
Company No. 579923
Registered in England
Charity No. 312715

DULWICH PREPARATORY SCHOOLS TRUST

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



DULWICH PREPARATORY SCHOOLS TRUST
ANNUAL REPORT OF THE TRUSTEES
YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the audited financial statements of the Dulwich Preparatory Schools Trust (the Trust) for the year ended 31 August 2019.

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

Status and administration

The Trust is a company limited by guarantee (Company Number 579923) and is registered with the Charity Commission under Charity Number 312715.

Trustees' responsibilities

The Trustees (who are also directors of Dulwich Preparatory Schools Trust for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

DULWICH PREPARATORY SCHOOLS TRUST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is the parent charity of two independent school charities, Dulwich Prep Cranbrook and Dulwich Prep London ('the Schools') – together "the Group". The Trust supports the provision of education by the two Schools and the two Schools lease their facilities from the Trust. Members of the Trust comprise the Trustees of the Dulwich Preparatory Schools Trust, together with all the Governors of the Schools.

The Trust's Articles reflect the Companies Act 2006 and the Charities Act 2011. They also incorporate a number of changes made over the last two years to clauses concerning the election, re-election and tenure of Trustees. In particular, the length of tenure for Members of the Trust Board is now limited to three terms of office, not to exceed a total of ten years except in exceptional circumstances. These changes were approved by the Charity Commission and passed by written resolution on 16th June 2017.

Trust Board

The Trustees of the Trust are charity Trustees under charity law and Directors of the Trust for the purposes of company law.

The members of the Trust Board who served in office as Trustees during the year and subsequently are detailed below:

Mr D H Nelson	Independent Chairman
Mr M S J Ashley	Nominated by the Governing Body of Dulwich Prep Cranbrook
Dr S J Bailey	Independent Trustee: appointed from 21 st June 2019
Mrs C M Nash	Nominated by the Governing Body of Dulwich Prep Cranbrook: retired on 31 st August 2019
Mrs C C Randell	Nominated by the Governing Body of Dulwich Prep London
Mrs S L Rynehart	Nominated by the Governing Body of Dulwich Prep Cranbrook: appointed from 1 st September 2019
Mr J D H Steel	Nominated by the Governing Body of Dulwich Prep London
Mr M J Tiplady	Independent Trustee

Officers

Secretary to the Trustees: N B Holliday

Professional Advisers

Bankers: NatWest Bank plc, 120-122 Fenchurch Street, London EC3M 5BA

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

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

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Management Structure

The Board meets a minimum of three times per year, normally once per academic term. There are three Independent Trustees, including the Chairman, and each of the Schools nominates two of its Governors (normally including the School's Chairman) as Trustees. The Board has a Finance Committee which meets a week or two prior to Trust Board meetings, and at other times when necessary, to discuss financial matters on which it advises the Board. The Trust considers the performance of each School, their future plans, budgets and operation, together with applications for capital investment.

Trustee Recruitment & Training

The Board is self-appointing, with new Trustees identified and appointed following agreement from all current Trustees. Trustees serve for an initial term of four years, but may offer themselves for re-election for a second term of four years and then a final term of two years, making ten years in total, except in exceptional circumstances.

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

Charity Code of Governance

The Board takes its governance responsibilities seriously and the Group aims to have a governance framework that is fit for purpose, compliant and efficient. The Group has established a solid foundation in governance in which all of its Trustees are clear about their roles and legal responsibilities, are committed to supporting the Trust in delivering its objects most effectively for the benefit of its beneficiaries and contributing to the continued improvement of the Schools.

The Group meets the key outcomes set out in the seven areas of the Charity Governance Code. The structure of the Group and the relationship between the Trust and the two Schools are designed in such a way as to ensure that recommended practice is observed and, where specific aspects are delegated to the Schools, these aspects are regularly monitored.

Employment policy

The Trust and each of the Schools is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the relevant School.

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

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ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019

STRATEGIC REPORT

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

Principal activity and objects of the charitable company

The principal activity of the Trust is the advancement of education in the United Kingdom and elsewhere, currently through the support provided to the two Schools.

The Board is mindful of the long-standing need to provide public benefit and strives to do so through the support of development in education generally, through bursaries (mainly provided by the two Schools), through working with other educational bodies and the promotion of best practice.

Aim

The Trustees' aim is that pupils at the Schools should benefit from the provision of first class facilities to enable them to fulfil their potential on all fronts - academic, artistic, dramatic, musical, sporting, social and moral.

Primary objective

The Trust is a charitable trust which promotes the advancement of education in a broad context and in particular at its two Schools in London and Kent.

Strategies to achieve the primary objective

The Trust seeks to achieve its primary objective through the implementation of the following strategies:

- Through the provision of bursaries and other financial support to enable children whose parents would not otherwise be able to afford the fees to benefit from an education at the Schools;
- By raising funds in support of education and organising, or making grants towards, lectures, seminars, broadcasts or courses of instruction;
- By considering ways in which technology can be used to enhance teaching and learning;
- Through the provision of classrooms and buildings generally in connection with education at Dulwich Prep London and Dulwich Prep Cranbrook and elsewhere;
- Through the provision of playing fields, games courts, recreational grounds and pavilions, swimming pools and other facilities in connection with sports, games and recreational activities of all kinds at Dulwich Prep London and Dulwich Prep Cranbrook and elsewhere;
- By setting rents at a level to ensure the financial viability of the Schools and at a level that is consistent with future capital investment to provide a first class education to boys and girls at the Schools;

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FOR THE YEAR ENDED 31 AUGUST 2019

- Through the maintenance of a clear and effective management structure and the necessary support framework to meet the needs of the Schools;
- By acting as banker to the Schools and by lending money to facilitate the cash flow of each School.

