

Company No. 10815140
Registered in England
Charity No. 1174358

DULWICH PREP CRANBROOK

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2019

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the audited financial statements of Dulwich Prep Cranbrook (the School) for the year ended 31 August 2019.

The Governors confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (Charities SORP FRS102).

Status and administration

The School is a company limited by guarantee (company number 10815140) and is registered with the Charity Commission under charity number 1174358. The School, together with Dulwich Prep London, is a subsidiary of Dulwich Preparatory Schools Trust ("the Trust"). The Trust is also a company limited by guarantee and is a registered Charity and the School leases its property from the Trust.

Governors' responsibilities

The Governors (who are also directors of the School for the purposes of company law) are responsible for preparing the Governors' report (including the strategic 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. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

The School was created as an independent charity governed by its own Articles of Association with effect from 1 September 2017. The Articles reflect the Companies Act 2006 and the Charities Act 2011 and were approved by the Charities Commission and passed by written resolution on 16th June 2017. Prior to that date the school was part of, and effectively governed by, the Articles of Association of the Trust. At its inception the umbrella charity, the Trust, donated the net assets and undertakings necessary to fulfil its objects to the new charity under a Transfer of Undertakings Agreement dated 1st September 2017. The School is supported in the provision of education by the Trust, from which the School leases its facilities.

Governing Body

The Governors of the School are the charity trustees under charity law and the Directors of the charitable company. All Governors are “members” of the Trust and the School’s Chairman and one other Governor also serve as Trustees of the Trust.

The members of the Governing Body who served in office as Governors during the year are detailed below with additional responsibilities or focus shown in brackets:

Mrs C M Nash	Chairman (<i>Trustee of the Trust</i>)
AP Anderson II	(<i>Trustee of the Trust Pension Scheme</i>)
M StJ Ashley	(<i>Trustee of the Trust, Trustee of the Trust Pension Scheme, Member of the Trust Finance Committee</i>)
Mrs S C Morgan	(<i>Education</i>)
Mrs N Payne	
N Pears	(<i>Early Years</i>)
Mrs S L Rynehart	Deputy Chairman (<i>HR and Legal</i>)
TWR Shortland	
Dr PH Williams	(<i>Safeguarding</i>)

Mrs C M Nash stood down as Chairman on 31 August 2019 but remains a member of the Governing Body. She was succeeded as both Chairman and as a Trustee of the Trust by Mrs S L Rynehart with effect from 1 September 2019.

Both Dr Williams and Mr Shortland left the Governing Body on 31 August 2019. Mr Steve Miller was appointed as a new Governor with responsibility for Safeguarding from 1 September 2019.

Key Management Personnel

Headmaster: P A David BEd (Hons)

Bursar and Clerk to the Governors: F P Scanlon BSc(Hons), MSc, MBA, MIET

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

Professional Advisers

Solicitors: Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH

Auditor: Crowe U.K. LLP, St Bride's House, 10 Salisbury Square, London EC4Y 8EH

Management Structure

The Governing Body meets a minimum of three times per year, normally once per academic term. Sub-committees for specific purposes are established as and when needed. The Headmaster and Bursar attend each of the full Governing Body meetings and any sub-Committee meetings as required. The day-to-day management of the School is delegated to the Headmaster and Bursar, who collectively comprise the key management personnel and are supported by the School's Senior Management Team. The Headmaster has overall responsibility for the appointment and supervision of all staff, but delegates this function to the Bursar for most non-academic staff.

Remuneration is set by the Governing Body with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence.

Governing Body Recruitment & Training

The Governing Body is self-appointing, with new Governors identified by the existing Board, supported by the Headmaster and Bursar, and appointed by the Board following agreement by the Trust. Governors serve for an initial term of four years, but may offer themselves for re-election for a second term of four years and then a final term of two years, making ten years in all.

New members of the Governing Body are elected on the basis of the candidates' professional qualities, experience, personal competence and the specific needs of the School. New Governors are inducted into the workings of the charitable company via a programme organised by the Headmaster and Bursar. The Bursar will also notify members of the Governing Body of relevant external trustee training and information courses and seminars designed to keep them informed and updated on current issues in the sector and regulatory requirements.

Charity Code of Governance

Following its incorporation on 12th June 2017 the School's Board of Governors has taken its governance responsibilities seriously and, as a significant charity, aims to have a governance framework that is fit for purpose, compliant and efficient. The Board has established a solid foundation in governance in which all of its Governors are clear about their roles and legal responsibilities, are committed to supporting the School in delivering its objects most effectively for the benefit of its beneficiaries and contributing to the School's continued improvement.

Overall the School's Board of Governors meets a very significant proportion of the recommended and best practice for governance contained within the Charity Governance Code across the seven areas and are comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code.

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial performance of the School through an annual briefing given by the Bursar. Employees are also aware of the public benefit necessarily provided by the School as a charity and of their part in supporting the School's contribution to the local community.

Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to make staff aware of current issues.

One such issue arising during the year was the unexpected announcement of the significant increase in the employer's contribution to the Teachers Pension Scheme (TPS) which took effect from 1 September 2019. The impact of the increase had serious consequences for the School's finances. An exceptional consultation with representatives of the teaching staff was therefore conducted by a specially formed sub-committee of Governors, the Bursar and the HR Manager to consider the School's ability to fund the increased contributions and future pension provision for teachers. The open and thorough consultation resulted in a unanimous agreement by the teaching staff that the School should withdraw from the TPS at the earliest opportunity and that future pension provision would be through a new defined contribution scheme being offered by Aviva. The School completed this process with effect from 1 November 2019.

