

# UCS PRE-PREP LIMITED

**UCS**  
PRE-PREP



## **ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS for the year ended 31 August 2020**

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COMPANIES HOUSE

Charity Number 1098657  
Company Registered Number 02873102

# **UCS PRE-PREP LIMITED**

## **TRUSTEES, OFFICERS AND ADVISERS**

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### **Status and administration**

The School is a charitable company limited by shares incorporated in England and Wales, company registration number 02873102, and was registered with the Charity Commission on 21 July 2003, number 1098657.

### **Parent entity**

The whole of the issued share capital of UCS Pre-Prep Limited was acquired on 12 November 2002 by University College School, a registered charity, number 312748. The financial results of UCS Pre-Prep are consolidated within the financial statements of the entity, University College School, and more information on the activities of the Group are included in those accounts. Copies of those accounts may be obtained from University College School at the registered office.

### **Directors**

The Directors and Trustees who served during the year and to the date of this report were as follows:

N R Gullifer, MA

E A Bingham, OBE, MIPA, MABRP, DBA

**Company Secretary:** N Mugridge

### **Registered office**

University College School  
Frogna  
London  
NW3 6XH

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**

The Charity Trustees, who are also Directors of the company for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 August 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**Objectives and Activities**

The principal Object of the Charity is the advancement of education. Until 31 December 2018 this was achieved by the operation of the UCS Pre-Prep School in Hampstead, London. With effect from that date, the operations, activities and finances of UCS Pre-Prep were transferred to the parent charity, University College School ("UCS"). The principal purpose of the parent charity UCS is to promote the education of boys or, at the Governors' discretion, of boys and girls, by the provision of a school or schools. The trustees believe that this change was in the best interests of UCS Pre-Prep as it allows the school to better align itself with the operations of the overall UCS Foundation, bringing efficiencies and potential expenditure savings.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's objectives and activities.

**Achievements, Performance and Financial Review**

The Charity ceased operations on 31 December 2018 and is now dormant.

At the reporting date the total funds of the Charity were £100 (2019: £100).

The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

**Structure, governance and management**

UCS Pre-Prep Limited, which is a company limited by share capital, was incorporated on 18 November 1993, and was registered with The Charity Commission on 21 July 2003.

The Charity is governed by the Memorandum and Articles of Association incorporated on 18 November 1993 as amended by the special resolution dated 26 June 2003.

In accordance with the Governing Document, the Directors of UCS Pre-Prep Limited are the Trustees of the Charity. Those Trustees who served during the year are shown on page 1. No Trustee has been a direct beneficiary of the Charity during the year or preceding year. No Trustee received any remuneration from the Charity during the year (2019 – nil). Trustees may be reimbursed for costs incurred in attending meetings on behalf of the Charity.

**UCS PRE-PREP LIMITED**

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**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**

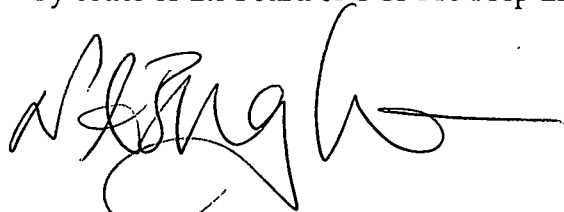
In accordance with the Governing Document, the Board must consist of no fewer than two Trustees. Trustees are appointed by resolution of the Board.

The Board of Directors is legally responsible for the overall management and control of UCS Pre-Prep Limited.

The full name of the charity is UCS Pre-Prep Limited. The Charity was founded in 2003 and is registered with the Charity Commission under charity number 1098657 and with Companies House under number 02873102.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the Board of UCS Pre-Prep Limited

A handwritten signature in black ink, appearing to read 'E A Bingham', with a long horizontal flourish extending to the right.

