

Company No. 10815140
Registered in England
Charity No. 1174358

DULWICH PREP CRANBROOK

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2020

The Governors present their annual report together with the audited financial statements of Dulwich Prep Cranbrook (the School) for the year ended 31 August 2020.

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.

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 Charity 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 S L Rynehart | Chairman (<i>Trustee of the Trust, HR and Legal</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>) |
| S Miller | (<i>Safeguarding</i>) |
| Mrs S C Morgan | (<i>Education</i>) |
| Mrs C M Nash | Deputy Chairman |
| Mrs N Payne | (<i>PR/Marketing</i>) |
| N Pears | (<i>Early Years</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.

Key Management Personnel

Headmaster: P A David BEd (Hons)

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

Professional Advisers

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

Auditor: Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

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.

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 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 would have had serious consequences for the School's finances. A full 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.

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.

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 enabled the School to consolidate boarding accommodation into one house, The Manor, from September 2018. This freed The Lodge Boarding house and surrounding land for disposal by the parent Trust. The Trust received planning permission for a small residential development on this site during the year and it was sold to a local developer in August 2019. Completion of the sale took place in September.

However, the impact of the COVID-19 pandemic which hit the country in early March has stalled progress on the remaining initiatives and has resulted in a fundamental re-examination of the school's market position, priorities and finance. This is now underway with a view to a new Strategic Development Plan being in place in the first few months of 2021.

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.

In response to the COVID-19 crisis the School provided support to the local NHS Primary Care Trust through donations of stocks of goggles and safety glasses to equip their Covid-19 Assessment Centre.

This year the School awarded means-tested bursaries totalling £142K to 15 pupils (2019: £157K to 21 pupils), including 4 (2019: 4) for 75% or more of full fees. Awards are fully means-tested through a rigorous and detailed process which includes home visits when appropriate.

Emotional well-being and mental health

During the academic year 2019-20 the school has continued to be the facilitator for promoting the importance of a focus on positive mental health throughout our local community. Two mental health training opportunities were arranged 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), is a two-day course which provides a practical framework to support the mental health and wellbeing of the young people within our communities. Three weekend sessions were held at the school during the year with a total of 37 participants.
- The Mental Health Champions Training for School Leaders in Kent saw local head teachers and leaders join together for a series of training days in September 2019 and January 2020 to move the conversation about mental health 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 with joint funding from the School, the Sam West Foundation and the Brook Foundation.

Facilities and resources

The School continues to foster strong relationships with many of our local state maintained schools and endeavours to share best practice and provide support wherever possible. Unfortunately, the Covid-19 restrictions this year have limited this and a number of our regular events and planned support programmes could not take place. However, during the year thirteen local state schools (ten primary and three senior) have benefitted in a variety of ways from the facilities and staff of Dulwich Prep Cranbrook.

We provided local schools, sports clubs and the wider local community access to our facilities, teaching expertise and mini-buses. We also hosted numerous sporting partnerships and events - including cross-country, football and hockey although the planned rugby, cricket and water polo events had to be cancelled. 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, approximately 200 pupils from 7 local primary schools joined the event. In addition, the school hosted a local schools football tournament, attended by 70 pupils from 7 local primary schools and a hockey festival, which was joined by 30 pupils from 3 local state schools.

When the opportunities present themselves, we strive to provide local schools with equipment. This year, in addition to a donation to a local school of hundreds of books collected from our families, we also provided another school with cushions and bean bag chairs for their classroom reading corners. As in previous years, we provided local senior school pupils with work experience and 7 pupils from 3 schools were hosted within a range of our departments during the Autumn and early part of the Spring terms. Sadly, Covid-19 restrictions prevented the late Spring and Summer work experience programmes taking place.

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 whilst Covid 19 restrictions resulted in the cancellation of a number of fundraising initiatives during the second half of the year, over £4K 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 which, besides supporting the School, continues to raise funds for a range of charities.

The school does not engage with any external third party fundraisers. There have been no complaints in the period regarding inappropriate or intrusive contact in relation to fundraising activities.

ACHIEVEMENTS AND PERFORMANCE

Academic

Academic success continued throughout the School. Leavers from Year 6 and from Year 8 gained 30 Scholarships, Exhibitions and Awards and, together with 19 children who were successful at Common Entrance or Scholarship, joined ten different senior independent schools. 16 children were successful in the selective examination for Year 9 entry to Cranbrook School and a further ten children from Year 6 joined Cranbrook School via the 11+ route.