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

STRATEGIC REPORT

The remainder of the report of the Governors also constitutes the strategic report for the purposes of the Companies Act 2006.

Principal activity and objects of the charitable company

The principal activity of the charitable company is the operation of a preparatory school at Cranbrook, Kent. The objects of the charitable company are the advancement of education by the provision and conduct of the school for boys and girls and by ancillary or incidental educational activities and other associated activities for the benefit of the community. The Governing Body has referred to the guidance contained in the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education and on fee charging, when reviewing future aims and objectives.

Aim

The Governors' aim is that pupils should have every opportunity to fulfil their potential - academic, artistic, dramatic, musical, sporting, social and moral – by providing a rich and dynamic curriculum, inspirational teaching, building children's self-confidence by supporting their emotional, physical and intellectual needs, and inculcating a desire to contribute to the wider community. By the time children leave the school our aim is that they will have developed the skills and inner confidence to flourish in the next stage of their journey, ready to embrace the opportunities the world outside has to offer.

Primary objectives

The School seeks to achieve its aim through the following primary objectives:

- To continue to welcome pupils and staff from all backgrounds.
- To continue to develop our exceptional pastoral care.
- To continue to develop the breadth and depth of what we offer so each child can discover new passions, develop their talents, and stretch themselves.
- To continue the professional development of all staff, so they are leaders in their field.
- To continue to develop our academic curriculum so that children have the skills and mindset they need to flourish.
- To nurture good citizenship and encourage children to be contributing members of their community and society generally.
- To continue to improve our facilities, technology and resources.
- To continue to develop and strengthen our relationship with local schools and the wider community.
- To set our fees at a level to ensure the financial viability of the School and at a level that is consistent with our aim of providing a first class education to children.
- To provide financial support to enable children whose parents would not otherwise be able to afford the fees to benefit from an education at the School.
- To maintain a clear and effective management structure and the necessary support framework to meet the needs of staff and pupils alike.

DULWICH PREP CRANBROOK

ANNUAL REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2019

Strategies to achieve the primary objectives

The Governing Body has reviewed the Strategic Development Plan for the School. A new plan which was initiated in 2016 and reviewed in 2018 is now well advanced. The Plan defines educational and investment initiatives and major projects, subject to available funding, in pursuit of the primary objectives.

The 2016 strategic review recognised the need for the School to adjust to the changing local market, particularly as a result of Cranbrook School's decision to admit pupils from Year 7 and so diminish our own Year 7 and 8 pupil numbers. In response to this, besides an extensive rebranding programme completed during 2017, a considerable extension of the School's bursary and scholarship programme has been implemented with bursaries now being offered from Year 3 onwards. Additionally, the consequent reduction in demand for boarding in Yrs 7 and 8 has enabled the School to consolidate boarding accommodation into one house, The Manor, from September 2018. This has freed The Lodge Boarding house and surrounding land for disposal by the parent Trust. Planning permission for a small residential development on this site was applied for during the year. If the application is successful, the Trust aims to market the site.

Public benefit

The School remains committed to the aim of providing public benefit in accordance with its founding principles.

The School actively supports the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practice and a widespread desire to improve standards. We cooperate with local schools and educational bodies in our ongoing endeavours to widen public access to the schooling we provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at the School.

This year the School awarded means-tested bursaries totalling £157K to 21 pupils (2018: £209K to 21 pupils), including 4 for 75% or more of full fees. The Trust continues to refine means-testing through a rigorous and detailed process which includes home visits.

Emotional well-being and mental health

The School continues to develop wellbeing initiatives working with the "Place2Be" charity, which provides embedded provision for the School's own pupils and promotes child mental health awareness to parents, and The Sam West Foundation, a charity established in the memory of a former pupil. During the academic year 2018-19 the school has been the facilitator for promoting the importance of a focus on positive mental health throughout our local community. Two mental health training opportunities were set up for teaching and support staff based in local maintained and independent schools:

- The Mental Health First Aid Course, established by Mental Health First Aid England (mhfaengland.org) provides a practical framework to support the mental health and wellbeing of the young people within our communities. Four sessions of the Mental Health First Aid two-day course ran over the academic year in September, November, March and May. Each course had a maximum of 16 people with a total of 64 people completing the course.
- The Mental Health Champions Training for School Leaders in Kent saw local head teachers and leaders join together for a series of training days to move the conversation about mental health

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

forward and to enable school leaders to develop a strategic plan to embed a school wide ethos focusing on mental health and wellbeing. The course was hosted by Dulwich Prep and run by Place2Be, jointly funded by the school, The Sam West Foundation and the Brook Foundation. The course ran over four days from February – June 2019. The inaugural training group have set up a community of practice link so that all those involved can provide on-going mutual support as schools move forward with their individual projects.

Facilities and resources

During the academic year of 2018-2019, the School continued to foster strong relationships with many of our local state maintained schools. During the year, thirteen local state schools have benefitted in a variety of ways from the facilities and staff of Dulwich Prep Cranbrook.