E A Bingham, OBE, MIPA, MABRP, DBA  
28 January 2021

**UCS PRE-PREP LIMITED**  
**Statement of Financial Activities**  
**for the year ended 31 August 2020**

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	Notes	Total Funds 2020 £	Total Funds 2019 £
<b>Income and endowments from:</b>			
Charitable activities:	1		
School fees		-	524,254
Other educational income		-	26,259
Other ancillary trading income		-	442
Investments - gross income:			
Bank deposit interest	1	-	296
<b>Total Income</b>		-	551,251
<b>Expenditure on:</b>			
Raising funds: Loan interest and bank charges	2	-	188
Charitable activities	2	-	1,267,508
<b>Total expenditure</b>		-	1,267,696
<b>Net Expenditure</b>	4	-	(716,445)
<b>Reconciliation of funds:</b>			
Total funds brought forward		-	716,445
<b>Total funds carried forward</b>		-	-

**UCS PRE-PREP LIMITED**

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**Balance Sheet as at 31 August 2020**

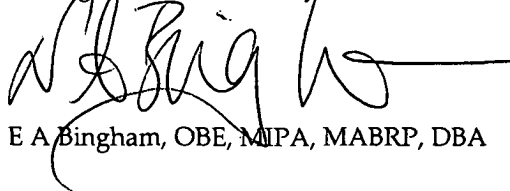
	Notes	£	2020 £	£	2019 £
<b>Current assets</b>					
Debtors	3	100		100	
<b>Total current assets</b>			100	100	
<b>Net current assets</b>			100		100
<b>Total net assets</b>			100		100
<b>Capital and funds</b>					
Called up share capital			100		100
<b>Total funds</b>			100		100

For the year ended 31 August 2020 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Directors on 28th January 2021 and signed on its behalf by



E A Bingham, OBE, MIPA, MABRP, DBA

**Statement of accounting policies for the year ended 31 August 2020****Basis of preparation**

The financial statements have been prepared under the historical cost convention with items recognised at cost, transaction value or, in the case of fixed asset investments, at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK Republic of Ireland (FRS102), Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charitable company represents a public benefit entity as defined by FRS 102.

The financial statements are prepared in £Sterling, which is the functional currency of the company.

**Income recognition**

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 measured reliably.

**Expenditure recognition**

Expenditure is recognised as soon as there is a legal or constructive obligation committing the School to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings below:

The costs of raising funds comprises interest payable and bank charges.

Charitable activities comprises the costs of teaching, welfare, premises, and support departments as described below.

Liabilities, including constructive obligations, are recognised in the financial statements at the time that goods are delivered, or in the case of services in accordance with contractual terms, or in the case of constructive obligations when the obligation is accepted.

Expenditure items are allocated to headings that conform to those used for University College School. These headings are explained below:

Teaching costs comprise the direct costs of the employment of teaching staff and other staff mainly involved in supporting the provision of education, together with the costs of academic resources, teacher and other educational training. Welfare costs include catering and doctors' fees.

Support costs include the costs of operating the School Office. Premises costs comprise heat, light, insurance and alarm costs, together with the costs of maintenance (including staff). Repairs and improvements in facilities are also included under this heading.

Governance costs capture the statutory running of the charity and include audit costs, legal advice for trustees, costs of constitutional and statutory requirements.

**Operating leases**

Rentals payable are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

**Statement of accounting policies for the year ended 31 August 2020****Pension schemes**

The Group contributes to the Teachers' Pension Scheme ("TPS") at rates set by the Government Actuary. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded, multi-employer scheme with no underlying assets to assign between employers, consequently there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the year to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The Group also operates a Group Personal Pension Scheme for non-teaching staff. This is a defined contribution scheme and all contributions are charged to the Statement of Financial Activities in the year incurred. This scheme is administered by Royal London.

**Critical Accounting Estimates and Judgements**

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

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions, will, by definition, seldom equal the actual related results.



