

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 2022

SEATON HOUSE SCHOOL LIMITED
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
31ST AUGUST 2022

| Contents | Page |
|---|-------------|
| Governors' Report | 1 – 8 |
| Independent auditor's report to the members | 9 – 11 |
| Statement of Financial Activities | 12 |
| Balance Sheet | 13 |
| Statement of Cash Flows | 14 |
| Notes to the financial statements | 15 – 24 |

SEATON HOUSE SCHOOL LIMITED

GOVERNORS' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2022

The Board of Governors present their annual report for the year ended 31st August 2022, 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: Mr C Bates BA Ed (Hons) MA
The Bursar: Mr T Roads ACIB
Deputy Head: Mrs S McGreevy BA (Hon QTS)
Senior Teacher: Mrs M Smith BSc (Hons), PGCE

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 2021-2022. 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 National College 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 Sub-Committees now comprise:

Safeguarding
Education
Compliance
Finance & General Purpose
Estates & Development
Equality Diversity & Inclusion (New for 2022/23)

This latter addition has been established to formalise the schools current focus in this area and enhance current working practices and procedures. 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 Senior Leadership Team (Headteacher, Bursar, Deputy-Head & Senior Teacher) comprise the Key Management Personnel as detailed on Page 1. The school's first male Head in the school's 90-year history has now completed a successful first year and with the retirement of Mrs Wilson (Deputy Head) in August 2021, Mrs Smith (Senior Teacher) was appointed to the Leadership Team as at Sept 1st 2021.

The Governors give their time freely, no Governor received remuneration in 2022 (2021: 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 is a member of the ISA (Independent Schools Association) which the school considers 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. As we emerge from the Covid-19 Pandemic we are reopening the community links previously held and endeavouring to do more. In 2020/21 we established links with Kingston College to offer students meaningful work experience placements in support of their studies. 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.

SEATON HOUSE SCHOOL LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31ST AUGUST 2022

The Global Pandemic has been the greatest risk the school has had to face and it continued to disrupt school life in the Autumn Term of 2021 and early in 2022. Whilst the school cannot be complacent, it has largely returned to normal operations and looked to make up for lost time in providing the girls increased opportunity for educational trips and visits.

As an Independent School we are acutely aware that in times of economic hardship there is a high risk of pupil numbers of declining as family finances become stretched. Following swiftly on from the Pandemic, the uncertain global economic situation and energy crisis are causing a cost of living challenge that will be putting our parents under severe pressure, The Governors are mindful of this situation and will take into consideration before its annual fee review.

Despite the difficult climate 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. A phased development plan is in place, and following completion of the Early Years Playground Renovation in Summer 2022, the next project will see the completion of a new building providing modern classrooms and studio space in Spring 2023.

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 economic challenges to parent finances. Whilst Brexit did not significantly affect pupil numbers it has been a contributing factor 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; indeed, 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 in early 2022 due to the Covid-19 pandemic, we are now redoubling efforts in 2022-2023.

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 from time to time in 2021-2022. 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 2022, many girls received multiple offers at Grammar and Independent Schools, including 22 Scholarships for Academic, Drama, Sports & Music excellence. Ultimately, 2 girls accepted places at Grammar Schools and 11 accepted offers at Independent Secondary Schools.

The school continued to achieve high honours when it was ranked number 2 in the Times Parent Power Top 100 Prep Schools in Autumn 2021 (1st in 2018, 5th in 2019, 4th in 2020) based on the SATS results. 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 tutors operating at the school. There is a wide range of extra-curricular activities undertaken, from Ballet, Gymnastics and Football clubs to Theatre, Chess and Science to name some. The school constantly reviews and looks for new experiences to offer.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The year's operating results, whilst down on 2021 levels, have again exceeded the budgeted figures. There are some important factors to explain why this result was achieved. The school had continued to budget for significant spending on our redevelopment plans, some of which were achieved in 2022, although much more is due in 2023. Secondly, staff costs have increased due in the main to use of contract staff to cover teaching shortages during the Pandemic.

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. As we improve the facilities, our opportunity to share them with the community and gain rental income increases.

