

Company registration number: 02819354

Charity registration number: 1024774

Sunninghill Preparatory School Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

Sunninghill Preparatory School Limited

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Sunninghill Preparatory School Limited

Reference and Administrative Details

Chair	Miss J R Walker
Trustees	Dr A Blunt Mr A Boggis Mr D Brugge Mrs A Chittenden Mrs S Downey (appointed 1 September 2021) Mr C Keenan Mr D Perks Ms K Smith (resigned 31 October 2021) Mr B Wadey Miss J R Walker Mr J Watson (appointed 11 November 2021 and resigned 30 June 2023) Mr J Chittenden (appointed 23 February 2023)
Senior Management / Leadership Team	Mrs Nancy Sewed, Acting Head until 31 August 2022 Mrs Eileen Akerman, Bursar Mrs Lecca Moss, Acting Deputy Head Academic from 1 September 2021 Mr Ian Stazicker, Deputy Head Pastoral Mrs Emma Sleightholme, Head of Junior Prep Mrs Sarah Smith, Head of Humanities, Designated Safeguarding Lead Mr David Newberry, Headmaster from 1 September 2022
Charity Registration Number	1024774
Company Registration Number	02819354
	The charity is incorporated in England.

Sunninghill Preparatory School Limited

Reference and Administrative Details

Registered Office	South Court South Walks Dorchester Dorset DT1 1EB
Auditor	Milsted Langdon LLP Motivo House Bluebell Road Yeovil Somerset BA20 2FG
Solicitors	Humphries Kirk 40 High West Street Dorchester Dorset DT1 1UR
Bankers	Barclays Bank plc 10 South Street Dorchester Dorset DT1 1BT

Sunninghill Preparatory School Limited

Strategic Report for the Year Ended 31 August 2022

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 August 2022, in compliance with s414C of the Companies Act 2006.

Financial review

During the year ended 31 August 2022, the School made a surplus of £29,049. This was after incurring £36,258 additional costs in respect of the previous Head's retirement on 23 August 2021 and £60,917 on unexpected essential fire safety repairs. Without these costs the School would have made a surplus of £126,224.

The School's trading subsidiary hired out the School's facilities for weddings during 2021/22 and has been able to pay a management charge to the School as well as make a donation, all of which total £39,597 (2021: £37,352).

This has helped the School to make capital expenditure of £26,183 during 2021/22 and continue to invest in the School's infrastructure and technological teaching aids.

The School is committed to make savings wherever possible in operational expenditure. At the same time the School will continue to reward fairly its team of high quality professionals. The School has regular management accounts produced on the accruals basis and prudent budgets are prepared.

The consolidated Group had cash of £651,672 on its balance sheet at 31 August 2022. However, this included £175,558 for fees received in advance for 2022/23 and deposits received from parents of £98,500. Hence, the Group had £377,614 of cash to meet existing liabilities due within 2022/23.

The Group's net current assets decreased from £244,194 on 31 August 2021 to £210,869 at 31 August 2022. Even so, the Group should continue to be able to pay all its debts as they fall due.

Sunninghill Preparatory School Limited

Strategic Report for the Year Ended 31 August 2022

Policy on reserves

In recent years the School's policy has been to make operational surpluses of income over expenditure in order to generate sufficient net current assets by 31 August 2027 to equate to about two months' of current annual total expenditure, which is about £338,000. In order to achieve that position, the School's policy has been to increase the School's cash at bank to meet the target Net Current Assets. That level of cash at bank would provide the financial security necessary for the School to fulfil its principal activity – the promotion and provision of education of children between the ages of 2 years and 9 months and 13 years. Sunninghill Prep School is the only independent preparatory school in the Dorchester and Weymouth area and it is important for the pupils and professional team that the School's future is secure.

The School had bank loans of £375,133 at 31 August 2022 of which £229,097 was wholly repayable in five years. In order to meet this liability, the School must make annual surpluses of income over expenditure of about £75,000 on average for each of the next five years. This would enable the School to repay its bank borrowings and achieve its stated goal of creating net current assets of £338,000.

A Charity's free reserves are defined as the amount of reserves on the balance sheet after excluding fixed assets and any other asset not readily convertible to cash. As at 31 August 2022 the School's reserves were £2,138,722, including restricted funds, but the School's fixed assets at that date amounted to £2,227,210 and so the School had a deficit of free reserves of £88,488.

The School aimed to make annual capital expenditure broadly equal to the level of the annual depreciation charge, which is currently just under £50,000 per annum. This would have maintained the School's capital base.

Plans for future periods

Aims and key objectives for future periods

- Secure the financial future of the School.
- The School is committed to the continuous improvement of ICT facilities and opportunities for pupils, and aims to continue:
 - a) To upgrade interactive white boards throughout the School.
 - b) The rolling replacement programme for personal computers in the ICT suite.
- To prepare for the EQI inspection due in 2022/23. This inspection took place on 28 February to 2 March 2023. The School received a rating of excellent.
- Continue the Academic Series of lectures for parents.
- Rebrand the Nursery and extend opening hours until 6pm.
- Introduce a Scholarship programme for Forms 6 - 8.
- Update the School's Vision, Mission and Values statement.
- Introduce 'Class List' communication app with parents for Junior Prep.
- Introduce parent and child out of school classes.
- Review Music Department provision and facilities.
- Relocate the Library.
- Continue to upgrade the Low Ropes facility.
- Upgrade Fire Protection.
- Renew the lease on the Hall.
- Stage a whole school production of Moana. This was successfully staged on 16 and 17 March 2023.
- To further improve the After-School Club area with new resources.