Music

The year began with a whole school *Sing!* reminding all of the importance of music and, notably, singing for our mental health. This was followed by our annual Winter Concert, informal concerts, performances in Assemblies, as well as a performance of Christmas carols at the Wealden Christmas Fair. Nash House children made their traditional visit to Evernden House (a local residential care home) to sing and share food with the appreciative residents and Year 4 sang their hearts out at the O2 as part of Young Voices – perhaps the last occasion of its type for some time.

To celebrate the school's 80th Anniversary a choir of pupils past and present was formed, as well as current staff and parents to come together as a community to perform at the Carol Service in St Dunstan's Church in Cranbrook. The bi-annual school Tribe Music competition was in the final stages of preparation as we went into lockdown, as was a new project involving singing with elderly dementia sufferers at Hawkhurst House. Events such as the Summer Concert were quickly re-invented with an incredible live-streamed recording of our Orchestra, Senior Chamber Ensemble and Year 4 Choir, at the height of lockdown in May, which provided a great lift to pupils, parents and staff alike. In addition to the performing arts scholarships, pupils won Music Scholarships to Cranbrook, Claremont and Sevenoaks Schools.

Sport

This year, Dulwich competed in over 250 inter-school fixtures and tournaments, in addition to our internal Tribe competitions, all prior to lockdown. During the Summer Term, children benefited from a full sports programme including Zoom lessons, challenges and a virtual Sports Day. As a school, the children travelled a total distance of 5,427km by either walking, running, cycling or rowing, which equates to travelling across the Atlantic Ocean to Massachusetts!

A broad mixture of independent and state schools attended our major community sports events including the annual Rawlinson Run, U11 Football Festival and the U9 Hockey festival. Dulwich successfully defended the Brenchley Relay cross-country for the 27th year in a row. The U13 Boys cross-country team won the Regional IAPS and Dobson Trophy, with our top boys finishing 1st and 2nd in all the local races. Four pupils were selected by Kent or Sussex, with one boy winning both the Kent and Sussex cross-country championships. In Hockey, the U13 girls reached the semi-final at the Regional IAPS and five pupils represented Kent Hockey. Netball continues to thrive with our U13 girls finishing in 3rd place at the IAPS regionals, qualifying them for the Nationals. Two children qualified for the Swimming National Finals and four children qualified to swim for Kent. Dulwich girls also entered the Kent Lacrosse championships and won the whole event, beating Benenden School in a close final. Beyond our normal curriculum there have been further successes by pupils in skiing, trampolining, gymnastics, dance and athletics and our Equestrian team qualified for the NSEA South West Championships.

Art

Despite the challenging times the School's art provision and achievement continued to be outstanding. Online lessons dominated the Summer Term, with specially filmed videos and supporting visuals, using Zoom as a tool to communicate with the children and for them to discuss their work with each other.

Art teaching was maintained throughout the year and all children from Year 1 to 8 had a specialist Art teacher running their online sessions.

An array of art projects were undertaken with an emphasis on wellbeing and togetherness across all sections of the School. Of particular note was a whole school project undertaken during lockdown

project in which every member of the school community was invited to create a collaborative rainbow of portraits with the youngest pupils working with tones of red and the oldest using a palette of purple. In addition, Year 8 pupils maintained the tradition of leaving a legacy by creating a Virtual Leavers' Project. Working from home, each pupil made 7 origami butterflies, painted in the seven colours of the rainbow, which were posted into the School to be assembled and displayed on a large white branch which now takes pride of place in the Upper School entrance.

All five Advanced Art pupils gained Art Scholarships to their destination schools on leaving. In addition, three pupils achieved success in the National IAPS Art Competition 2020, including the award of 1st prize to a Year 5 pupil.

Drama

Drama in Autumn 2019 focused on the Year 6 production of Victorian Villainy, just before Christmas to round off the term, with some fabulous songs, props, staging and of course, acting, bringing the whole year group together. Moving onto the Spring Term, the Senior year groups worked on The Wind in the Willows, which featured particularly strong Year 8, three of whom received top Performing Arts scholarships. Thankfully before lock-down began, the children were able to perform to Upper School and record their performance which their parents were able to enjoy at home.

The Summer term events took a rather different format, but unique and memorable nonetheless. Year 8 produced a spectacular online Revue, which encompassed collaborative sketches of singing, dancing, acting, sport and comedy. The premiere was screened as a drive-thru in the school grounds, complete with professional lighting and popcorn, before being released on social media.