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 2022 the school's free reserves, defined as unrestricted funds (excluding designated funds) not invested in fixed assets, stood at £1,123,928 (2021: £1,174,636). The Governors aim to maintain free reserves in unrestricted funds at a level which equates to approximately one term's unrestricted expenditure, that is £551,262 (2021: £521,014), we therefore believe that the school is in a strong position to sustain itself in the current economic climate. At 31 August 2022 the school's reserves amounted to £2,273,774 (2021: £2,151,954) of which £98,350 (2021: £89,350) 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 2022 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 continue to improve its facilities for the benefit of the girls' education. Whilst expansion of the overall pupil numbers is not the aim of the school, improvements are nevertheless essential to provide additional flexible space to support the wide range of educational subjects and extra-curricular activities. The existing buildings are not as suited to the post pandemic world where greater space and ventilation requirements are needed to provide healthy educational environments. The school is therefore focussed on providing modern ecologically sound buildings; the phased plan mentioned above is being implemented with solar power and ground source heat pumps being introduced on the current development project. All future plans will seek to continue to reduce the school's carbon footprint and further improve disability access; 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.

SEATON HOUSE SCHOOL LIMITED

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2022

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 22nd March 2023 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 31ST AUGUST 2022

Opinion

We have audited the financial statements of Seaton House School Limited (the 'charity') for the year ended 31 August 2022 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 2022 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31ST AUGUST 2022

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.

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.

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 the categorisation of capital versus revenue expenditure, management override of controls and presentation of separately disclosed items.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2022

In response to the risks identified we designed procedures which included but were not limited to: reviewing the fixed asset register, fixed asset additions and non-capital expenditure, reviewing the recoverability of debts, 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

March 2022

SEATON HOUSE SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
FOR THE YEAR ENDED 31ST AUGUST 2022

| | Notes | Unrestricted funds 2022 £ | Unrestricted funds 2021 £ |
|---|-------|------------------------------------|------------------------------------|
| INCOME FROM | | | |
| <i>Charitable activities</i> | | | |
| School fees receivable | 2 | 1,689,681 | 1,667,372 |
| Registration fees | | 4,015 | 3,300 |
| After school activities and trips | | 50,072 | 46,004 |
| <i>Donations and legacies</i> | 3 | 1,294 | 5,000 |
| <i>Other trading activities:</i> | | | |
| Rents and lettings | | 3,400 | 1,950 |
| <i>Investment income</i> | | 3,836 | 3,176 |
| <i>CJRS Grant</i> | | - | 2,807 |
| <i>Holiday club income</i> | | 15,270 | - |
| <i>Other income</i> | | 8,037 | 5,239 |
| Total Income | | <u>1,775,605</u> | <u>1,734,848</u> |
| EXPENDITURE ON | | | |
| <i>Charitable activities:</i> | | | |
| School operating costs | | 1,653,785 | 1,563,041 |
| Total expenditure | 7 | <u>1,653,785</u> | <u>1,563,041</u> |
| NET INCOME FOR THE YEAR AND NET MOVEMENT IN FUNDS | | 121,820 | 171,807 |
| RECONCILIATION OF FUNDS | | | |
| Funds brought forward at 1 st September 2021 | | 2,151,954 | 1,980,147 |
| Funds carried forward at 31st August 2022 | | <u><u>2,273,774</u></u> | <u><u>2,151,954</u></u> |

The notes on pages 15 to 24 form part of these accounts.

