

Registered number: 00316883
Charity number: 310482

**THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
(FORMERLY SAINT FELIX SCHOOLS)**

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

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THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Governors	Dr J F Kelly, Chairman Mrs L Le Versha, Vice Chair Mrs H Anthony, Chair of the Senior Education Committee Mr C Camburn (appointed 27 November 2020) Dr L W Dawson (resigned 4 December 2020) Mr K Dobson Mr G Hillier (resigned 12 January 2021) Rev B Slatter Mr R Stephens, Chairman of the F&GP Sub-Committee Mr R J Turvill Mr R Wise
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The members of the board have the power to appoint one or more board members.

By virtue of the Articles all governors must be members of the company. All governors, while a member, or within one year after ceasing to be a member is liable to contribute a sum not exceeding £1, if required in the event of the company being wound up.

The governors receive no emoluments.

Company registered number	00316883
Charity registered number	310482
Registered and principal operating office	Halesworth Road Reydon Southwold Suffolk IP18 6SD
Bursar and company secretary	Mr P Jochimsen
Independent auditors	Larking Gowen LLP Chartered Accountants King Street House 15 Upper King Street Norwich NR3 1RB
Bankers	Barclays bank plc 18 London Street Norwich Norfolk NR2 1LG

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors

Birketts
24-26 Museum Street
Ipswich
Suffolk
IP1 1HZ

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the audited financial statements of the Company for the 1 September 2020 to 31 August 2021. The Annual report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

• **Charitable aims and objectives**

The Charity's objects, as set out in its Trust Deed and Articles of Association, are the advancement of education, including schooling for day, weekly and full boarding pupils of both sexes. In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

• **Principal activity**

For over 120 years, since its inception in 1897, Saint Felix School has faithfully served the needs of its local community and we are incredibly proud of the work delivered by our staff, the senior leadership team and governors in recent years.

We have a strong commitment to providing students with the best possible education and a passion for ensuring the school's legacy continues for years to come.

In view of the significant challenges of the global pandemic on the recruitment of international pupils, the governors were prompted to seek a long term, sustainable solution to safeguard the future of Saint Felix School and to enable the School to continue with its development plans to enhance the education provision and facilities at Saint Felix.

Subsequently, after careful consideration, the governors decided to enter into a new partnership with renowned education provider, Inspired Learning Group (ILG), that will enable the School to continue providing the best possible education and opportunities for students and staff. ILG was chosen as the ideal partner for the School due to its shared vision, values and a strong track record for providing a world class education. Inspired Learning Group comprises of 16 independent schools and nurseries, supporting over 1,300 students across South East England.

Under the new arrangement, on 4 May 2021 the operation of Saint Felix School, and all of the charity's tangible fixed assets, staff, and certain other assets and liabilities, were transferred to a subsidiary of ILG. From that date, the ILG subsidiary operated Saint Felix School. The proceeds of the sale were used to settle the charity's liabilities. The funds remaining after the settlement of all liabilities will be used by the charity to provide bursaries and to otherwise support Saint Felix School and its pupils on a continuing basis.

The governors take their duty of care to provide the best possible educational experience extremely seriously. In transferring the school to ILG, the governors felt Saint Felix's positive trajectory will not only be maintained, but bolstered with additional resources and significant investment that will drive further growth and improvements. The students and staff will also benefit from collaboration across ILG's network of schools, allowing us to share best practice and build further on our already high standards of teaching and learning.

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Prior to the aforementioned sale, the principal activity of the company was the ongoing provision of high quality education for boys and girls aged between two and nineteen at Saint Felix School. Where reference is made in the Governors' report to the operation of the School this is for the period prior to its transfer on the 4 May 2021.

Following the sale the charity changed its name from Saint Felix Schools to The Southwold and Reydon Educational Trust Limited.

• **Access policy**

The School welcomed pupils from all backgrounds. During the admittance process the School satisfied itself that it will be able to educate and develop the prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews were undertaken to ensure potential pupils can cope with the pace of learning and all round education provided. The School was an equal opportunity School and an individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment process.

• **Remissions policy**

The School provided financial support to gifted and talented pupils by offering academic, sporting, arts and drama scholarships. These awards were offered to candidates who achieved excellent results in competitive scholarship examinations, or met pre set criteria in auditions and trials. The school provided short term means tested hardship bursaries to parents who experienced unexpected financial difficulties and whose children are already in the school.

