

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**

**31<sup>ST</sup> AUGUST 2021**

**SEATON HOUSE SCHOOL LIMITED**  
**(A company limited by guarantee)**  
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**31<sup>ST</sup> AUGUST 2021**

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## SEATON HOUSE SCHOOL LIMITED

### GOVERNORS' REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

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The Board of Governors present their annual report for the year ended 31<sup>st</sup> August 2021, together with the audited financial statements for the year. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law. 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 1930 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 MA Alidina  
Mr O Saeed

#### Key Leadership Personnel

The Governors

The Headteacher: Mrs R Darvill MEd, BEd (Cantab)(until 31/12/2021)  
Mr C Bates BA Ed (Hons) MA (from 1/7/2021)

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: Carpenter & Co, 46 Woodcote Road, Wallington, Surrey, SM6 0MW  
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; there were no changes in the board appointments in 2020-2021. 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 on 2020-2021. From September 2021 the school will use National College for online training requirements. 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 and the Deputy Heads comprise the Key Management Personnel as detailed on Page 1. The school appointed a new Headteacher in March 2021, the first male Head in the school's 90-year history; Mr Carl Bates took up the position on 1<sup>st</sup> July 2021.

## SEATON HOUSE SCHOOL LIMITED

### GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

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#### Key management personnel (continued)

One of the school's deputy heads, Mrs Wilson retired on 31<sup>st</sup> August, 2021 after 16 years' fantastic service at the school.

The Governors give their time freely, no Governor received remuneration in 2021 (2020: Nil). Details of Governors' expenses are detailed in Note 5 to the Accounts.

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.

#### Relationships

The School was a member of IAPS in 2020 but changed to ISA (Independent Schools Association) for 2021 as the school felt the Association provides greater support to the smaller schools such as Seaton House. The Headteacher attends 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 2020-2021 but the school is reopening the links in the 2021-2022 academic year. 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, 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.

The Global Pandemic has been the greatest risk the school has had to face in 2021 and like everyone else the speed continues to make 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

**Principal risks and uncertainties (continued)**

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. Following on from the fees discount granted during the first lockdown in 2020, a further discount was granted as a result of the lockdown in Spring 2021 but at a lower level than 2020 in recognition that the remote education provided was far more comprehensive, an achievement acknowledged by our parents. As a result, we have not seen any significant drop in parent interest in bringing their children to the school, indeed pupil numbers remain buoyant, especially so in the school's Nursery, which of course is the initial step to feeding the pupils through to the main school. We do continue to monitor pupil numbers very closely and do not take past success as a guarantee of future prosperity.

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 and now has a master plan to make significant improvements. Whilst the Global Pandemic has hampered speed of progress on the redevelopment, a phased development plan is in place, and planning permission to convert a sports pavilion on the premises into educational use was achieved in June 2021 as stage one of the process to start the development process which continues in 2021-2022.

The risks the Independent Education sector faces should a Labour government get elected should not be underestimated, charity status, VAT on school fees, loss of business rates relief etc. present some very real risks to the school's cost base over and above the pandemic effect on parent finances. Whilst Brexit did not significantly affect pupil numbers there remains a risk of higher costs in various industries that are important to the sector – maintenance and construction being of great importance to the school at this time. All or 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 looks for ways to help its local community, whether by occasional rental of premises, partnering with local state schools, raising funds for local causes or participating in community events or aid initiatives. Whilst this was more difficult during 2020-21 due to the Covid-19 pandemic, we are now redoubling efforts in 2021-2022.

## SEATON HOUSE SCHOOL LIMITED

### GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

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

The Governors continue to look for ways to offer bursaries and scholarships at the school, and means-tested opportunities were advertised in 2020-2021. A fund exists 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 3 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 2021, many girls received multiple offers at Grammar and Independent Schools, including ten Scholarships for Academic, Drama, Sports & Music excellence. Ultimately, eight girls accepted places at Grammar Schools and nine accepted offers at Independent Secondary Schools.

The school continued to achieve high honours when it was ranked number 4 in the Times Parent Power Top 100 Prep Schools in Autumn 2020 (1<sup>st</sup> in 2018, 5<sup>th</sup> 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.

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

**Operational performance of the school (continued)**

tutors operating at the school. In normal times there is a wide range of extra-curricular activities undertaken; the Pandemic has had a big impact on this in 2020-2021 however since Summer 2021 we have been working hard to re-engage in as many activities as possible to catch up for lost opportunities. Inter school sports events have recommenced in Autumn 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 a second fee discount was granted in Summer 2021 of £23k (£130k in 2020) and the school incurred unexpected recruitment costs in appointing a new Headteacher in March 2021.