Continued Education under COVID-19

In mid-March National restrictions and 'lockdown' fundamentally changed our working practices and approach to educational provision. The school timetable was rewritten to enable the rapid development and implementation of effective remote learning. Small teams of staff ensured that school and day care provision continued uninterrupted for the children of 'key workers' both term time and during holiday periods; whilst other teams sought to plan and manage the logistical requirements to deliver a full curriculum programme of remote/online learning to children at home, and to schedule the associated staff training and development necessary. The creation of a COVID safe environment in readiness for pupils to return occurred in parallel.

The Easter holiday provided opportunity for the evaluation of our online provision, and subsequent whole school training led by staff identified as expert online practitioners (Gurus). In addition, very detailed planning for every aspect of the phased return of pupils occurred including: improved timetables that further addressed pupil's pastoral needs; increased provision of live interactive learning; the creation of discrete pods (and smaller bubbles within) of staff and children for academic year groups; the arrangement of technology to enable offsite teaching delivered to pupils in school and at home, requiring the repurposing of technicians, librarian and teaching assistants to facilitate in school online learning beamed into classrooms by specialist teaching staff. In addition, information, advice and guidance was provided to pupils, parents and staff covering our expectations for online learning, online safety, marking and feedback, and in school arrangements such as hand-washing, social distancing, staggered drop off and collection arrangements etc. prior to return.

Until restrictions eased, all pupils across the school received a full programme of lessons without compromising pupil learning, curriculum breadth or pastoral support. Pupils started online school each morning with assemblies, form time and registration and ended each day with a short pastoral session. Parents evenings and assessments including Common Entrance Examinations were also completed remotely. All Nash House, Little Stream and Year 6 pupils returned in May, Year 5 at the start of June and Years 7 and 8 at the end of June, bringing the whole school community safely back together. Creativity, flexibility and closely coordinated strategic planning ensured that all pupils remained successfully engaged in their education throughout the Spring and Summer terms. The School's development of on-line learning during this period provided an excellent platform on which to further develop, as has been demonstrated during the current lockdown.

FINANCIAL REVIEW

The operating surplus for the year ended 31 August 2020 was £28,562 compared to £304,335 surplus in the previous year. Total income of £5,886,966 and expenditure of £5,858,404 in the year compared with total income of £6,535,122 and expenditure of £6,230,787 in the previous year. Although income was supported by the receipt of £233,933 in furlough grants through the Government Coronavirus Job Support Scheme, the reduced levels of income and expenditure are attributable to the reduction in pupil roll and the restricted operations resulting from Covid-19. Whilst expenditure could have been further reduced, the Board of Governors determined that it was in the best long-term interests of the School to maintain furloughed staff on full pay. Fees charged for the summer term, whilst remote learning was in place, were reduced by 25% and a small number of grants were made to assist parents whose income had been severely adversely affected by the pandemic. The net book value of fixed assets amounted to £166,917 (2019 £210,995).

In addition to revenue from school fees, the School seeks to enhance its income through letting its facilities and through rents received for staff 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. Covid-19 restrictions resulted in a reduction in the extent of both these lettings this year. Additionally, in normal circumstances there are a number of holiday activities from which income is earned that are run by the School's own staff and available to current pupils including sports camps, chef school and a summer holiday activity camp for younger children. In the event, it was only possible to operate a limited summer holiday activity camp over a period of two weeks in July.

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 £845,887 (2019: £879,185) excluding pension liabilities and £437,987 (2019: £417,385) including pension liabilities. At this level the free reserves represent 1.73 times monthly expenditure and exceed the level required by the reserves policy. 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. At the year end funds were sufficient to support the Governors aims.

Going Concern

Having reviewed the cash position of the School together with the expected ongoing demand for places and the School's future projected cash flows, including the ongoing effects of Covid-19 and potential lockdowns, together with support available from the parent Trust, 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 School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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 and Health and Safety

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 of the school. This was successfully completed 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 over 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.

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.

The School's management of more general 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. In addition, this year, a full COVID specific risk assessment was carried out by the School and a significant number of physical and operational measures implemented to enable the safe return of pupils and staff following lockdown. The Board scrutinised the assessment and measures in detail before approving each stage of the gradual re-opening of the School.

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.

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 with the continuing financial impact of Covid-19 and the uncertain implications of Brexit in the coming months and years. Although the risks associated with continuing increases in Teachers' Pension contributions have been mitigated by the Schools' withdrawal from the TPS in November 2019, other economic and political risks, including the potential removal of business rates relief currently enjoyed by the School as a charity and the potential introduction of VAT on school fees, remain. Governors remain alert to the impact of all these both on the School's supply costs and to the livelihoods of the parents who pay fees.