The School had a relatively small amount of operational funds available for remission provision and while considering awards we remained mindful of the balance required between fee paying parents, many of whom make considerable sacrifices to pay for their child's education, and those potentially benefitting from an award. The governors' policy, in line with that of other independent schools, was to award grants on the basis of educational, artistic, musical, dramatic and sporting abilities and cases of financial need.

The remission awards ranged from 10% to 100% of the total fees for the year, with £1,183,838 awarded in the period prior to the sale on 4 May, 2021 (2020: £1,978,709). Depending on academic gifts and creative, sporting and musical talents awards may be 10% or in special circumstances higher fee discounts may be available. Most of the financial help offered was directed towards older pupils. There was a sliding scale of discount for children of large families and financial help is given to military personnel and to members of staff with children at the School

Public Benefit

• **Educational activities**

The charity operated as an educational charity providing education for pupils, promoting and advancing education. To achieve this the charity established, maintained and carried on schools, nurseries, care clubs and educational institutions in accordance with the charity's Articles of Association. This provided an educational environment where every pupil can develop and fulfil their academic potential, build self confidence and a desire to contribute positively to the wider community.

During the period the focus of the school continued to be the on-going improvement of academic standards and the achievement of sporting and creative excellence. This required a continual review of the School's academic curriculum, focusing on pupil progress and continuity throughout the School. The maintenance of sound pupil

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

performance in public examinations was at the forefront of the School's objectives. Excellent learning and pastoral support was in place that fully supported pupils' academic performance. At the School pupils achieve outstanding academic results and at the same time are prepared for the challenges of life beyond school.

• **Community activities**

Close relationships existed with many local sporting groups, who used the School's facilities, plus local council, church and youth groups. The school benefitted enormously from the generosity and personal involvement of the Parent Teacher Association (PTA) of the School, run by parents of children at the School, whose close support was greatly appreciated and gladly acknowledged. The School also enjoyed the support of the Old Felician's Club, a network of former pupils. The following assistance was given to the local community:

- The use of the School's minibus for provision of community transport
- The use of the School's facilities by a number of local adult and youth sports clubs
- The use of the school's facilities for adult education courses
- Charity fund raising by our pupils
- Providing a range of apprentice and intern opportunities
- Holding a Holocaust Memorial day to celebrate the school's involvement in the kinder transport in 1938
- Hosting residential respite care for Outside in Pathways Autistic charity

Strategic report

Achievements and performance

• **Operational performance of the school**

Prior to the sale of the School, academic results were showing a positive trajectory. In 2020 the School came top of the progress for A Level achievements in Suffolk schools with a value added score of 0.63. The focus provided through the Education Committee saw results increasing year on year at both GCSE and A Level. For GCSE the total pass rate rose from 86% (2018) to 98% (2020), and 5 passes 9 4, including English and Maths, rose from 59.26% to 99.71%. In A Level the total pass rate rose from 94.4% to 98.8% and with top grades A*/A moved from 24.4% to 32.6%. The vast majority of our pupils continued their studies at Russell Group universities having secured their first choice place.

Future Plans and Financial Review

• **Plans for future periods**

The Governors' objective is to utilise the Charity's net assets to provide bursaries and to otherwise support Saint Felix School and its pupils on a continuing basis.

• **Financial results**

The Statement of financial Activities shows a net deficit for 2021 of £105,226 (2020: net surplus of £54,047 prior to an impairment charge of £604,859).

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

• **Reserves policy**

The charity's general reserve is £40,774 (2020: £50,000). The Charity had a restricted fund. The purpose of the fund is detailed in note 20. Restricted funds at the year end were £nil (2020: £96,000). Total funds at the year end were £40,774 (2020: £146,000).

The governors have reviewed the reserves of the Charity. Following the school's disposal, the Governors' policy is to retain minimum reserves of £25,000.

• **Going concern**

The disposal of the School has provided the charity with the funds to settle all liabilities, the majority of which were settled by 31 August 2021.

As a result, the Governors have concluded that the charity will have adequate resources to continue for the foreseeable future, and at least twelve months from the date of approval of these financial statements. They therefore continue to adopt the going concern basis in preparing the financial statements.

• **Principal risks and uncertainties**

The Board of Governors conducts its own review of the major risks to which the Charity is exposed and systems have been established to mitigate these risks. Prior to the disposal of the School the reviews recognised certain areas to be of particular importance; these included statutory requirements, the need to maintain current pupil numbers and safeguarding and child protection. Significant external risks to funding led to the development of a strategic plan, which allowed for the diversification of funding and activities. Internal risks were minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspect of the charitable company.