SEATON HOUSE SCHOOL LIMITED**BALANCE SHEET**AS AT 31ST AUGUST 2022

Company number 2151420

| | Notes | 2022 | 2021 |
|--|--------------|-------------------------|-------------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | | | |
| School land, buildings and equipment | 9 | <u>1,051,496</u> | <u>887,968</u> |
| CURRENT ASSETS | | | |
| Debtors | 10 | 75,437 | 122,356 |
| Investment: cash on short-term deposit | | 541,139 | 537,700 |
| Cash | | <u>999,693</u> | <u>907,283</u> |
| | | 1,616,269 | 1,567,339 |
| CREDITORS: Due within one year | 11 | <u>(251,991)</u> | <u>(172,353)</u> |
| Net Current Assets | | <u>1,364,278</u> | <u>1,394,986</u> |
| Total Assets less Current Liabilities | | 2,415,774 | 2,282,954 |
| CREDITORS: Due after more than one year | | | |
| Final term deposits | 12 | <u>(142,000)</u> | <u>(131,000)</u> |
| NET ASSETS | | <u><u>2,273,774</u></u> | <u><u>2,151,954</u></u> |
| UNRESTRICTED FUNDS: | 15 | | |
| Designated: Scholarship fund | | 98,350 | 89,350 |
| General fund | | <u>2,175,424</u> | <u>2,062,604</u> |
| TOTAL FUNDS | | <u><u>2,273,774</u></u> | <u><u>2,151,954</u></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 22nd March 2023 and signed on its behalf by

J Evans

P Patel

Chair

Finance Governor

The notes on pages 15 to 24 form part of these accounts

SEATON HOUSE SCHOOL LIMITED**STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 31ST AUGUST 2022

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| CASH PROVIDED BY OPERATING ACTIVITIES | | |
| NET INCOME | 121,820 | 171,807 |
| Add back depreciation charge | 22,362 | 32,688 |
| Add back/(deduct) loss/(gain) on disposal of fixed assets | 904 | (59) |
| Deduct interest income in investing activities | (3,836) | (3,176) |
| Decrease/(increase) in debtors | 46,919 | (41,766) |
| Increase in creditors | 90,638 | 11,000 |
| | <hr/> | <hr/> |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 278,807 | 170,494 |
| | <hr/> | <hr/> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest income | 3,836 | 3,176 |
| Net additions to investments | (3,439) | (2,824) |
| Cash proceeds from disposal of tangible fixed assets | - | 222 |
| Purchase of tangible fixed assets | (186,794) | (14,698) |
| | <hr/> | <hr/> |
| CASH USED IN INVESTING ACTIVITIES | (186,397) | (14,124) |
| | <hr/> | <hr/> |
| INCREASE IN CASH FOR THE YEAR | 92,410 | 156,370 |
| Cash and cash equivalents at the beginning of the year | 907,283 | 750,913 |
| | <hr/> | <hr/> |
| TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 999,693 | 907,283 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 2022

1. ACCOUNTING POLICIES

Charity information

Seaton House School Limited was founded in 1931 and became a limited company and charity in 1987, incorporated in England and Wales. 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 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.

Assets in the course of construction include costs incurred in works to properties that had not been completed by the year end and are not depreciated. The costs brought forward were included in freehold buildings last year.

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 31ST AUGUST 2022

2. SCHOOL FEES RECEIVABLE

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Gross school fees | 1,710,726 | 1,706,388 |
| Less: Total Scholarships, sibling and other discounts | <u>(21,045)</u> | <u>(39,016)</u> |
| | <u>1,689,681</u> | <u>1,667,372</u> |

3. DONATIONS AND LEGACIES

| | 2022 £ | 2021 £ |
|------------------|--------------|--------------|
| Sundry donations | <u>1,294</u> | <u>5,000</u> |
| | <u>1,294</u> | <u>5,000</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 M Alidina, Mr O Saeed and Mrs Smith for whom fees were payable to the school.

Members of the close family of Governors and Key Management Personnel received remuneration of £31,936 (2021: £nil) and employers pension contributions of £7,120 (2021: £nil).

There were no other related party transactions in the year.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2022

5. GOVERNORS' EXPENSES

Governors incurred other various sundry costs of £776 (2021: £1,248). No reimbursements were made to any Governors. Other than incidental costs of travel to Governors meetings no expenses were waived by Governors (2021: nil). £nil was paid to third parties on behalf of Governors (2021: £nil).

6. STAFF COSTS

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,019,463 | 923,917 |
| Social security costs | 96,978 | 73,097 |
| Pension contributions | 133,106 | 117,958 |
| | <u>1,249,547</u> | <u>1,114,972</u> |
| | No. | No. |
| The average number of employees in the year: | | |
| Teaching | 30 | 30 |
| Administration | <u>8</u> | <u>8</u> |
| The following number of employees received: | | |
| £60,000-£70,000 emoluments | 1 | 1 |
| £70,000-£80,000 emoluments | <u>1</u> | <u>-</u> |

The retirement benefits for the above employees are accruing under a defined benefits scheme for which employer contributions in the year amounted to £20,060 (2021: £1,316).