Sunninghill Preparatory School Limited

Strategic Report for the Year Ended 31 August 2022

Principal risks and uncertainties

The Board of Governors is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Estates, risk and compliance committee, which is assisted by the Senior Leadership Team. Risks are identified, assessed and controls established throughout the year.

The School maintains a whole school risk register, which covers the main areas of risk to the School, and aims to offset those risks:

- to ensure that we live up to our mission statement;
- to provide a safe environment for our children;
- to ensure that the high level of teaching and learning is maintained;
- to ensure we retain and recruit high quality staff;
- to ensure we maintain an effective strategic plan for the School for the medium and long term;
- to ensure we maintain strong and effective governance of the School;
- to meet our legal obligations with regulatory compliance, to include Health & Safety and Employment law;
- to comply with Charity and Company law;
- to ensure that the School campus is maintained and that day to day operational controls are in place; and
- to maintain high levels of financial controls.

The key controls used by the Charity and its subsidiary undertakings to mitigate the risks include:

- formal agendas and minutes for all Committee and Board activity;
- detailed terms of reference for all Committees;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable; and
- whole school risk assessment.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The strategic report was approved by the trustees of the charity on 28 September 2023 and signed on its behalf by:

.....
Miss J R Walker
Chairman and trustee

Sunninghill Preparatory School Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022.

Objectives and activities

Objects and aims

The Charity's objects are to promote and provide for the advancement of education of children between the ages of 2 years and 9 months and 13 years.

In setting objectives and planning the School's activities the Governors confirm they have given careful consideration to 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.

Within the objects, the School's aim is to provide a first class independent education whilst safeguarding and promoting the welfare of children, both through strong academic tuition and pastoral care, and through developing wider sporting, artistic and social skills in all its pupils.

This is intended to provide a safe and happy environment where pupils can develop at their own speed and fulfil their potential, thus helping to build self-confidence, self-motivation and develop important skills that will be valuable long after their Sunninghill careers have finished. We hope it will be an education for life.

We aim to encourage a spirit of respect and kindness, and to engender in every girl and boy a sense of responsibility for their own learning, happiness and the welfare of others.

It is our aim for pupils, staff and parents to work together as a team, to take ownership and to be proud of their School.

Our mission is to be a School where everyone feels valued and where all pupils are inspired to achieve to the best of their ability. Through our extended curriculum we aim to instil a passion for learning and striving for excellence, together with gaining an understanding of how to become responsible citizens actively helping each other. We set out to create a vibrant and ambitious School community with a family ethos.

Sunninghill Preparatory School Limited

Trustees' Report

Objectives, strategies and activities

The financial year saw many new initiatives as set out below:

- Improve parent communication and involvement with the School.
- Preparing staff for the forthcoming ISI inspection.
- Raising the standard of pupils' recorded work.
- Improving how we prepare our senior pupils for gaining entry into private senior schools.
- Introduce a new staff appraisal system.
- Improve the after-school area.
- Raising the standard of writing in the Junior Prep.
- Give pupils a greater opportunity to share their views, ideas and concerns.

Strategies to achieve the year's objectives:

The School improved parent communication and involvement with the school by:

- Introducing virtual parent evenings using 'School Cloud'.
- Introducing a work sharing event with parents and inviting them into school.
- Sunninghill's got talent performance on 25th March.
- Queen's Jubilee celebration.
- Re-introduce parent form assemblies.

Staff continued to prepare for the forthcoming ISI inspection by:

- Senior staff attended an ISI inspection meeting.
- Updating the departmental overviews to include the framework criteria.

The standard of pupils' recorded work by:

- Whole staff training on Mark Mate.
- Departmental work reviews in all subjects in the Autumn term and then reviewed in the Summer Term.

We have improved how we support our pupils' preparing for Senior schools by:

- Introducing a 6-week verbal and non-verbal enrichment programme for years 5-8.
- Setting up and using Atom Learning in forms 5,6 and 7.
- Running a verbal and non-verbal reasoning club.
- Greater communication and tracking of choices of senior schools.

The new staff appraisal system was put on hold with a change in head, however the SLT attended facilitator training with Mr Tim Ennion.

The afterschool area was improved by:

- Repainting and decorating.

Sunninghill Preparatory School Limited

Trustees' Report

Public benefit

The School's aim is to continue to contribute to the local community in line with the Charity Commissions' Public Benefit requirement.