We offer local schools, sports clubs and the wider local community access to our facilities, teaching expertise and mini-buses. We also host numerous sporting partnerships and events - including cross-country, football, hockey, rugby and water polo. Every year the school arranges and hosts “The Rawlinson Run” which is a cross-country event for children from Yrs 2 to 4 from primary and independent schools across the area. This year, 150 pupils from 5 local primary schools joined the event. In addition, the School hosted a local schools football tournament attended by 80 pupils from 8 local primary schools and a Hockey Festival which was joined by 45 pupils from 3 local state schools.

The PE Department has arranged and hosted afternoons of cricket coaching and water-polo coaching specifically for a local primary school. Our Music Department provided a member of staff to a local primary school to run 4 separate sessions with 60 pupils in support of their special Music Week.

Opportunities for learning experiences within the School are also provided. During the year, local primary schools have joined our own pupils by attending author visits and 21 older pupils from senior schools have been hosted for work experience. In addition, the School has provided Drama Workshops on Saturdays for local children and given transport for local primary children to attend Headcorn Aerodrome’s Schools Event.

The School has a designated member of staff responsible for liaison with and support for local schools. Strong relationships have been established as a consequence and the School continues to actively seek opportunities for close co-operation wherever possible. Local state schools are encouraged to approach the School for support and assistance wherever they feel we may be in a position to provide it.

Charitable fundraising

Pupil fundraising for charitable causes is also encouraged and during the year over £10K was donated to local and national charities as a result of pupil led initiatives. This is further supported by various staff charity fundraising ventures and by the activities of the Friends Association who, besides supporting the School, continues to raise funds for a range of charities.

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

Academic success continued throughout the School. Leavers from Year 6 and from Year 8 gained 26 Scholarships, Exhibitions and Awards and, together with 26 children who were successful at Common Entrance or Scholarship, joined 16 different senior independent schools. 31 children were successful in the selective examination for Year 9 entry to Cranbrook School and a further 17 children from Year 6 joined Cranbrook School via the 11+ route.

Building on the success of the recording in 2018, music has evolved even further this year with more concerts and events both in and out of the school community. Our ever-expanding Rock School performed a charity lunchtime concert in February, with sets from the three bands in Years 7 and 8. Later in the year, Rock School also performed at the Friends' Summer Fair and at the Woodlands Festival in Hawkhurst. Jazz Band performed at the Sissinghurst Christmas Tree Festival in December as well as the Summer Wealden Fair, with Junior Chamber Choir signing traditional Christmas Carols at the Winter Wealden Fair.

Year 6 staged a rather moving play, Tin Hats and Telegrams, marking the 100th anniversary of World War I. The highlight of the Spring Term was our Senior Musical, Mary Poppins, with some incredible choreography on the rooftops of London with our army of sweeps.

Our pupils achieved numerous Performing Arts Scholarships to Battle Abbey, Claremont School, Cranbrook School and Kent College, Pembury.

Art continues to be a major strength with the quality of work produced by the children unsurpassed in a prep school setting, as noted by the Good School's Guide. Two additional Advanced Art groups have been combined so that the Year 7 pupils can observe the Year 8 children as they work, thus making an inspirational and cooperative working environment. Last year pupils were successful in gaining Art scholarships to: Sutton Valence, Bede's, Mayfield, Tonbridge and Sevenoaks, with one pupil taking an extra paper for his academic scholarship in Art – he received A* for his portfolio. In addition, three children were successful in the National IAPS Art Competition 2018-19. An entry was Highly Commended in the Year 1-2 category and two children won First Prize respectively in the Year 5-6 and Year 9-10 category, the latter being awarded to a child in Year 8 on the strength of their work against older children.

Sporting success was wide and varied. Over 550 inter-school fixtures and tournaments took place as well as internal Tribe competitions at all age levels in team sports, cross-country, athletics, tennis and swimming. The School was able to field 19 football teams from Year 3 to Year 8 and a staggering 27 teams for cricket, girls and boys. A broad mixture of independent and state schools also attended our major community sports events including the annual Rawlinson Run, U11 mixed gender Football Festival, U9 mixed Hockey festival, Water Polo sessions, Rugby training, Cricket coaching and a swimming Gala. Dulwich successfully defended the Brenchley Relay cross-country for the 26th year in a row, whilst the U11 team won the Thomas Trophy cross-country meeting. One pupil won all but one of the cross country

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

competitions this year and three pupils were selected by Kent to represent the county. In Hockey, the U13 boys won the Dulwich Tournament, were runners up in the Regional IAPS and were finalists in the plate at the IAPS finals held at Millfield School. The girls were winners of the plate competition in the Regional IAPS tournament. An annual Development Hockey tournament for the less able is hosted each year at Dulwich Prep, with the U10 team winning against four other local prep schools. Five pupils represented Kent with one playing for the SE region. The Athletics squad won many medals at the Kent Prep Schools Athletics Championship, with four pupils qualifying for the National Athletics Championships, at which one Silver medal was won in the 1500m. The Tennis squads play local schools as well as competing in the IAPS finals at Rugby School. The boys U13 and girls U11 squads were both unbeaten this season in inter-school fixtures. Dulwich girls also entered the National Lacrosse championships at which the School was the only prep school participating. Four pupils competed in the National Prep Schools swimming finals with one winning a bronze medal and eleven pupils were selected to represent Kent in various other sports.