The aggregate employee-benefits of key management personnel were £315,057 (2021: £290,902).

Termination payments of £nil were made in the year (2021: £20,983) 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 31ST AUGUST 2022

| 7 (a) EXPENDITURE | Staff costs | Other | Depreciation and loss on disposal | 2022 | 2021 |
|--------------------------------|------------------|----------------|-----------------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Charitable Expenditure | | | | | |
| <i>School operating costs:</i> | | | | | |
| Teaching costs | 1,249,547 | 85,323 | - | 1,334,870 | 1,187,497 |
| Premises | - | 137,830 | 23,266 | 161,096 | 205,580 |
| Support costs (b) | - | 152,851 | - | 152,851 | 165,224 |
| <i>Governance costs</i> | - | 4,968 | - | 4,968 | 4,740 |
| | <u>1,249,547</u> | <u>380,972</u> | <u>23,266</u> | <u>1,653,785</u> | <u>1,563,041</u> |

| 7 (b) EXPENDITURE - Other disclosures | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Support costs include: | | |
| Outings | 58,996 | 31,472 |
| Advertising and printing | 34,922 | 47,317 |
| Insurance | 16,966 | 16,741 |
| Office expenses | 5,463 | 7,736 |
| Other expenses | 24,410 | 36,649 |
| Other legal and professional costs | 6,051 | 18,948 |
| Auditor's remuneration: for other services | 6,043 | 6,361 |
| | <u>152,851</u> | <u>165,224</u> |
| Governance costs include: | | |
| Auditor's remuneration : for audit | <u>4,968</u> | <u>4,740</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 31ST AUGUST 2022

9. TANGIBLE FIXED ASSETS

| | Freehold land | Assets in course of construction | Freehold buildings | Fixtures and fittings | Computer equipment | Total |
|--------------------------------|------------------|--|-----------------------|-----------------------------|-----------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| 1 st September 2021 | 275,000 | 172,207 | 610,801 | 132,040 | 111,650 | 1,301,698 |
| Additions | - | 168,484 | 2,300 | 6,866 | 9,144 | 186,794 |
| Disposals | - | - | (648) | (502) | (21,148) | (22,298) |
| 31 st August 2022 | <u>275,000</u> | <u>340,691</u> | <u>612,453</u> | <u>138,404</u> | <u>99,646</u> | <u>1,466,194</u> |
| Depreciation | | | | | | |
| 1 st September 2021 | - | - | 194,078 | 117,965 | 101,687 | 413,730 |
| Charge for the year | - | - | 7,793 | 4,510 | 10,059 | 22,362 |
| Released on disposal | - | - | (26) | (220) | (21,148) | (21,394) |
| 31 st August 2022 | <u>-</u> | <u>-</u> | <u>201,845</u> | <u>122,255</u> | <u>90,598</u> | <u>414,698</u> |
| Net book value | | | | | | |
| 31 st August 2022 | <u>275,000</u> | <u>340,691</u> | <u>410,608</u> | <u>16,149</u> | <u>9,048</u> | <u>1,051,496</u> |
| 31 st August 2021 | <u>275,000</u> | <u>172,207</u> | <u>416,723</u> | <u>14,075</u> | <u>9,963</u> | <u>887,968</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

| | 2022 £ | 2021 £ |
|----------------------|---------------|----------------|
| Due within one year: | | |
| Fees | 6,807 | 73,931 |
| Other | - | 4,944 |
| Prepayments | 68,630 | 43,481 |
| | <u>75,437</u> | <u>122,356</u> |

SEATON HOUSE SCHOOL LIMITED

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2022

11. CREDITORS: amounts falling due within one year

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Trade creditors | 65,248 | 21,638 |
| Other taxation and social security costs | 32,321 | - |
| Accruals and deferred income | 116,525 | 130,715 |
| Fee deposits (see note 13) | 20,000 | 20,000 |
| Other creditors | 17,897 | - |
| | <u>251,991</u> | <u>172,353</u> |