Key controls included formal written policies, clear authorisation and approval delegations, and vetting procedures as required by child protection legislation and the independent safeguarding authority.

Following the disposal of the School the majority of these risks no longer apply to the charity. The principal risk to the charity going forward is funding, albeit the charity has minimal non-discretionary expenditure.

Structure, governance and management

• **Constitution**

The Southwold and Reydon Educational Trust Limited is registered as a charitable company limited by guarantee. The Charity was founded in 1897, and is registered with the Charity Commission under Charity number 310482, and with Companies House with company registration number 00316883. The Charity is governed by its Trust Deed dating from 1897 and the Articles of Association dated December 2011.

• **Recruitment and training of governors**

The management of the Charity is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed. A panel comprising existing governors selects members of the board of governors.

A new governor receives the Guidelines for Governors Handbook and a copy of the Charity Commission the Essential Trustee guidance, CC3. The Chair of Governors runs an induction session for each new governor and mentoring by him, or another established board member, follows.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

• **Organisational structure and decision-making policies**

The full governing board reviews the strategy and performance of the charity and sets the operating plans and budgets.

Prior to the disposal of the School, the Finance and General Purpose Committee (which incorporates the Marketing and Property Committees) meets at least termly, the the Senior Education committee meets four times each year.

Health and Safety and Safeguarding/Child Protection agenda items were covered at each Board meeting.

The day to day running of the School was delegated to the Headmaster and Bursar, together with the Senior Leadership Team. In determining the remuneration of the schools' key management personnel the Trustees took account of available external benchmarking data.

Following the disposal of the School the operation of the charity is undertaken by the Governors.

Statement of Governors' responsibilities

The Governors (who are also the directors of the Company 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 . 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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

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

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditors

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

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that 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 charity's auditors are aware of that information.

Approved by order of the members of the board of Governors and signed on their behalf by:



Mr C Camburn
Governor

Date: 18 May 2022

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOUTHWOLD AND REYDON
EDUCATIONAL TRUST LIMITED**

Opinion

We have audited the financial statements of The Southwold and Reydon Educational Trust Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 2021 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOUTHWOLD AND REYDON
EDUCATIONAL TRUST LIMITED (CONTINUED)**

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Governors' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOUTHWOLD AND REYDON
EDUCATIONAL TRUST LIMITED (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Governors are responsible for assessing the 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Due to the field in which the charitable company operates, we identified the areas most likely to have a material impact on the financial statements as compliance with UK charity and tax legislation, UK accounting standards and compliance with the UK Companies Act. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the charitable company's ability to operate, including, safeguarding, health and safety, employment law, and compliance with various other regulation relevant to the conduct of the charitable company's operations.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- enquiries with management and Governors about any known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing for any correspondence with regulators;
- reviewing board minutes;
- reviewing financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- challenging assumptions and judgements made by management in their significant accounting estimates; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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 Auditors' report.

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOUTHWOLD AND REYDON
EDUCATIONAL TRUST LIMITED (CONTINUED)**

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich

Date: 19 May 2022

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total funds 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total funds 2020 £
Income from:									
Donations and legacies	3	1,510	(96,000)	-	(94,490)	(94,490)	-	3,160	3,160
Charitable activities	4	2,308,127	-	-	2,308,127	2,308,127	-	3,615,029	3,615,029
Investments	6	(7,035)	-	-	(7,035)	(7,035)	-	37,232	37,232
Other income	7	105,821	-	-	105,821	105,821	-	316,714	316,714
Total income		2,408,423	(96,000)	-	2,312,423	2,312,423	-	3,972,135	3,972,135
Expenditure on:									
Raising funds	8	52,849	-	-	52,849	52,849	-	109,497	109,497
Charitable activities:	9								
Operation of school		2,364,800	-	9,226	2,355,574	2,364,800	-	3,808,591	3,808,591
Property impairment		-	-	-	-	-	-	604,859	604,859
Total expenditure		2,417,649	-	9,226	2,408,423	2,417,649	-	4,522,947	4,522,947
Net movement in funds		(9,226)	(96,000)	(9,226)	(96,000)	(105,226)	-	(550,812)	(550,812)

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total funds 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total funds 2020 £
Reconciliation of funds:								
Total funds brought forward	50,000 (9,226)	96,000 (96,000)	50,000 (9,226)	96,000 (96,000)	146,000 (105,226)	146,000 -	550,812 (550,812)	696,812 (550,812)
Total funds carried forward	40,774	-	40,774	-	40,774	146,000	-	146,000

On the 4 May 2021 the charity disposed of the operation of Saint Felix School and associated assets and liabilities. From that date the School was operated by a subsidiary of Inspired Learning Group. The operation of Saint Felix School is the discontinued operation in the Statement of Financial Activities.

The Statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure in the prior year was unrestricted.

The notes on pages 17 to 35 form part of these financial statements.

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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REGISTERED NUMBER: 00316883

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	-	2,721,764
Investments	14	2	2
		<u>2</u>	<u>2,721,766</u>
Current assets			
Stocks	15	-	2,098
Debtors	16	-	250,123
Cash at bank and in hand		245,389	1,451
		<u>245,389</u>	<u>253,672</u>
Creditors: amounts falling due within one year	17	(204,617)	(2,734,420)
Net current assets / liabilities		40,772	(2,480,748)
Creditors: amounts falling due after more than one year	18	-	(95,018)
Total net assets		40,774	146,000
Charity funds			
Restricted funds	20	-	96,000
Unrestricted funds	20	40,774	50,000
Total funds		40,774	146,000

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



Mr C Camburn
Governor

Date: 18 May 2022

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(750,447)	(625,228)
Cash flows from investing activities		
Proceeds from the disposal of Saint Felix School	2,804,276	-
Return on investments and servicing of finance	-	(18,915)
Capital expenditure and financial investments	(82,512)	(53,462)
Net cash provided by/(used in) investing activities	2,721,764	(72,377)
Cash flows from financing activities		
Repayments of borrowing	(917,262)	(17,292)
Net cash used in financing activities	(917,262)	(17,292)
Change in cash and cash equivalents in the year	1,054,055	(714,897)
Cash and cash equivalents at the beginning of the year	(808,666)	(93,769)
Cash and cash equivalents at the end of the year	245,389	(808,666)

The notes on pages 17 to 35 form part of these financial statements

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

The company is a company limited by guarantee, incorporated in the United Kingdom. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Southwold and Reydon Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements present the results of the charity only and do not consolidate the charity's subsidiary company on the basis that the subsidiary is immaterial.

2.2 Going concern

The disposal of the school has provided the charity with the funds to settle all liabilities, the majority of which were settled by 31 August 2021.

As a result, the governors have concluded that the charity will have adequate resources to continue in for the foreseeable future, and at least twelve months from the date of approval of these financial statements. They therefore continue to adopt the going concern basis in preparing the financial statements.

2.3 Fees and similar income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- 0% pa
Building services plant	- 5% pa
Motor vehicles, tractors, grounds equipment, computer and ancillary equipment	- 20% pa
Other furniture and equipment	- 10% pa
Computer equipment	- 20% / 12.5% pa

2.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

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

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.13 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Finance cost of debt

The finance cost of debt, including interest and issue costs, are allocated to each period over the term of the debt, and are charged to the income and expenditure account at a constant rate on the outstanding amount.

2.15 Advanced fees scheme

The charity offered parents the opportunity to pay for tuition fees in advance in accordance with a written contract. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term is charged against the remaining balance and taken to income.

2.16 Pensions

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme ("TPS").

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The charity was also a member of a multi-employer scheme which is accounted for as a defined contribution scheme because it is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme. The scheme had a funding shortfall, to eliminate this funding shortfall, the charity has agreed to a deficit funding arrangement and recognises a liability for this obligation, which is included in other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	1,510	(96,000)	(94,490)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	3,160	3,160

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Fee Income (note 5)	2,115,581	2,115,581	3,445,727
Other Educational Income	191,528	191,528	151,400
School shop and cafe income	1,018	1,018	17,902
	<u>2,308,127</u>	<u>2,308,127</u>	<u>3,615,029</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. School Fees

	2021 £	2020 £
Gross fees	3,299,419	5,424,436
Less: Recurring bursaries and remissions	(1,150,658)	(1,858,503)
Less: Coronavirus special discount	(33,180)	(120,206)
	<u>2,115,581</u>	<u>3,445,727</u>

Total remissions and bursaries include the exceptional cost of £33,180 (2020: £120,206) in respect of the governors' special discount given in recognition of remote learning during the period of school closure as a result of the coronavirus crisis.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings income	(7,035)	(7,035)	36,290
Bank interest received	-	-	942
	<u>(7,035)</u>	<u>(7,035)</u>	<u>37,232</u>

7. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Coronavirus job retention scheme grant	105,821	105,821	316,714

The charity has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The charity furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £105,821 (2020: £316,714) relates to staff costs which are included within note 11 below.

