

Company No. 10814894
Registered in England
Charity No. 1174356

DULWICH PREP LONDON

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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DULWICH PREP LONDON
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the audited financial statements of Dulwich Prep London ("the School") for the year ended 31 August 2020.

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 ("the Trust"), which is also a company limited by guarantee and a registered charity, from which it leases its property. The three entities are the Group.

Governors' responsibilities

The Governors (who are also directors of the School 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 School 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 a going concern basis unless it is inappropriate to assume 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 each Governor is aware, there is no relevant audit information of which the School's auditor is unaware, and
- 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 (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

The School was created as an independent charity governed by its Articles of Association with effect from 1st 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 16th June 2017. Prior to that date the School was part 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 1st September 2017. The School is supported in the provision of education by the Trust from which the School leases its facilities. The Trust with Dulwich Prep London and Dulwich Prep Cranbrook make up the Group ("the Group").

Governing Body

The Governors are the trustees of the School under charity law and the directors of the School under company law. All Governors are "members" of the Trust and the School's Chairman 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	T (to 31 August 2020)	Chairman (to 31 August 2020)
Mrs E K Kelleher	T (from 1 September 2020)	Chairman (from 1 September 2020)
Mrs L P H Carling		
A F Crow		Appointed on 25 March 2020
Mrs L M Davidson		
Dr H C A Deasy		
J R Elzinga		
Dr A Lall		
Mrs M S Shale	P F	Vice Chairman
D C S Smellie		Retired on 31 August 2020
J D H Steel	T	

T Trustee of the Trust

P Trustee of the Trust Pension Scheme

F Member of the Trust Finance Committee

Key Management Personnel

Head Master (from 1 September 2019): Miss L A Davidson, BA (Hons), PGCE

Bursar & Clerk to the Governors (to 31 December 2019): N B Holliday, MA (Hons)

Director of Finance & Clerk to the Governors (from 1 January 2020): Mrs C A Skillings, ACA, LLB (Hons)

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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

Auditors: Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

Management Structure

The Governing Body meets a minimum of three times a year, normally at least once every term. Sub-committees for specific purposes are established as and when needed. The Head Master and Clerk to the Governors attend the Governing Body meetings and any sub-committees as required. The day-to-day management of the School is delegated to the Head Master and Director of Finance who collectively comprise the key management personnel and are supported by the School's Senior Management Teams. The Head Master has overall responsibility for the appointment and supervision of all staff, but delegates this function to the Director of Finance 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. The School aims 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 the senior leadership and staff costs are the largest single element of the charitable expenditure.

Governing Body Recruitment & Training

New Governors are identified by the existing Board, supported by the Head Master and Clerk to the Governors, 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, which may only be exceeded 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 management and ethos of the School via a programme organised by the Head Master and Clerk to the Governors. The Clerk to the Governors also notifies 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

The School's Board takes its governance responsibilities seriously and 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.

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ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Charity Governance Code has seven principles: Organisational purpose, Leadership, Integrity, Decision making risk and control, Board effectiveness, Diversity and Openness and accountability. Complying with the Code is not a legal or regulatory requirement and the Code describes its aims as 'deliberately aspirational'. The 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.

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.

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 School

The objects of the charitable company are the advancement of education of children in the United Kingdom and elsewhere for the public benefit principally through the operation of Dulwich Prep London and support of the Trust.

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 the 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:

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ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

- To welcome pupils from all backgrounds: economic status, ethnicity, race, religion or disability do not form part of the selection process.
- To be committed to safeguarding and promoting the welfare of the pupils and to expect all staff and volunteers to share this commitment. The School places great importance on pastoral care, fostering a sense of community and good citizenship.
- To define how the School can educate and develop pupils to the best of their potential and in line with the general standards achieved by their peers.
- 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 welcome staff from all backgrounds: economic status, gender, ethnicity, race, religion or disability do not form part of the selection process.
- To set the fees at a level to ensure the financial viability of the School and at a level that is consistent with the 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.
- 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 updated and reviewed annually 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, which cost in the region of £13.5 million, was funded by the Trust. During 2019-2020 the largest project undertaken was the replacement of the Concert Hall seating with retractable seating to enable the hall to be used more flexibly.