The Trust considers bids for capital expenditure from the Schools to enhance the Schools' facilities. The Lower School project in London was completed in July 2019 after a two year programme which was funded by the Trust in support of Dulwich Prep London. The development of a Nursery facility at Dulwich Prep Cranbrook is currently under discussion. The Trust has also sold surplus residential property in London and land at Cranbrook as a residential development site.

Public benefit

The Trust remains committed to the aim of providing public benefit in accordance with its founding principles. Charity legislation includes a requirement to demonstrate public benefit for any charitable purpose where it had hitherto been presumed in the absence of evidence to the contrary. This calls in turn for commensurate disclosure of our public benefit aims.

The awarding of bursaries for the needy is a measurable means of providing public benefit. The Board takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important, but not to the exclusion of the much wider benefit that the Trust provides within the community. The Trust's public benefit commitment is currently delivered primarily through the two Schools, each of which has a bursary programme. During the year the Trust's Schools provided bursary support totalling £482k to 46 pupils (2018: £483k to 45 pupils) of which 18 were for 70% or more of full fees. In addition there was support for local charities and educational bodies through fund-raising activities, outreach programmes and the loan of facilities. Both the Trust's Schools work with Place2Be promoting child mental health awareness. Sixteen state schools benefited from the Trust's Schools in a variety of ways from the use of facilities to support from staff.

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The Trust's Schools sent 188 pupils to over 30 different senior schools, including many of the top schools in the UK. Between them these pupils gained the offer of 88 scholarships and awards. The Trust's recognition of the importance of providing a first class education was demonstrated by the variety of these awards which were achieved not only for academic success, but also for art, DT, music and sport.

The Trust's commitment to maintaining the Schools' excellence is reinforced by its extensive capital investment programme. The redevelopment of the Lower School in London, including new kitchens and a new servery, had been planned for several years. This project started in July 2017 and was completed in July 2019 in time for the School to be in occupation at the start of the academic year 2019/20.

The project was funded by the Trust in support of Dulwich Prep London at a cost in the region of £13.5 million. This cost was partly covered through the sale of surplus residential property and partly through a bank loan of £5 million secured on other freehold residential property. At

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FOR THE YEAR ENDED 31 AUGUST 2019

the year end the Trust had drawn down £4 million of the loan with a further £300k drawn down since the year end; there is now no further opportunity to draw on this loan.

During the year the Governors of Dulwich Prep Cranbrook reviewed that School's membership of the Teachers' Pension Scheme as a result of affordability concerns raised by the 43% increase in the employer's contribution introduced with effect from 1st September 2019. Following a full consultation process an alternative defined contribution pension arrangement was offered which was accepted by all the staff involved. This new arrangement provides for employer contributions (inclusive of life assurance premiums) at the same level as the TPS prior to 1st September. Dulwich Prep Cranbrook therefore withdrew from the Teachers' Pension Scheme and initiated the new arrangement with effect from 1st November 2019. The Governors of Dulwich Prep London are currently consulting with teaching staff in respect of that School's continued membership of the Teachers' Pension Scheme.

FINANCIAL REVIEW

The Group's net income for the year ended 31 August 2019 amounted to £2,412,237 (2018: £480,849). The net cash generated from operations was partially used to pay for the Trust's capital expenditure on the Lower School project in support of Dulwich Prep London. The net book value of fixed assets amounted to £43,409,714 (2018: £39,099,583).

The Trust receives income through the rents received from the Schools for their use of educational and residential property. It also benefits from donations of surplus funds from the Schools when the Schools' reserves policies permit.

Reserves

The Trust's reserves policy is to maintain its free unrestricted reserves at a minimal level given the confidence it has in its continuing income stream from the Schools, both from rents and from any surpluses. At any time, however, it may build up reserves in anticipation of a future capital project to support the Schools or to support its other charitable objectives. Alternatively, as at present, it may be prepared to borrow funds for the short to medium term to invest in capital projects to support the Schools. At the year end, therefore, the Trust had negative free unrestricted reserves of £8,447,307 (2018: £6,386,170). Funds held by the Group at the year end totalled £36,719,848 (2018: £34,733,611) with negative free unrestricted reserves of £6,703,368 (2018: £4,372,587).

The Trustees have considered the reserves policy in light of the Covid-19 pandemic and have concluded that no adjustments to the policy need to be made.

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Post balance sheet events

In response to the Covid-19 pandemic the Government announced the closure of all schools from 24th March 2020. During the Easter holidays the Trust's Schools fine-tuned their on-line learning capabilities and the majority of pupils benefited from the continuity provided by this distance learning. Only the children of key workers returned to the Trust's Schools for the first half of the Summer Term. From 1st June a limited number of children in particular age groups returned to school following detailed risk assessments. Both Schools had all the pupils return for the start of the Autumn Term 2020.

In light of these events the Group's cash flow was reviewed using assumptions designed to reflect a conservative assessment of the impact of Covid-19, particularly on the revenues of each School taking into account each School's experience over the Summer Term 2020. These have included the refunds to parents provided at each School, the forecast enrolment of pupils and the decision to freeze fees at current levels for the next academic year as well as parents' ability to pay fees. Each School has also reviewed its expected expenditure and sought to make savings wherever possible without impacting on the quality of education, including taking advantage of the furloughing of, primarily, non-academic staff. Certain capital expenditure has been postponed and the Trust has agreed a repayment holiday on its existing loan for 12 months from June 2020. The sale of a residential property in London noted above completed on 3rd July raising £598k net. The sale of the residential site at Cranbrook noted above exchanged on 7th August 2020 and completed in September 2020 raising £1.425m gross.