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. The pandemic reduced significantly any opportunity for rental income from hire of premises.

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 2021 the school's free reserves, defined as unrestricted funds (excluding designated funds) not invested in fixed assets, stood at £1,174,636 (2020: £999,176). The Governors aim to maintain free reserves in unrestricted funds at a level which equates to approximately one term's unrestricted expenditure, that is £521,014 (2020: £502,192), we therefore believe that the school is in a strong position to sustain itself in the current economic climate. At 31 August 2021 the school's reserves amounted to £2,151,954 (2020: £1,980,147) of which £89,350 (2020: £74,850) 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 2021 we did not employ any professional fundraisers. There were no complaints or criticisms during the year about our fundraising activities.

## SEATON HOUSE SCHOOL LIMITED

### GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

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#### 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. Planning permission was granted in June 2021 to use the building for educational purposes and initial activity to lay services and choose contractors for the project is underway. It is vital that the school improves facilities to support the continued success of Seaton House for many years to come.

#### 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.

#### 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.

The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Governors at its meeting on *22 MARCH* 2021 and signed on its behalf by:

Judith Evans  
Chair of Governors



## SEATON HOUSE SCHOOL LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

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#### Opinion

We have audited the financial statements of Seaton House School Limited (the 'charity') for the year ended 31 August 2021 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 2021 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The 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

## SEATON HOUSE SCHOOL LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

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#### Opinions on other matters prescribed by the Companies Act 2006 (continued)

- the directors' report included within the Governors' Report has been prepared in accordance with applicable legal requirements.

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

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

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

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)**  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team. We determined that the principal risks were related to government assistance – furlough income, the categorisation of capital versus revenue expenditure, management override of controls and presentation of separately disclosed items.

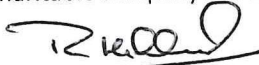
In response to the risks identified we designed procedures which included but were not limited to: testing the calculation of claims made under the Coronavirus Job Retention Scheme, reviewing the fixed asset register and non-capital expenditure, identifying and testing journal entries, reviewing minutes of governors' meetings, evaluating the charity's internal controls and agreeing financial statement disclosures to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



**Richard Haffenden 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: 29 MARCH 2022

**SEATON HOUSE SCHOOL LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021**

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b>INCOME FROM</b>			
<i>Charitable activities</i>			
School fees receivable	2	1,667,372	1,505,023
Registration fees		3,300	3,080
After school activities and trips		46,004	16,979
<i>Donations and legacies</i>	3	5,000	1,420
<i>Other trading activities:</i>			
Rents and lettings		1,950	13,590
<i>Investment income</i>		3,176	2,258
<i>CJRS Grant</i>		2,807	61,841
<i>Other income</i>		5,239	24,046
<b>Total Income</b>		<u>1,734,848</u>	<u>1,628,237</u>
<b>EXPENDITURE ON</b>			
<i>Charitable activities:</i>			
School operating costs		1,563,041	1,506,575
<b>Total expenditure</b>	7	<u>1,563,041</u>	<u>1,506,575</u>
<b>NET INCOME FOR THE YEAR AND NET MOVEMENT IN FUNDS</b>		171,807	121,662
<b>RECONCILIATION OF FUNDS</b>			
Funds brought forward at 1 <sup>st</sup> September 2020		1,980,147	1,858,485
<b>Funds carried forward at 31<sup>st</sup> August 2021</b>		<u><u>2,151,954</u></u>	<u><u>1,980,147</u></u>

The notes on pages 14 to 25 form part of these accounts.

SEATON HOUSE SCHOOL LIMITED

**BALANCE SHEET**

AS AT 31<sup>ST</sup> AUGUST 2021

Company number 2151420

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets			
School land, buildings and equipment	9	<u>887,968</u>	<u>906,121</u>
<b>CURRENT ASSETS</b>			
Debtors	10	122,356	80,590
Investment: cash on short-term deposit		537,700	534,876
Cash		907,283	750,913
		<u>1,567,339</u>	<u>1,366,379</u>
<b>CREDITORS: Due within one year</b>	11	<u>( 172,353)</u>	<u>( 159,853)</u>
<b>Net Current Assets</b>		<u>1,394,986</u>	<u>1,206,526</u>
<b>Total Assets less Current Liabilities</b>		2,282,954	2,112,647
<b>CREDITORS: Due after more than one year</b>			
Final term deposits	12	<u>( 131,000)</u>	<u>( 132,500)</u>
<b>NET ASSETS</b>		<u>2,151,954</u>	<u>1,980,147</u>
<b>UNRESTRICTED FUNDS:</b>	15		
Designated: Scholarship fund		89,350	74,850
General fund		2,062,604	1,905,297
		<u>2,151,954</u>	<u>1,980,147</u>
<b>TOTAL FUNDS</b>		<u>2,151,954</u>	<u>1,980,147</u>

