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Registered number: 00698102
Charity number: 310491

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)

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Charity Detailed income and expenditure account and summaries	

SOUTH LEE SCHOOL LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022

Governors	Mr S R Honeywood, Chair Mrs H J Buckingham Mrs Z S N King (resigned 5 May 2022) Mrs C E Godfrey Mr F Robertson (appointed 15 March 2022) Mr B Baber (appointed 20 June 2022) Mr E Marland (appointed 17 November 2022) Mrs L Manning (appointed 22 June 2023) Mr M S Scragg (appointed 22 June 2023)
Company registered number	00698102
Charity registered number	310491
Registered office	Nowton Road Bury St Edmunds Suffolk IP33 2BT
Headmistress	Mrs R O'Sullivan (to 26th April 2022) Mrs S Catchpole (Acting Head, 26th April to 31st August 2022) Mrs J Coventry-King (from 1st September 2022)
Independent auditors	Whitings LLP Chartered Accountants Statutory Auditor Greenwood House Greenwood Court Skyliner Way Bury St Edmunds Suffolk IP32 7GY
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Greene & Greene 80 Guildhall Street Bury St Edmunds Suffolk IP33 1QB

SOUTH LEE SCHOOL LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors present their annual report together with the audited financial statements of the charity for the 1 September 2021 to 31 August 2022. 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), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published October 2019.

Since the charity qualifies as a small company under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

a. Policies and objectives

The objective of the charity, as set out in its Memorandum of Association, is to establish and carry on and develop an independent preparatory school for children residing in Bury St Edmunds, in Suffolk and the adjacent counties.

In determining the overall activities of the charity, the Governors have continued to give regard to the Charity Commission's public benefit guidance. The Board remains mindful of the continuing and changing competition from other Independent Schools and Nurseries and continues to consider other ways in which access to the outstanding facilities offered by South Lee might be further broadened.

The aims of South Lee School are to further the education of its pupils and to pursue excellence in all fields, in the firm belief that "All Have Talent". The School aims to make all of its pupils into good, rounded members of society.

Furthermore, the School aims to support the wider community by making its facilities available to local children from other schools at prescribed times, and to support sport, music and the arts locally. This is supported by the school sports hall being available for public lettings during evenings and weekends and utilising the Victory Ground as a sporting venue for the long term. The school is a Trinity Examination centre for the Arts used by the county of Suffolk. The School, through its various activities, also continues to support local, national and international charities, often those chosen by the children. South Lee School also aims to support each member of its staff by providing a friendly and socially rewarding place to work.

South Lee School's main objectives for the coming year are to continue to encourage the educational, moral and spiritual growth of all of its pupils and to further the cause of local sport and the arts. Consideration continues to be given to widening the resources provided by the School.

South Lee School achieves its objectives year on year through charging its parents a fair and affordable termly fee. Fees are carefully reviewed by the School's Governors annually. Continued pressure brought to bear by increasing prices for vital items such as utilities, food and business rates will make this process all the more vital in future years. Any surplus funds will always be invested into a programme of continual improvement and updating of the educational environment and facilities provided. Careful consideration is given to many possible ways of facilitating the continued growth of South Lee School, and the broadest possible range of teaching resources are utilised. Considering continuing financial difficulty for many, the Board of Governors remains committed to securing the long-term future of South Lee. Funds are invested only in the most secure institutions and the continued policy of prudent and sustainable budgeting is maintained.

South Lee School is a Preparatory Day School and Nursery, educating more than 100 full-time pupils from age 4 – 13 and more than 30 Nursery children, aged from Four months - 4 years old.

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

Objectives and activities (continued)

The School also offers a holiday club package through 'Schools Out' who hire the premises during the holiday time. This is open to the public and is widely used by children from many local schools, in addition to those from South Lee.