While much of the Trust's property is freehold it leases parts of its London facilities from the Dulwich Estate. In September 2020 a 50 year lease extension to 2081 was secured on the main site which extends the Trust's leases on its key London facilities for the benefit of Dulwich Prep London. Under the terms of the agreement a premium of £1.1m is payable to the Dulwich Estate in three tranches by 31st October 2020.

Having assessed the Trust's financial position and its available facilities, the risks to which it is exposed and the detailed cash projections noted above the Trustees are satisfied that it remains appropriate to prepare the statements on a going concern basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees considered the affordability of fees by parents across the independent sector to be the principal risk faced by the Trust. This risk is likely to increase as the future financial impact of Covid-19 emerges in the coming months and years.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the Schools is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

Detailed consideration of risk is undertaken for each School by its Board, with input from the Senior Leadership Teams. The Trust also considers risk at Group level and the Risk Register is a standing item at each Board meeting. The risk management process and the resulting register identify risks, assess their impact and likelihood and, where necessary, recommend

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FOR THE YEAR ENDED 31 AUGUST 2019

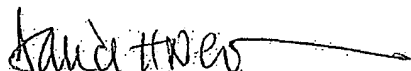
controls to mitigate and monitor those risks which are assessed as high. In particular, the threat arising from any terrorist activity in London is kept under close review.

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

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

~~The Trustees regularly review the effectiveness of current plans and strategies for managing all identified major risks for the Group.~~

Approved by the Board of Dulwich Preparatory Schools Trust, including, in their capacity as company directors, approving the Directors' and Strategic Report contained therein, and signed on its behalf by:



D H Nelson
Chairman

Date: 29th SEPTEMBER 2020

DULWICH PREPARATORY SCHOOLS TRUST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of Dulwich Preparatory Schools Trust for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Group and Trust Balance Sheet, the Consolidated Cash Flow Statement and notes to the Financial Statements. 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 Group's and the charitable company's affairs as at 31 August 2019 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

DULWICH PREPARATORY SCHOOLS TRUST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report included within the Trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Tina Allison
Senior Statutory Auditor
For and on behalf of

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

30 September 2020

DULWICH PREPARATORY SCHOOLS TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019
(Incorporating an income and expenditure account)

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	2019 Total £	2018 Total £
Income from:					
Charitable activities:					
School fees receivable	2	20,729,771	-	20,729,771	20,240,240
Other educational income	3	654,884	-	654,884	690,604
Ancillary income	4	1,744,439	-	1,744,439	624,712
Other trading activities					
Non-ancillary trading income	5	113,498	-	113,498	187,145
Investments					
Bank and other interest		6,015	-	6,015	6,062
Voluntary sources					
Donations and legacies		15,641	7,112	22,753	35,081
Total income		23,264,248	7,112	23,271,360	21,783,844
Expenditure on:					
Raising funds					
Financing costs	6	(20,533)	-	(20,533)	(31,864)
Total costs of raising funds		(20,533)	-	(20,533)	(31,864)
Charitable activities					
Education and grant making	6	(20,838,590)	-	(20,838,590)	(21,271,131)
Total expenditure		(20,859,123)	-	(20,859,123)	(21,302,995)
Net income		2,405,125	7,112	2,412,237	480,849
Transfer between funds	16	225	(225)	-	-
Pension scheme actuarial (losses)/gains	18	(426,000)	-	(426,000)	394,000
Net movement in funds for the year		1,979,350	6,887	1,986,237	874,849
Fund balances brought forward at 1 September 2018		34,726,996	6,615	34,733,611	33,858,762
Fund balances carried forward at 31 August 2019		36,706,346	13,502	36,719,848	34,733,611

The notes on pages 16 to 36 form part of these financial statements.

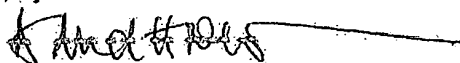
DULWICH PREPARATORY SCHOOLS TRUST
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 AUGUST 2019

	Notes	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
FIXED ASSETS					
Tangible assets	9	43,409,714	39,087,666	42,616,529	38,500,235
Intangible assets	10	-	11,917	-	-
		<u>43,409,714</u>	<u>39,099,583</u>	<u>42,616,529</u>	<u>38,500,235</u>
CURRENT ASSETS					
Debtors	11	861,668	922,915	84,500	10,375
Cash at bank and in hand		<u>1,806,462</u>	<u>2,894,261</u>	<u>129,680</u>	<u>1,467,403</u>
		<u>2,668,130</u>	<u>3,817,176</u>	<u>214,180</u>	<u>1,477,778</u>
CREDITORS: Amounts falling due within one year	12	<u>(5,436,198)</u>	<u>(4,990,194)</u>	<u>(5,445,086)</u>	<u>(5,021,636)</u>
NET CURRENT LIABILITIES		<u>(2,768,068)</u>	<u>(1,173,018)</u>	<u>(5,230,906)</u>	<u>(3,543,858)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,641,646</u>	<u>37,926,565</u>	<u>37,385,623</u>	<u>34,956,377</u>
CREDITORS: amounts falling due after more than one year	13	<u>(3,322,798)</u>	<u>(2,870,954)</u>	<u>(3,203,039)</u>	<u>(2,836,062)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>37,318,848</u>	<u>35,055,611</u>	<u>34,182,584</u>	<u>32,120,315</u>
Defined benefit pension scheme liability	18	<u>(599,000)</u>	<u>(322,000)</u>	-	-
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>36,719,848</u>	<u>34,733,611</u>	<u>34,182,584</u>	<u>32,120,315</u>
CHARITY FUNDS					
Unrestricted funds excluding pension reserve		<u>37,305,346</u>	<u>35,048,996</u>	<u>34,169,222</u>	<u>32,114,065</u>
Pension reserve		<u>(599,000)</u>	<u>(322,000)</u>	-	-
Restricted funds		<u>13,502</u>	<u>6,615</u>	<u>13,362</u>	<u>6,250</u>
TOTAL FUNDS		<u>36,719,848</u>	<u>34,733,611</u>	<u>34,182,584</u>	<u>32,120,315</u>

The notes on pages 16 to 36 form part of these financial statements.