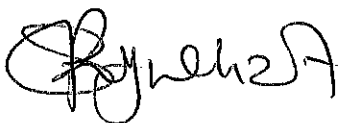
Although enrolment at the School remained strong through the year, the School is still adjusting to the recent change by Cranbrook School (a local State Grammar School) to admit pupils via the Kent Test at 11+ rather than via their own 13+ entrance examination. This has resulted in a significant increase 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.

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. 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 22/03/2021

Opinion

We have audited the financial statements of Dulwich Prep Cranbrook for the year ended 31 August 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the 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, 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.

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

London

26 March 2021

DULWICH PREP CRANBROOK
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020
(Incorporating an income and expenditure account)

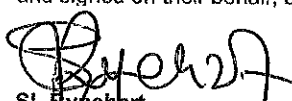
| | Notes | Unrestricted Funds 2020 £ | Restricted Funds 2020 £ | Total 2020 £ | Total 2019 £ |
|--|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Charitable activities: | | | | | |
| School fees receivable | 2 | 5,561,474 | - | 5,561,474 | 6,342,258 |
| Other educational income | 3 | 48,660 | - | 48,660 | 74,436 |
| Ancillary income | 4 | 18,298 | - | 18,298 | 95,422 |
| Other trading activities | | | | | |
| Non-ancillary trading income | 5 | 20,263 | - | 20,263 | 23,006 |
| Voluntary sources | | | | | |
| Donations and legacies | | 2,000 | 2,338 | 4,338 | - |
| Furlough grant income scheme | | 233,933 | - | 233,933 | - |
| Total income | | 5,884,628 | 2,338 | 5,886,966 | 6,535,122 |
| Expenditure on: | | | | | |
| Raising funds | | | | | |
| Financing costs | 6 | (9,107) | - | (9,107) | (6,295) |
| Total costs of raising funds | | (9,107) | - | (9,107) | (6,295) |
| Charitable activities | | | | | |
| Education | 6 | (5,849,297) | - | (5,849,297) | (6,224,492) |
| Total expenditure | | (5,858,404) | - | (5,858,404) | (6,230,787) |
| Net income | | 26,224 | 2,338 | 28,562 | 304,335 |
| Transfer between funds | 14 | 2,000 | (2,000) | - | - |
| Pension scheme actuarial losses | 16 | (51,700) | - | (51,700) | (328,400) |
| Net movement in funds for the year | | (23,476) | 338 | (23,138) | (24,065) |
| Fund balances brought forward at 1 September 2019 | | 628,380 | 140 | 628,520 | 652,585 |
| Fund balances carried forward at 31 August 2020 | | 604,904 | 478 | 605,382 | 628,520 |

The notes on pages 21 to 37 form part of these financial statements

**DULWICH PREP CRANBROOK
BALANCE SHEET
AS AT 31 AUGUST 2020**

| | Notes | £ | 2020 £ | £ | 2019 £ |
|--|-------|------------------|------------------|--------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 166,917 | | 210,995 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 881,327 | | 996,818 | |
| Cash at bank and in hand | | 855,847 | | 1,036,764 | |
| | | <u>1,737,174</u> | | <u>2,033,582</u> | |
| CREDITORS: Amounts falling due within one year | 10 | <u>(890,809)</u> | | <u>(1,112,702)</u> | |
| NET CURRENT ASSETS | | | <u>846,365</u> | | <u>920,880</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,013,282</u> | | <u>1,131,875</u> |
| CREDITORS: amounts falling due after more than one year | 11 | | - | | (41,555) |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | | <u>1,013,282</u> | | <u>1,090,320</u> |
| Defined benefit pension scheme liability | 16 | | <u>(407,900)</u> | | <u>(461,800)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u>605,382</u> | | <u>628,520</u> |
| CHARITY FUNDS | | | | | |
| Unrestricted funds excluding pension reserve | | | 1,012,804 | | 1,090,180 |
| Pension reserve | | | (407,900) | | (461,800) |
| Restricted funds | | | <u>478</u> | | <u>140</u> |
| TOTAL FUNDS | | | <u>605,382</u> | | <u>628,520</u> |

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

 22/05/2021
SL Ryehart
Chair of Board

The notes on pages 21 to 37 form part of these financial statements.

