

Charity Registration No. 1155150

Company Registration No. 08808550 (England and Wales)

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

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LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2018

Directors and Trustees

Dr H O Brunjes (Chairman)

Mrs A-M Edgell

Mr M R Slumbers

Secretary

Mrs P Bulman FCA (resigned 5 June 2018)

Charity No.

1155150

Company No.

08808550

Principal Address

Broadwater Road
Worthing
West Sussex
BN14 8HU

Registered Office

Lancing College
Lancing
West Sussex
BN15 0RW

Head

Mrs Heather Beeby

Bursar

Mr Mark Milling

Auditor

RSM UK Audit LLP
The Portland Building
25 High Street
Crawley
West Sussex
RH10 1BG

Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Solicitors

DMH Stallard LLP
Gainsborough House
Pegler Way
Crawley
West Sussex
RH11 7FZ

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

COMPANY INFORMATION
YEAR ENDED 31 AUGUST 2018

Insurance Brokers

Marsh Limited
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

The directors who are also trustees of the charitable company for the purposes of charity law present their report and financial statements for the year ended 31 August 2018 and confirm they comply with the requirements of the Companies Act 2006, the Memorandum and Articles of Association, the 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 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in December 2013 and is registered with the Charity Commission as charity number 1155150. The charity is a limited liability company and wholly owned subsidiary of Lancing College Limited (charity number 1076483) which in turn is a wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is registered in England and Wales.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 10 December 2013. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the school.

Governing Body

The school is governed by the full governing body of Lancing College, which owns 100% of the shares of the Company. The governing body operates using a number of committees. The governing body met termly during the year.

Recruitment and Training of Governors

Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The governing body look to ensure a mix of skills and select new governors on the basis of background, competence, specialist skills. Governors are provided with induction training by the Head and Bursar.

Where possible the governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school also relies on a number of others to undertake volunteer roles including classroom assistants. The school also has a number of volunteer groups helping the school to raise funds and assisting in events. The Governing Body would like to thank all of these volunteers for their help.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

Organisational Management

The school is governed by the governing body of Lancing College Limited. The Governors determine the general policy of the school. The day-to-day management of the school is delegated to the Head and the Bursar, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by the Governors, which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head oversees the recruitment of all educational staff, whilst under delegated authority the Bursar oversees the recruitment of administrative and non-teaching support staff. The Head and Bursar are invited to attend governors' meetings.

The Governing Body considers all finance matters including budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations and the results of the audit.

Group Structure and Relationships

The school has a wholly owned, non-charitable subsidiary, Lancing College Preparatory School at Worthing (Wraparound) Limited. The subsidiary was dormant during the period and has never traded. Lancing College Preparatory School at Worthing Limited has taken the exemption under section 394c of the Companies Act 2006 not to prepare accounts for the dormant subsidiary.

The school has developed links with a wide range of organisations to ensure the widest possible access to our facilities and schooling. Through membership of (HMC/GSA/IPS etc) and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance. We encourage our pupils to develop an awareness of the social context of the all-round education they receive at the school and they are engaged in a number of activities to enhance their understanding. We also cooperate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

Employment Policy

The College is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. The College will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled. The remuneration of key management personnel is set by the Governing Body. The Governor and Staff Liaison Committee meets termly. This committee enables a forum for Governors and senior management to brief and update employees and to encourage their involvement in strategic and tactical decision making.

CHARITABLE OBJECTIVES, AIMS AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to advance education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church in the Diocese of Chichester.

Intended Impact and Public Benefit

In setting our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. Lancing College Preparatory School at Worthing Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the school and at a level that is consistent with our aim of providing a first class education to all pupils.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

The school's charitable objectives are 'to promote and extend education', and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested.

The Woodard Corporation and all of the schools it owns, including Lancing College Limited and Lancing College Preparatory School at Worthing Limited, are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses are re-invested in education.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our school is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our Trustees are committed to developing our programme of cooperation and joint working with local maintained sector junior and secondary schools.

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community.

In the furtherance of these aims the Lancing College Preparatory School at Worthing Limited directors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

The Woodard Corporation and its schools provide a significant benefit to the public. The school strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for directors attending training courses: any private benefit to individuals or elements of The Woodard Corporation are incidental to delivery of the charitable objectives.

