

SEATON HOUSE SCHOOL LIMITED

Company Registration No: 2151420 (England and Wales)

Charity Registration No: 800673 (England and Wales)

SEATON HOUSE SCHOOL LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31ST AUGUST 2019

MONDAY



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COMPANIES HOUSE

31st AUGUST 2019

REPORT AND FINANCIAL STATEMENTS

(A company limited by guarantee)

SEATON HOUSE SCHOOL LIMITED

Charity Registration No: 800623 (England and Wales)

Company Registration No: 3121950 (England and Wales)

SEATON HOUSE SCHOOL LIMITED

SEATON HOUSE SCHOOL LIMITED

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GOVERNORS' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2019

The Board of Governors present their annual report for the year ended 31st August 2019, together with the audited financial statements for the year. These have been prepared in accordance with the Companies Act 2006, the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) updated for Update Bulletin 2, Financial Reporting Standard 102 (FRS 102) and the Charities Act 2011.

REFERENCE AND ADMINISTRATIVE INFORMATION

Seaton House School Limited was founded in 1931 and became a limited company and charity in 1987. Charity number 800673. The School's principal address and registered office is 67 Banstead Road South, Sutton, Surrey, SM2 5LH.

Governors and Company Directors

The Governors of the School, who are also Charity Trustees, and company directors who served in office as Governors during the year and subsequently are:

Mrs J Evans (Chair)

Ms B Grant (Deputy Chair)

Mr P Patel

Mrs M Smith (Resigned 11.6.18)

Mr S Zammit (Resigned 12.11.19)

Mr M Russell (Appointed 8.3.18)

Mr MA Alidina (Appointed 1.9.19)

Mr O Saeed (Appointed 4.11.19)

Key Leadership Personnel

The Governors

The Headteacher: Mrs D Morrison HDe (SA) QTS (Resigned 31.08.19),
Mrs R Darvill MEd, BEd (Cantab) (Appointed 19.08.19)

The Bursar: Mrs S L Saunders FCA (Resigned 31.12.18),
Mr T Roads ACIB (Interim Bursar, appointed 31.10.18)

Deputy Heads: Mrs L Wilson BA (Hon) PGCE (currently and throughout the financial year)
Mrs S McGreevy BA (Hon QTS) (currently and throughout the financial year)

Professional Advisors

Bankers: Barclays Bank plc, 3 High Street, Hampton, Middlesex, TW12 2SD

Solicitors: Kennedys, 25 Fenchurch Street, London, EC3M 5AD (general)
Carpenter & Co, 46 Woodcote Road, Wallington, Surrey, SM6 0MW (debt collection)

Auditor: Jacob, Cavenagh & Skeet, 5 Robin Hood Lane, Sutton, Surrey, SM1 2SW

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association.

Governing Body

The Board of Governors currently has six Governors (a maximum of 12 is permitted under the M&A). The Governors are reconfirmed at the AGM every year; in 2019 one Governor resigned and another subsequently, however one was appointed in 2019 and two more subsequently. The Board of Governors appoints new Governors in light of specific criteria and the needs created by retirements. Governor appointments are based on the need for the Board as a whole to have the skills and experience to determine the policies of the School and to monitor the implementation of those policies.

Governor training

New Governors are inducted into the workings of the School, and also of the Company as a registered Charity, including Board Policy and Procedures. They receive guidance notes from the Bursar, together with introductory information from AGBIS. The Governors each have their own areas of individual professional expertise and the Chair of Governors and the Clerk to the Governing Body identify and offer suitable training opportunities and courses, either offered via organisations such as AGBIS or online from the school's Educare Training licence. A record of Governor training is maintained. Regular updates from AGBIS, ISBA and other relevant bodies are circulated to the Governors.

Organisational Management

The Governors implemented a Sub-Committee Structure in 2019 to further increase their working knowledge of the school's day to day operations, determine the general policies and to review its overall management and control, for which they are legally responsible. The five Sub-Committee comprise:

Safeguarding

Education

Compliance

Finance & General Purpose

Estates & Development

Each Sub-Committee meets in the first half of each term and then reports through to the full Governor meetings held in the second half of each term. Additionally, the Annual General Meeting is held to review and discuss procedural compliance matters and further Strategy or Ad-hoc meetings are organised, as required. The minutes of these meetings are produced and circulated by the Bursar & Clerk to the Governors. Furthermore, the Chair of Governors meets with the Headteacher and the Bursar on a regular basis and can be called upon at any time by them, should the need arise. The day-to-day running of the School is delegated to the Headteacher and the Bursar who are supported by the remainder of the Leadership team.