**DULWICH PREP CRANBROOK
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2020**

| | Notes | £ | 2020 £ | £ | 2019 £ |
|---|-------|-----------------|------------------|------------|------------------|
| Net cash inflow from operations | | | | | |
| Net cash (used)/provided by operating activities | (i) | | (162,297) | | 285,311 |
| Cash flows from investing activities: | | | | | |
| Additions to fixed assets | | (19,044) | | (39,487) | |
| Proceeds from sale of fixed assets | | 424 | | 250 | |
| Net cash (used in) investing activities | | | (18,620) | | (39,237) |
| Change in cash and cash equivalents in the reporting period | | | (180,917) | | 246,074 |
| Cash and cash equivalents at the beginning of period | | | 1,036,764 | | 790,690 |
| Cash and cash equivalents at the end of the reporting period | (ii) | | 855,847 | | 1,036,764 |

The notes on pages 21 to 37 form part of these financial statements

DULWICH PREP CRANBROOK
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2020

| | 2020 | 2019 |
|--|------------------|------------------|
| | £ | £ |
| (i) Reconciliation of net income to net cash flow from operating activities | | |
| Net income | 28,562 | 304,335 |
| Elimination of non-operating cash flows: | | |
| Depreciation charge | 63,122 | 76,560 |
| Donation of fixed assets | - | - |
| Profit on disposal of fixed assets | (424) | (250) |
| Decrease/(increase) in debtors | 115,491 | (90,076) |
| (Decrease)/increase in creditors (excluding fees in advance scheme and deposit) | (107,674) | 57,225 |
| (Decrease)/increase in fees in advance scheme creditors | (142,714) | 67,917 |
| (Decrease) in parents' deposits | (13,060) | (15,500) |
| Movement in defined benefit pension liability | (105,600) | (114,900) |
| | <u>(190,859)</u> | <u>(19,024)</u> |
| Net cash (outflow)/inflow from operations | <u>(162,297)</u> | <u>285,311</u> |
| | | |
| | 2020 | 2019 |
| | £ | £ |
| (ii) Analysis of cash and cash equivalents | | |
| Cash at bank and in hand | <u>855,847</u> | <u>1,036,764</u> |

**DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 primarily 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 Going concern

Having reviewed the cash position of the School together with the expected ongoing demand for places and the School's future projected cash flows, including the ongoing effects of Covid-19 and potential lockdowns, together with the support available from the parent Trust, 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 School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 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 2020

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.

1.4 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. Furlough grant income is recognised as and when entitlement arises which can be reliably quantified and benefit is probable.

1.5 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.

1.6 Tangible 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. Fixed assets costing more than £200 are capitalised.

| | | |
|-----------------------|---|----------------------|
| 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 2020**

1 ACCOUNTING POLICIES (continued)

1.7 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.

1.8 Pension costs

Retirement benefits to employees of the School are now provided through two defined contribution schemes and the employer's pension costs are charged in the period in which the salaries they relate to are payable. The two schemes are as follows:

(a) The Dulwich Preparatory Schools Trust Non Teaching Staff Group Personal Pension Plan - This is a group personal pension plan with Aviva.

(b) From 1 November 2019, the School's teaching staff have become members of the Aviva Pension Trust for Independent Schools which as its name implies is operated by Aviva for a number of private schools.

In addition the School has historically provided retirement benefits to employees through two defined benefit schemes, the costs of which are determined as follows:

(a) The Teachers' Pension Scheme (the TPS) - 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 TPS on a consistent and reasonable basis and therefore, as required by FRS102, the School accounted for the scheme as if it were a defined contribution scheme. Until 30 October 2019, the School's contributions, which were in accordance with the recommendations of the Government Actuary, were charged in the period in which the salaries to which they relate were payable. The School has no further obligations in respect of the TPS following its withdrawal with effect from 1 November 2019.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES (continued)

(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.

1.9 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.10 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.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

| 2 FEES RECEIVABLE | 2020 | 2019 |
|------------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Fees receivable consist of: | | |
| School fees | 6,183,800 | 6,983,053 |
| Less: total awards and concessions | (622,326) | (640,795) |
| | <u>5,561,474</u> | <u>6,342,258</u> |

Included within awards and concessions are means-tested bursaries totalling £142,110 (2019: £157,132) which were paid to 15 pupils (2019: 21 pupils).

| 3 OTHER EDUCATIONAL INCOME | 2020 | 2019 |
|-----------------------------------|----------------------|----------------------|
| | £ | £ |
| Entrance and registration fees | 3,140 | 3,980 |
| Courses and sub-lettings | 45,520 | 70,456 |
| | <u>48,660</u> | <u>74,436</u> |

| 4 ANCILLARY AND OTHER INCOME | 2020 | 2019 |
|--|---------------|-------------|
| | £ | £ |
| School shop, School trips and Other income | 18,298 | 95,422 |

| 5 OTHER TRADING ACTIVITIES | 2020 | 2019 |
|-----------------------------------|---------------|-------------|
| | £ | £ |
| Rents receivable | 20,263 | 23,006 |