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Expenditure on raising funds

Costs of raising income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Financing	26,592	26,592	56,147
Trading costs	1,527	1,527	21,672
Development	24,730	24,730	31,678
	<u>52,849</u>	<u>52,849</u>	<u>109,497</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Teaching	1,176,969	-	1,176,969
Welfare	424,274	-	424,274
Premises	343,942	-	343,942
Support costs of schooling	355,650	-	355,650
Governance	-	63,965	63,965
	<u>2,300,835</u>	<u>63,965</u>	<u>2,364,800</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Teaching	1,799,661	-	1,799,661
Welfare	800,734	-	800,734
Premises	495,810	-	495,810
Support costs of schooling	585,114	-	585,114
Grants, awards and prizes	3,011	-	3,011
Property impairment	604,859	-	604,859
Other Ancillary Income	462	-	462
Governance	-	123,799	123,799
	<u>4,289,651</u>	<u>123,799</u>	<u>4,413,450</u>

10. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>8,625</u>	<u>18,000</u>

11. Staff costs

	2021 £	2020 £
Wages and salaries	1,553,590	2,296,974
Social security costs	127,264	186,190
Contributions to pension schemes	183,373	225,738
	<u>1,864,227</u>	<u>2,708,902</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	2021	2020
	No.	No.
Tuition	50	73
Non Teaching Staff	29	49
	<hr/> 79 <hr/>	<hr/> 122 <hr/>

Upon the sale of the school, all staff were transferred under TUPE on 4 May 2021, hence the reduction in average employees for the period.

The number of employees whose annualised employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

Employer pension contributions to final salary schemes in relation to higher paid employees totalled £24,990 (2020 - £16,703).

Key management personnel received remuneration during the year totalling £181,572 (2020 - £253,198).

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Governors (2020 - £422 to 2 Governors).

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 September 2020	3,113,245	1,387,114	646,123	5,146,482
Additions	66,963	3,618	11,931	82,512
Disposals	(3,180,208)	(1,390,732)	(658,054)	(5,228,994)
At 31 August 2021	-	-	-	-
At 1 September 2020	604,859	1,318,547	501,312	2,424,718
On disposals	(604,859)	(1,318,547)	(501,312)	(2,424,718)
At 31 August 2021	-	-	-	-
Net book value				
At 31 August 2021	-	-	-	-
At 31 August 2020	2,508,386	68,567	144,811	2,721,764

As described in the governors' report, the charity disposed of Saint Felix School, its operation and certain associated assets and liabilities, including all tangible fixed assets, on 4 May 2021. In light of the expected disposal, in the prior year an impairment review was undertaken and an impairment loss recognised to reduce the property and associated asset's carrying value to recoverable amount as represented by the amount realised from the disposal. As such no gain or loss arose on the subsequent disposal in this period.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2020	2
At 31 August 2021	<u>2</u>
Net book value	
At 31 August 2021	<u>2</u>
At 31 August 2020	<u>2</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Felicity (Southwold) Limited	02204487	Same as charity	Dormant

Class of shares	Holding	Included in consolidation
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Ordinary	100%	No
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The financial results of the subsidiary for the year were:

Name	Net assets £
Felicity (Southwold) Limited	2

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Stocks

	2021	2020
	£	£
Heating oil	-	2,098
	<u> </u>	<u> </u>

16. Debtors

	2021	2020
	£	£
Due within one year		
School fees	-	156,813
Other debtors	-	4,203
Prepayments and accrued income	-	89,107
	<u> </u>	<u> </u>
	<u> </u>	<u>250,123</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loan	-	934,262
Bank overdrafts	-	810,117
Other loan	87,000	70,000
Advanced fee scheme	-	96,203
Trade creditors	-	46,293
Fees from parents in advance of term	-	245,946
Other taxation and social security	-	40,141
Deposits from parents	-	270,723
Other creditors	96,000	99,083
Accruals and deferred income	21,617	121,652
	<u>204,617</u>	<u>2,734,420</u>

The bank loans and overdrafts were repaid in full from the proceeds of the disposal of the school.