The Headteacher oversees the recruitment of all educational staff, whilst the Bursar oversees the recruitment of administrative and non-teaching support staff.

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31ST AUGUST 2019

Key management personnel

The Governors consider that they, together with the Headteacher, the Bursar, the Deputy Heads comprise the Key Management Personnel as detailed on Page 1. The Governors give of their time freely, no Governor received remuneration in 2019 (2018: Nil). Details of Governors' expenses are detailed in Note 5 to the Accounts.

The pay and remuneration of the Headteacher and senior staff is set by the Governors and is subject to annual review. A number of criteria are used in setting pay both for senior management and for general staff.

- nature of the role and responsibilities
- salaries in the region
- the sector average salary for comparable positions
- economic factors such as Inflation rates

The Governors remain aware that delivery of the school's vision as a Charitable body is largely dependent on the quality of the staff, and the salary costs are the largest single element of the school's expenditure.

We aim to recruit the best qualified and experienced staff and provide scope to reward them for excellence. Wherever possible new staff will be recruited to the mid-range of expected pay scales to allow scope for growth.

Relationships

The School was a member of IAPS in 2019 but has now changed to ISA (Independent Schools Association) for the 2020 as the school feels the Association is better aligned to the smaller schools such as Seaton House. The Headteacher attends HMC & ISA events and the Bursar is an active member of ISBA. The school also is a member of AGBIS which provides training and guidance to the Governing Body.

We co-operate with as many local organisations and state schools as we can, despite our limited facilities welcoming other independent schools to our premises for matches and competitions as well as travelling to local residential homes for the elderly to sing and entertain the residents. We endeavour to increase the awareness of our pupils of the wider social context of the education that they receive at the school. We frequently fundraise for other charities to raise funds for them and awareness of their aims. Amongst the charities supported in the year were BBC Children in Need, Hope4Malawi, Sport Relief, Red Nose Day, Marsden March and Macmillan Cancer Support.

The School benefits from the generosity of its Parents' Association, whose close support we greatly appreciate and acknowledge.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

Principal risks and uncertainties

The Board with assistance from the Head and the Bursar reviews the School's current and future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them.

The principal risks and uncertainties currently facing the School are considered to be the possible impact on pupil numbers as state schools in the area expand as well as price competition from rival independent schools investing heavily in state of the art technology and sports facilities. There is increased competition for high-quality teaching and support staff and this has an effect on succession planning. The Political and Economic environment presents some very real risks to the school's cost base. Whilst Brexit uncertainty has not significantly affected pupil numbers so far there remains a risk of higher cost for certain supplies. Independent schools are currently a target for potential removal of Tax benefits (as a Charitable entity), addition of VAT on school fees, and removal of business rates relief. Any of these will have an adverse effect on surpluses generated; the market will not sustain merely increasing fees to compensate. An additional threat has materialised with Teachers Pensions. The Government introduced an increase in Employer contributions of more than 40% in September 2019 which is challenging the whole independent sector. Such increases cannot be easily absorbed, such that a growing number of schools have already withdrawn from the scheme and others are consulting with staff on the matter. Seaton House School is continuing to consider its options.

Two previously reported high risks have been successfully concluded; legal disputes which had threatened the schools' reputation and ability to satisfy Safeguarding concerns. The latter case was resolved in court and resulted in ending Carshalton Beeches Bowling Club lease and allowing the school to take back full occupation of the whole school site. This will allow the DfE Safeguarding concerns to be eradicated when the school is revisited later in 2020.

OBJECTS, PUBLIC BENEFIT AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Objective of the Charity, in accordance with its Memorandum and Articles of Association, is to provide for the advancement of education and carry on and develop a school for the education of children.

In addition to the principal activities, the charity also makes its premises available for recreation to the wider public including the leasing at below commercial rate of a bowling green and clubhouse, as well as allowing local residents to utilise the school hall for AGMs.

In furthering this Objective, the Governors, as charity trustees, have complied with the duty s17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under that act.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

Strategic Aim and Intended Effect

The school's strategic aim to reach its annual objective for the public benefit as a charitable Independent School is the attainment of the highest academic levels consistent with our admissions policy.