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

6 ANALYSIS OF EXPENDITURE

| | Staff costs (Note 7) £ | Depreciation (Note 9) £ | Other costs £ | Total 2020 £ | Total 2019 £ |
|-------------------------------------|------------------------------|-------------------------------|------------------|------------------|------------------|
| Raising funds | | | | | |
| Financing costs | 7,700 | - | 1,407 | 9,107 | 6,295 |
| Total costs of raising funds | 7,700 | - | 1,407 | 9,107 | 6,295 |
| Charitable expenditure | | | | | |
| Teaching | 3,374,252 | - | 295,256 | 3,669,508 | 3,849,263 |
| Welfare | 261,304 | - | 102,809 | 364,113 | 452,943 |
| Premises | 186,309 | 63,122 | 786,760 | 1,036,191 | 1,071,028 |
| Support costs | 565,737 | - | 213,748 | 779,485 | 851,258 |
| Total charitable expenditure | 4,387,602 | 63,122 | 1,398,573 | 5,849,297 | 6,224,492 |
| Total expenditure | 4,395,302 | 63,122 | 1,399,980 | 5,858,404 | 6,230,787 |

| | | |
|---|-------------|-------------|
| Governance included in support costs: | 2020 | 2019 |
| | £ | £ |
| Governor costs | 175 | 583 |
| Legal and consultancy fees | 8,010 | 13,899 |
| Remuneration paid to auditor for audit services | 9,380 | 9,150 |

The comparative of £9,150 in respect of auditors' remuneration has been corrected from £10,980.

| | | |
|---|------------------|------------------|
| 7 STAFF COSTS | 2020 | 2019 |
| | £ | £ |
| The aggregate payroll costs for the year were as follows: | | |
| Wages and salaries | 3,513,683 | 3,547,443 |
| Social security costs | 310,207 | 322,451 |
| Pension costs and other benefits | 571,412 | 529,898 |
| | 4,395,302 | 4,399,792 |

Aggregate employee-benefits of key management personnel amounted to £271,258 (2019 £260,985) including pension contributions of £38,515 (2019 £36,355).

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

7 STAFF COSTS (CONTINUED)

| | 2020 | 2019 |
|--|-----------------|----------|
| 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 | 2 | 1 |
| of which the contributions amounted to | 34,313 | 13,706 |
| - in Defined Benefit schemes was | <u>1</u> | <u>1</u> |

One member of staff moved from a defined benefit to a defined contribution scheme in November 2019.

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

| | 2020 | 2019 |
|----------------------|-------------------|------------|
| Teaching | 83 | 87 |
| Domestic and estates | 28 | 30 |
| Administrative | <u>17</u> | <u>17</u> |
| | <u>128</u> | <u>134</u> |

During the year there were no redundancy or termination payments (2019 £5,896).

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

8 Tangible Fixed Assets

| | Leashold Land and Buildings | Furniture Fixtures and Equipment | Computer Hardware | Vehicles | Total |
|------------------------|-----------------------------------|--|----------------------|---------------|------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2019 | 19,060 | 645,418 | 323,750 | 53,114 | 1,041,342 |
| Additions | - | 5,710 | 13,334 | - | 19,044 |
| Disposals | - | - | (29,017) | - | (29,017) |
| At 31 August 2020 | 19,060 | 651,128 | 308,067 | 53,114 | 1,031,369 |
| Depreciation | | | | | |
| At 1 September 2019 | 583 | 493,783 | 300,449 | 35,532 | 830,347 |
| Charged in year | 381 | 36,437 | 21,909 | 4,395 | 63,122 |
| Disposals | - | - | (29,017) | - | (29,017) |
| At 31 August 2020 | 964 | 530,220 | 293,341 | 39,927 | 864,452 |
| Net book values | | | | | |
| At 31 August 2019 | 18,477 | 151,635 | 23,301 | 17,582 | 210,995 |
| At 31 August 2020 | 18,096 | 120,908 | 14,726 | 13,187 | 166,917 |

9 DEBTORS

| | 2020 | 2019 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Fee debtors | 100,235 | 166,833 |
| Sundry debtors | 128,479 | 22,206 |
| Prepayments and accrued income | 105,955 | 142,459 |
| Amounts due from parent undertaking | 546,658 | 665,320 |
| | 881,327 | 996,818 |