The parent charity result for the year ended 31 August 2019 was a surplus of £2,062,269 (2018: £1,738,447).

The financial statements were approved by the Trustees on 29 September 2019 and signed on their behalf, by:



D H NELSON
Chair of Board

Company Number: 579923

DULWICH PREPARATORY SCHOOLS TRUST
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Net cash inflow from operations			
Net cash provided by operating activities	(i)	<u>2,452,012</u>	<u>2,162,160</u>
Cash flows from investing activities:			
Additions to fixed assets (excluding capitalised borrowing costs)	(5,641,432)	(6,091,605)	
Proceeds from sale of tangible fixed assets	1,272,859	469,250	
Investment income and bank interest received	6,015	6,062	
Net cash (used in) investing activities		<u>(4,362,558)</u>	<u>(5,616,293)</u>
Cash flows from financing activities:			
Cash inflows from borrowing	1,000,000	2,948,900	
Borrowing costs	(177,253)	(26,073)	
Net cash from financing activities		<u>822,747</u>	<u>2,922,827</u>
Change in cash and cash equivalents in the reporting period		(1,087,799)	(531,306)
Cash and cash equivalents at the beginning of period		<u>2,894,261</u>	<u>3,425,567</u>
Cash and cash equivalents at the end of the reporting period	(ii)	<u>1,806,462</u>	<u>2,894,261</u>

The notes on pages 16 to 36 form part of these financial statements.□□

**DULWICH PREPARATORY SCHOOLS TRUST
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2019**

	2019	2018
	£	£
(i) Reconciliation of net movement in funds to net cash flow from operating activities		
Net incoming resources	2,412,237	480,849
Elimination of non-operating cash flows:		
Investment income	(6,015)	(6,062)
Defined benefit pension scheme adjustments	(149,000)	(128,000)
Depreciation and amortisation charges	1,345,536	2,016,687
(Profit) on disposal of fixed assets	(1,194,054)	(176,055)
Decrease/(Increase) in debtors	61,247	(100,052)
(Decrease) in creditors (excluding bank loans, fees in advance scheme and deposits)	(32,062)	(84,061)
(Decrease)/Increase in fees in advance scheme creditors	(8,078)	203,742
Increase in parents' deposits	22,201	35,112
	<u>39,775</u>	<u>1,681,311</u>
Net cash inflow from operations	<u>2,452,012</u>	<u>2,162,160</u>
(ii) Analysis of cash and cash equivalents		
	2019	2018
	£	£
Cash at bank and in hand	1,806,462	2,636,923
Deposits	-	257,338
	<u>1,806,462</u>	<u>2,894,261</u>

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES

1.1 Basis of preparation:

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

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

The Trust is a Public Benefit Entity registered as a charity in England and Wales (charity number: 312715) and a company limited by guarantee, (company number: 00579923). Its registered office is 42 Alleyn Park, Dulwich, London SE21 7AA.

The consolidated financial statements include the results of the Trust and its two subsidiaries, Dulwich Prep London and Dulwich Prep Cranbrook (together 'the Group'). Accordingly, the Consolidated Statement of Financial Activities reflects the incoming resources and resources expended of the Group and not the Trust as an individual entity.

1.2 Critical accounting judgements and key sources of estimation uncertainty

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

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

The Group's liability for the Non-Teaching Staff defined benefit pension scheme involves a number of assumptions as disclosed in note 18. In the view of the Trustees, no other assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES (continued)

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

1.3 Income

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

1.4 Expenditure

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

1.5 Tangible and intangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases. Assets are capitalised over £500.

Freehold land	-	Not depreciated
Freehold property	-	Over 5 to 50 years
Long-term leasehold property	-	Reducing balance over remaining life of the lease
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	10% straight line
Computer equipment	-	25-50% straight line

Intangible fixed assets comprises purchased goodwill which has been capitalised as it is anticipated to bring future economic benefits to the Group. It is being amortised over a two year period.

~~Borrowing costs directly attributable to capital development projects have been capitalised.~~

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES (continued)

1.6 Fund accounting

Unrestricted income of the Trust belongs to the Trust's corporate reserves, spendable at the discretion of the Trustees to further the Trust's objects. The unrestricted income of the Schools similarly belongs to the corporate reserves of the relevant school and is spendable at the discretion of its Governors to further the school's objects. The objects of the Trust and the Schools contain provisions to provide support to each other. Where the Trustees or Governors (as relevant) decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

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

1.7 Pension costs

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

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

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

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

**DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

1 ACCOUNTING POLICIES (continued)

1.8 Operating leases

Rental income and expenditure under operating leases are accounted for on a straight-line basis over the lease term, even if the payments are not made on such a basis.

1.9 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except for fees received in advance, social security and other taxes and provisions.

1.10 Taxation

The Trust is a registered charity No. 312715 and as such is not liable to United Kingdom income tax or corporation tax on charitable activities.

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

2 FEES RECEIVABLE	2019	2018
	£	£

Fees receivable consist of:

School fees	21,873,720	21,373,733
Less: total awards and concessions	(1,143,949)	(1,133,493)
	20,729,771	20,240,240

Included within awards and concessions are means-tested bursaries totalling £482,128 which were paid to 46 pupils (2018: £486,000 to 53 pupils).