We continue to support local schools and charities in a variety of ways by giving access to our facilities and by fundraising, including:

- Making bursary provision to assist pupils who would otherwise be unable to afford the School's fees and to support current pupils whose parents are experiencing financial hardship.
- Maintaining the community defibrillator in the School grounds for use by the whole community.
- Sharing our facilities and staff expertise with other local schools in various activities.
- Making available the all-weather pitch to be used by local tennis clubs, Weymouth Veterans Hockey Club, Dorchester Rugby club and Dorchester Youth Football Clubs.
- Making available the School hall to local clubs, charities and organisations (U3A, Rugby Tots, Dorset Guild of Spinner & Weavers, Rock Choir, Catholic Women's League, Repair Cafe, Space Youth Group, Dorset Beekeepers, Dorchester Lions, Dorchester Arts Centre) and churches (Indian Orthodox) at a reduced rate.
- The School's pupils raised funds throughout the year to support local and national charities: Ukrainian appeals, Red Nose Day, Great Ormond Street Hospital, Jeans for Genes, Royal British Legion, Children in Need, Julia's House, Mosaic, Portland Foodbank, Wear Red Day.

All income generated by making our facilities available to the community is invested into the education of current and future pupils of the School through the operation of the School's trading subsidiary.

Bursaries and Assisted places

- Our means tested Bursary policy is designed to enable children from families, who would otherwise not be able to afford the School's fees, to access the education we offer. We also aim to help our current parents who find themselves experiencing financial hardship, where the child's education would be at risk. As a result, this year we provided assistance to parents to the value of £85,190 (2021 - £88,776). The School has no endowment fund from which to draw funding for these awards.
- In addition, the School offers standardised discounts to members of the Armed Forces, members of staff and siblings of current pupils.

Full details of these discounts are available on our website.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Sunninghill Preparatory School Limited

Trustees' Report

Structure, governance and management

Nature of governing document

The Charity (and its subsidiary undertaking) is governed by its Memorandum and Articles of Association dating from 1993 as amended in May 2013.

The Charity has a governing body for the School. The details of this are explained below, together with information on how members of each governing body are appointed to office.

Recruitment and appointment of trustees

The Charity's elected Governors are appointed at a Meeting of the Board by nomination by a Trustee or the Head on the basis of competence, specialist skills and local availability. New Governors are inducted into the workings of the Charity and its subsidiary undertakings and the School, including Board Policy, and have the opportunity to attend external training sessions.

Organisational structure

The Governors, as the trustees of the Charity and its subsidiary undertaking, are legally responsible for the overall management and control of the School, and meet at least six times a year. The work of implementing most of their policies is carried out by the members of Governance Committees; the Finance & Business Committee (covering Finance, Audit, Marketing and Staffing), the Education Committee (covering Education, ISI compliance, and safeguarding) and the Estates, Risk & Compliance Committee (covering Risk, Health & Safety, Property). The Head and the Bursar attend meetings of the above Committees.

The day to day running of the School is delegated to the Head and Senior Leadership Team which consists of the Acting Head (Mrs Nancy Sewed), the Bursar (Mrs Eileen Akerman) the Deputy Heads (Mr Ian Stazicker and Mrs Lecca Moss), Head of Junior Prep (Mrs Emma Sleightholme) and Designated Safeguarding Lead (Mrs Sarah Smith). The aggregate employee-benefits of these key leadership personnel is reported in the notes to the accounts.

The School actively supports the attainment of the highest standards in the Independent Schools sector, partly through networking with other schools and partly through peer group studies for the evaluation of quality and performance improvement methods. We also co-operate with many local charities in our ongoing endeavours to widen public access to the schooling we can 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.

The remuneration of key leadership personnel is set by the Board of Governors, with the policy objectives of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the Charity's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that, where relevant, the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Sunninghill Preparatory School Limited

Trustees' Report

Financial instruments

Objectives and policies

The School's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the School's policies approved by the Board of Trustees, which provide written principles on the use of financial derivatives to manage these risks. The School does not use derivative financial instruments for speculative purposes.

Cash flow risk

The School's activities expose it primarily to the financial risks of changes in interest rates.

Interest bearing assets and liabilities are largely held at variable rates.

Credit risk

The School's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The School's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The School has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the School uses a mixture of long-term and short-term debt finance.

Sunninghill Preparatory School Limited

Trustees' Report

Going concern

The School's principal activity is operating a small Independent Preparatory School. In recent years, most small independent schools have linked with local senior schools or with other prep schools, or have joined Educational School Groups, in order to remain financially viable as a business, or they have closed.

In recent years, the School has suffered major one-off expenditure as a result of the retirement of a previous Head on grounds of ill-health, recruitment costs involved in the appointment of the current Head, and unexpected essential fire safety costs. These additional costs have drained cash from the School, at a time of heightened economic risk and uncertainty for prospective parents, current parents, and the School.

The factors causing heightened economic uncertainty include:

- The pandemic, which has led to more home schooling and the use of private tutors. Also, the use of private tutors has proven to be a cost-effective way for parents to obtain additional educational support for children in the state sector.
- The changing profile of the age at which children now enter the independent sector and how parents finance school fees.
- The cost-of-living crisis and the impact of the mini-budget in September 2022 on rising interest rates and the impact of this for parents.
- General uncertainty due to political and economic uncertainty.
- Political commentary about making school fees subject to VAT and independent schools paying business rates.
- The School managing increased costs of, for example, utilities and consumables.

In January 2023, the School Governors noted that the School was likely to sustain a substantial deficit in the year ended 31 August 2023 and, with falling pupil numbers as a result of the economic risk and uncertainty, with the possibility of larger deficits in subsequent years.

In view of this, the Board of Governors took the decision on 15 February 2023 to instruct educational specialists, VWV, to advise the Governors and market the school with the principal aim of putting the School in the best possible position for a successful future.

