

CRANLEIGH SCHOOL

England & Wales · Charity number 1070856

Details

Status	Registered
Legal form	Charitable company
Company number	03595824
Registered	1998-08-04
Register	View on the Charity Commission register

Contact

Address	Cranleigh School Horseshoe Lane Cranleigh GU6 8QQ
Phone	01483273666
Email	enquiries@cranleigh.org
Website	www.cranleigh.org

Activities

Objects: TO PROMOTE AND PROVIDE FOR THE ADVANCEMENT OF EDUCATION BY PROVIDING, CONDUCTING, GOVERNING, CARRYING ON AND MAINTAINING IN THE UNITED KINGDOM, OR ELSEWHERE, A BOARDING AND/OR DAY SCHOOL OR SCHOOLS FOR BOYS AND/OR GIRLS IN WHICH THE TEACHING SHALL BE IN ACCORDANCE WITH THE PRINCIPLES OF THE CHURCH OF ENGLAND.

Activities: The advancement of education in accordance with the principles of the Church of England for boys and girls, or boys only.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£37,964,000	£36,375,000	£58,266,000	336
2024-07-31	£36,929,000	£35,262,000	£56,585,000	338
2023-07-31	£35,176,000	£32,038,000	£53,031,000	348
2022-07-31	£32,193,000	£30,161,000	£50,392,000	342
2021-07-31	£34,331,000	£27,030,000	£48,896,000	341

Trustees

Name	Role	Appointed
ADRIAN JAMES LAJTHA MA FCIB	Chair	
Alison Lye		2024-01-01
CHARLES HOWARD SEVERS		2021-06-14
Dr ROSALIND MARGARET CHESSER MA MB		
FAYE NATALIE FARRANT BA		2021-10-15
JAWDAT KHURSHID KC		2020-09-10
JEREMY JAMES DE CARTERET TATE		2020-11-06
JONATHAN PETER MASKERY		2021-10-15
KATHARINE JANE SCOTT KERR		2021-08-18
MELANIE JANE WILLIAMSON		
Musonda Grace Kapotwe		2024-06-18
PATRICK SIMON PARKER GOING		2018-05-09
PETER MALTUS WELLS		2017-11-25
SANJAYA GUNAPALA		2017-11-25
SIMON JOHN WHITEHOUSE		2017-06-17
Samik Mukherjee		2024-03-21
Sarah Elizabeth Bayliss		2016-09-20
Sarah Jane Kerr-Dineen		2026-01-19
Timothy James House		2023-11-25
Victoria Jane Priscilla Turner		2025-11-21

Linked charities

- CRANLEIGH SCHOOL TRUST (1070856-1)
- ROY PEARCE MEMORIAL SCHOLARSHIP (1070856-10)
- EDWARD PEEK SCHOLARSHIP FUND (1070856-2)
- LEE-BLAKER ENTRANCE EXHIBITION FUND (1070856-3)
- WHATELEY SIMMONDS SCHOLARSHIPS (1070856-4)
- BRERETON SCHOLARSHIP FUND (1070856-5)
- ST NICHOLAS LEAVING EXHIBITION FUND (1070856-6)
- ST NICHOLAS SCHOLARSHIP ENDOWMENT FUND (1070856-7)
- FRANK COCKBURN SCHOLARSHIP FUND (1070856-8)
- UTTERTON EXHIBITION FUND (1070856-9)

CRANLEIGH SCHOOL

England & Wales - Charity number 1070856

Accounts



CRANLEIGH
SCHOOL
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Annual Report and Financial Statements 2025

Registered number 3595824

Charity number 1070856



Annual Report and Financial Statements 2025

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Governors, Officers and Advisors

Governors, Directors and Charity Trustees

The members of the Governing Body of **Cranleigh School** are the charity trustees of Cranleigh School and the Directors of Cranleigh School ('the Charity'). The members of the Governing Body are:

Name / Meeting	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A J Lajtha* MA, FCIB (Chairman)	•	•	•	•		•	•
S E Bayliss MA		•					
J A Brown MA (Oxon)		•					
R Chesser MA, MB, BChir, MRCP	•						
F N Farrant* BA		•					
M M S Fisher MA (<i>Retired 31 December 2024 - Ex-Officio Role Cranleigh International from 1 January 2025</i>)						•	
P S P Going BSc, MRICS			•	•			
S Gunapala BEng, MEng, FCA				•	•		
T J House LLB (Hons)	•				•		
M G Kapotwe* LLB, PGDL							
K J S Kerr BA (Hons), MCIPD				•			
D Khurshid MA, KC					•	•	
A J Lye BA		•					•
J P Maskery* MEng	•						
S Mukherjee BSc, FCSI				•			
C H Severs LLB (Hons)	•			•			•
E Stanton BSc, ACA (<i>Retired 31 December 2024</i>)							
J J D C Tate RIBA, FRSA			•		•		
P M Wells BEd (Hons)		•		•			