Aims

The aims of the school are:

- To preserve and promote the Christian values which lie at the heart of the foundation of the school.
- To provide an education for boys and girls aged 2 to 13 which inspires a desire for excellence and enables them to develop independent, searching minds and to realise their full academic potential.
- To ensure, as far as possible, that the years children spend at the school are happy and fulfilling ones.
- To maintain a close partnership with parents in guiding, and caring for, their children.

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DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

- To give each child the opportunity to experience a wide variety of activities which are not part of the examined curriculum and to encourage an interest in sport, music, drama, community service and other pursuits through the provision of excellent facilities and supervision.
- To provide a safe, welcoming, supportive and tolerant environment in which each pupil feels valued as an individual and, in turn, learns the importance of tolerance and consideration towards others.
- To help each child realise the importance of contributing to the community, both inside the school and beyond, and to ensure that the wider community benefits from the existence of the school.
- To facilitate entry, where possible, to the school for children from underprivileged backgrounds with the potential to benefit from a Lancing education.
- To work constantly towards the improvement and good maintenance of the school facilities and to exercise a careful, responsible stewardship of the school grounds.
- To appoint talented staff who enjoy the responsibility of fulfilling these aims and to assist them in their professional development.

Objectives for the Year

This year the focus has been on the following:

- To continue the achievement of academic excellence.
- To implement school-wide developments in teaching and learning.
- To continue to improve facilities, both pastoral and academic.
- To maintain teaching staff expertise through continued professional development combined with the recruitment of teachers of ability and commitment.
- To develop and expand the way in which the senior school and the prep schools work together.
- To increase pupil numbers in the school.
- To extend access to the school's facilities for the local community.

Strategies to Achieve this Year's Objectives

These included:

- Benchmarking of academic standards against public examinations and independent value-added criteria.
- School-wide developments in Teaching and Learning, in particular to promote independent learning.
- Major investment in the refurbishment of accommodation throughout the school and maintaining and developing the school's teaching resources.
- Ensuring the integration of the prep schools with the senior school and sharing both teaching and physical facilities.
- Increasing the local community's awareness of the existence of both the College and prep schools by considered strategic marketing.

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DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

Principal Activities of the Period

The principal activity of the school is the delivery of education to pupils ranging from 2 to 13 years of age. We also run a number of summer school activities and the school is open at other times for use by the local community.

Pupil numbers at the school during the period were as follows:

	2017/2018	2016/2017
Preparatory School	93	77
Pre-Preparatory School	97	83
Total	<u>190</u>	<u>160</u>

	2017/2018		2016/2017	
	Boys	Girls	Boys	Girls
Preparatory School	58	35	55	22
Pre-Preparatory School	46	51	41	42
Total	<u>104</u>	<u>86</u>	<u>96</u>	<u>64</u>

Bursaries and Scholarships

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our concessions policies, including for bursaries, contribute to a widening of access to the education we offer and the facilities we enjoy.

The school provided bursaries totalling £256k (16% of gross school fees) (2017 - £262k (19%)). The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, is advertised on our website at www.lancingcollege.co.uk.

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In assessing means we use the methodology promulgated by the Independent Schools' Bursars Association, which takes a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. Our school does not have an endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range from 5% to 100% remission of fees. Information about fee assistance through bursaries is provided to all applying to the school. We also advertise the awards each summer in the local press and at local libraries. Further details of our bursary policy and how to apply are available on our website.

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DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

The success of our bursary scheme is explained in our review of activities and achievements section of this report. Details of bursary awards are also set out in note 2 to the accounts.

Other Policies on Assistance:

Financial planning policy

Timely financial planning is often the key for many parents who are hoping to send their children to Lancing College Preparatory School at Worthing Limited and a school fees plan is available to help those who wish to fund educational costs through regular contributions.

Family discounts policy

To underline the value we place on continuity for families, we offer discounts where parents have more than one child at the school.

Assistance for our teaching staff

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme where staff members choose to educate their children at our school.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE PERIOD

The Promotion of Education

During the year an average of 190 pupils between the ages of 2 and 13 were educated. This compares with 160 pupils in the period 2016/17. This rise in pupil numbers is in line with the school's strategic plan and pupil numbers will rise again in 2018/19. The school provides a very high standard of education and this is validated in the review of the academic results, and through external inspections. The school offers a broad curriculum and educates children with a wide range of ability. The school can demonstrate particular excellence in all academic areas (including the Strategically Important and Vulnerable subjects [SIVs] - Mathematics, Science, Modern Languages and Economics), Music, Arts, Drama and Sport. The aim is to support children in reaching their potential in all areas of their activity at the school.