In addition, South Lee School runs many sports teams, in rugby, football, netball, hockey, cricket and tennis. Pupils regularly gain recognition at area and national level. Staff also actively encourage and support pupils in a range of other sports, including sailing, martial arts, shooting, and cross country running. South Lee, furthermore, has an excellent musical pedigree, with several visiting specialist teachers, offering tuition in a range of musical instruments, as well as in singing and drama.

Achievements and performance

a. Review of activities

The average number of pupils on the school roll was as follows:-

	Full Time Pupils	Nursery Pupils
Autumn Term	98	42
Spring Term	96	49
Summer Term	98	57

This year continued to prove to be a financial challenge to the school. Pupil numbers continued to decrease with the uncertainty produced by the change in the Head with the existing one leaving in April 2022 and the Deputy Head "stepping up" until the new Head joined in September 2022. Since the end of this reported financial year, the Governors are optimistic about the future with the new Head already recruiting new pupils and with Nursery numbers very buoyant in 2022/23.

The School continues, despite these challenges, to have an excellent record in preparing children for the next stage in their education. South Lee also frequently provides winners of scholarships to other local and national schools. Personal testimonials from happy parents indicate a high level of satisfaction with the education provided. Letters from senior schools regarding the progress of former South Lee pupils provide further evidence of the excellent work carried out by the School and its staff.

The sports hall and studio facilities continue to increase public access, with several organisations hiring the sports hall on a regular basis, including cricket, football, netball, badminton and tchoukball clubs. The dance and drama studio allows an even wider range of activities to take place, such as dance, Pilates, yoga and baby yoga, as well as sports courses and interviews, have continued where permitted by COVID restrictions.

The relationships between South Lee School, its pupils, parents, and the wider community remain strong and positive. Links have been forged with Suffolk Netball, Bury St Edmunds hockey and rugby clubs, Sporting 87 Football Club, gymnastics, and athletics organisations and with Northampton Saints Rugby. The School enjoys Suffolk County representation in hockey and cricket and expects to continue its strong forward momentum.

b. Information on fundraising practices

The charity does not fundraise from the general public. The charity does not use professional fundraisers as a part of their charitable fundraising. Income to fund the activities of the charity is derived from termly fee income which is generated from parents who are members of the charitable company.

SOUTH LEE SCHOOL LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance (continued)

c. Investment policy

The policy of the Governors of South Lee School, as a not for profit organisation, is to ensure that any surplus funds generated by fee income is invested with security as the main priority. It is important that funds are safeguarded so that they are available to improve facilities and secure the continued operation of the School.

Financial review

a. Going concern

The Governors consider that the company has adequate resources to continue in operational existence for the foreseeable future and consequently they continue to adopt the going concern basis in preparing the financial statements.

The Governors have reviewed the detailed cashflow projections for a period to August 2027 and have agreed the basis that future budgets were forecast. The figures used are conservative.

The Governors consulted with teachers concerning the pension provision of Teachers' Pension Scheme where the employers' contribution is 23.68%. The Governors presented a business case showing that the payment of this employer's contribution was not sustainable. The teachers agreed to withdraw from Teachers' Pension Scheme with effect from the 1st May 2022 thus reducing the School's pension contributions to a sustainable level.

The Governors, along with senior management, carefully monitor and manage cashflows to maintain the financial sustainability of the school and monitor pupil numbers. The School continues to monitor the implications of a Labour Government and the implementation of their policies against the Independent Schools Sector.

The Governors introduced an Annual Fees in advance scheme which provided a discount on fees for those parents who paid the academic fees for 2020/21 by end of July 2020. The scheme was very successful with over £250,000 in fees paid in advance. This has supported the school's cashflow. This scheme was repeated for 2022/23 with just under £300,000 paid in advance. It is anticipated that this advance fee scheme will continue to remain successful and the scheme has raised over £300,000 for 2023/24.

The school continues to hire out facilities such as the sports Hall to generate additional income. Finally, the school continues to build on its great reputation within the local area to retain and attract new pupils to the school.