We intend to draw out our pupils' abilities and academic potential and develop their wider interests in life for participation in society and to motivate them for a successful outcome at their chosen senior school.

Objectives for the year

The Board's main objectives in pursuit of the charity's public benefit aims were (a) to educate all pupils to at least the same high standard as previously achieved (b) to develop bursary funding so that our high levels of education can be extended those from lower income families.

Our strategy for achieving this is to (a) recruit and retain a high quality teaching and support staff and to invest in their continued education and development and to improve our facilities to provide pupils with the tools of success (b) to build up our own bursary funds and a bursary policy to enable us to extend assistance to pupils from a lower income homes.

Principal activity and income sources

Seaton House's principal activity continues to be to develop and educate children between the ages of 2½ and 11 preparing them for secondary education.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the school

Once again the School has succeeded in its principal objective as demonstrated by our preparing girls for 11+ entry. In the class of 2018, 11 Girls were offered places at Grammar Schools and 14 were offered places at Independent Secondary Schools with 7 Scholarships (Academic, Art).

The school continued to achieve high honours in 2019 when it was ranked number 5 in the Times Parent Power Top 100 Prep Schools (1st in 2018, 4th in 2017). This was based on the 2018 SATS results. In 2018, 19 out of 20 girls passed their SATS with 90% attaining higher level in Grammar and Spelling, 75% higher level in Reading and 75% higher level in Maths. These achievements have continued to have an impact on the number of parent enquiries for places; registrations continue to be buoyant and registration fees were up significantly year on year £4,565 (2018: £1,705).

In addition, there has been a wide range of extra-curricular activities undertaken. We have enjoyed inter school sports with Netball, Hockey and Gymnastic competitions being undertaken, as well as swimming.

Our pupils in year six have attended a local old people's home to sing and entertain residents as well. We have seen performances in school from visiting Theatre companies and welcomed an Olympic champion into the school for a sports based fundraising activity.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The year's operating results exceeded the budgeted figures. It is important that we continue to make a reasonable level of surplus in order to finance the ongoing capital expenditure needed to upgrade the premises of the School.

The principal source of funds in the year has come from fees. Whilst the school had a tenancy agreement with the Carshalton Beeches Bowling Club (see below), the rent chargeable has not been accepted since January 2018 on legal advice as the Club is in dispute with the school. The school has continued to receive donations from the Parents Association to fund specific purchases to benefit the pupils.

RESERVES

Reserves policy

The Governors' policy is to maintain a sufficient level of reserves to ensure that the school's continuing activities can be maintained. At 31 August 2019 the school's free reserves, defined as unrestricted funds (excluding designated funds) not invested in fixed assets, stood at £868,518 (2018: £751,027). The Governors aim to maintain free reserves in unrestricted funds at a level which equates to approximately one term's unrestricted expenditure, that is £495,859 (2018: £433,736), we therefore believe that the school is in a strong position to sustain itself in the current economic climate. At 31 August 2019 the school's reserves amounted to £1,858,485 (2018: £1,756,328) of which £60,850 (2018: £60,850) has been designated to providing future bursaries, once sufficient funds have been accumulated. The Governors believe that the reserves are sufficient to meet the charity's obligations and these are reviewed on a regular basis. Reserves are being allowed to grow in anticipation of the next building project.

Going concern

The Governors have reviewed the circumstances of Seaton House School and consider that adequate resources continue to be available to fund activities for the foreseeable future. The Governors are of the view that the charity is a going concern.

Fundraising

In line with the new reporting requirements included in the Charities Act 2016 the Governors are pleased to confirm that all fundraising is done in compliance with best fundraising practice. All fundraising activities follow traditional methods such as cake sales, "mufti days" and a Christmas Carol Concert. During 2019 we did not employ any professional fundraisers. There were no complaints or criticisms during the year about our fundraising activities.

FUTURE PLANS

The school wishes to redevelop its Senior House building and reorganise accommodation making use of the partially complete Pavilion following the successful conclusion in ending the pre-existing lease. The whole premises are now fully available to the school to be able to plan improved facilities to support the continued success of Seaton House for many years to come.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2015 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

AUDITORS

In so far as the governors are aware:

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

Jacob, Cavenagh & Skeet have expressed their willingness to continue as auditors of the company.