D G Westcott BA, BCL, KC	•			•			
S J Whitehouse BA (Cantab) <i>(Deputy Chair from 1 January 2025)</i>	•			•	•	•	
R J Wilkins MA, DPhil		•					
M J Williamson			•				•

Key

- (1) Strategy and Risk Committee
- (2) Education Committee
- (3) Buildings and Estate Committee
- (4) Finance Committee
- (5) Risk Management Group
- (6) Cranleigh International Committee
- (7) Nominations Committee
- * Parent of a pupil or pupils at the School

Mrs Fisher and Mr Whitehouse are members of the management board of Cranleigh Abu Dhabi.

The Board is a self-appointing body. The normal term of office for governors is five years with two further terms of three years each if elected by the majority of Governors to continue in office.

The Governing Body is legally responsible for the overall management and control of the Senior and Prep sites of Cranleigh School.

Executive Officers

Head Cranleigh School: S A Price MA, QTS
 Head Cranleigh Prep: W R Newman, MA BA(Ed)
 Director of Operations: P A Dunn, BA
 Director of Finance: J A Underdown, BA (Hons) ACMA
 Clerk to the Governing Body: P T Roberts MBE, DChA

Principal address and Registered Office **Cranleigh School**
 Horseshoe Lane
 Cranleigh
 Surrey
 GU6 8QQ

Website www.cranleigh.org



Advisors

Bankers: Handelsbanken
Andrews House
College Road
Guildford
GU1 4RG

Solicitors: Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

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

Investment
Advisors: Brewin Dolphin Limited
12 Smithfield Street
London
EC1A 9BD



Annual Report of the Cranleigh School Governors

The Cranleigh School Governing Body presents the annual report for the year ended 31 July 2025 under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Acts, the Articles of Association and the Charities SORP 2015 in accordance with FRS 102 (as updated).

Constitution and Objects

The Charity was founded in 1865 and is registered with the Charity Commission under charity number 1070856. Cranleigh School is a company limited by guarantee, registered number 3595824. Cranleigh School is governed by Articles of Association introduced in 2010 to incorporate changes in legislation in the Companies Act 2006. These Articles replaced the previous Memorandum and Articles of Association dating from 2000. Cranleigh School's object and principal activity, as a charity and as set out in the Articles of Association, is the advancement of education by providing a boarding and/or day school or schools for boys and/or girls in accordance with the principles of the Church of England.

The Charity is structured with a single governing body for Cranleigh School, which constitutes Cranleigh Prep and Cranleigh Senior. The Charity, in furtherance of its object, establishes and administers bursaries, grants, awards and other benefactors, and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of the Charity's objects. The Trustees are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011 and have had regard to Charity Commission guidance on public benefit. The Charity's governance complies with the Code for the Voluntary and Community Sector, endorsed by the Charity Commission and other best-practice guidelines published by the Charity Commission. Further details of the Charity's activities are set out below in the strategic report section of this annual report.



Governance and Management

The members of the Governing Body and executive officers of the School, together with the principal advisors are listed on pages 2 and 3.

Recruitment and Training of Governors

The Charity's elected members of the Governing Body are appointed at meetings of the Cranleigh School Governing Body on the basis of recommendations from the Nominations Committee. The Nominations Committee scrutinises candidates on behalf of the Governing Body. Trustees and executive officers of the School put forward candidates to the Nominations Committee based on a candidate's professional qualities, experience, personal competences and local availability. The Governing Body is mindful of the benefits of diversity in the widest sense and as noted in Principle 6 of Charity Commission guidance. New members of the Governing Body are inducted into the workings of the Charity and its schools, including Governing Body policy and procedures, at briefings organised for them by the Heads, Director of Operations and Director of Finance. The new members also attend specialist external courses on the roles and responsibilities of charity trustees. Members of the Governing Body attend external trustee training and information courses so that the Governing Body is kept informed of current issues and regulations in the education and charity sectors. Governors may attend days at the School shadowing lessons or activities or visiting support departments.