The Governors and senior management have set out a realistic step-by-step plan to ensure the financial stability of the charity which includes other income streams and tighter cost control measure. Based on this, the Governors have concluded that they have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements. They continue to adopt the going concern basis of accounting in preparing these financial statements.

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

b. Reserves policy

With careful financial planning and management, the school continues to work towards building a surplus and forecasts show the school moving into surplus. Once the school is in surplus, it is the Governors intention to build at least 3 months operating cash as a reserve. The Governors are committed to exploring every avenue to increase pupil numbers and manage costs whilst continuing to offer the very best education and facilities available.

c. Deficit

The net operating deficit for the year for all funds was £158,221 (2021 - £196,862).

South Lee School has faced another challenging year but the hard work to address the school deficit continues. The school continues to work hard to retain pupils in year 7 and 8. Year 7 and 8 continue to be a challenge in retaining pupils, as Senior Schools who start at Year 7 face their own problems in recruiting pupils and are aggressively offering places to Preparatory School pupils in Year 6. Our own numbers moving from Year 6 to 7 remained strong, but numbers below this are not so strong. The Senior Management Team and Governors continue to monitor the numbers and continued success of Years 7 and 8. It is felt that our pupils gain so much from Years 7 and 8 that they will not receive from a Senior School.

The school sold freehold land, "Overways", in April 2022. This has helped secure future cash flow.

Costs continue to be carefully analysed and managed, strong financial management by the Governors continues to assure the long-term financial stability of South Lee.

d. Principal risks and uncertainties

South Lee School faces a difficult road ahead financially. Costs continue to be carefully analysed and managed. However, as the independent prep school sector remains a challenging environment, pupil numbers remain crucial to the finances of the school. The Board, Head Teacher and the Senior Management Team are working to secure the continued financial stability of the school whilst revaluating the school's business model.

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

e. Plans for future periods

Future developments

The school currently operates below its optimum level in terms of pupil numbers, being at approximately 50% of full capacity. The School continues to consolidate its financial position. The Governors are also still of the opinion that there is an ongoing need to upgrade the older school buildings to a level which is compatible with South Lodge. Consideration is continually being given to ideas to improve classroom provision and other facilities. At all times the Governors remain determined to provide accommodation which will maintain the character and atmosphere of the school whilst providing the appropriate facilities for both pupils and staff alike.

The Board remains ever mindful of the requirements of the Charity Commission in ensuring that Independent Schools make their facilities available to as many children as possible. One of the Governors' key priorities moving forward is to build pupil numbers with the focus on recruiting and retaining the very best staff and always driving standards whilst being true to the South Lee culture and ethos.

The Board continues to consider a wide range of possible options to encourage the healthy growth and renewed expansion of South Lee School and the services it provides.

The Governors and school are most grateful for the support, both financial and other help, of the PTA who contribute so much to the life of the school.

SOUTH LEE SCHOOL LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management

a. Constitution

The charity is registered as a company limited by guarantee with charitable purposes and was set up by a Memorandum of Association, and is registered as a charity, number 310491. The charity is constituted under a Memorandum of Association.

The principal object of the charity is to carry on the activity of an independent school by providing a first class education.

The Governors are also directors of the charitable company for the purpose of company law. Details of the Governors who served during the year are shown on page 1.

b. Methods of appointment or election of Governors

The management of the charity is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

Governors, whose number cannot be less than seven nor more than nine (excluding Co-opted Governors) are elected at Annual General Meetings. Only members of the charity are eligible to stand for election. The Governors may appoint a person, who need not be a member, either to fill a vacancy or act as an additional Governor. These co-opted Governors, whose number cannot exceed seven, or cause the total number of Governors to exceed twelve, serve until the next Annual General Meeting whereupon they will be eligible for re-election. A co-opted Governor who is not a member of the charity cannot serve for more than three years. The Head Teacher acts as a Governor ex officio. At each Annual General Meeting, one third of the Board of Governors retires, all being eligible for re-election.

c. Organisational structure and decision-making policies

The Board of Governors focuses on the areas of Education, Finance and Human Resources, Health and Safety, Pastoral and Safeguarding, Estates and Development and Marketing determine the general policy of the charity. This is managed through communication with the school lead in each area. The day-to-day management is delegated to the Head Teacher and Senior Management Team (SMT).