The financial statements were prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 Approved by the board on ~~22 MARCH 2021~~ and signed on its behalf by

J Evans



Chair

P Patel



Finance Governor

The notes on pages 14 to 25 form part of these accounts

**SEATON HOUSE SCHOOL LIMITED****STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

	2021 £	2020 £
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>NET INCOME</b>	171,807	121,662
Add back depreciation charge	32,688	38,329
(Deduct)/Add back loss on disposal of fixed assets	( 59)	163
Deduct interest income in investing activities	( 3,176)	( 2,258)
Increase in debtors	( 41,766)	( 31,867)
Increase in creditors	11,000	69,588
	<hr/>	<hr/>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	170,494	195,617
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	3,176	2,258
Net additions to investments	( 2,824)	( 430,091)
Cash proceeds from disposal of tangible fixed assets	222	-
Purchase of tangible fixed assets	( 14,698)	( 15,496)
	<hr/>	<hr/>
<b>CASH USED IN INVESTING ACTIVITIES</b>	( 14,124)	(443,329)
	<hr/>	<hr/>
<b>INCREASE /(DECREASE) IN CASH FOR THE YEAR</b>	156,370	(247,712)
Cash and cash equivalents at the beginning of the year	750,913	998,625
	<hr/>	<hr/>
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>907,283</u>	<u>750,913</u>

**NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

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**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 31<sup>st</sup> 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 3% 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.

## SEATON HOUSE SCHOOL LIMITED

### NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

#### 2. SCHOOL FEES RECEIVABLE

	2021 £	2020 £
Gross school fees	1,706,388	1,668,994
Less: Total Scholarships, sibling and other discounts	<u>(39,016)</u>	<u>(163,971)</u>
	<u>1,667,372</u>	<u>1,505,023</u>

#### 3. DONATIONS AND LEGACIES

	2021 £	2020 £
Sundry donations	<u>5,000</u>	<u>1,420</u>
	<u>5,000</u>	<u>1,420</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 £nil (2020: £2,370), employers pension contributions of £nil (2020: £nil) and were paid £nil (2020: £4,230) 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 31<sup>ST</sup> AUGUST 2021

**5. GOVERNORS' EXPENSES**

Governors incurred entertainment costs of £nil during the year (2020: £nil) and other various sundry costs of £1,248 (2020: £1,106). No reimbursements were made to any Governors. Other than incidental costs of travel to Governors meetings no expenses were waived by Governors (2020: nil). £nil was paid to third parties on behalf of Governors (2020: £233).

**6. STAFF COSTS**

	<b>2021</b>	<b>2020</b>
	£	£
Wages and salaries	923,917	921,530
Social security costs	73,097	63,710
Pension contributions	117,958	112,354
	<u>1,114,972</u>	<u>1,097,594</u>
	<b>No.</b>	<b>No.</b>
The average number of employees in the year:		
Teaching	30	28
Administration	<u>8</u>	<u>8</u>
The following number of employees received:		
£60,000-£70,000 emoluments	<u>1</u>	<u>2</u>

The retirement benefits for the above employees are accruing under a defined benefits scheme for which employer contributions in the year amounted to £1,316 (2020: £15,523).

The aggregate employee-benefits of key management personnel were £272,931 (2020: £312,543).

Termination payments of £20,983 were made in the year (2020: £5,801) and are included in the costs above. These are recognised when legal agreement is reached.