On 28 September 2023 the Governors exchanged binding contracts for the sale of the School to SHS London Limited part of the Inspired Learning Group Limited (ILG) and secured the future of the School.

The sale of the school to SHS London Limited is expected to result in funds of £75,000 for the Charity and these will be retained to meet the future liabilities of the school.

Sunninghill Preparatory School Limited

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of Sunninghill Preparatory School Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 28 September 2023 and signed on its behalf by:

.....
Miss J R Walker
Chairman and trustee

Sunninghill Preparatory School Limited

Independent Auditor's Report to the Members of Sunninghill Preparatory School Limited

Opinion

We have audited the financial statements of Sunninghill Preparatory School Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 August 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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.

Sunninghill Preparatory School Limited

Independent Auditor's Report to the Members of Sunninghill Preparatory School Limited

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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 12), the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Sunninghill Preparatory School Limited

Independent Auditor's Report to the Members of Sunninghill Preparatory School Limited

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

Sunninghill Preparatory School Limited

Independent Auditor's Report to the Members of Sunninghill Preparatory School Limited

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Mr Robert Cadwallader (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor
Motivo House
Bluebell Road
Yeovil
Somerset
BA20 2FG

28 September 2023

Sunninghill Preparatory School Limited

Consolidated Statement of Financial Activities for the Year Ended 31 August 2022

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	50	-	50	-
Charitable activities	4	1,958,121	-	1,958,121	1,765,310
Investment income	5	106	-	106	41
Other income	6	100,357	-	100,357	107,233
Total income		<u>2,058,634</u>	<u>-</u>	<u>2,058,634</u>	<u>1,872,584</u>
Expenditure on:					
Raising funds	7	(18,739)	-	(18,739)	(10,526)
Charitable activities	8	<u>(2,009,354)</u>	<u>(1,492)</u>	<u>(2,010,846)</u>	<u>(1,949,288)</u>
Total expenditure		<u>(2,028,093)</u>	<u>(1,492)</u>	<u>(2,029,585)</u>	<u>(1,959,814)</u>
Net income/(expenditure)		<u>30,541</u>	<u>(1,492)</u>	<u>29,049</u>	<u>(87,230)</u>
Net movement in funds		30,541	(1,492)	29,049	(87,230)
Reconciliation of funds					
Total funds brought forward		<u>2,101,885</u>	<u>7,788</u>	<u>2,109,673</u>	<u>2,196,903</u>
Total funds carried forward	22	<u><u>2,132,426</u></u>	<u><u>6,296</u></u>	<u><u>2,138,722</u></u>	<u><u>2,109,673</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 22.

The notes on pages 21 to 43 form an integral part of these financial statements.

Sunninghill Preparatory School Limited
(Registration number: 02819354)
Consolidated Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	2,227,210	2,249,203
Current assets			
Stocks	15	2,500	2,000
Debtors	16	86,556	78,769
Cash at bank and in hand	17	651,672	637,578
		740,728	718,347
Creditors: Amounts falling due within one year	18	(529,859)	(474,153)
Net current assets		210,869	244,194
Total assets less current liabilities		2,438,079	2,493,397
Creditors: Amounts falling due after more than one year	19	(299,357)	(383,724)
Net assets		2,138,722	2,109,673
Funds of the group:			
Restricted income funds			
Restricted funds		6,296	7,788
Unrestricted income funds			
Unrestricted funds		2,132,426	2,101,885
Total funds	22	2,138,722	2,109,673

The financial statements on pages 17 to 43 were approved by the trustees, and authorised for issue on 28 September 2023 and signed on their behalf by:

.....
Miss J R Walker
Chairman and trustee

The notes on pages 21 to 43 form an integral part of these financial statements.

Sunninghill Preparatory School Limited

(Registration number: 02819354)
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	2,227,210	2,249,203
Investments		<u>100</u>	<u>100</u>
		<u>2,227,310</u>	<u>2,249,303</u>
Current assets			
Stocks	15	2,500	2,000
Debtors	16	117,245	109,508
Cash at bank and in hand	17	<u>600,458</u>	<u>599,933</u>
		720,203	711,441
Creditors: Amounts falling due within one year	18	<u>(509,434)</u>	<u>(467,347)</u>
Net current assets		<u>210,769</u>	<u>244,094</u>
Total assets less current liabilities		2,438,079	2,493,397
Creditors: Amounts falling due after more than one year	19	<u>(299,357)</u>	<u>(383,724)</u>
Net assets		<u><u>2,138,722</u></u>	<u><u>2,109,673</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds		6,296	7,788
Unrestricted income funds			
Unrestricted funds		<u>2,132,426</u>	<u>2,101,885</u>
Total funds	22	<u><u>2,138,722</u></u>	<u><u>2,109,673</u></u>

The financial statements on pages 17 to 43 were approved by the trustees, and authorised for issue on 28 September 2023 and signed on their behalf by:

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Sunninghill Preparatory School Limited