Approved by the Board of Governors at its meeting on *30th March 2020* and signed on its behalf by:



Judith Evans
Chair of Governors

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31ST AUGUST 2019**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Governors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the governors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 6, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

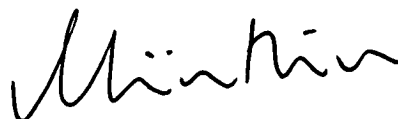
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Use of our report

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

Miriam Hickson FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants



5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 14 May 2020

SEATON HOUSE SCHOOL LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
FOR THE YEAR ENDED 31ST AUGUST 2019**

	Notes	Unrestricted funds 2019 £	Unrestricted funds 2018 £
INCOME FROM			
<i>Charitable activities</i>			
School fees receivable	2	1,493,140	1,382,957
Registration fees		4,565	1,705
<i>Donations and legacies</i>	3	6,340	6,433
<i>Other trading activities:</i>			
Rents and lettings		4,861	7,477
<i>Investment income</i>		2,282	2,240
<i>Other income</i>		78,545	69,399
Total Income		<u>1,589,733</u>	<u>1,470,211</u>
EXPENDITURE ON			
<i>Charitable activities:</i>			
School operating costs		1,482,900	1,300,445
<i>Raising funds:</i>			
School financing costs		4,676	764
Total expenditure	7	<u>1,487,576</u>	<u>1,301,209</u>
NET INCOME FOR THE YEAR AND NET MOVEMENT IN FUNDS		102,157	169,002
RECONCILIATION OF FUNDS			
Funds brought forward at 1 st September 2018		1,756,328	1,587,326
Funds carried forward at 31st August 2019		<u>1,858,485</u>	<u>1,756,328</u>

The notes on pages 13 to 23 form part of these accounts.

SEATON HOUSE SCHOOL LIMITED

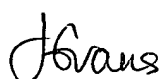
BALANCE SHEET

AS AT 31ST AUGUST 2019

Company number 2151420

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets			
School land, buildings and equipment	9	929,117	944,451
CURRENT ASSETS			
Debtors	10	48,723	55,956
Investment: cash on short-term deposit		104,785	103,761
Cash		998,625	896,791
CREDITORS: Due within one year	11	1,152,133 (94,265)	1,056,508 (130,631)
Net Current Assets		<u>1,057,868</u>	<u>925,877</u>
Total Assets less Current Liabilities		1,986,985	1,870,328
CREDITORS: Due after more than one year			
Final term deposits	12	(128,500)	(114,000)
NET ASSETS		<u>1,858,485</u>	<u>1,756,328</u>
UNRESTRICTED FUNDS:	15		
Designated: Scholarship fund		60,850	60,850
General fund		1,797,635	1,695,478
TOTAL FUNDS		<u>1,858,485</u>	<u>1,756,328</u>

Approved by the board on 30 March 2020 and signed on its behalf by



J Evans

Chair



P Patel

Finance Governor

The notes on pages 13 to 23 form part of these accounts

SEATON HOUSE SCHOOL LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2019**

	2019 £	2018 £
CASH USED IN OPERATING ACTIVITIES		
NET INCOME	102,157	169,002
Add back depreciation charge	35,244	37,015
Deduct interest income in investing activities	(2,282)	(2,240)
Decrease/(increase) in debtors	7,233	(22,496)
(Decrease)/increase in creditors	(21,866)	14,024
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>120,486</u>	<u>195,305</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	2,282	2,240
Purchase of tangible fixed assets	<u>(19,910)</u>	<u>(278,133)</u>
CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	<u>(17,628)</u>	<u>(275,893)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (additions to)/disposals of investments	<u>(1,024)</u>	<u>99,179</u>
INCREASE IN CASH FOR THE YEAR	101,834	18,591
Cash and cash equivalents at the beginning of the year	896,791	878,200
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>998,625</u></u>	<u><u>896,791</u></u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 2019**

1. ACCOUNTING POLICIES

Charity information

Seaton House School Limited was founded in 1931 and became a limited company and charity in 1987. Charity number 800673. The School's principal address and registered office is 67 Banstead Road South, Sutton, Surrey, SM2 5LH.

a. Basis of Preparation

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) updated by Update Bulletin 2 and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting. The financial statements are prepared in sterling, rounded to the nearest pound.

Seaton House School charity meets the definition of a public benefit entity under FRS 102.