Academic Results

The school achieved excellent results at Common Entrance and Common Academic Scholarship. All Year 8 pupils gained a place at their first choice school. Of the fifteen children in Year 8, eleven pupils moved onto Lancing College, six via the Common Entrance route with excellent results and five via the Common Academic Scholarship route, achieving between them, three academic scholarships and two academic exhibitions. One pupil gained a Millennium (all-rounder) Award to Brighton College. Two pupils moved to a local state-maintained school and one to a local independent school. Three pupils sat for the Townsend Warner History Prize this year and one of them came 11th nationally. This is a major achievement. Very high standards were once again achieved at KS1 with most children exceeding expectations for reading in the EYFS.

Improving Facilities

This was the first full year of operation of the exciting new Food and Nutrition Room and the energetic new Drama Studio. The latter was funded by an extremely generous anonymous donation for which the school is very grateful. During the year, the netball courts have also been resurfaced, the Reception classroom was fully refurbished and substantial, if less exciting, improvements have been made to the electrical systems and fire alarms.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

Arts, Music and Drama

Music, Drama and Dance continue to flourish. Two pupils were awarded Drama scholarships to Lancing College and two girls offered drama as part of their successful application for all-rounder awards to Lancing College and Brighton College respectively. This year percussion and voice lessons were added to the music provision and large numbers of children are now keen to join the busy musical life of the school through individual music lessons and a range of ensembles. The Prep school performed together at the end of the academic year in *Joseph and the Amazing Technicolor Dreamcoat*, which was a huge success. There were impressive results in the Worthing Arts Festival speech and drama competition, with many children achieving high placings in individual classes and a Year 5 girl coming second overall. Children have visited a range of professional and school-based theatre performances this year including *Warhorse* in Brighton, a touring production of *Pupik*, a collaborative physical theatre piece to which we invited Year 5 pupils from a local state maintained school, *Guys and Dolls* at Lancing College and another touring production, *The Silver Sword*. We have entered the Young Magistrates Competition for many years and, this year, for the second year running, our team of three Year 6 pupils won against most other local schools. A large group of Prep girls and boys participated in a community dance event at a theatre in Worthing and this was received very well by the large audience. They also performed in a dance showcase at Lancing College. A new Acro-dance club has also been introduced.

Sport

Our pupils achieved very good performances in fixtures for both girls and boys, with most teams winning more games than they lost. The school has high expectations of its pupils and they are continuing to achieve success against far larger schools, particularly in Football but increasingly also in Hockey and Netball. The school entered a range of tournaments across all school sports and were very pleased that again every pupil from Year 3 to 8 was given the opportunity to represent the school in fixtures. The Year 2 pupils enjoyed their first fixture against a local school in the summer term. All Pre-Prep children enjoyed Swimming and Tennis lessons and the older children enjoyed Table Tennis, Climbing, Athletics and Dance. Several individual pupils performed at a very high level in their respective sports. A Year 5 boy has been signed for Brighton and Hove Albion FC, brothers in Year 5 and Year 8 have been re-signed for Portsmouth FC, a Year 5 girl is working nationally in Gymnastics, a Year 7 boy is ranked number 1 Tennis player in Sussex and Number 13 nationally and he regularly plays for the Lancing College U15 Tennis team. A Year 7 girl rider show jumps for the school and is working at a regional level. The chess team goes from strength to strength, with many successes this year, most recently being narrowly beaten into second place for the Primary School's Chess Challenge against other Sussex schools. The school was delighted that two of its Year 8 pupils gained sports awards to Lancing College; a sports scholarship and a sports exhibition.

FINANCIAL REVIEW

Results for the Year

The net deficit for the year was £310k (2017 - £418k deficit). The 2017 result included an extremely generous anonymous donation of £95k. The result in 2017/18 was in line with our expectations. The deficit is due to significant investment in staff (with associated recruitment costs), bursaries and buildings. These losses are planned to ameliorate over the next three or four years whilst we build the pupil numbers.

Reserves Level and Policy, and Financial Viability

The school is fully supported financially by its parent company, Lancing College Limited.