Organisational Management

The members of the Cranleigh School Governing Body, as trustees of the Charity, are legally responsible for the overall management and control of both Cranleigh Senior and Cranleigh Prep. The Governing Body takes note of guidance provided by the Charity Commission and specifically the principles set out in the Governance Code published in July 2017. Overall, the Charity meets a very significant proportion of the recommended and best practice for governance that is contained within the Governance Code across the seven principles and is comfortable that there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code.

The Chairman of the Governing Body is Mr A J Lajtha and the Deputy Chair is Mr S J Whitehouse. The full Board meets each term, and so three times a year, and the work of implementing its policies is carried out by six sub-committees:

- **The Strategy and Risk Committee** considers proposals for development of the School and advises senior management of the strengths and weaknesses of strategic options. A biennial strategy day is held for members of the Governing Body and senior executives to review performance and consider future development. The last strategy day was in March 2025. The Strategy and Risk Committee is chaired by Mr C H Severs.
- **The Education Committee** considers educational and pastoral policy. Mrs S E Bayliss is the Governor with responsibility for Safeguarding and her deputy is Mrs A J Lye. Mrs F N Farrant has responsibility for Special Educational Needs and Disabilities (SEND). The Education Committee is chaired on a rotational basis.
- **The Buildings and Estate Committee** supervises and monitors capital building projects and maintenance of the fabric of the School and its estate. The Committee has delegated



responsibility for Health and Safety and produces a report each term on Health and Safety matters for the Governing Body. Mrs M J Williamson has oversight of boarding on behalf of the Governing Body, including both the provision of facilities and pastoral support (the latter is a responsibility of the Education Committee). The Buildings and Estate Committee is chaired by Mr P S P Going.

- **The Cranleigh International Committee** was established in 2020 (under the name Overseas Committee) to monitor performance and risks of the School's international schools, specifically Cranleigh Abu Dhabi and Cranleigh China. Cranleigh International Committee is chaired by Mr S J Whitehouse.
- **The Risk Management Group (RMG)** monitors risks facing the School. This Committee presides over an annual risk management process that culminates with the production of a risk report in the autumn each year. Each sub-committee is responsible for considering the risks in its area of governance and each has appointed a member to take the lead in risk management. The RMG is chaired by Mr T J House.
- **The Finance Committee** scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. The Finance Committee is chaired by Mr S Gunapala.

The day-to-day running of the School is delegated to the respective Heads, supported by their Senior Management Teams. The Heads and representative members of senior management attend meetings of the Governing Body sub-committees and together these groups are the key management personnel. Remuneration is determined by the Governing Body which is conscious of the contribution of all staff to the School's success and, as such, it is right that remuneration of staff is the highest single cost incurred by the Charity. The Governing Body makes reference to comparisons of staff costs at other schools which are produced in various benchmark surveys that are anonymous and compliant with competition law. The remuneration policy balances fair wages and a generous pension scheme for lower paid staff with the provision of incentives for senior managers who take the burden of responsibility for the School's complex operations. The School complies with the UK's Equality Act 2010 Regulations. These require that companies with more than 250 employees publish information on the gender pay gap annually. The 2024 report is [available on the School's website](#).



Group Structure and Relationships

Cranleigh Foundation was set up in 2007 as a separate charity limited by guarantee with a registered charity number of 1122918 and a company number of 06452540. Cranleigh Foundation's statutory financial statements are consolidated with the School's within this Annual Report and Financial Statements. Cranleigh Foundation is governed by a Memorandum of Association and Articles of Association produced in 2008. The Chairman is a former governor, Mr M J Meyer and one member of the Governing Body, Mr A J Lajtha is also a Foundation Trustee. The Heads, Director of Finance and Clerk to the Governing Body attend Foundation Trustee meetings.

Cranleigh School has two wholly owned non-charitable subsidiaries. Cranleigh Enterprises Limited (CEL) is a trading company that arranges the letting of facilities when not in use by the School and it has a retail outlet within the School for the sale of items such as school uniform and sports equipment. CEL profit is donated under gift aid to the School. There are more details concerning CEL at Note 3 to the financial statements. The accounts of CEL are consolidated into the Cranleigh School accounts. Cranleigh Education Services Limited (CESL) was incorporated in September 2012. The Company has five directors who are members or former members of the Governing Body or executive officers of Cranleigh School. The Company's purpose is to facilitate the establishment of international schools and then monitor the operation of international schools once open. The Company was responsible for planning Cranleigh Abu Dhabi, working closely with joint venture partners and the firm contracted to run the School.