3 OTHER EDUCATIONAL INCOME	2019	2018
	£	£
Entrance and registration fees	35,180	46,071
Courses and sub-lettings	430,963	493,177
AVP sports activities income	188,741	151,356
	654,884	690,604

4 ANCILLARY AND OTHER INCOME	2019	2018
	£	£
School shop, School trips and Other income	550,385	448,657
Profit on sale of fixed assets	1,194,054	176,055
	1,744,439	624,712

5 OTHER TRADING ACTIVITIES	2019	2018
	£	£
Rents receivable	113,498	187,145

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

6 ANALYSIS OF EXPENDITURE

	Staff costs (Note 7)	Depreciation and Amortisation (Note 9 and 10)	Other costs	Total 2019	Total 2018
	£	£	£	£	£
Raising funds					
Financing costs	6,000	-	14,533	20,533	31,864
Total costs of raising funds	6,000	-	14,533	20,533	31,864
Charitable expenditure					
Teaching	10,573,880	-	1,749,266	12,323,146	11,869,758
Welfare	384,765	-	1,248,757	1,633,522	1,749,412
Premises	678,989	1,159,584	2,206,185	4,044,758	4,831,631
Support costs	1,648,001	185,952	1,003,211	2,837,164	2,820,330
Total charitable expenditure	13,285,635	1,345,536	6,207,419	20,838,590	21,271,131
Total expenditure	13,291,635	1,345,536	6,221,952	20,859,123	21,302,995

Support costs include the following relating to governance

	2019 £	2018 £
Trustee costs	8,537	13,481
Legal and consultancy fees	39,393	40,460
Remuneration paid to auditor for audit services	32,900	29,500
Remuneration paid to auditor for non-audit services	-	9,085

7 STAFF COSTS

	2019 £	2018 £
The aggregate payroll costs for the year were as follows:		
Wages and salaries	10,775,710	10,505,015
Social security costs	1,063,299	1,059,117
Pension costs and other benefits	1,452,626	1,412,081
	13,291,635	12,976,213

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

7 STAFF COSTS (Continued)

Aggregate employee-benefits of key management personnel amounted to £1,312,066 (2018: £1,317,009) including pension contributions of £144,514 (2018: £161,145).

Number of higher paid employees in bands of:	2019	2018
£60,001 to £70,000	11	8
£70,001 to £80,000	1	1
£100,001 to £110,000	1	-
£120,001 to £130,000	1	2
£140,001 to £150,000	-	1
£150,001 to £160,000	1	-

The number with retirement benefits accruing		
- in Defined Contribution schemes was	1	1
of which the contributions amounted to	13,706	13,570
- in Defined Benefit schemes was	11	10

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

	2019	2018
Teaching	218	216
Domestic and estates	52	54
Administrative	74	85
	<u>344</u>	<u>355</u>

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

8 TRUSTEE COSTS AND RELATED PARTY TRANSACTIONS

During the year, no Trustees received any remuneration (2018: £nil). During the year 1 (2018: 5) Trustee received reimbursement of expenses for travel and subsistence totalling £29 (2018: £2,048). During the year £25,000 (2018: £20,000) was paid to M. J. Tiplady for consultancy related to the Trust's property portfolio and £1,025 for expenses for travel. The payments are permitted under the Trust's governing document.

In the year at Dulwich Prep London there was £525 (£0 in 2018) paid to Mrs L. M. Davidson, a Governor of the School, for assistance in the assessment of children in Early Years.

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

9. TANGIBLE FIXED ASSETS

Group	Freehold property	Leasehold Land and Buildings improvements	Furniture Fixtures and Equipment	Office Equipment	Vehicles	Total
Cost	£	£	£	£	£	£
At 1 September 2018	25,353,688	30,907,738	1,715,922	912,005	149,731	59,039,084
Additions	200,024	5,173,162	282,318	78,719	-	5,734,223
Disposals	(156,478)	(270,162)	(1,000)	(22,705)	-	(450,345)
At 31 August 2019	25,397,234	35,810,738	1,997,240	968,019	149,731	64,322,962
Depreciation						
At 1 September 2018	7,456,951	10,290,825	1,325,660	767,098	110,884	19,951,418
Charged in year	563,821	519,612	165,443	74,289	10,454	1,333,619
Disposals	(77,922)	(270,162)	(1,000)	(22,705)	-	(371,789)
At 31 August 2019	7,942,850	10,540,275	1,490,103	818,682	121,338	20,913,248
Net book values						
At 31 August 2018	17,896,737	20,616,913	390,262	144,907	38,847	39,087,666
At 31 August 2019	17,454,384	25,270,463	507,137	149,337	28,393	43,409,714

Trust	Freehold property	Leasehold Land and	Total
Cost	£	£	£
At 1 September 2018	25,340,000	30,907,737	56,247,737
Additions	194,652	5,083,222	5,277,874
Disposals	(156,478)	(270,162)	(426,640)
At 31 August 2019	25,378,174	35,720,797	61,098,971
Depreciation			
At 1 September 2018	7,456,677	10,290,825	17,747,502
Charged in year	563,512	519,512	1,083,024
Disposals	(77,922)	(270,162)	(348,084)
At 31 August 2019	7,942,267	10,540,175	18,482,442
Net book values			
At 31 August 2018	17,883,323	20,616,912	38,500,235
At 31 August 2019	17,435,907	25,180,622	42,616,529

At 31 August 2019 the Group had capital commitments of £0 (2018: £2,268,000)