10 CREDITORS: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------|----------------|------------------|
| | £ | £ |
| Trade creditors | 42,123 | 53,544 |
| Social security and other taxation | 71,891 | 80,170 |
| Fees in advance | 450,995 | 552,154 |
| Other creditors | 44,795 | 96,514 |
| Fee deposits | 176,940 | 190,000 |
| Accruals and deferred income | 104,065 | 140,320 |
| | 890,809 | 1,112,702 |

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

| | | |
|---|-------------|---------------|
| 11 CREDITORS: amounts falling due after more than one year | 2020 | 2019 |
| | £ | £ |
| Fees in advance | <u>-</u> | <u>41,555</u> |

12 FEES IN ADVANCE

| | | |
|---|------------------|----------------|
| | 2020 | 2019 |
| | £ | £ |
| Within one to two years | - | 41,555 |
| Within one year | <u>450,995</u> | <u>552,154</u> |
| | <u>450,995</u> | <u>593,709</u> |
| <u>Movements in fees in advance</u> | | |
| Opening fees in advance | 593,709 | 525,792 |
| Amount released to income during the year | (552,154) | (490,900) |
| Amount deferred during the year | <u>409,440</u> | <u>558,817</u> |
| | <u>450,995</u> | <u>593,709</u> |

13 OPERATING LEASE COMMITMENTS

At 31 August 2020 the Trust had future minimum lease payments under non-cancellable operating leases as follows:

| | Land and Buildings | | Other | |
|-------------------------|-------------------------------|-------------------|---------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Within 1 year | 387,875 | 400,750 | 18,599 | 21,612 |
| Between 2 and 5 years | 1,616,000 | 1,703,875 | 16,726 | 35,323 |
| After more than 5 years | <u>16,968,000</u> | <u>18,490,000</u> | <u>-</u> | <u>-</u> |

The charge in the year was £422,362 (2019 £404,864).

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

14 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

| | At 1 September 2019 £ | Incoming resources £ | Resources expended £ | Actuarial losses £ | Transfer £ | At 31 August 2020 £ |
|--------------------|--------------------------------|----------------------------|----------------------------|-----------------------|---------------|------------------------------|
| Unrestricted Funds | 628,380 | 5,884,628 | (5,858,404) | (51,700) | 2,000 | 604,904 |
| Restricted Funds | 140 | 2,338 | - | - | (2,000) | 478 |
| Total funds | 628,520 | 5,886,966 | (5,858,404) | (51,700) | - | 605,382 |

A transfer of £2,000 (2019 £225) has been made during the year to reflect restricted income spent on Bursary awards (2019: musical instruments). The comparative figures are shown in note 18 (B).

15 SUMMARY OF NET ASSETS BY FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|----------------------------|----------------------------|--------------------------|---------------------|
| 2020 | | | |
| Tangible Assets | 166,917 | - | 166,917 |
| Net Current Assets | 845,887 | 478 | 846,365 |
| Long Term Creditors | (407,900) | - | (407,900) |
| | 604,904 | 478 | 605,382 |
| 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 |

16 PENSION SCHEMES

Retirement benefits to employees of the School are now provided through two defined contribution schemes. In addition the School has previously provided retirement benefits through two defined benefit schemes. As detailed in accounting policy 1.8, which are funded by the School and employees' contributions.

Defined contribution schemes

The pension cost charge in the year in respect of the defined contribution schemes was £444,566 (2019 £131,726). The increase is due to leaving the TPS on 31 October 2019.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

16 PENSION SCHEMES (CONTINUED)

Defined benefit schemes

Teachers' Pension Scheme

The School participated in the Teachers' Pension Scheme (England and Wales) for its teaching staff until 31 October 2019 when the school left the scheme. The pension charge for the year includes employer contributions payable to the TPS of £85,565 (2019 £369,075). At the year-end £nil (2019 £48,434) was accrued in respect of employee and employer 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 contributed 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%.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

16 PENSION SCHEMES (CONTINUED)

Non-teaching staff defined benefit scheme

The parent Trust operated this Scheme (the Dulwich Preparatory Schools Trust Non-Teaching Staff Pension Scheme), which was closed on 31 December 2004, both in respect of new members and accrual for existing members.

On 1 September 2017 the Trust transferred the obligations to contribute to the Scheme to each of the Schools in proportions determined by the actuary based on the staff who participated in the Scheme. The valuation in these accounts uses that proportion and has 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 an independent qualified actuary.