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

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Governors

All new Governors are given a special South Lee School Governors' Pack, supported by The Association of Governing Bodies of Independent Schools (AGBIS) documentation, which outlines their responsibilities as a Trustee\Governor. The pack is designed to provide Governors with a broad insight into the workings of the School. It contains sections on the School; its Governors and their appointment; rotation and powers; Governors' meetings; the Chairman and various sub-committees; duties and responsibilities of Governors and the names of the current Board.

In addition, each new Governor is provided with access to a number of publications, including "Life of a Company", Parts 1 and 2, published by Companies House, and "The Essential Trustee: What You Need to Know", published by the Charity Commission. These publications are accessed on-line, to ensure that Governors are always referring to the latest version, as is the "Code of Conduct for School Governing Boards", published by the National Governors' Association. In addition, the Governors are mindful of their responsibilities regarding the regulatory requirements of the Independent Schools Inspectorate and safeguarding, having regard to "Keeping Children Safe in Education" and all updates published by HM Government. Furthermore, new Governors are taken on a full tour of the School by the Head Teacher and given full safeguarding training by the DSL.

South Lee School is a member of the Association of Governing Bodies of Independent Schools (AGBIS). Each board member has been provided with a copy of the AGBIS publication "Guidelines for Governors", which aims to be a manual of good practice for Governors of Independent Schools.

e. Pay policy for senior staff

The Governors consider the board of Governors, who also act as the directors of the company and trustees to the charity. They appoint the senior management team comprising of key management personnel (Head Teacher and School Business Manager/Bursar). All Governors give their time freely and do not receive remuneration. Details of related party transactions are disclosed in note 20 to the financial statements.

The pay of senior staff is reviewed annually by the Governors and is benchmarked against staff holding similar positions in both the private and maintained sector in the East of England.

f. Related party relationships

One member who has since become a Governor is also a member of companies that have provided services to the School during the year. The services were provided at normal commercial rates and are detailed in note 20 to the accounts. There were no other material transactions with related parties such as Trustees or parents, all of whom are members of the Trust.

The Charity is a member of Victory Sports Ground - CIC, which is a community interest company holding the freehold of the Victory Sports Ground and responsible for management of the land. South Lee has taken a long leasehold interest in part of the grounds on which its sports hall sits and is used for its own use as well as community use.

g. Risk management

The Governors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

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

Statement of Governors' responsibilities

The Governors (who are also the directors of the Charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. 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 of the Charities SORP 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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.

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that, in so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Whittings LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:

Mr S R Honeywood
Director

Date: 29 August 2023



SOUTH LEE SCHOOL LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH LEE SCHOOL LIMITED

Opinion

We have audited the financial statements of South Lee School Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 1.6 in the financial statements, which indicates that the charitable company has incurred a net deficit of £158,221 for the year ended 31 August 2022 and has net current liabilities at this date of £95,151. As stated in note 1.6, these events or conditions, along with the other matters as set out in the note 1.6, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

SOUTH LEE SCHOOL LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH LEE SCHOOL LIMITED
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the Governors are responsible for assessing the 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

SOUTH LEE SCHOOL LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH LEE SCHOOL LIMITED
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

SOUTH LEE SCHOOL LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTH LEE SCHOOL LIMITED
(CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Whitings LLP

Whitings LLP
Chartered Accountants
Statutory Auditor
Greenwood House
Greenwood Court
Skyliner Way
Bury St Edmunds
Suffolk
IP32 7GY