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 ongoing endeavours to widen public access to the schooling provided, to optimize the use of the cultural and sporting facilities and to awaken in the pupils an awareness of the social context of the all-round education they receive at the School.

During the periods of closure or partial closure of schools due to COVID-19, the School has continued to provide on-site education for the children of key workers and for those children identified as vulnerable.

Bursaries

This year the School awarded means-tested bursaries totalling about £275,000 to 23 pupils (2019: £325,000 to 27 pupils), including 12 for 70% or more of full fees. The School continues

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ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

to refine means-testing through a rigorous and detailed process which includes a home visit. During the year the school awarded hardship bursaries of about £45,000 in total to families who were affected by coronavirus.

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 September 2020 the School appointed a full time School Counsellor to enhance this support and the School's safeguarding provision.

The School had a number of families who were bereaved by COVID-19 during lockdown and provided emotional support where possible and desired. The School also supported five families where pupil mental health was becoming affected by lockdown.

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 the 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 the playing fields, swimming pool (and swimming teacher) and sports hall on a regular basis.

During lockdown the school provided its kitchens and worked in partnership with its catering provider Thomas Franks to support Social Kitchen, which provided lunches to vulnerable children around London.

Charitable fundraising

Pupil fundraising for charitable causes is encouraged and in 2019 over £40,000 was donated to local and national charities as a result of pupil driven initiatives. The school ran a very successful H2MO event, where pupils, staff, parents, old boys and members of the community were invited to partake in a 24-hour swimathon. The school raised over £20,000 for Movember and was the highest fundraising school in the country. 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. During lockdown and on going restrictions in relation to COVID-19 the school continued to fundraise remotely, including raising funds to provide laptops to a local school.

The school does not engage with any external third party fundraisers. There have been no complaints in the period regarding inappropriate or intrusive contact in relation to fundraising activities.

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ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 once a term and there is also an annual safeguarding audit. All Governors receive full safeguarding training when they join the Board. 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 Head Master and Senior Leadership team, 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.

During the pandemic the School updated Safeguarding & child protection, behaviour, rewards and bullying policies, adding appendices to reflect the remote teaching and learning position. Online safety, 1:1 tuition and live streaming all required consideration and revision to protect staff and pupils. Staff were trained to be vigilant through live lessons. Monitoring absence, attendance and engagement was imperative for pupil safety and wellbeing. Key worker pupils were monitored by those staff on site taking into consideration hours attending, parent job anxiety, general health and wellbeing.

ACHIEVEMENTS AND PERFORMANCE

In 2020, 92 Year 8 boys went on to 22 different senior schools (2019: 88 and 22); all destinations can be seen on the School website. The Year 8s of 2020 received a total offer of 85 (2019: 62) scholarships and awards. The School has always considered the importance of a broad education alongside academic achievement and half of the awards offered by these senior schools were for art, design and technology, music or sport. A further 22 boys left at the end of Year 6.

The Independent Schools Inspectorate (ISI) 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'.

In February 2020 the School closed for two days following a suspected COVID-19 case, which allowed a deep clean of the buildings. The closing of the School prepared staff for what they would need to do for students in order to provide remote learning when the School was required to close and move fully online from 20 March 2020. The School launched an immediate programme for the final week of the Spring Term and launched DPL@home for the following term, which provided an impressive array of learning through different platforms such as exercises to carry out at home, pre-recorded videos and live teaching. This was supported by regular contact between staff and pupils and their parents. The online platform was also used by the children who attend Key Worker School, who returned to the School between March and July. From 1st June, following detailed risk assessments, a phased return of non-

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ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

keyworker children by age groups took place. All but two year ere given the opportunity to attend school before the end of the Summer Term and the overwhelming majority did so.