A secured loan of £70,000 from the Isabella Gardiner Trust was received in 2015, repayable within 5 years. Interest is charged on loan at 2.5% over the Bank of England Base Rate. The outstanding balance of the loan, including interest, at 31 August 2021 was £87,000. The loan was repaid after the year end.

18. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other creditors	-	95,018
	<u>-</u>	<u>95,018</u>

Included in other creditors is £nil (2020: £nil) due after more than five years.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Advanced Fee Scheme

Parents may enter into a contract to pay to the school tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one terms notice. Assuming pupils will remain in the school, advanced fees will be applied as follows:

	2021 £	2020 £
Within 1 year	-	67,886
Within 1 to 2 years	-	16,574
Within 2 to 5 years	-	11,743
	<hr/>	<hr/>
	-	96,203
	<hr/>	<hr/>

The total balance represents the accrued liability under the contracts. Following the disposal of Saint Felix School on 30 April 2021, the balance payable transferred to the new owners of the school.

THE SOUTHWOLD AND REYDON EDUCATIONAL TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds				
General funds	50,000	2,408,423	(2,417,649)	40,774
Restricted funds				
Diana Russell Fund	96,000	(96,000)	-	-
Total of funds	146,000	2,312,423	(2,417,649)	40,774

The Diana Russell Fund was to support gifted children to study design and technology. The charity is in discussions with ILG regarding opportunities for pupils to study design and technology at Saint Felix School, thereby facilitating the potential use of the Charity's funds to provide bursaries. In the event the School doesn't offer design and technology as a subject, there is a possibility that the Charity will be required to return the funds to the beneficiaries of Diana Russell's Estate. As a consequence, the fund has been derecognised and a liability recognised for the possible repayment.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds				
General funds	600,812	3,972,135	(4,522,947)	50,000
Restricted funds				
Diana Russell Fund	96,000	-	-	96,000
Total of funds	<u>696,812</u>	<u>3,972,135</u>	<u>(4,522,947)</u>	<u>146,000</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	2	2
Current assets	245,389	245,389
Creditors due within one year	(204,617)	(204,617)
Total	<u>40,774</u>	<u>40,774</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	2,721,764	-	2,721,764
Fixed asset investments	2	-	2
Current assets	157,672	96,000	253,672
Creditors due within one year	(2,734,420)	-	(2,734,420)
Creditors due in more than one year	(95,018)	-	(95,018)
Total	<u>50,000</u>	<u>96,000</u>	<u>146,000</u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(105,226)	(550,812)
Adjustments for:		
Depreciation charges	-	663,479
Return on investments and servicing of finance	-	18,915
Decrease in stocks	2,098	3,071
Decrease/(Increase) in debtors	250,123	(62,946)
Decrease in creditors	(897,442)	(696,935)
Net cash used in operating activities	<u>(750,447)</u>	<u>(625,228)</u>

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	245,389	1,451
Overdraft facility repayable on demand	-	(810,117)
Total cash and cash equivalents	<u>245,389</u>	<u>(808,666)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash at bank and in hand	1,451	243,938	245,389
Bank overdrafts repayable on demand	(810,117)	810,117	-
Debt due within 1 year	(1,004,262)	821,262	(183,000)
	<u>(1,812,928)</u>	<u>1,875,317</u>	<u>62,389</u>

25. Pension commitments

During the period the charity was a member of the Teachers' Pension Schemes and TPT Scheme. Upon the sale of the school on 4 May 2021, these, and any obligations attached to them, were transferred to the new owners of Saint Felix School. The charity has no continuing obligations in respect of them.

26. Operating lease commitments

At 31 August 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	30,956
Later than 1 year and not later than 5 years	-	31,972
	<u>-</u>	<u>62,928</u>

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NOTES TO THE FINANCIAL STATEMENTS
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27. Related party transactions

The following governors were all parents or grandparents of pupils at the school during the year:

Dr J Kelly
Mr R Stephens
Dr L W Dawson

All school fees are charged at the rates available to all students, with no additional discounts given to governors.

Two (2020: one) children of a governor, Mr K Dobson, and the wife of Mr R Stephens, were employed by the charity up until the sale of the School, when they were transferred under TUPE. The total emoluments paid, including employer pension contributions, were £33,190 (2020: £18,844).