At the time of approving the financial statements, the Governors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting.

b. Fees

Fees consist of charges invoiced for the School Year ending 31st August, less discounts and allowances. Fees received in advance for education to be provided in future years are carried forward as deferred income. All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be reliably measured.

c. Direct and Overhead Expenditure

Expenditure is summarised by reference to the objectives of activities undertaken either on a direct cost basis or, for overhead costs, by apportionment based on management estimates of staff time spent. Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The irrecoverable VAT is included with the item of expense to which it relates.

d. Teaching materials

Supplies of games equipment, books, stationery and sundry materials are written off to expenditure in the year which the goods are purchased for.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

1. ACCOUNTING POLICIES (continued)

e. Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the Charity. In accordance with SORP(FRS 102) the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The School also contributes to personal pension schemes for non-teaching staff at 1% of annual basic pay and these contributions are accrued accordingly.

f. Support costs and governance costs

Expenditure is classified under the following activity headings:

Costs of raising funds – this comprises the cost of fundraising, commercial trading and associated support costs.

Expenditure on charitable activities – this includes the cost of activities undertaken to further the purpose of the charity and their associated support costs

Other expenditure – includes those items not falling under any other heading.

All expenses, including support and governance costs, are allocated or apportioned to the applicable heading in the SOFA.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, administrative personnel, payroll and governance costs which support the school's activities.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

1. ACCOUNTING POLICIES (continued)

g. Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets retained for use by the Charity, other than on the freehold land, at rates calculated to spread each assets cost, less its estimated residual value at current market price, evenly over its expected useful economic life, which for each class of asset is initially assessed as averaging:

Freehold buildings	50 years
Fixtures and fittings	10 years
Computer equipment	3 years

Depreciation is not provided on freehold land as the estimated residual value is considered to be the same or higher than the carrying value of the land in the accounts.

h. Debtors

Other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

i. Current asset investments

Current asset investments are deposits with a maturity date of more than three months from the date of opening the deposit or with more than three months' notice required.

j. Cash at bank and in hand

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

k. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

l. Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

2. SCHOOL FEES RECEIVABLE

	2019	2018
	£	£
Gross school fees	1,517,312	1,420,480
Less: Total Scholarships, sibling and other discounts	<u>(24,172)</u>	<u>(37,523)</u>
	<u><u>1,493,140</u></u>	<u><u>1,382,957</u></u>

3. DONATIONS AND LEGACIES

	2019	2018
	£	£
Legacies	-	-
Sundry donations	<u>6,340</u>	<u>6,433</u>
	<u><u>6,340</u></u>	<u><u>6,433</u></u>

4. TRANSACTIONS WITH RELATED PARTIES

The Governors received no remuneration or other benefits during the year.

The following Governors and Key Management Personnel were parents of pupils attending the school during the year: Mrs M Smith; Mr P Patel; Mrs D Morrison, for whom fees were payable to the school.

Members of the close family of Key Personnel received remuneration of £43,851 (2018: £26,781), employers pension contributions of £374 (2018: £78) and were paid £9,426 (2018: £8,496) for ground maintenance work.

There were no other related party transactions in the year.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

5. GOVERNORS' EXPENSES

Governors incurred entertainment costs of £277 during the year (2018: £18). No reimbursements were made to any Governors. Other than incidental costs of travel to Governors meetings no expenses were waived by Governors (2018: nil).

6. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	888,738	848,958
Social security costs	68,403	66,600
Pension contributions	83,220	78,326
	<u>1,040,361</u>	<u>993,884</u>
	No.	No.
The average number of employees in the year:		
Teaching	28	26
Administration	<u>8</u>	<u>8</u>
The following number of employees received £70,000-£80,000 emoluments.	<u>1</u>	<u>1</u>

The retirement benefits for the above employee are accruing under a defined benefits scheme for which contributions in the year amounted to £10,521 (2018: £10,161).

The aggregate employee-benefits of key management personnel were £310,297 (2018: £279,762).

A total of £25,906 redundancy or termination payments were made in the year (2018: nil) and are included in the costs above. These are recognised when legal agreement is reached.