FINANCIAL REVIEW

The net income for the year ended 31 August 2019 amounted to £304,335 (2018 £348,885) but the 2018 figure included £49,300 representing the initial donation by the Trust on the transfer of the assets and undertaking of the School. The operating surplus for the year was therefore £304,335 compared to £299,585 in the previous year. Total income of £6,535,122 and expenditure of £6,230,787 in the year compared with total income of £6,877,995 and expenditure of £6,529,110 in the previous year. The reduced levels of income and expenditure are attributable to the reduction in pupil roll. The net book value of fixed assets amounted to £210,995 (2018 £248,068).

In addition to revenue from school fees, the School seeks to enhance its income through letting its facilities and through rents received for residential properties. Besides casual lettings of sports facilities, classrooms and halls for birthday parties etc., regular hirers of the School's facilities include a local children's dance company who hire the main school hall at weekends throughout the term and a children's holiday activities company who hire a range of facilities to operate a day camp over a period of four weeks during the School's summer holidays. There are also a number of holiday activities from which income is earned that are run by the School's own staff and available to current pupils. These include sports camps, chef school and a summer holiday activity camp for younger children.

Reserves

The School's reserves policy is to maintain its unrestricted reserves (excluding pension liabilities or assets) broadly at the level of one month's expenditure in order to meet day to day running costs of the School and the costs associated with the maintenance of the fabric of its buildings. This allows the School to ensure sufficient liquidity for normal operation. In addition the School may hold additional reserves to support anticipated capital expenditure and its longer term liabilities in particular its pension fund obligations. Free reserves held at the year end totalled £879,185 (2018: £652,452) excluding pension liabilities and £417,385 (2018: £404,152) including pension liabilities. The Governors have considered the reserves policy in light of the Covid-19 pandemic and have concluded that no adjustments to the policy need to be made.

Post balance sheet events

In response to the Covid-19 pandemic the Government announced the closure of all schools from 24th March 2020. During the Easter holidays the School refined its on-line learning capabilities and all pupils benefited from the continuity provided by this distance learning from the start of the Summer Term. Only the children of key workers physically returned to the School premises for the first half of the Summer Term. From 1st June, following detailed risk assessments, a phased return of children by age groups took

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

place. All pupils were given the opportunity to attend school before the end of the Summer term and the overwhelming majority did so. In accordance with the Government's directive for the full re-opening of schools at the start of the Autumn Term, all pupils in all year groups returned to School on 3rd September 2020.

In light of these events the Governors made a decision to reduce fees for the Summer term by 35% for Early Years pupils and 25% for Years 2 to 8. The School's cash flow was reviewed using assumptions designed to reflect a conservative assessment of the impact of Covid-19 on the revenue of the School taking into account the experience over the Summer Term 2020. This included the reduction in fees being charged, the forecast enrolment of pupils and the decision to freeze fees at current levels for the next academic year as well as parents' ability to pay fees. The School has also reviewed its expected expenditure and sought to make savings wherever possible without impacting on the quality of education, including taking advantage of the furloughing of, primarily, non-academic staff. Certain capital expenditure has been postponed and, together with Dulwich Prep London, a detailed assessment of the impact from both schools on the parent Trust's cashflows for the coming year has been carried out. Taking into account the conclusions of this assessment and the availability of bank facilities the parent Trust has confirmed its ability to support the School for the next two academic years.

Having assessed the School's financial position, its plans for the foreseeable future, the risks to which it is exposed and the support available from the parent Trust, the Governors are satisfied that it is appropriate to prepare the statements on a going concern basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the principal risks to the School to be those associated with Safeguarding of children and those associated with continued economic and political turbulence, particularly those arising from the Covid-19 crisis.

Safeguarding

In September 2019, the School welcomed a new Designated Safeguarding Governor. In order to establish continuity of communication between the governing body and the school, a handover took place during the summer term 2019 between the former governor responsible for safeguarding, the DSL (Designated Safeguarding Lead) and the new governor in post. The designated governor and the DSL report to the Board of Governors termly and the governor conducts an annual safeguarding audit of the school. The next audit will take place during the spring term 2020.

All Governors receive full safeguarding training when they join the Board and regular updates from the Designated Safeguarding Lead at the School. All are required to scrutinise and approve the safeguarding policies of the School at least annually. In addition to this all governors are required to complete any appropriate and necessary training such as updates on Keeping Children Safe in Education. This is provided as online training and a record is held by the DSL and the HR manager.

At the start of the academic year 2018-2019, the School established a Safeguarding team consisting of five members of the Senior Management team. This replaced the former model of the DSL and one deputy with responsibility for Early Years. Now that this has been in place for a year we have reflected on how this model is working and all agree that it has been extremely useful to have more people involved at this level of management. At all times, Safeguarding remains the highest priority. All trips and visits are considered even more closely with full safeguarding meetings being held in advance of all residential trips and appropriate staffing and adjustments are made for pupils with additional needs.

DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019

Whilst the Governors are respectful of the boundary between governance and management, they continue to exercise appropriate oversight of safeguarding and are deliberately more visible to staff and parents, attending many school events and getting to know not just the Headmaster and Bursar, but staff in all areas of the School, and their presence is welcomed by the whole community. The annual safeguarding audits have provided another opportunity for personal contact between Governors and staff – including support staff.

As well as modelling a culture of greater openness, Governors have in recent years prioritised changes to make the School not only compliant but, on broader practical and cultural levels, safer places for the pupils.