Cranleigh Abu Dhabi opened in September 2014 with 637 pupils from FS 1 to Year 9. The School now has 2,357 pupils across two sites with a purpose-built Pre-Prep building on Saadiyat Lagoons. The School's public exam results were strong with 82% of pupils achieving GCSE grades 6-9 and at A Level 80% achieved grades A*-B.

Cranleigh China opened its first school in Changsha in September 2020. There are 214 pupils in the international high school section as of September 2025. Outstanding A-level exam results were recorded in 2025 with 30% of students recording A* grades. The iGCSE results were also strong with 87% of students in the A* to C ranking (Cambridge International uses grades not numbers).

Cranleigh China school opened in Wuhan in September 2022 and now has over 416 students on roll in the IHS. Cogdel Cranleigh Wuhan High School recorded a very strong first set of iGCSE results in 2025 with 72% of students achieving A*-A grades and A-level results were similarly impressive with 27% of students recording A* grades.



Stakeholder Engagement, Employment and Sustainability Policy

The Trustees confirm that in accordance with Section 172 (1) of the Companies Act and Charity Commission guidance they govern in order to achieve the objects of the Charity. The long-term financial and operational sustainability of the School is considered by Trustees as set out in the Going Concern section of this report. Trustees assess financial projections and key risks that could impact the sustainability and reputation of the School. Assessments are made with the assistance of the executive and by reviewing management information, budgets, capital expenditure plans, cash flow forecasts and progress against financial projections each school term. Overarching the assessments of financial sustainability is a comprehensive risk management process that guides the executive and Trustees towards areas of risk and specifically the impact and likelihood of risks together with mitigation strategies. The risk process and current assessments are explained in more detail later in this report.

Cranleigh School is an equal opportunities employer. The School has comprehensive [Ethnicity, Diversity and Inclusion \(EDI\) policies](#) and full and fair consideration is made of job applications from disabled persons and consideration of their training and employment needs is made as necessary. The School complies with modern slavery regulations. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are aware of the financial and economic performance of the School. Communication with employees continues through normal management channels in a variety of forms and through exceptional channels to apprise staff of current issues. Examples of consultation are briefings to teaching staff at the start of each term by the respective Heads to outline development options and seek the views of staff and engagement with staff regarding terms and conditions of employment through the staff salaries committee which meet with the Heads and Director of Finance together, once annually with the Chairman of the Governing Body and Chair of the Finance Committee of the Governing Body. The Director of Operations and Director of Finance give additional and regular updates and briefings to support staff.



Leadership

The School welcomed a new Head, Mrs Samantha Price, in September 2024 and a new Head at Cranleigh Prep, Mr Will Newman, in January 2025. Working closely with her Senior Leadership Team (SLT) Mrs Price quickly established targets to improve outcomes and develop ongoing strategy. Mr Newman joined the SLT in the middle of the school year and he has worked tirelessly with the Head to fully align Cranleigh Prep into a new 'one school' ethos. The Governing Body and SLT made the decision in April 2025 to offer Pre-Prep places from September 2025, initially for Years 1 and 2. It is encouraging to report that entry for these two years filled quickly. At the start of Michaelmas Term 2025 there were 29 pupils in Years 1 and 2. There are plans to offer Reception and Nursery places from September 2026.

The School is committed to engagement with stakeholders. The main groups are pupils, parents, alumni, employees, Cranleigh village and contractors. There is significant communication using a full range of media with pupils and their parents or guardians. This is routine and extensive with the aim of ensuring a smooth passage for the eleven years of a pupil's education at Cranleigh. The alumni organisation, The Old Cranleighian Society (OCS), is based at the School and works on behalf of all alumni including those from Cranleigh's international schools. Cranleigh Friends provides a mechanism for the School to maintain contact with the families of current and former pupils. There is extensive engagement with the functional sub groups of the OCS and assistance is given with the organisation of events.

The procurement of goods and services by the School is undertaken to achieve a secure supply of high quality provisions and material with fair and timely payment. Local and smaller companies are favoured wherever possible and there are arrangements with a variety of sole traders in the local area. The School is conscious of its position as the largest employer in the area and aims to support local business wherever possible. Payment terms are thirty days but sole traders are able to request earlier payment which is arranged on a case-by-case basis.

Sustainability

Cranleigh continues its environmental sustainability journey and has, this year, some pleasing headline figures in terms of overall emissions and energy consumption. There is a pupil led Environmental Committee and during the year further enhancements have been made to increase knowledge and action amongst the pupil body. The School recycles food waste for anaerobic digestion to generate energy from the waste and now has the ability to track food waste more closely with an aim of reducing this as much as possible. In addition to behavioural change encouraged by the Eco Group, there is a commitment to improve energy efficiency where possible.