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

| | 2022 | 2021 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Fee deposits (see note 13) | <u>142,000</u> | <u>131,000</u> |

13. DEFERRED INCOME – FEE DEPOSITS

| | 2022 | 2021 |
|--|---------------------|---------------------|
| | Fee deposits | Fee deposits |
| | £ | £ |
| Balance at 1 st September | 151,000 | 152,500 |
| Amount received during the year | 37,500 | 33,000 |
| Amount returned during the year | (17,500) | (20,000) |
| Amount released to the Statement of Financial Activities | (9,000) | (14,500) |
| Balance at 31 st August | <u>162,000</u> | <u>151,000</u> |
| Due within one year | 20,000 | 20,000 |
| Due between two and five years | 79,000 | 82,000 |
| Due after more than five years | 63,000 | 49,000 |
| | <u>162,000</u> | <u>151,000</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 £124,151 (2021: £111,022) and at the year-end £14,778 (2021: £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.

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 £8,955 (2021: £6,936) and at the year-end £3,120 (2021: £nil) was accrued in respect of contributions to this scheme.

15. FUNDS

| | Balance at 01.09.2021 | Income | Expenditure | Balance at 31.08.2022 |
|---------------------|----------------------------------|------------------|--------------------|----------------------------------|
| | £ | £ | £ | £ |
| General fund | 2,062,604 | 1,766,605 | 1,653,785 | 2,175,424 |
| School Bursary fund | 89,350 | 9,000 | - | 98,350 |
| | <u>2,151,954</u> | <u>1,775,605</u> | <u>1,653,785</u> | <u>2,273,774</u> |
| | 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> |

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

16. CONTRACTS AND COMMITMENTS

At 31st August 2022 the charity had capital commitments of £25,460 (2021: £101,000) under contract in respect of the build of the Pavilion.

SEATON HOUSE SCHOOL LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 2022

| | 2022 | | 2021 | |
|---|------------------|-----------------------|------------------|-----------------------|
| | £ | £ | £ | £ |
| Fees receivable | | 1,689,681 | | 1,667,372 |
| Other income | | | | |
| Rent | | 1,260 | | - |
| Registration fees | | 4,015 | | 3,300 |
| Donations | | 1,294 | | 5,000 |
| Bank interest receivable | | 3,836 | | 3,176 |
| Miscellaneous | | 75,519 | | 53,193 |
| CJRS grants | | - | | 2,807 |
| | | <u>1,775,605</u> | | <u>1,734,848</u> |
| Expenses | | | | |
| Teaching costs | | | | |
| Salaries and pension costs | 1,249,547 | | 1,114,972 | |
| Teaching aids, supplies and training | 64,406 | | 63,595 | |
| Swimming and sports transportation | 10,829 | | 1,699 | |
| Telephone | 4,291 | | 4,068 | |
| IAPs | 2,981 | | 3,163 | |
| Hire of equipment | 2,816 | | - | |
| | <u>1,334,870</u> | | <u>1,187,497</u> | |
| Premises | | | | |
| Repairs and renewals | 55,101 | | 81,238 | |
| Cleaning | 45,323 | | 42,412 | |
| Utilities | 33,727 | | 31,895 | |
| Ground maintenance | 319 | | 1,228 | |
| Building project - professional fees | 3,360 | | 16,178 | |
| Loss/(gain) on disposal of fixed assets | 904 | | (59) | |
| Depreciation | 22,362 | | 32,688 | |
| | <u>161,096</u> | | <u>205,580</u> | |
| Administration of the school | | | | |
| Advertising, printing & subscriptions | 34,922 | | 47,317 | |
| Insurance | 16,966 | | 16,741 | |
| Legal and professional | 12,094 | | 25,309 | |
| Audit fee | 4,968 | | 4,740 | |
| Postage and stationery | 5,463 | | 7,736 | |
| Other expenses | 74,191 | | 45,733 | |
| Bank charges | 876 | | 823 | |
| Bad debts | 8,339 | | 21,565 | |
| | <u>157,819</u> | | <u>169,964</u> | |
| | | 1,653,785 | | 1,563,041 |
| Net income for the year | | <u><u>121,820</u></u> | | <u><u>171,807</u></u> |