It is the school's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The medium term aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets. Unrestricted funds decreased by £310k (2017 - £418k) to a total deficit of £1,850k (2017 - £1,540k), as shown in note 18.

The Governors plan to return the school to a net surplus over the next 2 or 3 years. This will involve a

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DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

growth in pupil numbers and a reduction in the bursary levels together with the improvement in the building and IT facilities, and the increase in teaching resource.

The intention is to plan in the medium term for surpluses of not less than 10% of budgeted income after the costs of development, refurbishment and other improvements.

In common with other independent schools, the Governors have invested substantial sums into new school buildings in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. In common with most independent schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. Free reserves describe a charity's ability to meet short to medium-term charitable commitments from 'liquid' net assets. Calculation per the SORP definition excludes fixed assets whilst including the liabilities associated with long-term borrowing to fund their purchase. Further details are given in note 17 to the accounts.

The school has negative reserves of £1,850k but is fully supported by Lancing College Limited, which has expressed that the inter-company loan balance will not be withdrawn whilst the school is returned to a surplus making position and until it is able to repay the loan. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. Health and Safety is always a significant area for risk management. The risks range from 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.

The governing body is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the executive and the process is overseen by the sub-committees of Lancing College on behalf of the governing body.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future.

Significant risk areas:

- the market in which the school operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations
- the school operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up to date information and support
- the school operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions and directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

The key controls used by the school include:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

The school plans strategically having regard for risk. The executive provide the governing body with regular reports which include details of the principal strategic objectives and the activity to achieve those objectives. The school also records significant achievements and updates the governing body and Woodard on short-term plans. The strategy is discussed between the governing body and the Woodard Board and protocols have been developed and agreed which outline the relationship between the two bodies.

Financial Risk Management Objectives and Policies

The school uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the school's operations. The school is fully supported financially by Lancing College, its parent company.

The main issues arising from the school's financial instruments are liquidity risk and interest rate risk. The directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders.
- Interest rate risk – the College finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities.

PLANS FOR FUTURE PERIODS

The Strategic development Plan of Lancing College and its Prep Schools is revised annually.

The key current objectives are:

- To promote teaching that encourages active learning and critical, creative and independent thinking.
- To maintain and improve monitoring of pupil progress.
- To maintain and improve the current high standards of academic achievement.
- To promote and maintain standards of excellence in sport, music, drama and all other aspects of our extra-curricular provision.
- To develop and improve facilities and ICT for pupils and staff.
- To recruit and retain members of the Common Room capable and willing to involve themselves fully in the academic, pastoral and extra-curricular activities of the school.
- To develop and enhance the school's relationship with both the local and the wider community and to develop wider community access to the school's facilities.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

DIRECTORS' REPORT *YEAR ENDED 31 AUGUST 2018*

- To increase the capability of the school to offer education to children whose parents are unable to afford full fees.
- To provide and improve pre-prep and prep education in Worthing.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors who are also trustees for the purpose of charity law 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, (United Kingdom Accounting Standards and applicable law) including FRS102, 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in business.

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

Provision of information to the Auditor

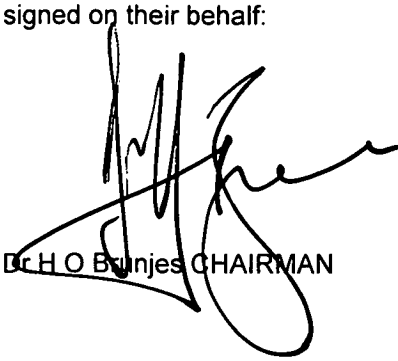
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable 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 charitable company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These accounts have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Directors' Report incorporating the Strategic Report have been approved by the board of directors of Lancing College Preparatory School at Worthing Limited on 30 November 2018 and signed on their behalf:


Dr H O Brunjes CHAIRMAN

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

Independent auditor's report to the trustees of Lancing Preparatory School at Worthing Limited

Opinion

We have audited the financial statements of Lancing College Preparatory School at Worthing Limited the charitable company' for the year ended 31 August 2018 which comprise the Charity Statement of Financial Activities, the Charity Balance Sheet and the 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 FRS 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 2018 and of the 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 have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 directors' 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 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 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.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

Independent auditor's report to the trustees of Lancing Preparatory School at Worthing Limited

Opinions 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 Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated 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 the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Directors' responsibilities set out on page 13, 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 Directors 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 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 provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED

Independent auditor's report to the trustees of Lancing Preparatory School at Worthing Limited

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.

