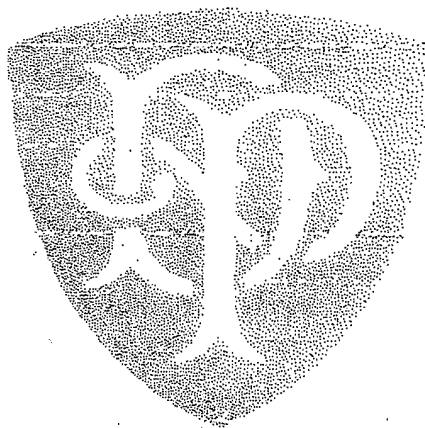


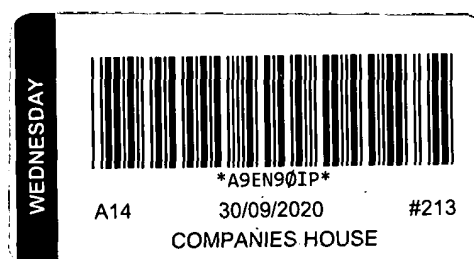


Company No. 10814894  
Registered in England  
Charity No. 1174356



## **DULWICH PREP LONDON**

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



**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS**  
**YEAR ENDED 31 AUGUST 2019**

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The Governors present their annual report together with the audited financial statements of Dulwich Prep London ("the School") which was incorporated on 12<sup>th</sup> June 2017 and commenced trading on 1<sup>st</sup> September 2017 for the year ended 31 August 2019.

The Governors confirm that the annual report and financial statements of the School comply with the current statutory requirements, the requirements of the School'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 School is a company limited by guarantee (Company Number 10814894) and is registered with the Charity Commission under Charity Number 1174356. The School, together with Dulwich Prep Cranbrook, is a subsidiary of Dulwich Preparatory Schools Trust, which is also a company limited by guarantee and a registered charity, from which it leases its property.

**Governors' responsibilities**

The Governors (who are also directors of Dulwich Prep London for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the School 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 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 School will continue in operation.

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

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

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

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The School was created as an independent charity governed by its Articles of Association with effect from 1<sup>st</sup> September 2017. The Articles reflect the Companies Act 2006 and the Charities Act 2011 and were approved by the Charity Commission and passed by written resolution on 16<sup>th</sup> June 2017. Prior to that date the School was part of, and effectively governed by the Articles of Association of, Dulwich Preparatory Schools Trust ("the Trust"). At its inception the umbrella charity, the Trust, donated the assets and undertakings necessary to fulfil its objects to the new charity under a Transfer of Undertakings Agreement dated 1<sup>st</sup> September 2017. The School is supported in the provision of education by the Dulwich Preparatory Schools Trust from which the School leases its facilities.

**Governing Body**

The Governors of the School are the charity trustees under charity law and the directors of the charitable company. All Governors are "members" of the Trust and the School's Chairman and and one other Governor also serve as Trustees of the Trust.

The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below:

Mrs C C Randell	Chairman ( <i>Trustee of the Trust</i> )
Mrs L P H Carling	
Mr A F Crow	Appointed on 25 <sup>th</sup> March 2020
Mrs L M Davidson	
Dr H C A Deasy	
J R Elzinga	
Mrs E K Kelleher	Appointed on 17 <sup>th</sup> October 2018
Dr A Lall	Appointed on 17 <sup>th</sup> October 2018
Mrs M S Shale	Vice Chairman ( <i>Trustee of the Trust Pension Scheme, Member of the Trust Finance Committee</i> )
D C S Smellie	
<del>J D H Steel</del>	<del>(Trustee of the Trust)</del>

**Key Management Personnel**

Headmaster (to 31 <sup>st</sup> August 2019):	M W Roulston, MBE, BPhil, MEd
Head Master (from 1 <sup>st</sup> September 2019): PGCE	Miss L A Davidson, BA (Hons),
Secretary to the Governors (to 31 <sup>st</sup> December 2019):	N B Holliday, MA (Hons)
Secretary to the Governors (from 1 <sup>st</sup> January 2020):	Mrs C A Skillings, ACA, LLB

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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

**Management Structure**

The Governing Body meets a minimum of three times per year, normally once per academic term. Sub-committees for specific purposes are established as and when needed. The Headmaster and Bursar attend the Governing Body meetings and any sub-committees as required. The day-to-day management of the School is delegated to the Headmaster and Bursar who collectively comprise the key management personnel and are supported by the School's Senior Management Teams. The Headmaster has overall responsibility for the appointment and supervision of all staff, but delegates this function to the Bursar for non-academic staff.