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

10 INTANGIBLE FIXED ASSETS

Group	Intangible assets
Cost	£
At 1 September 2018	35,750
Additions	-
At 31 August 2019	<u>35,750</u>
Depreciation	
At 1 September 2018	23,833
Charged in year	11,917
At 31 August 2019	<u>35,750</u>
Net book values	
At 31 August 2018	<u>11,917</u>
At 31 August 2019	<u>-</u>

11 DEBTORS

	Group 2019	Group 2018	Trust 2019	Trust 2018
	£	£	£	£
Fee debtors	198,541	259,361	-	-
Sundry debtors	237,434	239,664	84,500	9,511
Prepayments	425,693	423,890	-	864
	<u>861,668</u>	<u>922,915</u>	<u>84,500</u>	<u>10,375</u>

12 CREDITORS: amounts falling due within one year

	Group 2019	Group 2018	Trust 2019	Trust 2018
	£	£	£	£
Trade creditors	429,600	386,374	71,657	48,211
Social security and other taxation	275,577	257,629	-	-
Fees in advance	1,681,931	1,774,877	-	-
Other creditors	328,872	274,107	5,915	3,365
Fee deposits	1,381,766	1,359,565	-	-
Amounts owed to subsidiaries	-	-	4,331,549	4,212,593
Bank loan	662,866	114,055	662,866	114,055
Accruals	675,386	823,587	373,099	643,412
	<u>5,436,198</u>	<u>4,990,194</u>	<u>5,445,086</u>	<u>5,021,636</u>

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

13 CREDITORS: amounts falling due after more than one year

	Group	Group	Trust	Trust
	2019	2018	2019	2018
	£	£	£	£
Loans due within one to two years	471,568	415,375	471,568	415,375
Loans due within two to five years	1,796,712	1,486,644	1,796,712	1,486,644
Loans due in more than five years	934,759	934,043	934,759	934,043
Fees in advance	119,759	34,892	-	-
	3,322,798	2,870,954	3,203,039	2,836,062

The Trust's loan balance comprises drawings under two facilities from NatWest Bank which originally totalled £5 million. The first is a fixed rate loan at 3.14% of which £3 million was drawn in June 2018. It is repayable in equal monthly instalments of £45,755 commencing in July 2019 and ending in July 2024; the balance outstanding at 31 August 2019 was £2,865,905 (2018: £2,950,117). The second is a variable rate loan at 1.25% above base rate of which £1 million was drawn in November 2018 and was outstanding at 31st August 2019; a further £300,000 was drawn in November 2019. It is repayable by monthly instalments of £29,280 ending in October 2023. No further drawings were permitted after November 2019 and there is no penalty for early repayment of either facility. The loans are secured by a charge over certain of the Trust's residential freehold assets which have a net book value of £2.25million and a market value of £6.15million.

14 FEES IN ADVANCE

	Group & Trust	Group & Trust
	2019	2018
	£	£
Fees in advance will be applied as follows:		
Within one to two years	119,759	34,892
Within one year	1,681,931	1,774,877
	1,801,690	1,809,769
Movements in Fees in advance		
Opening Fees in advance	1,809,769	1,606,027
Amount released to income during the year	(1,774,877)	(1,532,060)
Amount deferred during the year	1,766,798	1,735,802
	1,801,690	1,809,769

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

15 OPERATING LEASE INCOME AND COMMITMENTS

At 31 August 2019 the total of future minimum operating lease income receivable under non-cancellable operating leases amounted to:

	Group	Group	Trust	Trust
	2019	2018	2019	2018
	£	£	£	£
Land and buildings within 1 year	-	-	1,636,350	978,300
Land and buildings 2 and 5 years	-	-	6,748,650	4,192,950
Land and buildings after more than 5 years	-	-	53,334,050	46,244,200

At 31 August 2019 the total of future minimum operating lease commitments payable under non-cancellable operating leases amounted to:

	Group	Group	Trust	Trust
	2019	2018	2019	2018
	£	£	£	£
Land and buildings within 1 year	544,300	545,452	544,300	545,452
Land and buildings 2 and 5 years	2,177,200	2,181,808	2,177,200	2,181,808
Land and buildings after more than 5 years	3,860,400	3,924,176	3,860,400	3,924,176
Other within 1 year	162,303	91,123	-	-
Other between 2 and 5 years	345,537	203,829	-	-

The charge in the year was £663,809 (2018: £727,698) for the Group and £545,452 (2018: £545,452) for the Trust.

The Trust signed a new lease in September 2020 for the site at Dulwich Prep London. As a result of this the minimum operating lease commitments payable will increase to £23,127,000 in August 2020.

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

16 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 September 2018	Incoming resources	Resources expended	Gains/ (Loss)	Transfer	At 31 August 2019
	£	£	£	£	£	£
Group						
Unrestricted funds	34,726,996	23,264,248	(20,859,123)	(426,000)	225	36,706,346
Restricted funds	6,615	7,112	-	-	(225)	13,502
Total funds	34,733,611	23,271,360	(20,859,123)	(426,000)	-	36,719,848
Trust						
Unrestricted funds	32,114,065	4,011,075	(1,955,918)	-	-	34,169,222
Restricted funds	6,250	7,112	-	-	-	13,362
Total funds	32,120,315	4,018,187	(1,955,918)	-	-	34,182,584

The comparative 2018 figures can be found in Note 21.

17 SUMMARY OF NET ASSETS BY FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Group			
Tangible Assets	43,409,714	-	43,409,714
Net Current (Liabilities) / Assets	(2,781,570)	13,502	(2,768,068)
Long Term Creditors including Pension Liability	(3,921,798)	-	(3,921,798)
	36,706,346	13,502	36,719,848
Trust			
Tangible Assets	42,616,529	-	42,616,529
Net Current (Liabilities) / Assets	(5,244,268)	13,362	(5,230,906)
Long Term Creditors	(3,203,039)	-	(3,203,039)
	34,169,222	13,362	34,182,584

The comparative 2018 figures can be found in Note 21.

