

Registered number: 03588426

Monkton Combe School Enterprises Limited
Annual Report and Financial Statements
for the year ended 31 August 2020



Monkton Combe School Enterprises Limited
Annual Report and Financial Statements
for the year ended 31 August 2020

DIRECTORS

C J Wheeler
Rev S Barnes (Appointed 1 September 2020)
J D Kempton (Appointed 31 July 2020)
R J McKinlay (Appointed 8 July 2020)
T P Davies (Resigned 31 July 2020)
C J B Alexander (Resigned 26 June 2020)

COMPANY NUMBER

03588426

REGISTERED OFFICE

Monkton Combe School
Monkton Combe
Bath
BA2 7HG

INDEPENDENT AUDITOR

Crowe U.K. LLP
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

BANKER

National Westminster Bank Plc
Bath, BA1 1QF

SOLICITOR

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

Monkton Combe School Enterprises Limited
Annual Report and Financial Statements
for the year ended 31 August 2020

Contents

	Page
Report of the directors	1 - 3
Independent auditor's report	4 - 6
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the financial statements	9 - 12

Monkton Combe School Enterprises Limited

Report of the Directors for the year ended 31 August 2020

The directors present their annual report and the audited financial statements for the year ended 31 August 2020.

Constitution, Directors, Governance and Management

The company is a wholly owned subsidiary of Monkton Combe School (Charity number 1057185, company number 03228456). The company is governed by its Memorandum and Articles of Association dated 18 June 1998 and as adopted on 17 July 2019.

The directors of the company who served during the year and up to the date of this report are listed below:

C J Wheeler
Rev S Barnes (Appointed 1 September 2020)
J D Kempton (Appointed 31 July 2020)
R J McKinlay (Appointed 8 July 2020)
T P Davies (Resigned 31 July 2020)
C J B Alexander (Resigned 26 June 2020)

During the year, the company was governed primarily through regular Governor's meetings of Monkton Combe School, through which the company's activities are monitored. The directors of the company are all either Governors of the School or members of the School's Executive Leadership Team who attend all Governor meetings.

The company's primary object, as stated in its Memorandum and Articles of Association, is to carry on business as a general commercial company. This is primarily the management of functions and events such as lettings and the running of the Sports Centre on the site of Monkton Combe School.

Monkton Combe School Enterprises Limited

Report of the Directors for the year ended 31 August 2020 (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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.

So far as each director is aware at the time this report is approved:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Monkton Combe School Enterprises Limited

Report of the Directors for the year ended 31 August 2020 (continued)

The directors agree that the company, as a wholly owned subsidiary of Monkton Combe School, will continue to undertake general commercial activities, primarily lettings and other non-charitable functions using school facilities. The trading surplus thus generated will continue to be donated to the School each year.

Financial Review

The company took on additional activities from Monkton Combe School during the year such as the residential lets of the School boarding houses during the summer holidays and the running of the sports centre and club memberships to use the gym. Consequently, turnover increased to £321,196 (2019: £196,230) and expenditure increased to £265,755 (2019: £93,018) resulting in a profit of £55,441 (2019: £103,212).

The turnover includes an amount of £190,437 owed by the school to the company in relation to the transfer of these activities at the Balance Sheet date. In addition, an amount of £190,693 was owed by the company to the school for the reimbursement of payroll costs incurred during the year. The company employs 37 part-time staff mainly to run the sports club and provide swim teaching lessons to the school's pupils. An amount of £104,453 was paid by the School during the year as a proportion of the operating costs of the sports centre associated with the use of the indoor swimming pool by the school's pupils. The sports centre was closed between the months of April and July 2020 due to the closure of the school as a result of Covid-19 restrictions. Consequently, an amount of £19,463 for sports club membership income was deferred to 2021 which is shown in the creditors note 8.

In June 2019, the Governors of Monkton Combe School agreed a Shared Resources Agreement for the supply of charity services to the company at £3,035 per month which is payable in arrears. This includes an amount of £835 for the supply of gym equipment repayable over 48 months. The total cost of the gym and fitness equipment was £40,000 which is being depreciated on the school's asset register at 25% per annum.

The company's profit for the year of £55,441 has been donated in its entirety to Monkton Combe School.

Auditors

The auditors, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the board on **19th March 2021** and signed on its behalf by:



J D Kempton
Director

Monkton Combe School Enterprises Limited

Independent auditor's report to the members of Monkton Combe School Enterprises Limited

Opinion

We have audited the financial statements of Monkton Combe School Enterprises Limited for the year ended 31 August 2020 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 company's affairs as at 31 August 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors 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.

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

Monkton Combe School Enterprises Limited

Independent auditor's report to the members of Monkton Combe School Enterprises Limited (continued)

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 matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' 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 by the company, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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.

Monkton Combe School Enterprises Limited

Independent auditor's report to the members of Monkton Combe School Enterprises Limited (continued)

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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 9 April 2021

Monkton Combe School Enterprises Limited

Statement of Income and Retained Earnings for the year ended 31 August 2020

	2020	2019
	£	£
Turnover	321,196	196,230
Cost of sales	(180)	(290)
Gross profit	321,016	195,940
Administrative expenses	(265,575)	(92,728)
Operating profit	55,441	103,212
Profit before taxation	55,441	103,212
Taxation	5	-
Profit after taxation	55,441	103,212
Retained earnings at 1 September 2019	(113,151)	(113,151)
Gift Aid donation to Monkton Combe School	(55,441)	(103,212)
Retained earnings at 31 August 2020	(113,151)	(113,151)

The notes on pages 9 - 12 form part of these financial statements.