There is a wide variety of sport on offer at many different levels, as well as a packed list of fixtures for football, rugby and cricket. The Autumn Term saw Tribe football and rugby tournaments, inter-school fixtures, water polo matches, a biathlon, cross country, and swimming galas. During the Spring and Summer Terms, sport was hindered by the pandemic, but live Zoom keep fit sessions were held by the sports department for the boys and their families, as well as Mind Gym, which consisted of a series of lessons and podcasts which help to improve mental strength and wellbeing. The sports day this year was held virtually with boys competing independently by completing a range of tasks such as a 1 kilometre run, jumping, plank challenge and sports quiz; the scores were then submitted and recorded to announce the winning Tribe.

Once again there were some wonderful performances in the Year 8 drama pieces based on a variety of themes in the Autumn and early Spring Term: *First World War* and *Time*. Christmas shows included *Tis the Season*, *Nativities* and *Rock the Baby*. The summer productions were not able to go ahead due to the pandemic.

Music remains very strong at the School. A substantial proportion of the boys learn an instrument, some more than one. The Autumn Term began as usual with pupil concerts and a Remembrance service in which the choir and musicians performed. Unfortunately a concert at Southwark Cathedral was cancelled due to safety concerns; a terrorist attack at London Bridge on 29 November caused uneasiness about the safety of pupils, staff and parents travelling to central London. A Christmas Service was held at St Stephen's church nearby. Due to growing concerns about the coronavirus, the Spring Concert at Southwark Cathedral was postponed and the subsequent restrictions imposed in the UK meant that all performances were cancelled during the Summer Term.

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, Sheringham for Year 5, York for Year 6 and Pembrokeshire for Year 7. The Year 4 and Year 8 summer trips were cancelled as a result of the pandemic.

Overseas destinations included Iceland and Sorrento during the Autumn Term. Other destinations closer to home included Crystal Palace Park, Eastbourne for a geography field trip, several trips to the theatre, Chessington Zoo, Rochester Castle and the Royal Courts of Justice.

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

The Board's commitment to maintaining the School's excellence is reinforced by a planned capital investment programme. As previously reported the redevelopment of the Lower School was completed in July 2019. The Lower School moved back into all its new facilities in time for the academic year 2019/20.

DULWICH PREP LONDON
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

The net income for the year was £14,658,903 (2019: £15,544,257) and expenditure of £13,797,724 (2019: £15,499,209). The net book value of fixed assets amounted to £786,376 (2019: £582,189). Income and expenditure in the year were lower as a result of the pandemic. The Governors agreed to reduce fees for the Summer term by £1,550 per pupil which created a range in the reduction, depending on age, of 23-34%. There was an additional reduction for pupils in year 8 and year 4, who were unable to attend their residential trips and for whom the School was able to obtain refunds.

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, 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 approximate level of at least 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 £2,754,741 (2019: £1,908,862). At the year end funds were sufficient to cover two months expenditure of the day to day running costs of the School. 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.

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.

Post balance sheet events

In September 2020 the Trust signed a 50 year lease extension until 2081 for the school site at 38-42 Alleyn Park, Grange Lane and the Early Years with the Dulwich Estate. Part of the agreement was that the Trust would hand Brightlands back to the Dulwich Estate and work has commenced to build a new entrance into the Early Years car park.

Following an increase in the employers' contribution to the Teachers' Pension Scheme ("TPS") in September 2019, the Governors commenced consultation on potential withdrawal from the TPS and joining the Aviva Pension Trust for Independent Schools in April 2020. The consultation was concluded in January 2021 and the decision was made to leave the TPS with effect from 1 September 2021.

DULWICH PREP LONDON
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 for parents as well as senior school entrance procedures across the independent sector to be the principal risks faced by the School. Pupil numbers are marginally lower in 2020/21 than in 2019/20 and there is therefore no room for complacency. In order to continue to deliver an excellent standard of education the Governors increased fees in September 2019 by 4.0%. Fees have been frozen for the year beginning 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.