29 August 2023

Whitings LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SOUTH LEE SCHOOL LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	2	1,030	-	1,030	1,504
Charitable activities	3	-	1,314,605	1,314,605	1,293,110
Surplus on disposal of freehold land		-	87,330	87,330	-
Investments		-	13	13	1,724
Other income	4	-	133,599	133,599	158,457
Total income		1,030	1,535,547	1,536,577	1,454,795
Expenditure on:					
Charitable activities		4,085	1,690,713	1,694,798	1,651,657
Total expenditure		4,085	1,690,713	1,694,798	1,651,657
Net movement in funds		(3,055)	(155,166)	(158,221)	(196,862)
Reconciliation of funds:					
Total funds brought forward		31,866	1,302,939	1,334,805	1,531,667
Net movement in funds		(3,055)	(155,166)	(158,221)	(196,862)
Total funds carried forward		28,811	1,147,773	1,176,584	1,334,805

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 33 form part of these financial statements.

SOUTH LEE SCHOOL LIMITED
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REGISTERED NUMBER: 00698102

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	2,053,679	2,223,567
		<u>2,053,679</u>	<u>2,223,567</u>
Current assets			
Debtors	9	26,369	42,963
Cash at bank and in hand		373,790	343,940
		<u>400,159</u>	<u>386,903</u>
Creditors: amounts falling due within one year	10	(495,310)	(482,597)
Net current liabilities		<u>(95,151)</u>	<u>(95,694)</u>
Total assets less current liabilities		<u>1,958,528</u>	<u>2,127,873</u>
Creditors: amounts falling due after more than one year	11	(781,944)	(793,068)
Total net assets		<u><u>1,176,584</u></u>	<u><u>1,334,805</u></u>

SOUTH LEE SCHOOL LIMITED
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BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Charity funds			
Restricted funds	12	28,811	31,866
Unrestricted funds	12	1,147,773	1,302,939
Total funds		<u>1,176,584</u>	<u>1,334,805</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

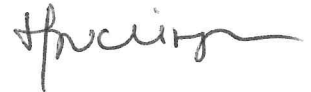
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

Mr S R Honeywood
Director
Date: 29 August 2023



Mrs H J Buckingham
Director



The notes on pages 18 to 33 form part of these financial statements.

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	15	(61,984)	195,244
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		186,880	1,800
Purchase of tangible assets		-	(28,618)
Net cash provided by/(used in) investing activities		186,880	(26,818)
Cash flows from financing activities			
Loan interest paid		(95,046)	(91,473)
Net cash used in financing activities		(95,046)	(91,473)
Change in cash and cash equivalents in the year		29,850	76,953
Cash and cash equivalents at the beginning of the year		343,940	266,987
Cash and cash equivalents at the end of the year	16	373,790	343,940

The notes on pages 18 to 33 form part of these financial statements

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) - 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 (FRS102) (published October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

South Lee 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.

1.2 Company status

The charity is a private company limited by guarantee, registered in England. The members of the company are the parents of the children at the school. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is Nowton Road, Bury St Edmunds, Suffolk, IP33 2BT. The charity's principal activity is the operation of an independent school.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All income is recognised once the Charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

School fees and charges are recognised in the period in which the service is provided. Any bursaries, scholarships, or other discounts given are deducted from fees income.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

Following a period of significant operating deficits, the Governors have undertaken a major programme of reorganisation commensurate with the level of predicted pupil numbers. This was implemented at the start of the 2018-19 academic year and is ongoing. The charitable company has reported a deficit for the year of £158,221 and has net current liabilities at the balance sheet date of £95,151. The charitable company, at the balance sheet date, had total unrestricted funds of £1,147,773 of which £2,053,679 were represented by tangible fixed assets.

The Governors have reviewed the detailed cashflow projections for a period of twelve months beyond the date of signing the accounts. The Governors and senior management have set out a realistic strategy to ensure the financial stability of the charitable company. This is based in part on assumptions that pupil numbers can be maintained and that inflationary increases in respect of the most significant cost headings are within their control.