RSM UK Audit LLP

Zoe Longstaff-Tyrrell
Senior Statutory Auditor
for and on behalf of RSM UK Audit LLP
The Portland Building
25 High Street
Crawley
RH10 1BG

6 December 2018.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED
COMPANY STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and
Expenditure Account)
YEAR ENDED 31 AUGUST 2018

		2018	2017
	Notes	Unrestricted Funds £	Unrestricted Funds £
INCOME			
Income from Charitable Activities			
School fees	2	1,239,892	1,020,126
Ancillary trading income	3	19,605	33,002
Non-ancillary trading income	3	355	3,081
TOTAL INCOME		<u>1,259,852</u>	<u>1,056,209</u>
EXPENDITURE			
Charitable Activities			
Schools and grant-making		1,569,424	1,474,699
TOTAL EXPENDITURE	7	<u>1,569,424</u>	<u>1,474,699</u>
NET EXPENDITURE FOR THE PERIOD	5	<u>(309,572)</u>	<u>(418,490)</u>
Fund balances brought forward		(1,540,124)	(1,121,634)
FUND BALANCES AS AT 31 AUGUST		<u>(1,849,696)</u>	<u>(1,540,124)</u>

The accompanying notes form an integral part of these financial statements.

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED
COMPANY BALANCE SHEET
AS AT 31 AUGUST 2018**

	Notes	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	10		337,180		387,502
Investments	11		100		100
			<u>337,280</u>		<u>387,602</u>
CURRENT ASSETS					
Debtors	12	32,062		27,492	
		<u>32,062</u>		<u>27,492</u>	
CREDITORS: due within one year	13	(2,194,361)		(1,919,114)	
NET CURRENT LIABILITIES			<u>(2,162,299)</u>		<u>(1,891,622)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,825,019)</u>		<u>(1,504,020)</u>
LONG TERM LIABILITIES					
Creditors payable after one year	14		(24,577)		(36,004)
TOTAL NET LIABILITIES			<u>(1,849,596)</u>		<u>(1,540,024)</u>
CAPITAL AND RESERVES					
Called up share capital	16		100		100
FUNDS					
Unrestricted funds:					
General reserve			(1,849,696)		(1,540,124)
EQUITY SHAREHOLDERS' FUNDS	18		<u>(1,849,596)</u>		<u>(1,540,024)</u>

The financial statements were approved and authorised for issue by the Board on 30 November 2018 and signed on its behalf by

Dr H O Brunjes (Chairman)

Company registration number: 08808550

The notes on pages 19 to 30 form part of these financial statements

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the period:

a) Basis of Accounting

These accounts are the individual company accounts for Lancing College Preparatory School at Worthing Limited, a charitable company limited by shares. The accounts of the company have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that that property and share investments held as fixed assets are carried at fair value. These financial statements are presented in sterling.

Lancing College Preparatory School at Worthing meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in the accounting policies for depreciation of fixed assets, and for bad debts.

Lancing College Preparatory School at Worthing Limited has taken the exemption under section 394c of the Companies Act 2006 not to prepare accounts for the dormant subsidiary.

b) Going Concern

The accounts have been prepared on a going concern basis. The Lancing College Preparatory School at Worthing Limited and Lancing College Limited boards review the financial information for the charity, and consider whether the charity is a going concern for a period of at least 12 months from the date of approval of the accounts. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts. The school has negative reserves of £1,849,696 but is fully supported by Lancing College Limited which is able to support the company and which has expressed that the inter-company loan balance will not be withdrawn whilst the school is returned to a surplus making position and until it is able to repay the loan.

c) Fees and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Advance Fee Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are held as investments in interest bearing assets until either taken to income to match liabilities in the term when used, or else refunded. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

d) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

e) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services or facilities.

f) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

g) Governance costs

Governance costs include the costs attributable to Lancing College Preparatory School at Worthing Limited's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

h) Finance and Other Costs

Other costs include amounts accrued in accordance with the terms of Advance Fee Contracts.

i) Pension Costs

The school company participates in the Teachers' Pensions scheme, which is an unfunded government scheme, of which provide benefits based on final pensionable pay. The funds of the scheme are separate from the company, although the company's share of the schemes cannot be identified as the scheme is a multi-employer scheme, and so the pension costs are accounted for as defined contribution schemes. The companies also contribute to other defined contribution pension schemes for non-teaching staff.