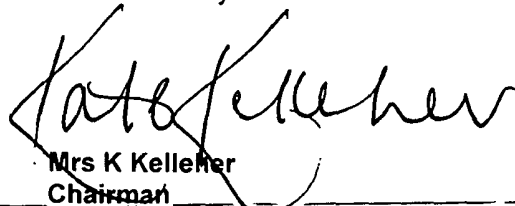
Detailed consideration of risk is undertaken for the School by the Governors, in conjunction with the Head Master, Director of Finance and Senior Leadership Team. A risk register is maintained, reviewed termly by the Governors and updated as necessary. The risk management process and the resulting register 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 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 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 K Kelleher
Chairman

Date: 23rd March 2021

DULWICH PREP LONDON
INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Dulwich Prep London for the year ended 31 August 2020 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 2020 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.

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INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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 intend

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INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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
London

26 March 2021

DULWICH PREP LONDON
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020
(Incorporating an income and expenditure account)

	Notes	Total 2020 £	Total 2019 £
Income from:			
Charitable activities:			
School fees receivable	2	13,248,691	14,387,512
Other educational income	3	304,234	580,448
Ancillary income	4	255,832	456,265
Other trading activities			
Non-ancillary trading income	5	106,417	88,376
Investments			
Bank and other interest		5,048	5,153
Voluntary sources			
Donations and legacies		18,912	26,503
Job retention scheme grant		719,769	-
Total income		14,658,903	15,544,257
Expenditure on:			
Raising funds			
Financing costs	6	(10,485)	(10,244)
Total costs of raising funds		(10,485)	(10,244)
Charitable activities			
Education	6	(13,787,239)	(15,488,965)
Total expenditure		(13,797,724)	(15,499,209)
Net income		861,179	45,048
Pension scheme actuarial (loss)	15	(15,300)	(97,600)
Net movement in funds for the year		845,879	(52,552)
Fund balances brought forward at 1 September 2019		1,908,862	1,961,414
Fund balances carried forward at 31 August 2020		2,754,741	1,908,862

The notes on pages 18 to 29 form part of these financial statements

**DULWICH PREP LONDON
BALANCE SHEET
AS AT 31 AUGUST 2020**

	Notes	2020	2019
		£	£
FIXED ASSETS			
Tangible assets	9	786,376	582,189
CURRENT ASSETS			
Debtors	10	3,967,663	4,111,313
Cash at bank and in hand		<u>1,416,420</u>	<u>640,021</u>
		5,384,083	4,751,334
CREDITORS: Amounts falling due within one year	11	<u>(3,260,853)</u>	<u>(3,209,257)</u>
NET CURRENT ASSETS		<u>2,123,230</u>	<u>1,542,077</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,909,606	2,124,266
CREDITORS: amounts falling due after more than 1 year	12	<u>(33,765)</u>	<u>(78,204)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		2,875,841	2,046,062
Defined benefit pension scheme liability	15	<u>(121,100)</u>	<u>(137,200)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>2,754,741</u>	<u>1,908,862</u>
CHARITY FUNDS			
Unrestricted funds excluding pension reserve		2,875,841	2,046,062
Pension reserve		<u>(121,100)</u>	<u>(137,200)</u>
TOTAL FUNDS		<u>2,754,741</u>	<u>1,908,862</u>

The financial statements were approved by the Governors on *23 March 2021* and signed on their behalf, by:


Mrs K Kellener
Chairman of Board

The notes on pages 18 to 29 form part of these financial statements
Company Number: 10814894

**DULWICH PREP LONDON
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020	2019
		£	£
Net cash inflow from operations			
Net cash provided by operating activities	(i)	1,105,206	414,859
Cash flows from investing activities:			
Additions to fixed assets	(333,855)	(416,159)	
Investment income and bank interest received	<u>5,048</u>	<u>5,153</u>	
Net cash (used in) investing activities		<u>(328,807)</u>	<u>(411,006)</u>
 Change in cash and cash equivalents in the reporting period		 776,399	 3,853
Cash and cash equivalents at the beginning of period		<u>640,021</u>	<u>636,168</u>
Cash and cash equivalents at the end of the reporting period	(ii)	<u>1,416,420</u>	<u>640,021</u>