Economic and Political Turbulence

The Governors consider the continuing economic turbulence of recent years and the affordability of fees by parents across the independent sector to represent significant risks to the School. This risk is likely to increase as the future financial impact of Covid-19 emerges in the coming months and years. In addition, the increase in Teachers' Pension contributions, from 16.48% to 23.6%, being implemented in September 2019 would have presented a considerable challenge although this, together with the risk of future TPS increases, has been successfully mitigated by the decision to withdraw from TPS from November 2019. A new defined contribution pension scheme for teachers will be in place for teachers from that point. However, other financial risks remain and Governors are alert to the potential impact of Brexit both on the School's supply costs and to the livelihoods of the parents who pay fees. The prospect of the removal of business rates relief currently enjoyed by the School as a charity and the potential introduction of VAT on school fees also feature highly in the risks being considered by Governors.

Although enrolment at the School remained strong through the year, the School is still adjusting to the recent change by Cranbrook School (a local State Grammar School) to admit pupils via the Kent Test at 11+ rather than via their own 13+ entrance examination. This has resulted in a significant increase in the number of pupils leaving at the end of Year 6. In common with other local Preparatory Schools, Years 7 and 8 are now smaller and staffing has been adjusted to compensate for this. Numbers are now stabilising although continued economic uncertainty and political threat leaves no room for complacency.

The School's management of Health and Safety risks are also closely monitored by the Board. The risks range from fire and infrastructure to personal risks (most notably when pupils are away from the campus on trips and outdoor activities) The level and breadth of these activities at the School is impressive and the risks associated with all are minimised by thorough planning and risk assessment by the School's designated External Visits Co-ordinator. The School's Health and Safety Committee comprises representatives from all sections of the School and reports, via the Bursar, to the Governors on a termly basis. The School also employs an external Health and Safety adviser who provides detailed advice when necessary as well as providing audit and reporting in specific areas when required.

Detailed consideration of risk is undertaken for the School by the Governors in conjunction with the Headmaster and Bursar. A risk register is maintained, reviewed termly by the Governors and updated as necessary. The risk management process and the resulting report identify risks, assess their impact and likelihood and, where necessary, recommend controls to mitigate and monitor those risks which are assessed as high.

**DULWICH PREP CRANBROOK
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2019**

The generic controls used by the School to minimise risk include:

- detailed terms of reference together with formal agendas for Committee and Board activity;
- strategic development planning, reviewed annually by Board of Governors;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks for the School.

Approved by the Governing Body of Dulwich Prep Cranbrook, including, in their capacity as company directors, approving the Directors' and Strategic Report contained therein, and signed on its behalf by:



Mrs S L Rynehart

Chair of Board

Date

11/09/20

DULWICH PREP CRANBROOK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DULWICH PREP
CRANBROOK

Opinion

We have audited the financial statements of Dulwich Prep Cranbrook for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and,

DULWICH PREP CRANBROOK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DULWICH PREP
CRANBROOK

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the trustees' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 1, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

DULWICH PREP CRANBROOK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DULWICH PREP
CRANBROOK

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Tina Allison

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor
St Bride's House
Salisbury Square
London
EC4Y 8EH

29 September 2020

DULWICH PREP CRANBROOK
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019
(Incorporating an income and expenditure account)

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Total 2018 £
Income from:					
Charitable activities:					
School fees receivable	2	6,342,258	-	6,342,258	6,610,918
Other educational income	3	74,436	-	74,436	86,226
Ancillary income	4	95,422	-	95,422	94,656
Other trading activities					
Non-ancillary trading income	5	23,006	-	23,006	26,895
Voluntary sources					
Donations and legacies		-	-	-	59,300
Total income		6,535,122	-	6,535,122	6,877,995
Expenditure on:					
Raising funds					
Financing costs	6	(6,295)	-	(6,295)	(19,126)
Total costs of raising funds		(6,295)	-	(6,295)	(19,126)
Charitable activities					
Education	6	(6,224,492)	-	(6,224,492)	(6,509,984)
Total expenditure		(6,230,787)	-	(6,230,787)	(6,529,110)
Net income		304,335	-	304,335	348,885
Transfer between funds	14	225	(225)	-	0
Pension scheme actuarial (losses)/gains	16	(328,400)	-	(328,400)	303,700
Net movement in funds for the year		(23,840)	(225)	(24,065)	652,585
Fund balances brought forward at 1 September 2018		652,220	365	652,585	-
Fund balances carried forward at 31 August 2019		628,380	140	628,520	652,585

The notes on pages 20 to 36 form part of these financial statements

**DULWICH PREP CRANBROOK
BALANCE SHEET
AS AT 31 AUGUST 2019**

	Notes	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	8		210,995		248,068
CURRENT ASSETS					
Debtors	9		996,818	906,742	
Cash at bank and in hand			1,036,764	790,690	
			2,033,582	1,697,432	
CREDITORS: Amounts falling due within one year	10		(1,112,702)	(1,009,723)	
NET CURRENT ASSETS			920,880		687,709
TOTAL ASSETS LESS CURRENT LIABILITIES			1,131,875		935,777
CREDITORS: amounts falling due after more than one year	11		(41,555)		(34,892)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			1,090,320		900,885
Defined benefit pension scheme liability	16		(461,800)		(248,300)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			628,520		652,585
CHARITY FUNDS					
Unrestricted funds excluding pension reserve			1,090,180		900,520
Pension reserve			(461,800)		(248,300)
Restricted funds			140		365
TOTAL FUNDS			628,520		652,585

The financial statements were approved
by the Governors on 11 Sep 20 and
signed on their behalf, by:



SL Rynehart
Chair of Board

The notes on pages 20 to 36 form part of these financial statements.

