXATION

The company is an Educational Trust and as such is a recognised charity registered in England and Wales, number 800673. It is therefore not subject to corporation tax on its charitable activities for the year.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2020

9. TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
1 st September 2019	275,000	781,010	150,258	92,142	1,298,410
Additions	-	1,998	1,080	12,418	15,496
Disposals	-	-	(11,970)	(661)	(12,631)
31 st August 2020	<u>275,000</u>	<u>783,008</u>	<u>139,368</u>	<u>103,899</u>	<u>1,301,275</u>
Depreciation					
1 st September 2019	-	169,646	127,892	71,755	369,293
Charge for the year	-	12,216	7,983	18,130	38,329
Released on disposal	-	-	(11,807)	(661)	(12,468)
31 st August 2020	-	<u>181,862</u>	<u>124,068</u>	<u>89,224</u>	<u>395,154</u>
Net book value					
31 st August 2020	<u>275,000</u>	<u>601,146</u>	<u>15,300</u>	<u>14,675</u>	<u>906,121</u>
31 st August 2019	<u>275,000</u>	<u>611,364</u>	<u>22,366</u>	<u>20,387</u>	<u>929,117</u>

All fixed assets are used for charitable purposes.

The freehold property above is used as security for the overdraft facility. The overdraft facility has not been used for a number of years.

10. DEBTORS

	2020 £	2019 £
Due within one year:		
Fees	38,250	11,059
Other	6,325	-
Prepayments	<u>36,015</u>	<u>37,664</u>
	<u>80,590</u>	<u>48,723</u>

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2020

11. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	37,991	23,257
Other taxation and social security costs	18,652	-
Accruals and deferred income	75,051	15,566
Fee deposits (see note 13)	20,000	21,500
Other creditors	8,159	33,942
	<u>159,853</u>	<u>94,265</u>

12. CREDITORS: amounts falling due after more than one year

	2020	2019
	£	£
Fee deposits (see note 13)	<u>132,500</u>	<u>128,500</u>

13. DEFERRED INCOME

	2020	2019
	Fee deposits	Fee deposits
	£	£
Balance at 1 st September	150,000	131,500
Amount received during the year	2,500	18,500
Amount released to the Statement of Financial Activities	-	-
	<u>152,500</u>	<u>150,000</u>
Due within one year	20,000	21,500
Due between two and five years	80,000	78,500
Due after more than five years	52,500	50,000
	<u>152,500</u>	<u>150,000</u>

14. PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £106,083 (2019: £79,083) and at the year-end £nil (2019: £nil) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

VALUATION OF THE TEACHERS' PENSION SCHEME

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

SCHEME CHANGES

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The company also made contributions to other defined contribution pension schemes totalling £6,271 (2019: £4,111).

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2020

15. FUNDS

	Balance at 01.09.2019	Income	Expenditure	Balance at 31.08.2020
	£	£	£	£
General fund	1,797,635	1,614,237	1,506,575	1,905,297
School Bursary fund	60,850	14,000	-	74,850
	<u>1,858,485</u>	<u>1,628,237</u>	<u>1,506,575</u>	<u>1,980,147</u>

	Balance at 01.09.2018	Income	Expenditure	Balance at 31.08.2019
	£	£	£	£
General fund	1,695,478	1,589,733	1,487,576	1,797,635
School Bursary fund	60,850	-	-	60,850
	<u>1,756,328</u>	<u>1,589,733</u>	<u>1,487,576</u>	<u>1,858,485</u>

The designated "School Bursary Fund" represents unrestricted funds retained to finance a Bursary Scheme.

16. CONTRACTS AND COMMITMENTS

At 31st August 2020 the charity had capital commitments of £101,000 (2019: £103,500) under contract in respect of the build of the Pavilion.