Based on this, the Governors have concluded that they have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of signing these financial statements. They continue to adopt the going concern basis of accounting in preparing these financial statements. They recognise that due to the circumstances, the existence of a material uncertainty which may cast significant doubt over the charitable company's ability to continue as a going concern exists.

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 Government grants

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Where the government pays loan interest on behalf of the charity, this is recognised as a loan interest expense and government grant income respectively.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £350 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2% Straight line
Long-term leasehold property	-	2% Straight line
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	5% Reducing balance
Office equipment	-	20% Straight line
Educational equipment - computers	-	33% Straight line
Educational equipment - Other	-	20% Straight line

1.10 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.11 Pensions

The charity contributes to the Teachers Pension Scheme, which is a defined benefit scheme, at rates set by the scheme actuary and advised to the school by the scheme administrator. The scheme is a multi employer pension scheme and it is not possible for the governors to identify the underlying assets and liabilities of the scheme which are attributable to the charity. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

The company also operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working life with the charity.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

1.15 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgment

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets:-

The annual depreciation charge for tangible assets is sensitive to changed in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors:-

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience.

Going concern:-

Further details regarding this can be found in note 1.6.

2. Income from donations and legacies

	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	1,030	1,030	1,504
	<hr/>	<hr/>	<hr/>
<i>Total 2021</i>	1,504	1,504	
	<hr/>	<hr/>	

SOUTH LEE SCHOOL LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
School fees receivable	1,302,524	1,302,524	1,282,740
Ancillary income	12,081	12,081	10,370
	<u>1,314,605</u>	<u>1,314,605</u>	<u>1,293,110</u>
<i>Total 2021</i>	<u>1,293,110</u>	<u>1,293,110</u>	

4. Other income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other incoming resources	37,300	37,300	27,064
Sports hall income	67,996	67,996	32,232
Furlough grant income	20,803	20,803	36,499
Other Government grants receivable	7,500	7,500	62,662
	<u>133,599</u>	<u>133,599</u>	<u>158,457</u>
<i>Total 2021</i>	<u>158,457</u>	<u>158,457</u>	

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Governance costs

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Governance Auditors' remuneration	6,475	6,475	4,650
Governance Auditors' non audit costs	6,329	6,329	5,383
Governors indemnity insurance	265	265	519
	<u>13,069</u>	<u>13,069</u>	<u>10,552</u>
<i>Total 2021</i>	<u>10,552</u>	<u>10,552</u>	

6. Analysis of total resources expended

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Teaching costs	663,141	5,085	108,436	776,662	846,433
Nursery teaching costs	137,882	-	-	137,882	114,368
Welfare costs	42,737	-	51,843	94,580	99,498
Premises costs	49,825	60,030	170,953	280,808	259,131
Finance costs	-	-	102,323	102,323	99,753
Donations	-	-	49	49	686
Support costs	145,983	5,222	138,220	289,425	221,732
Governance expenses	-	-	13,069	13,069	10,552
Total 2022	<u>1,039,568</u>	<u>70,337</u>	<u>584,893</u>	<u>1,694,798</u>	<u>1,652,153</u>
<i>Total 2021</i>	<u>1,140,280</u>	<u>69,852</u>	<u>442,021</u>	<u>1,652,153</u>	

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Staff costs

	2022	2021
	£	£
Wages and salaries	874,029	929,863
Social security costs	69,813	71,655
Other pension costs	95,726	138,762
	<u>1,039,568</u>	<u>1,140,280</u>

The average number of persons employed by the Charitable company during the year was as follows:

	2022	2021
	No.	No.
Teaching staff	20	20
Ancillary staff	10	9
Admin	5	10
Other	10	12
	<u>45</u>	<u>51</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
	No.	No.
In the band £60,001 - £70,000	2	-
In the band £80,001 - £90,000	-	1

Key management personnel of the school are considered to be the Governors, who do not receive any remuneration, and Senior Management Team of the school. The aggregate remuneration of the key management personnel was £294,828 (2021 - £313,365).