**DULWICH PREP CRANBROOK
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	£	2019 £	£	2018 £
Net cash inflow from operations					
Net cash provided by operating activities	(i)		285,311		836,592
Cash flows from investing activities:					
Additions to fixed assets		(39,487)		(65,052)	
Proceeds from sale of fixed assets		<u>250</u>		<u>19,150</u>	
Net cash (used in) investing activities			<u>(39,237)</u>		<u>(45,902)</u>
Change in cash and cash equivalents in the reporting period			246,074		790,690
Cash and cash equivalents at the beginning of period			790,690		-
Cash and cash equivalents at the end of the reporting period	(ii)		<u>1,036,764</u>		<u>790,690</u>

The notes on pages 20 to 36 form part of these financial statements

DULWICH PREP CRANBROOK
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2019

		2019		2018
	£	£	£	£
(i) Reconciliation of net income to net cash flow from operating activities				
Net income		304,335		348,885
Elimination of non-operating cash flows:				
Depreciation charge	76,560		95,801	
Donation of fixed assets	-		(299,897)	
(Profit)/loss on disposal of fixed assets	(250)		1,930	
(Increase) in debtors	(90,076)		(906,742)	
Increase in creditors (excluding fees in advance scheme and deposit)	57,225		313,323	
Increase in fees in advance scheme creditors	67,917		525,792	
(Decrease)/increase in parents' deposits	(15,500)		205,500	
Movement in defined benefit pension liability	(114,900)		552,000	
		<u>(19,024)</u>		<u>487,707</u>
Net cash inflow from operations		<u>285,311</u>		<u>836,592</u>
		2019		2018
		£	£	
(ii) Analysis of cash and cash equivalents				
Cash at bank and in hand		<u>1,036,764</u>		<u>790,690</u>

**DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The accounts are drawn up on the historical cost basis of accounting.

The School is a Public Benefit Entity registered as a charity in England and Wales (charity number: 1174358) and a company limited by guarantee, (company number: 10815140). Its registered office is Coursehorn, Cranbrook, Kent, England, TN17 3NP.

The ultimate parent company and controlling party of Dulwich Prep Cranbrook is Dulwich Preparatory Schools Trust (the Trust), a charitable company incorporated in the United Kingdom (company number: 00579923). The accounts of the School have been consolidated into the ultimate parent entity's financial statements. Copies of these financial statements can be obtained from the registered office, 42 Alleyn Park, Dulwich, London SE21 7AA. Control is exercised by the parent company by virtue of board representation.

The principal activity of the Trust is the operation of preparatory schools at Dulwich London and at Cranbrook Kent. The objects of the Trust are the advancement of education by the provision and conduct of schools in Dulwich and Cranbrook for boys and girls and by ancillary or incidental educational activities and other associated activities for the benefit of the communities.

1.2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The School's liability for the Non-Teaching Staff defined benefit pension scheme involves a number of assumptions as disclosed in note 16. In the view of the Governors, no other assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Schools's financial statements.

1.3 Income

All income is included in the statement of financial activities when the School has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability. Fees consist of charges for the school year ending August, less bursaries and allowances. Fees received in advance are deferred and released to income in the period to which the fees relate.

1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs include all costs relating to the management, administration and running the functions of the School.

Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

1.5 Tangible and intangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases. Assets are capitalised over £200.

Leasehold	-	2% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	10% straight line
Computer equipment	-	25-50% straight line

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES (continued)

1.6 Fund accounting

General Funds are the accumulated surplus on the Schools income and expenditure account which is available for use at the discretion of the Governors in furtherance of the general objectives of the charity, including support of the Trust.

Restricted Funds may only be spent on the charitable purpose specified by the donor.

1.7 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

(a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

(b) The Dulwich Preparatory Schools Trust Non Teaching Staff Pension Scheme - This is an occupational defined benefit scheme. The scheme is closed so there are no current service costs, other than administration expenses which are borne directly by the School. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES (continued)

(c) The Dulwich Preparatory Schools Trust Non Teaching Staff Group Personal Pension Plan - This is a defined contribution group personal pension plan with Aviva. Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.8 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

1.9 Taxation

The School is a registered charity No. 1174358 and as such is not liable to United Kingdom income tax or corporation tax on charitable activities.