Remuneration is set by the Governing Body with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

**Governing Body Recruitment & Training**

The Governing Body is self-appointing with new Governors identified by the existing Board, supported by the Headmaster and Bursar, and appointed by the Board following agreement by the Trust. Governors 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 Governing Body are elected on the basis of the candidates' professional qualities, experience, personal competence and the specific needs of the School. New Governors are inducted into the workings of the charitable company via a programme organised by the Headmaster and Bursar. The Bursar will also notify members of the Governing Body 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**

Following its incorporation on 12<sup>th</sup> June 2017 the School's Board of Governors takes its governance responsibilities seriously and, as a significant charity, aims to have a governance framework that is fit for purpose, compliant and efficient. The Board has established a solid foundation in governance in which all of its Governors are clear about their roles and legal responsibilities, are committed to supporting the School in delivering its objects most effectively for the benefit of its beneficiaries and contributing to the School's continued improvement.

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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Overall the School's Board of Governors meets a very significant proportion of the recommended and best practice for governance contained within the Charity Governance Code across the seven areas and are comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code.

**Employment policy**

The School 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 School.

Employees are also aware of the public benefit necessarily provided by the School as a charity and of their part in supporting the School's contribution to the local community.

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.

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**STRATEGIC REPORT**

The remainder of the report of the Governors 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 charitable company is the operation of a preparatory school at Dulwich in London. The objects of the charitable company are the advancement of education by the provision and conduct of the School for boys and girls and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

The Governing Body is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the guidance on public benefit produced by the Charity Commission, together with its supplemental guidance on advancing education and on fee-charging.

**Aim**

The Governors' aim is that pupils should have every opportunity to fulfil their potential - academic, artistic, dramatic, musical, sporting, social and moral - by providing a rich and dynamic curriculum, inspirational teaching, building their self-confidence, supporting their emotional, physical and intellectual needs and by inculcating a desire to contribute to the wider community and providing our pupils with a launch pad for the opportunities, responsibilities and experience of later life.

**Primary objectives**

The School seeks to achieve its aim through the following primary objectives:

- To welcome pupils and staff from all backgrounds: an individual's economic status, gender, ethnicity, race, religion or disability do not form part of our selection process.
- To be committed to safeguarding and promoting the welfare of our pupils and to expect all staff and volunteers to share this commitment. We place great importance on pastoral care, fostering a sense of community and good citizenship.
- To define how our School can educate and develop pupils to the best of their potential and in line with the general standards achieved by their peers.
- To encourage pupils to become Excellent Learners and develop Habits of Mind to assist them with problems and challenges.
- To provide pupils with the opportunity to gain new experiences and take advantage of a variety of co- and extra-curricular activities to develop all aspects of their character.
- To set our fees at a level to ensure the financial viability of the School and at a level that is consistent with our aim of providing a first class education to boys and girls.
- To provide financial support to enable children whose parents would not otherwise be able to afford the fees to benefit from an education at the School.

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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- To maintain a clear and effective management structure and the necessary support framework to meet the needs of staff and pupils alike.

**Strategies to achieve the primary objectives**

The School's Strategic Development Plan is now being reviewed following the appointment of the new Head Master, with input from the Governing Body.

The Plan defines investment initiatives and major projects in pursuit of the primary objectives. The Lower School project, which was started in July 2017 and comprised two main phases, was completed in July 2019. This project combined some new structural building work alongside the redevelopment and refurbishment of existing buildings. It now provides new kitchens, kitchen stores and servery, a refurbished and extended dining hall, a new assembly hall for the Lower School, larger classrooms, refurbished offices and lavatories and better flow areas with a simpler floor layout. There are also extensive external works incorporating an amphitheatre and artificial grass play space. With the removal of the associated temporary classrooms in early July further play spaces have been restored. This project, which cost in the region of £13.5 million, was funded by the Dulwich Preparatory Schools Trust in support of Dulwich Prep London.

**Public benefit**

The School remains committed to the aim of providing public benefit in accordance with its founding principles.

The School actively supports the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practice and a widespread desire to improve standards. We co-operate with local schools and educational bodies in our ongoing endeavours to widen public access to the schooling we provide, to optimize the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at the School.

**Bursaries**

This year the School awarded means-tested bursaries totalling £325k to 27 pupils (2018: £278k to 24 pupils), including 14 for 70% or more of full fees. The School continues to refine means-testing through a rigorous and detailed process which includes a home visit.

**Emotional well-being and mental health**

The School places great importance on the quality of its pastoral support and was the first preparatory school in the UK to introduce Place2Be, a charity which provides embedded support for the School's pupils and provides child mental health awareness to parents and staff. In October 2019 the School appointed a Family Liaison Officer to enhance this support and the School's safeguarding provision.