The notes on pages 18 to 29 form part of these financial statements

**DULWICH PREP LONDON
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 AUGUST 2020**

	2020	2019
	£	£
(i) Reconciliation of net income to net cash flow from operating activities		
Net incoming resources	861,179	45,048
Elimination of non-operating cash flows:		
Depreciation and amortisation charges	129,667	185,952
Investment income and bank interest received	(5,048)	(5,153)
Decrease in debtors	143,650	107,080
(Decrease)/Increase in creditors (excluding fees in advance scheme and deposit)	(159,927)	155,027
Increase/(Decrease) in fees in advance scheme creditors	71,935	(75,995)
Increase in parents' deposits	95,150	37,000
Movement in defined benefit pension liability	(31,400)	(34,100)
	<u>244,027</u>	<u>369,811</u>
Net cash inflow from operations	<u>1,105,206</u>	<u>414,859</u>
	2020	2019
	£	£
(ii) Analysis of cash and cash equivalents		
Cash at bank and in hand	<u>1,416,420</u>	<u>640,021</u>

DULWICH PREP LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 principal activity of the Trust is the operation of preparatory schools at Dulwich London and at Cranbrook Kent. The objects of the Trust are the advancement of education primarily 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 cash position of 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 Schools's financial viability. 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 YEAR ENDED 31 AUGUST 2020

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 School'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. Grant income is recognised as and when entitlement arises, which can be reliably quantified and benefit is probable.

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 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. Fixed assets costing more than £500 are capitalised.

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 YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES (continued)

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 two pension schemes, one defined benefit and one defined contribution and the employer's pension costs are charged in the period in which the salaries they relate to are payable.

In addition the School has a legacy defined benefit scheme "the Dulwich Preparatory Schools Pension Scheme".

The two schemes are 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.

In January 2021 a decision was made to withdraw from this scheme with effect from 1 September 2021.

(b) 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.

The Dulwich Preparatory Schools Pension Scheme - This is an occupational defined benefit scheme for non-teaching staff. The 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.

DULWICH PREP LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES (continued)

1.9 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

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 YEAR ENDED 31 AUGUST 2020

2 FEES RECEIVABLE	2020	2019
	£	£
Fees receivable consist of:		
School fees	13,714,413	14,890,667
Less: total awards and concessions	<u>(465,723)</u>	<u>(503,155)</u>
	13,248,691	14,387,512

Included within awards and concessions are means-tested bursaries totalling £275,608 which were paid to 23 pupils (2019: £324,996 for 27 pupils). During the year, Covid hardship bursaries totalling £46,425 were awarded to 23 pupils.

3 OTHER EDUCATIONAL INCOME	2020	2019
	£	£
Entrance and registration fees	39,950	31,200
Extra-Curricular activities	113,650	182,302
Courses and sub-lettings	85,245	178,205
AVP sports activities income	<u>65,389</u>	<u>188,741</u>
	304,234	580,448

4 ANCILLARY AND OTHER INCOME	2020	2019
	£	£
School trips, School shop, and Other income	<u>255,832</u>	<u>456,265</u>

5 OTHER TRADING ACTIVITIES	2020	2019
	£	£
Rents receivable	<u>106,417</u>	<u>88,376</u>

DULWICH PREP LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

6 ANALYSIS OF EXPENDITURE

	Staff costs (Note 7) £	Depreciation (Note 9) £	Other costs £	Total 2020 £	Total 2019 £
Raising funds					
Financing costs	2,300	-	8,185	10,485	10,244
Total costs of raising funds	2,300	-	8,185	10,485	10,244
Charitable expenditure					
Teaching	7,405,338	-	835,547	8,240,885	8,473,879
Welfare	98,375	-	856,250	954,626	1,180,579
Premises	567,181	-	2,235,866	2,803,047	2,881,761
Support costs	1,178,566	129,667	480,449	1,788,682	1,802,746
Donations to parent entity	-	-	-	-	1,150,000
Total charitable expenditure	9,249,460	129,667	4,408,112	13,787,239	15,488,965
Total expenditure	9,251,760	129,667	4,416,297	13,797,724	15,499,209

Governance included in support costs:	2020	2019
	£	£
Governor costs	5,684	7,566
Legal & Consultancy fees	3,780	3,780
Remuneration paid to auditor for audit services	15,120	14,750

7 STAFF COSTS	2020	2019
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and salaries	7,202,426	7,228,266
Social security costs	748,483	740,847
Other pension costs	1,300,852	922,730
	9,251,760	8,891,843

The total employment costs of key management personnel, who are considered to consist of the Headmaster and the Director of Finance (Bursar until December 2019) was £277,776 (2019: £318,936) including pension contributions of £27,552 (2019: £22,412).