1.10 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Schools's financial viability. The Governors have given consideration to the financial implications of Covid-19 and concluded there hasn't been any material impact on the going concern of the school. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

2 FEES RECEIVABLE	2019	2018
	£	£
Fees receivable consist of:		
School fees	6,983,053	7,284,268
Less: total awards and concessions	(640,795)	(673,350)
	<u>6,342,258</u>	<u>6,610,918</u>
Included within awards and concessions are means-tested bursaries totalling £157,132 (2018 £208,628) which were paid to 21 pupils (2018 21).		
3 OTHER EDUCATIONAL INCOME	2019	2018
	£	£
Entrance and registration fees	3,980	8,977
Courses and sub-lettings	70,456	77,249
	<u>74,436</u>	<u>86,226</u>
4 ANCILLARY AND OTHER INCOME	2019	2018
	£	£
School shop, School trips and Other income	<u>95,422</u>	<u>94,656</u>
5 OTHER TRADING ACTIVITIES	2019	2018
	£	£
Rents receivable	<u>23,006</u>	<u>26,895</u>

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

6 ANALYSIS OF EXPENDITURE

	Staff costs (Note 7) £	Depreciation (Note 9) £	Other costs £	Total 2019 £	Total 2018 £
Raising funds					
Financing costs	4,600	-	1,695	6,295	19,126
Total costs of raising funds	4,600	-	1,695	6,295	19,126
Charitable expenditure					
Teaching	3,368,314	-	480,949	3,849,263	4,080,135
Welfare	295,020	-	157,923	452,943	491,237
Premises	176,580	76,560	817,888	1,071,028	1,070,490
Support costs	555,278	-	295,980	851,258	868,122
Total charitable expenditure	4,395,192	76,560	1,752,740	6,224,492	6,509,984
Total expenditure	4,399,792	76,560	1,754,435	6,230,787	6,529,110

Governance included in support costs:	2019	2018
	£	£
Governor costs	583	1,009
Legal and consultancy fees	13,899	14,999
Remuneration paid to auditor for audit services	10,980	10,800
Remuneration paid to auditor for non-audit services	-	2,100

7 STAFF COSTS	2019	2018
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and salaries	3,547,443	3,744,419
Social security costs	322,451	357,879
Pension costs and other benefits	529,898	561,183
	4,399,792	4,663,481

Aggregate employee-benefits of key management personnel amounted to £260,985 (2018 £256,045) including pension contributions of £36,355.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

7 STAFF COSTS (CONTINUED)

	2019	2018
Number of higher paid employees in bands of:		
£70,001 to £80,000	1	1
£120,001 to £130,000	1	1
 The number with retirement benefits accruing		
- in Defined Contribution schemes was	1	1
of which the contributions amounted to	13,706	13,570
- in Defined Benefit schemes was	<u>1</u>	<u>1</u>

The average number of the School's employees during the year, calculated on headcount, was

	2019	2018
Teaching	87	92
Domestic and estates	30	32
Administrative	17	18
	<u>134</u>	<u>142</u>

During the year there were redundancy or termination payments which amounted to £5,896 (2018 £23,375) of which £nil was outstanding for payment at the year end.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

8 Tangible Fixed Assets

	Leashold Land and Buildings	Furniture Fixtures and Equipment	Computer Hardware	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2018	13,688	630,467	328,291	53,114	1,025,560
Additions	5,372	15,951	18,164	-	39,487
Disposals	-	(1,000)	(22,705)	-	(23,705)
At 31 August 2019	19,060	645,418	323,750	53,114	1,041,342
Depreciation					
At 1 September 2018	274	453,305	294,241	29,672	777,492
Charged in year	309	41,478	28,913	5,860	76,560
Disposals	-	(1,000)	(22,705)	-	(23,705)
At 31 August 2019	583	493,783	300,449	35,532	830,347
Net book values					
At 31 August 2018	13,414	177,162	34,050	23,442	248,068
At 31 August 2019	18,477	151,635	23,301	17,582	210,995

9 DEBTORS

	2019	2018
	£	£
Fee debtors	166,833	157,487
Sundry debtors	22,206	40,940
Prepayments and accrued income	142,459	130,285
Amounts due from parent undertaking	665,320	578,030
	996,818	906,742

10 CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	53,544	70,170
Social security and other taxation	80,170	79,960
Fees in advance	552,154	490,900
Other creditors	96,514	87,502
Fee deposits	190,000	205,500
Accruals and deferred income	140,320	75,691
	1,112,702	1,009,723

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

11 CREDITORS: amounts falling due after more than one year	2019	2018
	£	£
Fees in advance	<u>41,555</u>	<u>34,892</u>

12 FEES IN ADVANCE

	2019	2018
	£	£
Within one to two years	41,555	34,892
Within one year	<u>552,154</u>	<u>490,900</u>
	<u>593,709</u>	<u>525,792</u>
<u>Movements in fees in advance</u>		
Opening fees in advance	525,792	-
Amount released to income during the year	(490,900)	-
Amount deferred during the year	<u>558,817</u>	<u>525,792</u>
	<u>593,709</u>	<u>525,792</u>

13 OPERATING LEASE COMMITMENTS

At 31 August 2019 the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Within 1 year	400,750	381,625	21,612	12,052
Between 2 and 5 years	1,703,875	1,674,625	35,323	21,091
After more than 5 years	<u>18,490,000</u>	<u>18,920,000</u>	<u>-</u>	<u>-</u>

The charge in the year was £404,864 (2018 £387,232).

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

14 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 September 2018 £	Incoming resources £	Resources expended £	Actuarial losses £	Transfer £	At 31 August 2019 £
Unrestricted Funds	652,220	6,535,122	(6,230,787)	(328,400)	225	628,380
Restricted Funds	365	-	-	-	(225)	140
Total funds	652,585	6,535,122	(6,230,787)	(328,400)	-	628,520

A transfer of £225 (2018 £9,635) has been made during the year to reflect restricted income spent on musical instruments. The comparative figures are shown in note 19 (B).