Consolidated Statement of Cash Flows for the Year Ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income/(expenditure)		29,049	(87,230)
Adjustments to cash flows from non-cash items			
Depreciation	7	48,176	51,898
Investment income	5	(106)	(41)
		<u>77,119</u>	<u>(35,373)</u>
Working capital adjustments			
Increase in stocks	15	(500)	(150)
(Increase)/decrease in debtors	16	(7,787)	1,429
Increase in creditors	18	18,184	59,388
Increase/(decrease) in deferred income	19	<u>28,285</u>	<u>(38,979)</u>
Net cash flows from operating activities		<u>115,301</u>	<u>(13,685)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	106	41
Purchase of tangible fixed assets	13	<u>(26,183)</u>	<u>(34,004)</u>
Net cash flows from investing activities		<u>(26,077)</u>	<u>(33,963)</u>
Cash flows from financing activities			
Value of new loans obtained during the period		-	50,000
Repayment of loans and borrowings	18	<u>(75,130)</u>	<u>(27,293)</u>
Net cash flows from financing activities		<u>(75,130)</u>	<u>22,707</u>
Net increase/(decrease) in cash and cash equivalents		14,094	(24,941)
Cash and cash equivalents at 1 September		<u>637,578</u>	<u>662,519</u>
Cash and cash equivalents at 31 August		<u><u>651,672</u></u>	<u><u>637,578</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

South Court
South Walks
Dorchester
Dorset
DT1 1EB

These financial statements were authorised for issue by the trustees on 28 September 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Sunninghill Preparatory School Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 August 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a net loss for the financial year of £1,548 (2021 - loss of £115,582).

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

As detailed in note 26, on 28 September 2023 the school's trade and assets were sold for a consideration of £550,000. With this injection of cash, the trustees are confident the charity will be able to meet its liabilities as they fall due and therefore the accounts have been prepared on a going concern basis.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Judgements

In the application of the charitable company's accounting policies, which are described above, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 affects both current and future periods.

The Governors have not made any critical judgements in the process of applying the company's accounting policies that have significant effect on the amounts recognised in the financial statements. The following are areas that are considered to be key sources of estimation uncertainty:

The economic useful lives of tangible fixed assets and their expected residual values on future disposal is estimated by the trustees based on their experience. The total carrying value of fixed assets at 31 August 2022 is £2,227,210.

Income and endowments

Fees receivable are accounted for in the period to which they relate. Fees received in advance are included as deferred income and released to the Statement of Financial Activities in the financial year to which they relate. Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where entitlement occurs before income is received, the income is accrued. Capital grants are recognised in full when there is an unconditional entitlement to the grant.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Interest receivable and other income is accounted for on the accruals basis as far as it is prudent to do so.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable a settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised under the accrual model and are recognised as income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

As a registered charity, the School benefits from rates relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Governors have considered the component parts of the School's freehold land and buildings. The Governors consider the expected useful life of the majority of the component parts to be no less than 50 years and consider the estimated residual value of those parts to be no less than the current carrying value in the accounts. Those component parts with a useful life of less than 50 years are depreciated over their useful life.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land and buildings and improvements	Land is not depreciated, buildings are depreciated over 50 years straight line
Other improvements	20 years straight line
Furniture and equipment	10 years straight line
Computer equipment	3 years straight line
Musical instruments	10 years straight line

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) basis.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the School has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Pensions and other post retirement obligations

The School contributes to the Teachers' Pension Scheme for its teaching staff at rates set by the Scheme Actuary. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102, the scheme is accounted for as a defined contribution scheme and the employer's contribution to the pension scheme is charged to the Statement of Financial Activities.

The School also operates a defined contribution group personal plan for staff who are not eligible for the Teachers' Pension Scheme. Employer's contributions to the pension scheme are charged to the Statement of Financial Activities.

The School left Teachers' Pension on Scheme on 31 August 2021.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Recognition and measurement

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest.

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

3 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Donations and legacies;			
Donations from individuals	50	50	-
	<u>50</u>	<u>50</u>	<u>-</u>

All of the income above was attributable to unrestricted funds in 2022.

4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Tuition fees (incl. nursery and fledglings)	2,007,265	2,007,265	1,897,525
Extracurricular activities	109,900	109,900	51,558
Catering	1,765	1,765	342
Registration fees	875	875	3,250
Bursaries	(85,190)	(85,190)	(88,776)
Sibling, staff and forces discount	(76,494)	(76,494)	(80,295)
Homeschooling and key workers discount	-	-	(18,294)
	<u>1,958,121</u>	<u>1,958,121</u>	<u>1,765,310</u>

All of the income above was attributable to unrestricted funds in 2022 and 2021.

The net income of tuition fees following discounts and bursaries for the year was £1,845,581 (2021: £1,710,160).

5 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Interest receivable and similar income;			
Interest receivable on bank deposits	106	106	41
	<u>106</u>	<u>106</u>	<u>41</u>

All of the income above was attributable to unrestricted funds in 2022 and 2021.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

6 Other income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Hire of school buildings and grounds	60,429	60,429	49,880
Early years funding	37,720	37,720	40,979
Coronavirus grant income	-	-	15,332
Other government grant income	2,208	2,208	1,042
	<u>100,357</u>	<u>100,357</u>	<u>107,233</u>

All of the income above was attributable to unrestricted funds in 2022 and 2021.