DULWICH PREP LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

7 STAFF COSTS (CONTINUED)

	2020	2019
Number of higher paid employees in bands of:		
£60,001 to £70,000	14	11
£70,001 to £80,000	2	
£100,001 to £110,000		1
£120,001 to £130,000	1	
£150,001 to £160,000		1
The number with retirement benefits accruing		
- in Defined Contribution schemes was	2	0
of which the contributions amounted to	£15,844	£0
- in Defined Benefit schemes was	15	10

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

	2020	2019
Teaching	118	131
Domestic and estates	21	22
Administrative	63	57
	<u>202</u>	<u>210</u>

During the year there were redundancy or termination payments which amounted to £36,893 (2019 £0) of which £nil was outstanding for payment at the year end.

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 £36 (2019: one Governor received £160).

In the year there was £0 paid to any governors (£525 in 2019 paid to L M Davidson, a governor of the school, for assistance with the assessment of children in Early Years).

In 2019/20 the School donated £0 (2019: £1.1 million) to the Trust. The School also donated staff time to the Trust totalling £48,618 (2019: £63,605) which has been recognised in these accounts as other costs. The School paid rental income of £1,235,600 (2019: £1,225,706) for the use of its premises. Cash resources for the Group are managed centrally by the Trust and as a consequence at 31st August 2020 £3,587,422 (2019: £3,665,341) was owed by the Trust.

DULWICH PREP LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

9 Tangible Fixed Assets

	Leasehold Improve ment	Furniture Fixtures and Equipment	Computer Hardware	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	89,940	1,351,822	644,268	96,615	2,182,645
Additions	194,240	52,845	86,770	-	333,855
Disposal in the year	-	-	-	(23,218)	(23,218)
At 31 August 2020	<u>284,180</u>	<u>1,404,667</u>	<u>731,038</u>	<u>73,397</u>	<u>2,493,282</u>
Depreciation					
At 1 September 2019	100	996,322	518,228	85,807	1,600,457
Charged in year	2,464	53,892	68,718	4,593	129,667
Disposal in the year	-	-	-	(23,218)	(23,218)
At 31 August 2020	<u>2,564</u>	<u>1,050,214</u>	<u>586,946</u>	<u>67,182</u>	<u>1,706,906</u>
Net book values					
At 31 August 2019	89,840	355,501	126,040	10,808	582,189
At 31 August 2020	<u>281,616</u>	<u>354,453</u>	<u>144,092</u>	<u>6,215</u>	<u>786,376</u>

10 DEBTORS

	2020	2019
	£	£
Fee debtors	31,062	31,708
Sundry debtors	205,281	130,730
Prepayments and accrued income	144,393	283,234
Amounts due from parent undertaking	<u>3,586,927</u>	<u>3,665,641</u>
	<u>3,967,663</u>	<u>4,111,313</u>

11 CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	230,797	304,599
Social security and other taxation	187,170	195,406
Fees in advance	1,246,151	1,129,777
Other creditors	232,508	226,443
Fee deposits	1,286,215	1,191,065
Accruals and deferred income	<u>78,013</u>	<u>161,967</u>
	<u>3,260,853</u>	<u>3,209,257</u>

DULWICH PREP LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

12 FEES IN ADVANCE	2020	2019
	£	£
Within one to two years	<u>33,765</u>	<u>78,204</u>
<u>Movements in fees in advance</u>		
Opening fees in advance	78,204	-
Amount released to income during the year	(44,439)	-
Amount deferred during the year	-	78,204
	<u>33,765</u>	<u>78,204</u>

13 OPERATING LEASE COMMITMENTS

At 31 August 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings	Other	Land and Buildings	Other
	2020	2020	2019	2019
	£	£		
Within 1 year	1,250,225	164,455	1,235,600	140,691
Between 2 and 5 years	4,939,400	258,196	5,044,775	310,215
After more than 5 years	<u>33,599,200</u>	-	<u>34,844,050</u>	-

The charge in the year was £1,395,434 (2019: £1,417,745).