15 SUMMARY OF NET ASSETS BY FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
2019			
Tangible Assets	210,995	-	210,995
Net Current Assets	920,740	140	920,880
Long Term Creditors	(503,355)	-	(503,355)
	628,380	140	628,520
2018			
Tangible Assets	248,068	-	248,068
Net Current Assets	687,344	365	687,709
Long Term Creditors	(283,192)	-	(283,192)
	652,220	365	652,585

16 PENSION SCHEMES

Retirement benefits to employees of the School are provided through two defined benefit schemes and one defined contribution scheme, which are funded by the School and employees' contributions.

Defined benefit scheme

Teachers' Pension Scheme

The School participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes employer contributions payable to the TPS of £369,075 (2018 £389,430). At the year-end £48,434 (2018 £50,300) was accrued in respect of employee and employer contributions to this scheme.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

16 PENSION SCHEMES (CONTINUED)

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%.

Following the increase the School has undergone a consultation process which has resulted in a unanimous agreement by the teaching staff that the School should withdraw from the TPS at the earliest opportunity and that future pension provision would be through a new defined contribution scheme being offered by Aviva. The School completed this process with effect from 1 November 2019.

**DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

16 PENSION SCHEMES (CONTINUED)

Non-teaching staff Pension Schemes

There is a defined benefit pension scheme for non-teaching staff which was closed on 31st December 2004, both in respect of new members and accrual for existing members. This was replaced by a defined contribution scheme.

Defined benefit scheme:

Dulwich Preparatory Schools Trust operated this scheme in the UK (the Dulwich Preparatory Schools Pension Scheme). The results for this valuation have been derived by projecting the results of the last comprehensive actuarial valuation of the Scheme as at 1 January 2018 and have been prepared by a qualified independent actuary. Following the latest actuarial valuation there is a new deficit reduction agreement in place between the Trust, the Schools and the Pension Scheme Trustees. The aim is to eliminate the deficit over a period of 10 years.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

16 PENSION SCHEMES (CONTINUED)

On 1st September 2017 the Trust transferred the obligations to contribute to the scheme to each of the Schools in proportion to the staff employed or previously employed by each as determined by the actuary.

	2019	2018
	£	£
a) The amounts recognised in the balance sheet are as follows		
Present value of funded obligations	(2,186,500)	(1,784,100)
Fair value of scheme assets	<u>1,724,700</u>	<u>1,535,800</u>
Net Liability	<u>(461,800)</u>	<u>(248,300)</u>
b) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	1,784,100	2,020,800
Service cost	-	10,000
Interest cost	46,200	48,600
Actuarial losses/(gains)	368,500	(267,500)
Benefits paid	<u>(12,300)</u>	<u>(27,800)</u>
	<u>2,186,500</u>	<u>1,784,100</u>
c) Closing fair value of scheme assets		
Opening fair value of scheme assets	1,535,800	1,370,100
Interest income	41,600	33,900
Return in excess of interest income	40,100	36,200
Contributions by employer	119,500	130,300
Administration fee	-	(6,900)
Benefits paid	<u>(12,300)</u>	<u>(27,800)</u>
Closing fair value of scheme assets	<u>1,724,700</u>	<u>1,535,800</u>

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

16 PENSION SCHEMES (CONTINUED)

	2019	2018
d) The amounts included within the Statement of Financial Activities	£	£
Current service cost	-	10,000
Interest on obligation	46,200	48,600
Interest income	(41,600)	(33,900)
Administration fee	-	6,900
 Total amount charged to the Statement of Financial Activities	 4,600	 31,600
 Net actuarial (losses)/gains recognised in the year	 (328,400)	 303,700

The School expects to contribute £113,337 to the scheme in 2019/20 (2018/19 £120,300). A revised Schedule of Contributions was agreed between the Trustees and the Employer as part of the actuarial valuation as at 1 January 2018.

e) Principal actuarial assumptions at the balance sheet date

Financial Assumptions		
Discount rate	1.8%	2.6%
RPI inflation assumption	3.2%	3.2%
Rate of increase of pensions in payment	3.5%	3.5%
Rate of increase of pensions in deferment	2.4%	2.4%
 Assumed life expectancy in years at age 65:		
Non Pensioners		
Females	25.4	25.4
Males	23.4	23.4
 Pensioners		
Females	23.9	23.9
Males	21.9	21.9

Defined contribution scheme

The pension cost charge in the year in respect of the non-teaching staff defined contribution scheme was £131,726 (2018 £132,549).

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

17 RELATED PARTY TRANSACTIONS AND GOVERNORS COSTS

The School paid rental expenditure of £381,625 (2018 £365,500) to the Trust. As part of the re-structure during the prior year (2017-18), the School received a donation of £49,300 from the Trust.

Cash resources for the Group are managed centrally by the Trust and as a consequence at 31 August 2019 £665,320 (2018: £578,029) was due from the Trust.

During the year no Governors received any remuneration. One Governor received reimbursement of expenses for travel and subsistence totalling £48 (2018 £199). There were no other related party transactions in the period.

18 POST BALANCE SHEET EVENTS

In March 2020, the World Health Organisation declared the Coronavirus a pandemic. The UK government's restrictions imposed to control the spread of Coronavirus have had a significant impact on the activities of the charity. In particular the school was closed to all but Key Worker children from March until May and then only opened to some pupils until the end of term. While the scope and scales of these changes have been substantial at the date of signing, there have been no material impacts on the values of assets or liabilities recognised in these accounts.