**Facilities and resources**

The School has engaged in a range of partnerships with local maintained schools, making facilities available to those schools and including them in teaching and educational events. French and Italian language and cultural schools use our facilities on Saturdays throughout the year.

The School is currently involved in several initiatives, including support of a new primary school, Paxton Green School, part of the Gypsy Hill Federation, with the involvement of senior management, the recruitment and training of teachers and the provision of a music outreach programme. Local schools and sports clubs also use our playing fields, swimming pool (and teacher) and Sports Hall on a regular basis.

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Charitable fundraising**

Pupil fundraising for charitable causes is encouraged and in 2019 over £9k was donated to local and national charities as a result of pupil driven initiatives. Moreover, the Friends of Dulwich Prep London raise funds for charity as well as making donations to the School. The School is very grateful to the Friends for all that they do.

**Safeguarding**

The School has its own Designated Safeguarding Governor and there is regular communication between this Governor and the School's Designated Safeguarding Lead (DSL). The DSL reports to the Board termly and there is also an annual safeguarding audit. All Governors receive full safeguarding training when they join the Board and receive regular updates from the DSL. All are required to scrutinise and approve the School's Safeguarding Policy annually.

Whilst the Governors are respectful of the boundary between governance and management, they exercise appropriate oversight of safeguarding and are deliberately more visible to staff and parents, attending many school events and getting to know not just the Headmaster and Bursar, but staff in all areas of the School. The annual safeguarding audit has provided another opportunity for personal contact between Governors and staff – including support staff.

As well as modelling a culture of greater openness, Governors have in recent years prioritised changes to make the School not only compliant but, on broader practical and cultural levels, a safer place for the pupils.

**ACHIEVEMENTS AND PERFORMANCE**

**Review of achievements and performance for the year**

This was Michael Roulston's final year as Headmaster after ten very successful and inspirational years. The Lower School project, which was completed as his tenure ended, is a key part of his legacy, together with the Pennock Centre for Science and Technology completed in 2014. The Year 8 boys leaving the Prep at the end of the academic year were the first cohort to have gained the maximum benefit of the Pennock Centre. These 88 boys moved on to 22 different senior schools (2018: 89 and 25): Alleyn's School, Bishop Challoner School, Brighton College, City of London School, Cranleigh School, Dover College, Dulwich College, Eltham College, Eton College, Felsted School, Harrow School, King's College School Wimbledon, Leweston School, Royal Russell School, St Dunstan's School, St Edward's School Oxford, Sevenoaks School, Tonbridge School, Trinity School, Westminster School, Wetherby School and Whitgift School. Between them they received the offer of 62 (2018: 73) scholarships and awards. The Prep has always considered the importance of a broad education alongside academic achievement and half the awards offered by these senior schools were for art, DT, music or sport.

This outcome confirmed the view of the inspection team from the Independent Schools Inspectorate (ISI) who visited in October 2018 to conduct a Focused Compliance and Educational Quality Inspection on the School. All eight standards required under the compliance section were met; in respect of the educational quality element of the Inspection the School achieved the highest grade: 'Excellent'.

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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There is a wide variety of sports on offer at many different levels. As well as a packed list of fixtures for football, rugby and cricket, the last sadly curtailed by rain last season, the School performed well in athletics, biathlon, cross country, skiing and, of course, in the pool where our swimmers won the London Schools Primary Championships and were runners-up in the IAPS National Competition. Water polo also flourished with the Year 8 team being narrowly beaten by Whitgift in the National Final and the Year 6 team ending up as South East regional champions.

Once again there were some wonderful performances in the Year 8 drama pieces based on a variety of themes: *First World War*, *Strong Women*, *Love*, *Monsters*, *Irish literature* with the last being a short play – *Words Upon the Window Pane*. Christmas shows included *Prince Charming 2018*, *Inn-spectors*, *Snow White & the Seven Dulwich Prep Boys* and *Are we nearly there yet?* On top of this there were three amazing musical productions of classic tales: *The BFG*, *Charlie and the Chocolate Factory* and *Cats*.

Music remains very strong at the Prep. A substantial percentage of our boys learn an instrument, some more than one, and this year saw a wealth of performances, concerts, competitions and events, both choral and instrumental.

Trips and tours, whether local, national or international, are a regular feature of the School's calendar. There were the usual residential trips to Sayers Croft for Year 3, Magdalen Farm for Year 4, Sheringham for Year 5, York for Year 6 and Pembrokeshire for Year 7. Overseas destinations included Iceland, Sorrento, San Sebastian (football), the Basque Country (rugby), Cape Town (school exchange with Bishops Prep), Austria (skiing), Serre Chevalier (snowboarding), Ponte di Legno and Azur (sailing).