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

j) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Leasehold land	- Over the shorter of the economic life of the asset or the life of the lease
Computer equipment	- 25% on cost
Fixtures and fittings	- between 4% and 25% on cost

The company has reviewed its tangible assets, which comprise of leasehold buildings, computer equipment, and furniture and fittings.

Lancing College Preparatory School at Worthing exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

k) Financial Instruments

Lancing College Preparatory School at Worthing 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.

l) Securities and Fees in Advance Investments

Securities and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets. Realised gains and losses are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year. The revaluation reserve reflects the accumulated total of unrealised gains. Uninvested cash is the balance of liquid cash, held as an investment, which has not been invested in securities.

m) Taxation

Lancing College Preparatory School at Worthing Limited is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

n) Cash flow statement

The cash flows of Lancing College Preparatory School at Worthing Limited are included in the consolidated cash flow statement of The Woodard Corporation Limited. The company is exempt under the terms of Section 1 of FRS 102 from publishing a cash flow statement.

o) Accounting estimates and judgements

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement. There are no key sources of estimation uncertainty.

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018**

p) Debtors

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

q) Cash

Cash at bank and cash 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.

r) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

2. CHARITABLE ACTIVITIES - SCHOOL FEES

2018

2017

£

£

The school fees income comprises:

Gross fees

1,632,958

1,390,418

Less: Total scholarships, bursaries, etc

(393,066)

(370,292)

1,239,892

1,020,126

3. CHARITABLE ACTIVITIES - OTHER INCOME

2018

2017

£

£

Ancillary income:

Wraparound care

14,716

25,110

Entrance and registration fees

1,341

2,500

Extra school care and SEN

3,548

5,392

19,605

33,002

Non-ancillary activities:

Other income

355

3,081

19,960

36,083

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

4. NET EXPENDITURE FOR THE PERIOD

	2018	2017
	£	£
Net expenditure for the period is stated after charging:		
Depreciation	50,627	51,854
Auditors' remuneration – audit	3,600	3,600
	<u>54,227</u>	<u>55,454</u>

5. STAFF COSTS

	2018	2017
	£	£
Total staff costs comprise:		
Wages and salaries	947,223	862,615
Social security costs	88,589	80,585
Pension contributions	113,233	103,141
	<u>1,149,045</u>	<u>1,046,341</u>

Number of employees:

The average monthly number of employees during the period was (prior year restated in line with the head count methodology):

	2018 Number	2017 Number
Teaching staff	30	23
Others	11	11
	<u>41</u>	<u>34</u>

One employee was remunerated between £80,001 and £90,000 in the year (2017 : One between £80,001 and £90,000)

The aggregate employee benefits of key personnel during the year were £353,301 (2017 - £312,503). These key employees are employed by the parent company, Lancing College Limited.

6. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration or reimbursement of expenses during the period.

LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

7a. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff	Other Costs	Depreciation	2018 Total	2017 Total
	£	£	£	£	£
Charitable activities					
Teaching	974,503	56,941	-	1,031,444	941,058
Welfare	51,376	52,574	-	103,950	96,623
Premises	52,681	191,243	50,627	294,551	316,829
Support cost of schooling	70,485	68,994	-	139,479	120,189
School operating costs	<u>1,149,045</u>	<u>369,752</u>	<u>50,627</u>	<u>1,569,424</u>	<u>1,474,699</u>
Grants, awards and prizes	-	-	-	-	-
Total resources expended	<u><u>1,149,045</u></u>	<u><u>369,752</u></u>	<u><u>50,627</u></u>	<u><u>1,569,424</u></u>	<u><u>1,474,699</u></u>

b. Governance Costs included in support costs

	2018 £	2017 £
Remuneration paid to auditor for audit services	3,600	3,600
Others Governance Costs	948	859
	<u><u>4,548</u></u>	<u><u>4,459</u></u>

8. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

10. TANGIBLE FIXED ASSETS

	Land and Buildings Short Leasehold	Computer Equipment £	Furniture & Fittings £	Total £
Cost				
At 1 September 2017	182,619	90,855	251,099	524,573
Additions	-	305	-	305
At 31 August 2018	182,619	91,160	251,099	524,878
Depreciation				
At 1 September 2017	16,678	70,122	50,271	137,071
Charge for the year	8,214	17,487	24,926	50,627
At 31 August 2018	24,892	87,609	75,197	187,698
Net book value at 31 August 2018	157,727	3,551	175,902	337,180
Net book value at 31 August 2017	165,941	20,733	200,828	387,502

All assets are used for charitable purposes.