Following this latest actuarial valuation a revised Schedule of Contributions was agreed between the Trust, the Schools and the Scheme Trustees with the aim of eliminating the deficit over a period of 10 years from 1 January 2018. Under this Schedule of Contributions the School expects to contribute £113,337 to the Scheme in 2020/21 (2019/20 £113,337).

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

16 PENSION SCHEMES (CONTINUED)

| | 2020 £ | 2019 £ |
|--|-------------------------|------------------|
| a) The amounts recognised in the balance sheet are as follows | | |
| Present value of funded obligations | (2,210,400) | (2,186,500) |
| Fair value of scheme assets | <u>1,802,500</u> | <u>1,724,700</u> |
| Net Liability | <u>(407,900)</u> | <u>(461,800)</u> |
| b) Changes in the present value of the defined benefit obligation | | |
| Opening defined benefit obligation | 2,186,500 | 1,784,100 |
| Interest cost | 39,300 | 46,200 |
| Actuarial losses | 30,100 | 368,500 |
| Benefits paid | <u>(45,500)</u> | <u>(12,300)</u> |
| | <u>2,210,400</u> | <u>2,186,500</u> |
| c) Closing fair value of scheme assets | | |
| Opening fair value of scheme assets | 1,724,700 | 1,535,800 |
| Interest income | 31,600 | 41,600 |
| Return (lower)/greater than the discount rate | (21,600) | 40,100 |
| Contributions by employer | 113,300 | 119,500 |
| Benefits paid | <u>(45,500)</u> | <u>(12,300)</u> |
| Closing fair value of scheme assets | <u>1,802,500</u> | <u>1,724,700</u> |

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

16 PENSION SCHEMES (CONTINUED)

| | 2020 | 2019 |
|---|-----------------|-----------|
| d) The amounts included within the Statement of Financial Activities | £ | £ |
| Interest on obligation | 39,300 | 46,200 |
| Interest income | (31,600) | (41,600) |
| Total amount charged to the Statement of Financial Activities | 7,700 | 4,600 |
| Net actuarial losses recognised in the year | (51,700) | (328,400) |

e) Principal actuarial assumptions at the balance sheet date

| | | |
|---|-------------|------|
| Financial Assumptions | | |
| Discount rate | 1.6% | 1.8% |
| RPI inflation assumption | 3.0% | 3.2% |
| Rate of increase of pensions in payment | 3.3% | 3.5% |
| Rate of increase of pensions in deferment | 2.2% | 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 |

**DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

17 RELATED PARTY TRANSACTIONS AND GOVERNORS COSTS

The School paid rental expenditure of £400,750 (2019 £381,625) to the Trust.

Cash resources for the Group are managed centrally by the Trust and as a consequence at 31 August 2020 £546,658 (2019 £665,320) was due from the Trust.

During the year no Governors received any remuneration or reimbursement of expenses for travel or subsistence (2019: one Governor was reimbursed expenses of £48). There were no other related party transactions in the period.

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

18 PRIOR YEAR COMPARATIVE NOTE

(A) 2019 STATEMENT OF FINANCIAL ACTIVITIES

| | Notes | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total 2019 £ |
|--|-------|------------------------------------|----------------------------------|--------------------|
| Income from: | | | | |
| Charitable activities: | | | | |
| School fees receivable | 2 | 6,342,258 | - | 6,342,258 |
| Other educational income | 3 | 74,436 | - | 74,436 |
| Ancillary income | 4 | 95,422 | - | 95,422 |
| Other trading activities | | | | |
| Non-ancillary trading income | 5 | 23,006 | - | 23,006 |
| Total income | | 6,535,122 | - | 6,535,122 |
| Expenditure on: | | | | |
| Raising funds | | | | |
| Financing costs | 6 | (6,295) | - | (6,295) |
| Total costs of raising funds | | (6,295) | - | (6,295) |
| Charitable activities | | | | |
| Education | 6 | (6,224,492) | - | (6,224,492) |
| Total expenditure | | (6,230,787) | - | (6,230,787) |
| Net income | | 304,335 | - | 304,335 |
| Transfer between funds | | 225 | (225) | - |
| Pension scheme actuarial losses | 16 | (328,400) | - | (328,400) |
| Net movement in funds for the year | | (23,840) | (225) | (24,065) |
| 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 |

DULWICH PREP CRANBROOK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

18 PRIOR YEAR COMPARATIVE NOTE (CONTINUED)

(B) 2019 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 | <u>652,585</u> | <u>6,535,122</u> | <u>(6,230,787)</u> | <u>(328,400)</u> | <u>-</u> | <u>628,520</u> |