Other destinations closer to home included Chessington Zoo, Rochester Castle, the Royal Courts of Justice, the Design, Horniman and Victoria & Albert Museums, the London Wetland Centre, Dulwich Picture Gallery and the National Theatre.

After their exams the Year 8 boys enjoyed a choice of trips: Croyde in Devon for surfing, Snowdonia for climbing and outdoor adventure, Edinburgh for history and culture and France for language and activities.

These visits were complemented by a very full programme of Prep+ events, together with the Leake Lecture series and other visiting presenters and speakers.

For the second year Dulwich Prep London organised a TedX Talk, including children from local schools, each talk beginning with "*In my lifetime...*" and covering subjects as diverse as *banning palm oil*, *curing MS*, *ending ageism* and *Africa as the next global superpower*.

The Board's commitment to maintaining the School's excellence is reinforced by a planned capital investment programme. The redevelopment of the Lower School, which was a vision of Michael Roulston and included new kitchens and a new servery, had been planned for several years. Construction work started in July 2017 and was finally completed in July 2019, enabling the School to dispense with the five temporary classrooms which had provided additional accommodation during the project. The Lower School moved back into all its new facilities in time for the academic year 2019/20.

The Governors of Dulwich Prep London started consultation on the Teachers' Pension Scheme in April 2020.

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**FINANCIAL REVIEW**

The net income for the year ended 31 August 2019 amounted to £45,048 (2018: £1,871,114 – this figure included £1,006,700 representing the initial donation by the Trust). Total income of £15,544,257 (2018: £15,739,427) and expenditure of £15,499,209 (2018: £13,868,313). The net book value of fixed assets amounted to £582,189 (2018: £351,982).

In addition to the income it receives in respect of school fees the School seeks to enhance its income through letting its facilities and through rents received for residential property. Besides casual lettings of sports facilities, classrooms and halls for birthday parties the School also operates a holiday activity club, AVP, which provides a wide variety of holiday activities for children between the ages of 4 and 11.

**Reserves**

The Governors aim to maintain a positive level of overall reserves and for the unrestricted reserves, excluding the pension reserve, to be maintained at the appropriate level of one month's expenditure to meet the day to day running costs of the School and the costs associated with the maintenance of the fabric of its buildings. This will allow the School to ensure efficient operation for normal operations. The School's reserves policy is to maintain its unrestricted reserves at the approximate level of one month's expenditure to meet the day to day running costs of the School and the costs associated with the maintenance of the fabric of its buildings. This will allow the School to ensure sufficient liquidity for normal operations.

Funds held by the School at the year-end totalled £1,908,862 (2018: £1,961,414). Following the end of the academic year the School operates an ongoing policy of donating any excess surplus to the Trust to permit capital expenditure in support of the Trust's Schools.

The Governors 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.

**Post balance sheet events**

In response to the Covid-19 pandemic the Government announced the closure of all schools from 23<sup>rd</sup> March 2020. During the Easter holidays the School refined its on-line learning capabilities and all pupils benefited from the continuity provided by this distance learning from the start of the Summer Term. Only the children of key workers physically returned to the School premises for the first half of the Summer Term. From 1st June, following detailed risk assessments, a phased return of children by age groups took place. The majority of pupils were given the opportunity to attend school before the end of the Summer term and the overwhelming majority did so. As a result of the Lower School project the School was able to bring a larger proportion of its pupils back as there were significantly larger classrooms, halls and kitchen spaces. Further to this during lockdown the School by providing use of its new large kitchen was able to support Social Kitchen along with Thomas Franks, the School's caterers, to provide meals to vulnerable children around London. All pupils returned to school in September for the Autumn Term 2020.

In light of these events the Governors made a decision to reduce fees for the Summer term by £1,550 which created a range depending on age of 23-34%. There was an additional

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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reduction for year 8 & year 4, who were unable to attend their residential trips and the school was able to obtain refunds for (£435 and £158 respectively). The School's cash flow was reviewed using assumptions designed to reflect a conservative assessment of the impact of Covid-19 on the revenue of the School taking into account the experience over the Summer Term 2020. This included the reduction in fees being charged, 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. The 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, together with Dulwich Prep Cranbrook, a detailed assessment of the impact from both schools on the parent Trust's cashflows for the coming year has been carried out.