**SEATON HOUSE SCHOOL LIMITED**

**NOTES TO THE ACCOUNTS** (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

7 (a) EXPENDITURE	Staff costs	Other	Depreciation and loss on disposal	2021	2020
	£	£	£	£	£
<b>Charitable Expenditure</b>					
<i>School operating costs:</i>					
Teaching costs	1,114,972	72,525	-	1,187,497	1,165,261
Premises	-	141,056	32,629	173,685	139,934
Support costs (b)	-	197,119	-	197,119	192,043
Finance costs	-	-	-	-	4,717
<i>Governance costs</i>	-	4,740	-	4,740	4,620
	<u>1,114,972</u>	<u>415,440</u>	<u>32,629</u>	<u>1,563,041</u>	<u>1,506,575</u>
<b>7 (b) EXPENDITURE - Other disclosures</b>				<b>2021</b>	<b>2020</b>
				£	£
Support costs include:					
Outings				31,472	33,509
Advertising and printing				47,317	34,128
Utilities				31,895	28,741
Insurance				16,741	14,555
Office expenses				7,736	11,145
Other expenses				36,649	4,113
Other legal and professional costs				18,948	59,605
Auditor's remuneration : for other services				6,361	6,247
				<u>197,119</u>	<u>192,043</u>
Governance costs include:					
Auditor's remuneration : for audit				<u>4,740</u>	<u>4,620</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.

SEATON HOUSE SCHOOL LIMITED

NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

9. TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
1 <sup>st</sup> September 2020	275,000	783,008	139,368	103,899	1,301,275
Additions	-	-	5,838	8,860	14,698
Disposals	-	-	( 13,166)	( 1,109)	( 14,275)
31 <sup>st</sup> August 2021	<u>275,000</u>	<u>783,008</u>	<u>132,040</u>	<u>111,650</u>	<u>1,301,698</u>
<b>Depreciation</b>					
1 <sup>st</sup> September 2020	-	181,862	124,068	89,224	395,154
Charge for the year	-	12,216	7,063	13,409	32,688
Released on disposal	-	-	( 13,166)	( 946)	( 14,977)
31 <sup>st</sup> August 2021	<u>-</u>	<u>194,078</u>	<u>117,965</u>	<u>101,687</u>	<u>413,730</u>
<b>Net book value</b>					
31 <sup>st</sup> August 2021	<u>275,000</u>	<u>588,930</u>	<u>14,075</u>	<u>9,963</u>	<u>887,968</u>
31 <sup>st</sup> August 2020	<u>275,000</u>	<u>601,146</u>	<u>15,300</u>	<u>14,675</u>	<u>906,121</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

	2021 £	2020 £
Due within one year:		
Fees	73,931	38,250
Other	4,944	6,325
Prepayments	43,481	36,015
	<u>122,356</u>	<u>80,590</u>

**SEATON HOUSE SCHOOL LIMITED**

**NOTES TO THE ACCOUNTS** (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

**11. CREDITORS: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	21,638	37,991
Other taxation and social security costs	-	18,652
Accruals and deferred income	130,715	75,051
Fee deposits (see note 13)	20,000	20,000
Other creditors	-	8,159
	<u>172,353</u>	<u>159,853</u>

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fee deposits (see note 13)	<u>131,000</u>	<u>132,500</u>

**13. DEFERRED INCOME**

	<b>2021</b>	<b>2020</b>
	<b>Fee deposits</b>	<b>Fee deposits</b>
	<b>£</b>	<b>£</b>
Balance at 1 <sup>st</sup> September	152,500	150,000
Amount received during the year	13,000	2,500
Amount released to the Statement of Financial Activities	(14,500)	-
Balance at 31 <sup>st</sup> August	<u>151,000</u>	<u>152,500</u>
Due within one year	20,000	20,000
Due between two and five years	82,000	80,000
Due after more than five years	49,000	52,500
	<u>151,000</u>	<u>152,500</u>

#### 14. PENSION SCHEMES

##### Teachers' Pension Scheme

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 £111,022 (2020: £106,083) and at the year-end £nil (2020: £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' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (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 Parliament.

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 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 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 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 at 5 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 consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

## SEATON HOUSE SCHOOL LIMITED

### NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2021

#### 14. PENSION SCHEMES (continued)

##### Teachers' Pension Scheme (continued)

In view of the above rulings and decisions, the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

##### Other schemes

The company also made contributions to other defined contribution pension schemes totalling £6,936 (2020: £6,271).

#### 15. FUNDS

	Balance at 01.09.2020 £	Income £	Expenditure £	Balance at 31.08.2021 £
General fund	1,905,297	1,720,348	1,563,041	2,062,604
School Bursary fund	74,850	14,500	-	89,350
	<u>1,980,147</u>	<u>1,734,848</u>	<u>1,563,041</u>	<u>2,151,954</u>
	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>

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

#### 16. CONTRACTS AND COMMITMENTS

At 31<sup>st</sup> August 2021 the charity had capital commitments of £101,000 (2020: £101,000) under contract in respect of the build of the Pavilion.