SEATON HOUSE SCHOOL LIMITED

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31ST AUGUST 2019

7 (a) EXPENDITURE	Staff costs	Other	Depreciation	2019	2018
	£	£	£	£	£
Charitable Expenditure					
<i>School operating costs:</i>					
Teaching costs	1,040,361	62,438	-	1,102,799	1,053,385
Premises	-	122,690	35,244	157,934	112,294
Support costs	-	217,757	-	217,757	130,506
<i>Governance costs</i>	-	4,410	-	4,410	4,260
	<u>1,040,361</u>	<u>407,295</u>	<u>35,244</u>	<u>1,482,900</u>	<u>1,300,445</u>
Costs of Generating Funds					
Finance costs	-	4,676	-	4,676	764
	<u>1,040,361</u>	<u>411,971</u>	<u>35,244</u>	<u>1,487,576</u>	<u>1,301,209</u>

7 (b) EXPENDITURE - Other disclosures	2019	2018
	£	£
Support costs include:		
Outings	44,964	34,298
Advertising and printing	63,648	32,940
Utilities	31,272	22,536
Insurance	16,073	15,471
Office expenses	9,689	4,709
Other expenses	9,495	7,022
Other legal and professional costs	37,255	11,535
Auditor's remuneration : for other services	5,361	1,995
	<u>217,757</u>	<u>130,506</u>

Governance costs include:		
Auditor's remuneration : for audit	<u>4,410</u>	<u>4,260</u>

8. TAXATION

The company is an Educational Trust and as such is a recognised charity registered in England and Wales, number 800673. It is therefore not subject to corporation tax on its charitable activities for the year.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

9. TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
1 st September 2018	275,000	781,010	149,542	111,602	1,317,154
Additions	-	-	716	19,194	19,910
Disposals	-	-	-	(38,654)	(38,654)
31st August 2019	275,000	781,010	150,258	92,142	1,298,410
Depreciation					
1 st September 2018	-	157,470	119,777	95,456	372,703
Charge for the year	-	12,176	8,115	14,953	35,244
Released on disposal	-	-	-	(38,654)	(38,654)
31st August 2019	-	169,646	127,892	71,755	369,293
Net book value					
31st August 2019	275,000	611,364	22,366	20,387	929,117
31st August 2018	275,000	623,540	29,765	16,146	944,451

All fixed assets are used for charitable purposes.

The freehold property above is used as security for the overdraft facility. The overdraft facility has not been used for a number of years.

10. DEBTORS

	2019 £	2018 £
Due within one year:		
Fees	11,059	13,359
Prepayments	37,664	42,597
	48,723	55,956

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

11. CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	23,257	21,149
Other taxation and social security costs	-	17,111
Accruals and deferred income	15,566	64,785
Fee deposits (see note 13)	21,500	17,500
Other creditors	33,942	10,086
	<u>94,265</u>	<u>130,631</u>

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

	2019	2018
	£	£
Fee deposits (see note 13)	<u>128,500</u>	<u>114,000</u>

13. DEFERRED INCOME

	2019	2018
	Fee deposits	Fee deposits
	£	£
Balance at 1 st September	131,500	125,500
Amount received during the year	18,500	10,500
Amount released to the Statement of Financial Activities	-	(4,500)
	<u>150,000</u>	<u>131,500</u>
Balance at 31 st August		
Due within one year	21,500	17,500
Due between two and five years	78,500	76,000
Due after more than five years	50,000	38,000
	<u>150,000</u>	<u>131,500</u>

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

14. PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £79,083 (2018: £75,842) and at the year-end £nil (2018: £9,891) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

VALUATION OF THE TEACHERS' PENSION SCHEME

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

SCHEME CHANGES

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Defined Contribution Scheme

The School also runs a scheme for its non-teaching staff, which is a defined contribution scheme. The cost for the year represents the School's contributions to the scheme of £4,137 (2018: £2,484), and at the year-end £nil (2018: £1,198) was accrued in respect of contributions to this scheme.

The charity's contributions are charged in the period to which the salaries they relate are payable.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2019

15. FUNDS

	Balance at 01.09.2018 £	Income £	Expenditure £	Balance at 31.08.2019 £
General fund	1,695,478	1,589,733	1,487,576	1,797,635
School Bursary fund	60,850	-	-	60,850
	<u>1,756,328</u>	<u>1,589,733</u>	<u>1,487,576</u>	<u>1,858,485</u>

	Balance at 01.09.2017 £	Income £	Expenditure £	Balance at 31.08.2018 £
General fund	1,530,976	1,465,711	1,301,209	1,695,478
School Bursary fund	56,350	4,500	-	60,850
	<u>1,587,326</u>	<u>1,470,211</u>	<u>1,301,209</u>	<u>1,756,328</u>

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

16. CONTRACTS AND COMMITMENTS

At 31st August 2019 the charity had capital commitments of £103,500 (2018: £103,500) under contract in respect of the build of the Pavilion.