18 PENSION SCHEMES

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

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

18 PENSION SCHEMES (CONTINUED)

Defined benefit schemes

Teachers' Pension Scheme

The Schools participate in the Teachers' Pension Scheme ("the TPS") for their teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,115,007 (2018: £1,153,838) and at the year-end £150,702 (2018: £90,479) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

18 PENSION SCHEMES (CONTINUED)

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

During the year the Governors of Dulwich Prep Cranbrook reviewed that school's membership of the Teachers' Pension Scheme as a result of affordability concerns raised by the 43% increase in the employer's contribution introduced with effect from 1st September 2019. Following a full consultation process an alternative defined contribution pension arrangement was offered which was accepted by all the staff involved. This new arrangement provides for employer contributions (inclusive of life assurance premiums) at the same level as the TPS prior to 1st September. Dulwich Prep Cranbrook therefore withdrew from the Teachers' Pension Scheme and initiated the new arrangement with effect from 1st November 2019. The Governors of Dulwich Prep London are reviewing the implications of that school's continued membership of the Teachers' Pension Scheme.

Non-teaching staff Pension Schemes

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

Defined benefit scheme

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

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

	Group 2019 £	Group 2018 £
a) The amounts recognised in the balance sheet are as follows		
Present value of funded obligations	(2,850,000)	(2,328,000)
Fair value of scheme assets	<u>2,251,000</u>	<u>2,006,000</u>
Net (Liability)	<u>(599,000)</u>	<u>(322,000)</u>

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

b) Changes in the present value of the defined benefit obligation

Opening defined benefit obligation	2,328,000	2,621,000
Service cost	-	27,000
Interest cost	60,000	63,000
Actuarial losses/(gains)	478,000	(347,000)
Benefits paid	(16,000)	(36,000)
	<u>2,850,000</u>	<u>2,328,000</u>
Closing defined benefit obligation		

c) Changes in the fair value of the scheme assets

	Group 2019	Group 2018
Opening fair value of scheme assets	2,006,000	1,777,000
Interest income	54,000	44,000
Return in excess of interest income	52,000	47,000
Contributions by employer	155,000	183,000
Administration fee	-	(9,000)
Benefits paid	(16,000)	(36,000)
	<u>2,251,000</u>	<u>2,006,000</u>
Closing fair value of scheme assets		

	Group 2019 £	Group 2018 £
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d) The amounts included within the Statement of Financial Activities

Current service cost	-	27,000
Interest on obligation	60,000	63,000
Interest income	(54,000)	(44,000)
Administration fee	-	9,000
	<u>6,000</u>	<u>55,000</u>
Total amount charged to the Statement of Financial Activities		
Net actuarial (losses)/gains recognised in the year	(426,000)	394,000

The Group expects to contribute £147,000 in 2019/20. The existing obligations have been assumed by the Schools in proportion to their ongoing contributions as calculated by the Scheme Actuary following the triennial actuarial valuation as at 1 January 2018.

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

e) Principal actuarial assumptions at the balance sheet date

	2019	2018
Financial Assumptions		
Discount rate	1.8%	2.6%
RPI inflation assumption	3.2%	3.2%
Rate of increase of pensions in payment	3.5%	3.5%
Rate of increase of pensions in deferment	2.4%	2.4%
Assumed life expectancy in years at age 65:		
Non Pensioners		
Females	25.4	25.4
Males	23.4	23.4
Pensioners		
Females	23.9	23.9
Males	21.9	21.9

Defined contribution scheme

The pension cost charge in the year in respect of the non-teaching staff defined contribution scheme was £236,415 (2018: £203,243).

19 TRANSACTIONS WITH SUBSIDIARY ENTITIES

The Trust received donated staff time of employees of Dulwich Prep London totalling ~~£63,605~~ (2018: £76,526) recognised in the Trust accounts as a gift in kind. The Trust also received rental income of £1,225,706 (2018: £1,162,675) from Dulwich Prep London and £381,625 (2018: £365,500) from Dulwich Prep Cranbrook. Cash resources for the Group are managed centrally by the Trust and as a consequence at 31 August 2019 £3,665,341 (2018: £3,634,564) was due to Dulwich Prep London and £665,320 (2018: £578,029) was due to Dulwich Prep Cranbrook.

In 2018/19 Dulwich Prep London donated £1.1 million (2018: £nil) to the Trust; this reflected surplus income generated by the School in both 2018 and 2019.

As part of the re-structure during the prior year (2017/18), the Trust made a donation of £1,006,700 to Dulwich Prep London and a donation of £49,300 to Dulwich Prep Cranbrook. The amounts donated represented the net assets of the Schools used in their operations.

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

20. SUBSIDIARY ENTITIES

Dulwich Prep London

Registered office 42 Affeyn Park, Dulwich, London SE21 7AA
 Company number 10814894
 Charity number 1174356

<u>Abbreviated SOFA</u>	2019	2018
	£	£
Income*	15,544,257	15,739,427
Expenditure ^	(15,499,209)	(13,868,313)
Pension scheme actuarial (losses)/gains	(97,600)	90,300
Net movement in funds for the year	(52,552)	1,961,414
Funds brought forward at 1 September 2018	1,961,414	-
Funds carried forward at 31 August 2019	1,908,862	1,961,414

<u>Abbreviated Balance Sheet</u>	2019	2018
	£	£
Fixed assets	582,189	351,982
Cash at bank	640,021	636,168
Other assets	4,079,193	4,218,393
Creditors: Amounts falling due within one year	(3,177,137)	(3,171,429)
Creditors: Amounts falling due after more than one year	(78,204)	-
Pension scheme liability	(137,200)	(73,700)
Net assets	1,908,862	1,961,414
Total Funds	1,908,862	1,961,414

* Income in 2018 includes the initial donation of net assets from the Trust amounting to £1,006,700.