14 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 September 2019	Incoming resources	Resources expended	Losses	At 31 August 2020
Unrestricted Funds	<u>1,908,862</u>	<u>14,658,903</u>	<u>(13,797,724)</u>	<u>(15,300)</u>	<u>2,754,741</u>

15 PENSION SCHEMES

Teachers' Pension Scheme

Dulwich Prep London participates in the Teachers' Pension Scheme ("the TPS") for their teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,201,184 (2019: £745,932) and at the year-end £132,709 (2019: £102,268) was accrued in respect of contributions to this scheme.

DULWICH PREP LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

15 PENSION SCHEMES (Continued)

Defined benefit 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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020. As a result of the consultation, the government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin, under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022, at the point they become payable.

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. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

DULWICH PREP LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

15 PENSION SCHEMES (CONTINUED)

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 the cost cap mechanism review is completed 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.

Defined contribution scheme

The pension cost charge in the year in respect of the non-teaching staff defined contribution scheme was £156,129 (2019: £104,689).

Non-teaching defined benefit scheme

The parent Trust operated this Scheme (the Dulwich Preparatory Schools Pension Scheme), which was closed to new entrants from 1 January 2005, both in respect of new members and accrual for existing members.

On 1st September 2017 the Trust transferred the obligations to contribute to the Scheme to each of the Schools in proportions determined by the actuary based on the staff who participated in the scheme. The valuation in these accounts uses that proportion and has been derived by projecting the results of the last comprehensive actuarial valuation of the Scheme as at 1 January 2018 and has been prepared by an independent qualified actuary.

Following the latest actuarial valuation a revised Schedule of Contributions was agreed between the Trust, the Schools and the Scheme Trustees with the aim of eliminating the deficit over a period of 10 years from 1 January 2018. Under this Schedule of Contributions the School expects to contribute £33,663 to the Scheme in 2021/22 (£33,663 2020/21).

a) The amounts recognised in the balance sheet are as follows	2020	2019
	£	£
Present value of funded obligations	(670,600)	(663,500)
Fair value of scheme assets	549,500	526,300
Net (Liability)	<u>(121,100)</u>	<u>(137,200)</u>

DULWICH PREP LONDON
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

15 PENSION SCHEMES (CONTINUED)

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

	2020	2019
	£	£
Opening defined benefit obligation	663,500	543,900
Interest cost	11,700	13,800
Actuarial losses	8,900	109,500
Benefits paid	(13,500)	(3,700)
Closing defined benefit obligation	<u>670,600</u>	<u>663,500</u>

c) Changes in the fair value of the scheme assets

	2020	2019
	£	£
Opening fair value of scheme assets	526,300	470,200
Interest income	9,400	12,400
Return (lower)/greater than the discount rate	(6,400)	11,900
Contributions by employer	33,700	35,500
Benefits paid	(13,500)	(3,700)
Closing fair value of scheme assets	<u>549,500</u>	<u>526,300</u>

d) The amounts included within the Statement of Financial Activities

	2020	2019
	£	£
Interest on obligation	11,700	13,800
Interest income	(9,400)	(12,400)
Total amount charged to the Statement of Financial Activities	<u>2,300</u>	<u>1,400</u>
Net actuarial (losses) recognised in the year	<u>(15,300)</u>	<u>(97,600)</u>

e) Principal actuarial assumptions at the balance sheet date

	2020	2019
Financial Assumptions		
Discount rate	1.6%	1.8%
RPI inflation assumption	3.0%	3.2%
Rate of increase of pensions in payment	2.2%	3.5%
Rate of increase of pensions in deferment	2.2%	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	<u>21.9</u>	<u>21.9</u>