Having assessed the School's financial position, its plans for the foreseeable future, the risks to which it is exposed and the support available from the parent Trust the Governors are satisfied that it is appropriate to prepare the statements on a going concern basis.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors considered the current economic and political turbulence, especially those arising from the Covid-19 crisis, the affordability of fees by parents as well as senior school entrance procedures across the independent sector to be the principal risks faced by the School. Although enrolment was strong in 2018/19, pupil numbers are lower in 2019/20 and there is therefore no room for complacency. In order to maintain the viability of the School and deliver an excellent standard of education the Governing Body increased fees in September 2018 fees by 4.0% since fees were already falling behind the local competition. The fees have been frozen for September 2020.

Health and Safety is always a significant area for risk management. The risks range from pandemic, 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 School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

Detailed consideration of risk is undertaken for the School by the Governors, in conjunction with the Headmaster, Bursar and Senior Leadership Team. A risk register is maintained, reviewed termly by the Governors and updated as necessary. The risk management process and the resulting register identify risks, assess their impact and likelihood and, where necessary, recommend controls to mitigate and monitor those risks which are assessed as high. In particular the threat arising from the increased level of terrorist activity in London is being kept under close review.

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

- ~~detailed terms of reference together with formal agendas for Board activity;~~
- strategic development planning, reviewed annually by the Governing Body;
- 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.

**DULWICH PREP LONDON**  
**ANNUAL REPORT OF THE GOVERNORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks for the School.

Approved by the Governing Body of Dulwich Prep London, including, in their capacity as company directors, approving the Directors' and Strategic Report contained therein, and signed on its behalf by:

Mrs C C Randell  
Chairman



Date:

3rd September 2020

**DULWICH PREP LONDON**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Opinion**

We have audited the financial statements of Dulwich Prep London for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 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 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 PREP LONDON**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 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 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 charitable company and its 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:

- adequate accounting records have not been kept; or
- the 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.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either

**DULWICH PREP LONDON**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

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](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. 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

29 September 2020

**DULWICH PREP LONDON**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**  
**(Incorporating an income and expenditure account)**

	Notes	Total 2019 £	Total 2018 £
<b>Income from:</b>			
<b>Charitable activities:</b>			
School fees receivable	2	14,387,512	13,629,321
Other educational income	3	580,448	604,379
Ancillary income	4	456,265	353,437
<b>Other trading activities</b>			
Non-ancillary trading income	5	88,376	127,267
<b>Investments</b>			
Bank and other interest		5,153	1,992
<b>Voluntary sources</b>			
Donations and legacies		26,503	1,023,031
<b>Total income</b>		<b>15,544,257</b>	<b>15,739,427</b>
<b>Expenditure on:</b>			
<b>Raising funds</b>			
Financing costs	6	(10,244)	(14,629)
<b>Total costs of raising funds</b>		<b>(10,244)</b>	<b>(14,629)</b>
<b>Charitable activities</b>			
Education	6	(15,488,965)	(13,853,684)
<b>Total expenditure</b>		<b>(15,499,209)</b>	<b>(13,868,313)</b>
<b>Net income</b>		<b>45,048</b>	<b>1,871,114</b>
Pension scheme actuarial (loss)/gains	16	(97,600)	90,300
<b>Net movement in funds for the year</b>		<b>(52,552)</b>	<b>1,961,414</b>
Fund balances brought forward at 1 September 2018		1,961,414	-
<b>Fund balances carried forward at 31 August 2019</b>		<b>1,908,862</b>	<b>1,961,414</b>

The notes on pages 19 to 31 form part of these financial statements

**DULWICH PREP LONDON  
BALANCE SHEET  
AS AT 31 AUGUST 2019**

	Notes	2019	2018
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	582,189	340,065
Intangible assets	10	-	11,917
		<u>582,189</u>	<u>351,982</u>
<b>CURRENT ASSETS</b>			
Debtors	11	4,111,313	4,218,393
Cash at bank and in hand		<u>640,021</u>	<u>636,168</u>
		<u>4,751,334</u>	<u>4,854,561</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(3,209,257)</u>	<u>(3,171,429)</u>
<b>NET CURRENT ASSETS</b>		<u>1,542,077</u>	<u>1,683,132</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,124,266</u>	<u>2,035,114</u>
<b>CREDITORS: amounts falling due after more than 1 year</b>	13	<u>(78,204)</u>	<u>-</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>		<u>2,046,062</u>	<u>2,035,114</u>
Defined benefit pension scheme liability	16	<u>(137,200)</u>	<u>(73,700)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>		<u>1,908,862</u>	<u>1,961,414</u>
<b>CHARITY FUNDS</b>			
Unrestricted funds excluding pension reserve		2,046,062	2,035,114
<del>Pension reserve</del>		<u>(137,200)</u>	<u>(73,700)</u>
<b>TOTAL FUNDS</b>		<u>1,908,862</u>	<u>1,961,414</u>