7 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total 2022 £	Total 2021 £
Trading subsidiary costs		12,190	12,190	7,351
Allocated support costs	9	6,549	6,549	3,175
		<u>18,739</u>	<u>18,739</u>	<u>10,526</u>
		Allocated support costs	Total 2022	Total 2021
Direct costs		£	£	£
Costs of trading activities		<u>12,190</u>	<u>18,739</u>	<u>10,526</u>

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Teaching costs and related expenditure		264,043	-	264,043	199,404
Running costs and school maintenance		284,006	1,492	285,498	226,786
Staff costs		1,195,862	-	1,195,862	1,297,847
Governance costs	9	265,443	-	265,443	225,251
		<u>2,009,354</u>	<u>1,492</u>	<u>2,010,846</u>	<u>1,949,288</u>

£2,009,354 (2021 - £1,941,700) of the expenditure above was attributable to unrestricted funds and £1,492 (2021 - £1,492) attributable to restricted funds.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

9 Analysis of governance and support costs

Support costs allocated to raising funds

	Basis of allocation	Other support costs £	Total 2022 £	Total 2021 £
Management charges	U	6,549	6,549	3,175

Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Other support costs £	Total 2022 £	Total 2021 £
Staff costs	U	-	121,689	121,689	120,713
Motor and travel costs	U	-	29,584	29,584	22,875
Postage stationery and printing	U	-	12,275	12,275	11,792
Telephone	U	-	3,906	3,906	4,882
Advertising and marketing	U	-	48,997	48,997	12,229
Legal and professional fees	U	-	4,292	4,292	17,030
Audit and accountancy fees	U	12,953	16,852	29,805	22,092
Bank charges	U	-	1,659	1,659	2,188
Loan interest	U	-	10,268	10,268	11,945
Bad debt provision	U	-	2,968	2,968	(3,527)
Ipad Lease	U	-	-	-	3,032
		<u>12,953</u>	<u>252,490</u>	<u>265,443</u>	<u>225,251</u>

Basis of allocation

Reference	Method of allocation
U	Unrestricted
R	Restricted

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

10 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2022 £	2021 £
Operating leases - other assets	33,176	37,687
Audit fees	10,853	9,862
Other non-audit services	3,040	6,452
Depreciation of fixed assets	<u>48,176</u>	<u>51,898</u>

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses from the charity during the year.

12 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	1,108,373	1,168,714
Social security costs	93,525	85,558
Pension costs	115,653	149,288
Compensation payments	<u>-</u>	<u>15,000</u>
	<u>1,317,551</u>	<u>1,418,560</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year was as follows:

	2022 No	2021 No
Teachers	36	35
Admin and Support	<u>26</u>	<u>23</u>
	<u>62</u>	<u>58</u>

The full time equivalent numbers of staff for the same period was Teacher 27 (2021 26) and Administration and support 14 (2021: 13).

During the year, the group made redundancy and/or termination payments which totalled £Nil (2021 - £15,000).

No employees received emoluments of more than £60,000 during the year.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

The number of employees whose emoluments fell within the following bands was:

	2022 No	2021 No
£110,001 - £120,000	<u>-</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £338,217 (2021 - £424,064).

13 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Computer equipment £	Musical instruments £	Total £
Cost					
At 1 September 2021	2,464,528	256,397	92,826	18,919	2,832,670
Additions	<u>11,622</u>	<u>3,180</u>	<u>8,836</u>	<u>2,545</u>	<u>26,183</u>
At 31 August 2022	<u>2,476,150</u>	<u>259,577</u>	<u>101,662</u>	<u>21,464</u>	<u>2,858,853</u>
Depreciation					
At 1 September 2021	313,702	178,431	74,367	16,967	583,467
Charge for the year	<u>18,318</u>	<u>18,427</u>	<u>10,919</u>	<u>512</u>	<u>48,176</u>
At 31 August 2022	<u>332,020</u>	<u>196,858</u>	<u>85,286</u>	<u>17,479</u>	<u>631,643</u>
Net book value					
At 31 August 2022	<u>2,144,130</u>	<u>62,719</u>	<u>16,376</u>	<u>3,985</u>	<u>2,227,210</u>
At 31 August 2021	<u>2,150,826</u>	<u>77,966</u>	<u>18,459</u>	<u>1,952</u>	<u>2,249,203</u>

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Charity

	Land and buildings £	Furniture and equipment £	Computer equipment £	Musical instruments £	Total £
Cost					
At 1 September 2021	2,464,528	256,397	92,826	18,919	2,832,670
Additions	<u>11,622</u>	<u>3,180</u>	<u>8,836</u>	<u>2,545</u>	<u>26,183</u>
At 31 August 2022	<u>2,476,150</u>	<u>259,577</u>	<u>101,662</u>	<u>21,464</u>	<u>2,858,853</u>
Depreciation					
At 1 September 2021	313,702	178,431	74,367	16,967	583,467
Charge for the year	<u>18,318</u>	<u>18,427</u>	<u>10,919</u>	<u>512</u>	<u>48,176</u>
At 31 August 2022	<u>332,020</u>	<u>196,858</u>	<u>85,286</u>	<u>17,479</u>	<u>631,643</u>
Net book value					
At 31 August 2022	<u>2,144,130</u>	<u>62,719</u>	<u>16,376</u>	<u>3,985</u>	<u>2,227,210</u>
At 31 August 2021	<u>2,150,826</u>	<u>77,966</u>	<u>18,459</u>	<u>1,952</u>	<u>2,249,203</u>