During the year, no Governors received any remuneration or other benefits (2021 - £Nil).

During the year, no Governor expenses have been incurred (2021 - £Nil).

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Education Equipment £	Total £
Cost or valuation						
At 1 September 2021	1,688,843	1,628,621	26,029	275,802	417,617	4,036,912
Disposals	(99,551)	-	-	-	-	(99,551)
At 31 August 2022	1,589,292	1,628,621	26,029	275,802	417,617	3,937,361
Depreciation						
At 1 September 2021	960,104	249,143	24,917	171,099	408,081	1,813,344
Charge for the year	27,458	32,573	278	5,261	4,767	70,337
At 31 August 2022	987,562	281,716	25,195	176,360	412,848	1,883,681
Net book value						
At 31 August 2022	601,730	1,346,905	834	99,442	4,769	2,053,680
At 31 August 2021	728,739	1,379,478	1,112	104,703	9,536	2,223,568

Included within the cost of freehold property are freehold buildings and property improvements with a cost of £1,228,704 on which depreciation has been charged.

Freehold land and buildings are pledged as security for bank loans.

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	5,175	20,843
Prepayments and accrued income	21,194	22,120
	<u>26,369</u>	<u>42,963</u>

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	11,198	7,600
Income received in advance	383,984	371,862
Trade creditors	8,165	3,677
Other taxation and social security	14,551	18,995
Other creditors	14,287	26,546
Accruals and deferred income	63,125	53,917
	<u>495,310</u>	<u>482,597</u>

11. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	<u>781,944</u>	<u>793,068</u>

The aggregate amount of liabilities payable or repayable in instalments more than five years after the reporting date is £750,000 (2021 - £750,000).

Bank loans of £750,000 are interest only and have an open ended term. Interest is charged at a fixed rate of 1.5% a month, or 1% on early payment. The loan is secured by a charge over freehold property.

Bank loans of £50,000 have a term of 72 months, the first 12 months are interest only and this is paid by the Government. Over the remaining 60 months, the loan is repayable by monthly instalments. During the previous year, a payment holiday of 6 months was granted. Interest is charged at a fixed rate of 2.5%. The Government has guaranteed this debt.

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
Unrestricted funds				
General Funds	1,302,939	1,535,547	(1,690,713)	1,147,773
Restricted funds				
Outgoing Charitable Donations Fund	2,496	245	(348)	2,393
South Lee PTA Fund	29,010	785	(3,737)	26,058
Pearl Music Prize	160	-	-	160
Citizen Foundation Fund	200	-	-	200
	31,866	1,030	(4,085)	28,811
Total of funds	1,334,805	1,536,577	(1,694,798)	1,176,584

The Outgoing Charitable Donations Fund was established by way of donations received to be expended for specific charitable purposes.

The South Lee PTA Fund was established by way of donations received from South Lee PTA to be used for specific expenditure.

The Pearl Music Prize was established by way of a parent donation to reward pupil achievements in music.

The Citizenship Fund was set up by a donation of £100 from the Citizenship Foundation. It is designed to teach children about finance skills and to enable them to operate a small business. At the end of each year, the fund is restored to £100, with any surplus generated being donated to a charity of the children's choice.