Lancing College Preparatory School at Worthing Limited has a fixed and floating charge with Barclays Bank PLC

11. INVESTMENTS

	2018 and 2017 £
Investment in subsidiary	<u>100</u>

The company owns the entire share capital of Lancing College Preparatory School at Worthing (Wraparound) Limited which was dormant during the period.

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

12. DEBTORS

	2018 £	2017 £
Fee debtors	19,044	13,813
Trade debtors	480	480
Prepayments and accrued income	12,538	13,199
	<u>32,062</u>	<u>27,492</u>

13. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	43,304	71,035
Amounts owed to group undertakings	1,884,484	1,592,940
Other creditors	30,575	29,885
Accruals	39,804	59,010
Advance fees (note 15)	11,427	10,881
Deferred income - fees received in advance	184,767	155,363
	<u>2,194,361</u>	<u>1,919,114</u>

14. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Advance fees (note 15)	<u>24,577</u>	<u>36,004</u>

15. ADVANCE FEES

Parents may enter into a contract to pay school fees in advance. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2018 £	2017 £
Within 2 to 5 years	24,577	24,577
Within 1 to 2 years	-	11,427
	<u>24,577</u>	<u>36,004</u>
Within 1 year	11,427	10,881
	<u>36,004</u>	<u>46,885</u>

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

16. SHARE CAPITAL

	2018 and 2017
	£
Authorised	
100 Ordinary Shares of £1 each	<u>100</u>
Allotted, called up and fully paid	
100 Ordinary Shares of £1 each	<u>100</u>

17. ANALYSIS OF NET ASSETS/ (LIABILITIES) BETWEEN FUNDS

The company's net assets belong to the various funds as follows:

	Fixed Assets £	Investments £	Net Current Assets/ (Liabilities) £	Long term (Liabilities) £	2018 Total £
Unrestricted Funds	337,180	100	(2,162,299)	(24,577)	(1,849,596)
	<u>337,180</u>	<u>100</u>	<u>(2,162,299)</u>	<u>(24,577)</u>	<u>(1,849,596)</u>

18. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2018	2017
	£	£
Opening shareholders' funds	(1,540,024)	(1,121,534)
Net movements in funds	(309,572)	(418,490)
Closing shareholders' funds	<u>(1,849,596)</u>	<u>(1,540,024)</u>

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

19. TEACHERS' PENSION SCHEME

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by Section 28.11 of FRS102, the School accounts for this scheme as if it were a defined contribution scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012, and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2017 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension charge for the year includes contributions payable to the TPS of £107,307 for the School (2017 - £98,977). At the year-end £12,913 (2017 - £8,134) was accrued in respect of contributions to this scheme.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

**LANCING COLLEGE PREPARATORY SCHOOL AT WORTHING
LIMITED**
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

20. RELATED PARTIES

The parent company and controlling party is Lancing College, a company registered in England and Wales and limited by shares. Lancing College Limited has company registration number 03779985 and charity registration number 1076483. Lancing College's principal activity is the education of girls and boys aged 13 to 18. The registered address of Lancing College Limited is Lancing College, Lancing, West Sussex BN15 0RW.

The directors consider that the ultimate parent undertaking is The Woodard Corporation Limited, a registered charity, number 1096270 which is registered in England and Wales. The Woodard Corporation's principal activity is to act as a holding company for various schools, colleges and academies.

In line with paragraph 33.1A of FRS 102, the company, as a wholly owned subsidiary, is not required to disclose transactions with other wholly owned members of the group. There were no other related party transactions during the year.

The largest group of undertakings for which group accounts are drawn up is that headed by The Woodard Corporation Limited and the smallest is that headed by Lancing College Limited. Copies of these accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ or are available on the Charity Commission website.

21. CAPITAL COMMITMENTS

The school had no capital commitments at 31 August 2018 (2017 - £nil).