The financial statements were approved by the Governors on and signed on their behalf, by:

Mrs C C Randell  
Chairman of Board

*Chairman of Board* 3rd September 2020

The notes on pages 19 to 31 form part of these financial statements

Company Number: 10814894

**DULWICH PREP LONDON**  
**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

	Note	2019	2018
		£	£
<b>Net cash inflow from operations</b>			
Net cash provided by operating activities	(i)	414,859	756,931
<b>Cash flows from Investing activities:</b>			
Additions to fixed assets	(416,159)	(122,755)	
Investment income and bank interest received	5,153	1,992	
<b>Net cash (used in) Investing activities</b>		<u>(411,006)</u>	<u>(120,763)</u>
 Change in cash and cash equivalents in the reporting period		 3,853	 636,168
Cash and cash equivalents at the beginning of period		<u>636,168</u>	<u>-</u>
 Cash and cash equivalents at the end of the reporting period	(ii)	 <u>640,021</u>	 <u>636,168</u>

The notes on pages 19 to 31 form part of these financial statements

**DULWICH PREP LONDON**  
**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

	2019	2018
	£	£
<b>(i) Reconciliation of net income to net cash flow from operating activities</b>		
Net incoming resources	45,048	1,871,114
Elimination of non-operating cash flows:		
Depreciation and amortisation charges	185,952	166,097
Investment income and bank interest received	(5,153)	(1,992)
Donation of fixed assets	-	(395,323)
Decrease/(Increase) in debtors	107,080	(4,218,393)
Increase in creditors (excluding fees in advance scheme and deposit)	155,027	733,387
(Decrease)/Increase in fees in advance scheme creditors	(75,995)	1,283,976
Increase in parents' deposits	37,000	1,154,065
Movement in defined benefit pension liability	(34,100)	165,000
	<u>369,812</u>	<u>(1,113,183)</u>
<b>Net cash inflow from operations</b>	<u>414,859</u>	<u>756,931</u>
	2019	2018
	£	£
<b>(ii) Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	<u>640,021</u>	<u>636,168</u>

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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## **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.

The School is a Public Benefit Entity registered as a charity in England and Wales (charity number: 1174356 and a company limited by guarantee, (company number: 10814894). Its registered office is 42 Alleyn Park, Dulwich, London SE21 7AA. The charitable company started trading on 1 September 2017.

The ultimate parent company and controlling party of Dulwich Prep London is Dulwich Preparatory Schools Trust ("the Trust"), a charitable company incorporated in the United Kingdom (company number: 00579923). The accounts of the School have been consolidated into the ultimate parent entity's financial statements. Copies of these financial statements can be obtained from the registered office, 42 Alleyn Park, Dulwich, London SE21 7AA. Control is exercised by the parent company by virtue of board representation.

The objects of the Trust are the advancement of education. The objects of the charitable company are the advancement of education by the provision and conduct of schools in Dulwich and Cranbrook for boys and girls and by ancillary or incidental educational activities and other associated activities for the benefit of the communities.

### **1.2 Going Concern**

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. The Governors 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 School. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **1.3 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.

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

---

**1 ACCOUNTING POLICIES (CONTINUED)**

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 School's liability for the Non-Teaching Staff defined benefit pension scheme involves number of assumptions as disclosed in note 16.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Schools's financial statements. In the view of the Governors, 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.

**1.4 Income**

All income is included in the statement of financial activities when the School 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.

**1.5 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.

Support costs include all costs relating to the management, administration and running the functions of the School. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

**1.6 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.

Leasehold improvements	-	2% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	10% straight line
Computer equipment	-	25-50% straight line

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**1 ACCOUNTING POLICIES (continued)**

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

**1.7 Fund accounting**

General Funds are the accumulated surplus on the Schools income and expenditure account which is available for use at the discretion of the Governors in furtherance of the general objectives of the charity including supporting the Trust.

**1.8 Pension costs**

Retirement benefits to employees of the School 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 School'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, accounts for the scheme as if it were a defined contribution scheme. The Trust'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.

**1.9 Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**1 ACCOUNTING POLICIES (continued)**

**1.10 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 social security and other taxes and provisions.~~

**1.11 Taxation**

The School is a registered charity No. 1174356 and as such is not liable to United Kingdom income tax or corporation tax on charitable activities.

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

<b>2 FEES RECEIVABLE</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees receivable consist of:		
School fees	14,690,667	14,089,464
Less: total awards and concessions	(503,155)	(460,143)
	<u>14,387,512</u>	<u>13,629,321</u>

Included within awards and concessions are means-tested bursaries totalling £324,996 which were paid to 27 pupils (2018: £277,787 for 24 pupils).