## Notes to the financial statements for the year ended 31 August 2020

## 1 Charitable activities - school fees

	2020 £	2019 £
School fees	-	524,254
Other educational income		
Registration fees	-	10,900
Courses and other tuition	-	6,603
Fee insurance receipts	-	159
Other	-	8,597
	-	26,259
Other ancillary income comprised:		
After School Club fees	-	442
Investments - gross income:		
Bank interest receivable	-	296

## 2 Expenditure

	Total 2020 £	Total 2019 £
Costs of raising funds		
Bank charges	-	188

	Total 2020 £	Total 2019 £
Charitable activities		
Teaching costs	-	326,142
Welfare of pupils and staff	-	8,068
Premises	-	72,668
Support costs	-	33,144
Donation to UCS	-	823,586
Governance costs	-	3,900
	-	1,267,508

## Notes to the financial statements for the year ended 31 August 2020 (continued)

## 2 Expenditure (continued)

	2020	2019
	£	£
The expenditure analysis above includes:		
Audit fees - included in Governance costs	-	3,900
Lease payments recognised as an expense - included in Premises	-	26,667
	<b>-</b>	<b>30,567</b>

<b>Staff costs</b>	2020	2019
	£	£
Total staff costs:		
Wages and salaries	-	258,755
Social security costs	-	23,871
Pension contributions	-	35,102
	<b>-</b>	<b>317,728</b>

There were no employees during the year (2019: 24, of whom 21 were teaching staff and 3 were administrators)

No employees received annualised emoluments (excluding pension costs) exceeding £60,000:

	2020	2019
£60,001 - £70,000	-	1
£80,001 - £90,000	-	1

No contributions were made in the year in respect of defined benefit pension schemes for higher paid employees (2019 - £7,930).

Neither Trustees nor persons connected with them received any remuneration, other benefits or reimbursement of expenses from the School or any connected organisation (2019 - nil).

**Key management personnel**

The trustees have delegated day-to-day management of the operations of the school to the Headmistress who is assisted by the Senior Leadership Team. This comprises the Deputy Head, Head of Early Years of Foundation Stage, Head of Key Stage One and the SENCO. Total remuneration and benefits received by the Headmistress and the senior leadership team (together the "key management personnel") was £nil (2019 - £100,957).

**Teachers' Pension Scheme England and Wales ('TPS')**

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 £nil (2019:£31,240).

## Notes to the financial statements for the year ended 31 August 2020 (continued)

**2 Expenditure (continued)****Teachers' Pension Scheme England and Wales ('TPS') continued**

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.

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.

UCS Pre - Prep Limited operates a Stakeholder Group Personal Pension Plan for those employees who are not entitled to join the TPS. The company contributes up to 10% of salary. Contributions in the year were £nil (2019 - £4,422).

At 31 August 2020 £nil was included in creditors (2019: nil).

## Notes to the financial statements for the year ended 31 August 2020 (continued)

3 Debtors	2020	2019
	£	£
Amounts due from group undertakings	100	100
	<b>100</b>	<b>100</b>

## 4 Movements in Unrestricted Funds

	2020	2019
	£	£
Accumulated Fund		
At 1 September	-	716,445
Net loss for the period	-	(716,445)
At 31 August	<b>-</b>	<b>-</b>

## 5 Related parties

The School's ultimate parent entity and controlling party since 12 November 2002 is University College School, Hampstead, a registered Charity, number 312748. The Pre-Prep transferred its trade to UCS on 31 December 2018.

There have been no related party transactions in the current year.

## 6 Taxation

As a registered Charity, UCS Pre-Prep is entitled to certain tax exemptions on income and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if the income and surpluses are applied solely for charitable purposes.

## 7 Financial Instruments

The carrying amount of the Charity's financial instruments at 31 August were:

<u>Financial Assets</u>	2020	2019
	£	£
Debt instruments measured at amortised cost:		
Short term debtors and accrued income	100	100
Total	<b>100</b>	<b>100</b>