Monkton Combe School Enterprises Limited

Registered number 03588426

Balance Sheet as at 31 August 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible assets	6	200,000	200,000
Current assets			
Stock		1,143	-
Debtors: amounts falling due within one year	7	208,149	188,751
Cash at bank and in hand		142,865	20,542
		352,157	209,293
Creditors: amounts falling due within one year	8	(353,808)	(210,944)
Net current liabilities		(1,651)	(1,651)
Total assets less current liabilities		198,349	198,349
Creditors: amounts falling due after one year	9	(311,500)	(311,500)
Net liabilities		(113,151)	(113,151)
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(113,153)	(113,153)
Equity shareholders' deficit		(113,151)	(113,151)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf by:



Director

J D Kempton

Date: 19 March 2021

The notes on pages 9 – 12 form part of these financial statements.

Monkton Combe School Enterprises Limited

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

1 Company information

Monkton Combe School Enterprises Limited is a private company, limited by shares, incorporated and domiciled in England and Wales. The address of its registered office is Monkton Combe School, Monkton Combe, Bath, BA2 7HG. The company is registered at Companies House England and Wales (registered number: 03588426).

2 Principal accounting policies

Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

GBP sterling (£) is the functional and presentational currency of the company. Transactions in foreign currencies are translated into GBP sterling at the average rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rate at the balance sheet date. All exchange differences are included in the Statement of Income and Retained Earnings.

Going Concern

The company has cash resources and has no requirement for external funding other than the loan from its parent undertaking, Monkton Combe School, which is not due to be repaid within 12 months from the date the financial statements are approved. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going-concern basis of accounting is appropriate in preparing the annual financial statements.

The Directors of the company are keenly aware of the economic impact of the COVID-19 pandemic. This impact was made more stark by the decision, on 20 March 2020, of HM Government to close all schools in the UK until further notice. The company relies heavily upon the use of various assets, grounds and facilities of Monkton Combe School to derive its revenues. These assets were not available between the end of March and the end of July 2020 when the School re-opened.

The following principal accounting policies have been applied:

Stocks

Stocks are stated at the lower of cost and net realisable value.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied during the year.

Monkton Combe School Enterprises Limited

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

Principal accounting policies (continued)

Tangible fixed assets

Fixed assets are stated at their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, starting in the month of acquisition.

The principal annual rates used for this purpose are:

Freehold land	Nil per annum
Office equipment	20% per annum
Plant and equipment	20% to 33% per annum

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Creditors

Short term creditors are measured at the transaction price.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Basic financial assets and liabilities that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

3 Employee information

There were 37 part-time employees during the year (2019 - 33) who were paid by Monkton Combe School. These costs amounted to £190,693 and were subsequently charged to the company. They were outstanding at the year-end.

4 Operating Profit

Operating profit is stated after charging:

	2020 £	2019 £
Auditor's remuneration – audit services	3,900	3,900

Monkton Combe School Enterprises Limited

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

5 Taxation

Corporation tax of £nil (2019 - £nil) is payable in respect of the year.

No provision is included for any potential tax liability arising on the company's profit for the year because the directors propose that a gift aid donation to the parent school will be paid within 9 months of the balance sheet date at an amount sufficient to reduce any such tax liability to nil.

6 Fixed assets

	Freehold land and buildings	Plant and equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	316,852	11,715	14,503	343,070
Additions	-	-	-	-
At 31 August 2020	316,852	11,715	14,503	343,070
Depreciation				
At 1 September 2019	116,852	11,715	14,503	143,070
Charge for the period	-	-	-	-
At 31 August 2020	116,852	11,715	14,503	143,070
Net book value				
At 31 August 2020	200,000	-	-	200,000
At 31 August 2019	200,000	-	-	200,000

Freehold land includes land of £200,000 which has not been depreciated. The remaining asset value of £143,070 has been fully depreciated.

7 Debtors

	2020	2019
	£	£
Amounts falling due within one year		
Trade debtors	6,606	180,562
Amounts owed by Monkton Combe School	190,437	8,084
Sundry debtors	11,106	105
	208,149	188,751

Monkton Combe School Enterprises Limited

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

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,906	4,046
Deferred income	19,463	-
Social security and other taxation	94	520
Amounts owed to Monkton Combe School	297,079	202,478
Other creditors	30,366	-
Accruals (note 4)	3,900	3,900
	353,808	210,944

9 Creditors: amounts falling due after one year

	2020	2019
	£	£
Loan from Monkton Combe School	311,500	311,500

The loan from Monkton Combe School is repayable on demand and bears interest at 6% per annum. Monkton Combe School has granted a moratorium on the charging of interest on the loan and the company has received confirmation from the School that repayment will not be sought within one year.

10 Related party transactions

At the balance sheet date, the whole of the issued share capital of the company was owned by Monkton Combe School. These accounts are included within the consolidated financial statements of the parent company, which are publicly available. Consequently, under the provision of the Financial Reporting Standard 102 Section 33, 1A, the company is exempt from reporting details of transactions and balances with the parent company and fellow subsidiary companies, which have been included within the consolidation.

No other related party transactions have occurred during the period (2019: none).

11 Ultimate parent and controlling party

The directors regard Monkton Combe School, a charity registered in England and Wales (Charity number 1057185 and Company number 03228456), as the ultimate parent and controlling party. The two £1 shares are called up, issued and fully paid and held by Monkton Combe School.

The parent undertaking of the smallest and largest group for which consolidated financial statements are prepared is Monkton Combe School. A copy of that entity's financial statements may be obtained from The Bursar, Monkton Combe School, Monkton Combe, Bath, BA2 7HG.