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds				
General Funds	1,499,004	1,453,291	(1,649,356)	1,302,939
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds				
Outgoing Charitable Donations Fund	2,286	506	(296)	2,496
South Lee PTA Fund	30,017	998	(2,005)	29,010
Pearl Music Prize	160	-	-	160
Citizen Foundation Fund	200	-	-	200
	<hr/>	<hr/>	<hr/>	<hr/>
	32,663	1,504	(2,301)	31,866
	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<u>1,531,667</u>	<u>1,454,795</u>	<u>(1,651,657)</u>	<u>1,334,805</u>

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
General funds	1,302,939	1,535,547	(1,690,713)	1,147,773
Restricted funds	31,866	1,030	(4,085)	28,811
	<u>1,334,805</u>	<u>1,536,577</u>	<u>(1,694,798)</u>	<u>1,176,584</u>

Summary of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
General funds	1,499,004	1,453,291	(1,649,356)	1,302,939
Restricted funds	32,663	1,504	(2,301)	31,866
	<u>1,531,667</u>	<u>1,454,795</u>	<u>(1,651,657)</u>	<u>1,334,805</u>

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	17,188	2,036,491	2,053,679
Current assets	11,623	388,536	400,159
Creditors due within one year	-	(495,310)	(495,310)
Creditors due in more than one year	-	(781,944)	(781,944)
Total	<u>28,811</u>	<u>1,147,773</u>	<u>1,176,584</u>

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	18,093	2,205,475	2,223,568
Current assets	13,773	373,131	386,904
Creditors due within one year	-	(482,597)	(482,597)
Creditors due in more than one year	-	(793,068)	(793,068)
Total	31,866	1,302,941	1,334,807

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(158,221)	(196,862)
Adjustments for:		
Depreciation charges	70,337	69,852
Profit on the sale of fixed assets	(87,330)	(803)
Decrease/(increase) in debtors	16,595	(25,694)
Increase in creditors	1,589	256,610
Loan interest charged	95,046	92,141
Net cash provided by/(used in) operating activities	(61,984)	195,244

16. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	373,778	343,928
Notice deposits (less than 3 months)	12	12
Total cash and cash equivalents	373,790	343,940

SOUTH LEE SCHOOL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	343,940	29,850	373,790
Debt due within 1 year	(7,600)	(3,598)	(11,198)
Debt due after 1 year	(793,068)	11,124	(781,944)
	<u>(456,728)</u>	<u>37,376</u>	<u>(419,352)</u>

18. Pension commitments

The charity operates a defined benefit scheme and a defined contribution scheme.

Defined benefit scheme:

Until May 2022, the charity contributed to the Teachers Pension Scheme administered by the Department for Education. The contributions of the charity and employees were 23.68% and 7.4% - 11.7% of salary respectively. The pension cost charge for the year was £78,676 (2021 - £128,063). Contributions totalling £nil (2021 - £15,214) were payable to the fund at 31 August 2022 and are included in creditors.

Effective from 31st May 2022, the teachers' agreed to cease making payments into the Teachers Pension Scheme. Where appropriate contributions are now made into the defined contribution scheme.

Defined contribution scheme:

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year represents contributions payable and amounted to £17,050 (2021 - £10,699). Contributions totalling £5,337 (2021 - £2,060) were payable to the fund at 31 August 2022 and are included in creditors.

19. Operating lease commitments

At 31 August 2022 the Charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable		
Not later than 1 year	32,245	30,444
Later than 1 year and not later than 5 years	59,863	5,592
	<u>92,108</u>	<u>36,036</u>

SOUTH LEE SCHOOL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. Related party transactions

The majority of the charity's income is derived from education fees paid by parents who are members of the charity.

Transactions with Governors:-

No member of the Board of Governors received emoluments during the year and no expenses were reimbursed.

The Charity is a member of Victory Sports Ground CIC which is a community interest company holding the freehold of the Victory Sports Ground and responsible for management of the facility. South Lee has taken a long leasehold interest in part of the grounds on which it has constructed a new sports hall for its own and community use.

21. Company limited by guarantee

The charity has no share capital, but is limited by guarantee. Every member of the charity is a guarantor and undertakes to contribute to the assets of the charity in the event of it being wound up. Each member's liability is limited to £1.

The charity's Memorandum of Association states that in the event of winding up or dissolution any surplus shall be given or transferred to a similar institution.