14 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 September 2021	<u>100</u>	<u>100</u>
At 31 August 2022	<u>100</u>	<u>100</u>
Net book value		
At 31 August 2022	<u>100</u>	<u>100</u>
At 31 August 2021	<u>100</u>	<u>100</u>

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity	
			2022	2021		
Subsidiary undertakings						
Sunninghill Enterprises Limited	UK	Ordinary	100%	100%	Hire of facilities	

Subsidiaries

Sunninghill Enterprises Limited is a company incorporated in England, registration number 09193650. Turnover for the year was £60,429 (2021: £49,880) and expenditure for the year was £29,832 (2021: £21,528). The profit for the financial period was £30,597 (2021: £28,352) and the aggregate of capital and reserves at the end of the period was £30,697 (2021: £28,452).

15 Stock

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Stocks	<u>2,500</u>	<u>2,000</u>	<u>2,500</u>	<u>2,000</u>

16 Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	23,663	24,652	20,726	22,219
Due from group undertakings	-	-	3,109	5,220
Prepayments	26,611	22,653	26,611	22,253
Accrued income	36,211	31,464	66,728	59,816
Other debtors	71	-	71	-
	<u>86,556</u>	<u>78,769</u>	<u>117,245</u>	<u>109,508</u>

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

17 Cash and cash equivalents

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash on hand	11	48	11	48
Cash at bank	651,661	637,530	600,447	599,885
	<u>651,672</u>	<u>637,578</u>	<u>600,458</u>	<u>599,933</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	75,776	66,539	75,776	66,539
Trade creditors	73,854	17,803	70,976	17,803
Other taxation and social security	22,313	49,704	22,313	49,704
Other creditors	115,710	113,745	113,460	113,745
Accruals	66,648	79,089	54,062	75,683
Deferred income	175,558	147,273	172,847	143,873
	<u>529,859</u>	<u>474,153</u>	<u>509,434</u>	<u>467,347</u>

Creditors due within one year includes the following liabilities on which security has been given:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loan	<u>75,776</u>	<u>66,539</u>	<u>75,776</u>	<u>66,539</u>

Legal charges are held over the School's freehold property as security against outstanding bank loans.

The loan financing is in the form of secured loans with a variable interest rate which have been treated as basic financial instruments measured at amortised cost.

Deferred income

	2022	2021
Group	£	£
Deferred income at 1 September 2021	147,273	186,252
Resources deferred in the period	175,558	147,273
Amounts released from previous periods	<u>(147,273)</u>	<u>(186,252)</u>
Deferred income at year end	<u>175,558</u>	<u>147,273</u>

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

	2022	2021
	£	£
Charity		
Deferred income at 1 September 2021	143,873	165,590
Resources deferred in the period	172,847	143,873
Amounts released from previous periods	<u>(143,873)</u>	<u>(165,590)</u>
Deferred income at year end	<u>172,847</u>	<u>143,873</u>

At the balance sheet date the charity was holding funds received in advance in relation to student fees and wedding deposits for the following year.

19 Creditors: amounts falling due after one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	<u>299,357</u>	<u>383,724</u>	<u>299,357</u>	<u>383,724</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loan	<u>299,357</u>	<u>383,724</u>	<u>299,357</u>	<u>383,724</u>

Legal charges are held over the School's freehold property as security against outstanding bank loans.

The loan financing is in the form of secured loans with a variable interest rate which have been treated as basic financial instruments measured at amortised cost.

Legal charges are held over the School's freehold property as security against the outstanding bank loans totalling £333,492 (2021: £400,263), representing 15.55% (2021: 18.61%) of the property carrying value at 31 August 2022.

The loan financing is in the form of secured loans with a variable interest rate which have been treated as basic financial instruments measured at amortised cost. The total expense on these loans in the year was £10,255 (2021: £11,945). The market risk facing the School is that it is widely expected that interest rates will rise. Refer to the risk management section of the Report of the Governors for information as to the policies that have been put in place to manage risk.

Group

Included in the creditors are the following amounts due after more than five years:

	2022	2021
	£	£
After more than five years by instalments	<u>136,036</u>	<u>158,969</u>

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Charity

Included in the creditors are the following amounts due after more than five years:

	2022 £	2021 £
After more than five years by instalments	<u>136,036</u>	<u>158,969</u>

20 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Within one year	33,176	37,687	33,176	37,687
In two to five years	<u>50,233</u>	<u>26,853</u>	<u>50,233</u>	<u>26,853</u>
	<u>83,409</u>	<u>64,540</u>	<u>83,409</u>	<u>64,540</u>

21 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £115,653 (2021 - £3,672).

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Teachers' Pension Scheme

Until 31st August 2021, the School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The School withdrew from the TPS with effect from 31st August 2021 after appropriate consultation with staff.

With effect from 1st September 2021 all teaching staff at the School agreed to change their contractual terms and conditions of employment and joined the School's new defined contribution pension scheme with Royal London.