<b>3 OTHER EDUCATIONAL INCOME</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Entrance and registration fees	31,200	37,095
Extra-Curricular activities	182,302	262,500
Courses and sub-lettings	178,205	153,428
AVP sports activities income	188,741	151,356
	<u>580,448</u>	<u>604,379</u>

The 2018 figure has been restated to split out the Extra-curricular activities that were previously contained within the Courses and sub-lettings line.

<b>4 ANCILLARY AND OTHER INCOME</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
School trips, School shop, and Other income	<u>456,265</u>	<u>353,437</u>

<b>5 OTHER TRADING ACTIVITIES</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Rents receivable	<u>88,376</u>	<u>127,267</u>

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD 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	1,400	-	8,844	10,244	14,629
<b>Total costs of raising funds</b>	<b>1,400</b>	<b>-</b>	<b>8,844</b>	<b>10,244</b>	<b>14,629</b>
Charitable expenditure					
Teaching	7,205,564	-	1,268,315	8,473,879	7,789,624
Welfare	89,744	-	1,090,835	1,180,579	1,258,174
Premises	502,410	-	2,379,351	2,881,761	3,048,842
Support costs	1,092,725	185,952	524,069	1,802,746	1,757,044
Donations to parent entity	-	-	1,150,000	1,150,000	-
<b>Total charitable expenditure</b>	<b>8,890,443</b>	<b>185,952</b>	<b>6,412,570</b>	<b>15,488,965</b>	<b>13,853,684</b>
<b>Total expenditure</b>	<b>8,891,843</b>	<b>185,952</b>	<b>6,421,414</b>	<b>15,499,209</b>	<b>13,868,313</b>

<b>Governance included in support costs:</b>	<b>2019</b>	<b>2018</b>
	£	£
Governor costs	7,566	5,440
Legal & Consultancy fees	3,780	17,629
Remuneration paid to auditor for audit services	14,750	14,500
Remuneration paid to auditor for non-audit services	-	2,700

**7 STAFF COSTS**

	<b>2019</b>	<b>2018</b>
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and salaries	7,228,266	6,759,754
Social security costs	740,847	701,238
Other pension costs	922,730	870,616
	<b>8,891,843</b>	<b>8,331,608</b>

The total employment costs of key management personnel, who are considered to consist of the Headmaster and the Bursar and the Senior Leadership Team was £318,936 (2018: £315,040) including pension contributions of £22,412 (2018: £22,412). In 2019/20 consideration was given to who should be considered and this figure was adjusted to only take account of the Headmaster and the Bursar.

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

**7 STAFF COSTS (CONTINUED)**

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

The number with retirement benefits accruing - in Defined Benefit schemes was	10	10
--	----	----

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

	2019	2018 (restated)
Teaching	131	124
Domestic and estates	22	22
Administrative	57	67
	210	213

The figures for 2018 have been restated to be in line with 2019 and the gap students, swim and canoe instructors are now included in administration rather than domestic and estates.

**8 TRUSTEE COSTS AND RELATED PARTY TRANSACTIONS**

During the year, no Governors received any remuneration.

During the year one Governor received reimbursement of expenses for travel and subsistence totalling £160 (2018: 2 Governors received £99).

In the year there was £525 (£0 in 2018) paid to L M Davidson, a governor of the school, for assistance the assessment of children in Early Years.

In 2018/19 the School donated £1.1 million to the Trust. The School also donated staff time to the Trust totalling £63,605 (2018: £76,526) which has been recognised in these accounts as other costs. The School paid rental income of £1,225,706 (2018: £1,162,675) for the use of its premises. Cash resources for the Group are managed centrally by the Trust and as a consequence at 31st August 2019 £3,665,341 (2018: £3,634,564) was owed by the Trust. In 2017/18 as part of the restructure of the Group, the School received a donation from the Trust of £1,006,700.