^ Expenditure in 2019 includes the donations of £1.1 million to the Trust.

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

20. SUBSIDIARY ENTITIES (Continued)

Dulwich Prep Cranbrook

Registered office Coursehorn, Cranbrook, Kent, TN17 3NP
 Company number 10815140
 Charity number 1174358

<u>Abbreviated SOFA</u>	2019	2018
	£	£
Income*	6,535,122	6,877,995
Expenditure	(6,230,787)	(6,529,110)
Pension scheme actuarial (losses)/gains	(328,400)	303,700
Net movement in funds for the year	(24,065)	652,585
Funds brought forward at 1 September 2018	652,585	-
Funds carried forward at 31 August 2019	628,520	652,585

<u>Abbreviated Balance Sheet</u>	2019	2018
	£	£
Fixed assets	210,995	248,068
Cash at bank	1,036,764	790,690
Other assets	996,818	906,742
Creditors: Amounts falling due within one year	(1,112,702)	(1,009,723)
Creditors: Amounts falling due after more than one year	(41,555)	(34,892)
Pension scheme liability	(461,800)	(248,300)
Net assets	628,520	652,585
Total Funds	628,520	652,585

* Income in 2018 includes the initial donation of net assets from the Trust amounting to £49,300.

21 Post Balance sheet events

In March 2020, the World Health Organisation declared the Coronavirus a pandemic. The UK government's restrictions imposed to control the spread of Coronavirus have had a significant impact on the activities of the charity. In particular the schools were closed to all but Key Worker children from March until May and then only opened to some pupils until the end of term.

**DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

21 POST BALANCE SHEET EVENTS (Continued)

Other post balance sheet events that effected the business position were as follows:

In June 2020 the Trust agreed a 12 month capital repayment holiday in respect of the loan.

In July 2020 the Trust sold a residential property realising £598k.

The sale of the residential site at Cranbrook noted above exchanged on 7th August 2020 and completed in September 2020 raising £1.425million gross.

In September 2020 a 50 Year lease extension to 2081 was signed with the Dulwich Estate in relation to the Trust's leasehold interest in property occupied by Dulwich Prep London. The signing of the agreement represented the culmination of an agreement reached, in principle, before 31 August 2019 and further secures the facilities for the long term benefit of Dulwich Prep London. Under the terms of the agreement a premium of £1.1 million will be payable to the Dulwich Estate in three tranches by 31st October 2020.

While the scope and scales of these changes have been substantial at the date of signing, there have been no material impacts on the values of assets or liabilities recognised in these accounts.

DULWICH PREPARATORY SCHOOLS TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019
(Incorporating an income and expenditure account)

22 PRIOR YEAR COMPARATIVE NOTE

(A) 2018 STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	2018 Total £
Income from:				
Charitable activities:				
School fees receivable	2	20,240,240	-	20,240,240
Other educational income	3	690,604	-	690,604
Ancillary income	4	624,712	-	624,712
Other trading activities				
Non-ancillary trading income	5	187,145	-	187,145
Investments				
Bank and other interest		6,062	-	6,062
Voluntary sources				
Donations and legacies		18,831	16,250	35,081
Total income		21,767,594	16,250	21,783,844
Expenditure on:				
Raising funds				
Financing costs	6	(31,864)	-	(31,864)
Total costs of raising funds		(31,864)	-	(31,864)
Charitable activities				
Education and grant making	6	(21,271,131)	-	(21,271,131)
Total expenditure		(21,302,995)	-	(21,302,995)
Net income		464,599	16,250	480,849
Transfer between funds		9,635	(9,635)	-
Pension scheme actuarial gains	19	394,000	-	394,000
Net movement in funds for the year		868,234	6,615	874,849
Fund balances brought forward at 1 September 2017		33,858,762	-	33,858,762
Fund balances carried forward at 31 August 2018		34,726,996	6,615	34,733,611

DULWICH PREPARATORY SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

22 PRIOR YEAR COMPARATIVE NOTES (CONTINUED)

(B) 2018 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 September 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains/ Losses £'000	Transfer £'000	At 31 August 2018
Group						
Unrestricted funds						
General reserve	33,858,762	21,767,594	(21,302,995)	394,000	9,635	34,726,996
Restricted		16,250	-	-	(9,635)	6,615
Total funds	33,858,762	21,783,844	(21,302,995)	394,000	-	34,733,611
Trust						
Unrestricted	33,858,762	1,847,747	(3,592,444)	-	-	32,114,065
Restricted funds		6,250	-	-	-	6,250
Total funds	33,858,762	1,853,997	(3,592,444)	-	-	32,120,315

(C) 2018 SUMMARY OF NET ASSETS BY FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Group			
Tangible Assets	39,099,583	-	39,099,583
Net Current (Liabilities) / Assets	(1,179,633)	6,615	(1,173,018)
Long Term Creditors including Pension liability	(3,192,954)	-	(3,192,954)
	34,726,996	6,615	34,733,611
Trust			
Tangible Assets	38,500,235	-	38,500,235
Net Current (Liabilities) / Assets	(3,550,108)	6,250	(3,543,858)
Long Term Creditors	(2,836,062)	-	(2,836,062)
	32,114,065	6,250	32,120,315