The pension charge for the year to 31st August 2021 includes contributions payable to the TPS of £Nil (2021: £145,616) and at the year end £Nil (2021: £15,995) was accrued in respect of contributions to this scheme. All relevant Employer and Employee contributions have been made into the TPS up to and including 31st August 2021.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

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

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

22 Funds

Group

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Balance at 31 August 2022 £
Unrestricted funds				
<i>General</i>				
Unrestricted income funds	2,101,885	2,058,634	(2,028,093)	2,132,426
Restricted funds				
Woodland Play area fund	2,833	-	(500)	2,333
Cyber Coach equipment fund	4,955	-	(992)	3,963
Total restricted funds	<u>7,788</u>	<u>-</u>	<u>(1,492)</u>	<u>6,296</u>
Total funds	<u>2,109,673</u>	<u>2,058,634</u>	<u>(2,029,585)</u>	<u>2,138,722</u>
	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Balance at 31 August 2021 £
Unrestricted funds				
<i>General</i>				
Unrestricted income funds	2,187,623	1,872,584	(1,958,322)	2,101,885
Restricted funds				
Woodland Play area fund	3,333	-	(500)	2,833
Cyber Coach equipment fund	5,947	-	(992)	4,955
Total restricted funds	<u>9,280</u>	<u>-</u>	<u>(1,492)</u>	<u>7,788</u>
Total funds	<u>2,196,903</u>	<u>1,872,584</u>	<u>(1,959,814)</u>	<u>2,109,673</u>

The specific purposes for which the funds are to be applied are as follows:

The Woodland Play Area fund represents a donation from the School's PTFA of £5,000 which was put towards the cost of a new low ropes course during 2016/17 and is being written off over the expected useful life of the asset.

During the year ended 31 August 2016 the School received a grant from The National Lottery towards the purchase of Cyber Coach dance equipment (£9,915) and this is being written off over the expected useful life of the asset.

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

23 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Total funds at 31 August 2022 £
Tangible fixed assets	2,220,914	6,296	2,227,210
Current assets	740,728	-	740,728
Current liabilities	(529,859)	-	(529,859)
Creditors over 1 year	(299,357)	-	(299,357)
Total net assets	<u>2,132,426</u>	<u>6,296</u>	<u>2,138,722</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 August 2021 £
Tangible fixed assets	2,241,415	7,788	2,249,203
Current assets	718,347	-	718,347
Current liabilities	(474,153)	-	(474,153)
Creditors over 1 year	(383,724)	-	(383,724)
Total net assets	<u>2,101,885</u>	<u>7,788</u>	<u>2,109,673</u>

24 Analysis of net funds

Group

	At 1 September 2021 £	Financing cash flows £	At 31 August 2022 £
Cash at bank and in hand	637,578	14,094	651,672
Debt due within one year	(66,539)	(9,237)	(75,776)
Debt due after more than one year	(383,724)	84,367	(299,357)
Net debt	<u>187,315</u>	<u>89,224</u>	<u>276,539</u>
	At 1 September 2020 £	Financing cash flows £	At 31 August 2021 £
Cash at bank and in hand	662,519	(24,941)	637,578
Debt due within one year	(55,145)	(11,394)	(66,539)
Debt due after more than one year	(372,411)	(11,313)	(383,724)
Net debt	<u>234,963</u>	<u>(47,648)</u>	<u>187,315</u>

Sunninghill Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

25 Related party transactions

Charity

Children of staff and Governors may attend the school. In such cases Governors pay the normal fees applicable but staff members receive a discount.

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School in the year (2021: £Nil).

During the year the charity made the following related party transactions:

Sunninghill Enterprises Ltd

The School owns 100% of the £100 ordinary share capital of Sunninghill Enterprises Limited.

The trading subsidiary is due to donate profits of £30,597 (2021: £28,352) to the school within nine months of the financial year end. In addition, management charges of £9,000 (2021: £9,000) in respect of the year ended 31 August 2022 are receivable from the trading subsidiary.. At the balance sheet date the amount due from Sunninghill Enterprises Ltd was £3,109 (2021 - £5,220).

Humphries Kirk

(C Keenan, a trustee at Sunninghill Preparatory School Limited, is a partner at Humphries Kirk Solicitors)

During the year, legal advice fees of £Nil (2021: £432), including VAT, were paid to Humphries Kirk of which, C Keenan is a partner. At the balance sheet date the amount due to/from Humphries Kirk was £Nil (2021 - £Nil).

26 Non-adjusting events after the financial period

In January 2023, the trustees noted that the School was likely to sustain a substantial deficit in the year ended 31 August 2023 and, with falling pupil numbers as a result of the economic risk and uncertainty, with the possibility of larger deficits in subsequent years.

In view of this, the Board of Trustees took the decision on 15 February 2023 to instruct educational specialists, to advise the trustees and market the school with the principal aim of putting the School in the best possible position for a successful future.

On 28 September 2023 the trustees exchanged binding contracts for the sale of the School's trade and assets to SHS London Limited part of the Inspired Learning Group Limited for total consideration of £550,000. The value was agreed by an independent valuer in accordance with Section 119 of the Charities Act 2011 (as amended by the Charities Act 2022).

Included in the contract is an overage clause which means that if the School and buildings are either sold or planning permission submitted for alternate use is implemented within 5 years of the completion date the charity will receive 100% of the uplift in value over and above the total consideration of £550,000 received as part of the deal.