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

**9 Tangible Fixed Assets**

	Leasehold Improvement	Furniture Fixtures and Equipment	Computer Hardware	Vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2018	-	1,086,265	583,606	96,615	1,766,486
Additions	89,940	265,557	60,662	-	416,159
At 31 August 2019	<u>89,940</u>	<u>1,351,822</u>	<u>644,268</u>	<u>96,615</u>	<u>2,182,645</u>
<b>Depreciation</b>					
At 1 September 2018	-	872,356	472,852	81,213	1,426,421
Charged in year	100	123,965	45,376	4,594	174,035
At 31 August 2019	<u>100</u>	<u>996,321</u>	<u>518,228</u>	<u>85,807</u>	<u>1,600,456</u>
<b>Net book values</b>					
At 31 August 2018	-	213,909	110,754	15,402	340,065
At 31 August 2019	<u>89,840</u>	<u>355,501</u>	<u>126,040</u>	<u>10,808</u>	<u>582,189</u>

**10 Intangible fixed assets**

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

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

<b>11 DEBTORS</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fee debtors	31,708	101,874
Sundry debtors	130,730	189,214
Prepayments and accrued income	283,234	292,741
Amounts due from parent undertaking	3,665,641	3,634,564
	<u>4,111,313</u>	<u>4,218,393</u>
<b>12 CREDITORS: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	304,599	267,995
Social security and other taxation	195,406	177,669
Fees in advance	1,129,777	1,283,976
Other creditors	226,443	183,240
Fee deposits	1,191,065	1,154,065
Accruals and deferred income	161,967	104,484
	<u>3,209,257</u>	<u>3,171,429</u>
<b>13 FEES IN ADVANCE</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Within one to two years	<u>78,204</u>	-
<u>Movements in fees in advance</u>		
Opening fees in advance	-	-
Amount released to income during the year	-	-
Amount deferred during the year	78,204	-
	<u>78,204</u>	-

**14 OPERATING LEASE COMMITMENTS**

At 31 August 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Land and Buildings</b>	<b>Other</b>	<b>Land and Buildings</b>	<b>Other</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>		
Within 1 year	1,235,600	140,691	576,675	79,071
Between 2 and 5 years	5,044,775	310,215	2,438,325	182,738
After more than 5 years	<u>34,844,050</u>	-	<u>27,304,200</u>	-

The charge in the year was £1,417,745 (2018: £1,223,446).

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

**15 SUMMARY OF MOVEMENTS ON MAJOR FUNDS**

	At 1 September 2018	Incoming resources	Resources expended	Losses	At 31 August 2019
Unrestricted Funds	1,961,414	15,544,257	(15,499,209)	(97,600)	1,908,862

**16 PENSION SCHEMES**

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

**Defined benefit scheme**

Teachers' Pension Scheme

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 £745,932 (2018: £729,883) and at the year end £102,268 (2018: £91,578) 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.

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

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**16 PENSION SCHEMES (CONTINUED)**

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.

**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.

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

**16 PENSION SCHEMES (CONTINUED)**

	2019	2018
	£	£
<b>a) The amounts recognised in the balance sheet are as follows</b>		
Present value of funded obligations	(663,500)	(543,900)
Fair value of scheme assets	526,300	470,200
Net (Liability)	<u>(137,200)</u>	<u>(73,700)</u>
<b>b) Changes in the present value of the defined benefit obligation</b>		
	2019	2018
	£	£
Opening defined benefit obligation	543,900	600,200
Service cost	-	17,000
Interest cost	13,800	14,400
Actuarial losses/(gains)	109,500	(79,500)
Benefits paid	(3,700)	(8,200)
Closing defined benefit obligation	<u>663,500</u>	<u>543,900</u>
	2019	2018
	£	£
<b>c) Changes in the fair value of the scheme assets</b>		
Opening fair value of scheme assets	470,200	406,900
Interest income	12,400	10,100
Return in excess of interest income	11,900	10,800
Contributions by employer	35,500	52,700
Administration fee	-	(2,100)
Benefits paid	(3,700)	(6,200)
Closing fair value of scheme assets	<u>526,300</u>	<u>470,200</u>
<b>d) The amounts included within the Statement of Financial Activities</b>		
	2019	2018
	£	£
Current service cost	-	17,000
Interest on obligation	13,800	14,400
Interest income	(12,400)	(10,100)
Administration fee	-	2,100
Total amount charged to the Statement of Financial Activities	<u>1,400</u>	<u>23,400</u>
Net actuarial (losses)/gains recognised in the year	<u>(97,600)</u>	<u>90,300</u>

**DULWICH PREP LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2019**

The School expects to contribute £33,600 to the scheme in 2019/20. A revised Schedule of Contributions was agreed between the Trustees and the Employer as part of the actuarial valuation as at 1 January 2018.

**e) Principal actuarial assumptions at the balance sheet date**

	2019	2018
<b>Financial Assumptions</b>		
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%
<b>Assumed life expectancy in years at age 65:</b>		
<b>Non Pensioners</b>		
Females	25.4	25.4
Males	23.4	23.4
<b>Pensioners</b>		
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 £104,689 (2018: £105,218).

**17 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 school was closed to all but Key Worker children from March until May and then only opened to some pupils until the end of term.

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.