The total energy consumption figures for the year were:

Utility and Scope	FY24-25 Consumption (kWh)	FY23-24 Consumption (kWh)	Year on Year %age difference
Scope 1 Total	6,517,147	6,827,642	-4.55
Natural Gas and Other Fuels (Scope 1)	6,468,697	6,739,200	-4.01
Transportation (Scope 1)	48,449	88,442	-45.22
Scope 2 Total	2,369,896	2,108,640	+12.39
Grid-Supplied Electricity (Scope 2)	2,369,896	2,108,640	+12.39
Total	8,887,043	8,936,283	-0.55

Since last year:

- 2024-25 emissions have dropped 4.55% compared to 2023-24
- Company vehicle transportation emissions have decreased by 45.22%
- Energy consumption has decreased overall by just under 50,000kWh

The School is active in monitoring risks of bribery, corruption, fraud and cyber-attack. The risk process is comprehensive and overseen by the Governing Body Risk Management Group. A more detailed explanation of the risk process is given later in this report.

The School maintains a register of those executives and trustees in positions of Significant Control. Conflicts of interest are reviewed formally each year and attendees are required to declare any change of conflict status at each sub committee and main board meeting of the Governing Body.



Aims and Objectives

During the academic year, a strategic decision was taken to move to a 'one school' approach, so that the School could more effectively begin work on a five year plan for growth and raised standards. Cranleigh updated its aims, ethos and values, using the School's motto Ex Cultu Robur (From Our Culture Comes Strength) as the foundation. Our motto defines every aspect of school life and the benefit of a Cranleigh education.

Our Aims

To educate young people to be the best they can be so that they thrive in all aspects of their lives, professionally and personally.

To motivate a new generation of leaders who think globally, act with integrity and make courageous contributions to an ever-changing world.

To develop critical thinkers, creatives, communicators and characters who understand the importance of curiosity, generosity and humility.

Our Ethos

We are one school across two sites - Prep and Senior.

We are unapologetically ambitious for all our students.

We believe everyone is capable of outstanding academic performance, by making progress within the healthy, happy and inclusive atmosphere we work so hard to create.

We expect students to work hard in lessons, play fair on the sports field and take feedback when it's offered.

We work in partnership with families to provide a balanced and truly personalised education that nurtures intellectual curiosity, personal responsibility and the well-being of every student.

We set our young people up for success without being highly selective. Whatever your ability or interest, you will find a champion at Cranleigh.

From our culture, our students find the strength to:

ASPIRE BOLDLY by setting ambitious goals, embracing challenges and striving for excellence. And by demonstrating curiosity, creativity, and an appetite for problem-solving.

BE YOURSELF by acting with authenticity, self-awareness, and confidence. And by demonstrating resilience, integrity, and emotional intelligence.

CARE FOR OTHERS by practising kindness, empathy and service. And by demonstrating respect, compassion and collaboration.



It is envisaged that all staff model these values and use them to inform their own professional activity.

Strategies to achieve our aims and objectives

Our primary objective is to educate young people to be the best they can be so that they thrive in all aspects of their lives, professionally and personally. We are unapologetically ambitious for all pupils and believe that everyone is capable of outstanding academic performance. We seek to achieve this goal through the dedication and professional expertise of our team of teaching and support staff. There were 165 FTE Teachers in 2024/25. These teachers focus on each individual whilst fostering the broader ethos of the School's community as a whole. The School's structure enables tutors, and at the younger age groups form teachers, to commit time and energy to their tutees and individual pupils in each form.

Additionally, we seek to motivate a new generation of leaders who think globally, act with integrity and make courageous contributions to an ever-changing world. Our strategies involve pupils in all year groups and include our student-led 'Dangerous Minds' programme programme of talks, our 'Green Dragons' entrepreneurship programme and Cranleigh Futures, which provides Sixth Formers with the skills needed to successfully enter the world of work as well as access to Old Cranleighans in business and industry.

In October 2024 we appointed Mrs Naomi Ambrose, the former CEO of employability charity The Talent Tap to the new role of Head of Cranleigh Futures, bringing a renewed focus to our provision, with a keen emphasis on enterprise and transferable skills; She is passionate about giving young people the skills, knowledge and first hand experiences they need to propel them to future success, and brings a raft of industry insights with her.

There are also links with the local community and with international and regional organisations. Over the past year the Cranleigh Prep has hosted children from local primary schools to join in when external providers, such as theatrical performers, have been in school. The children research and select charities which they wish to support throughout the year. The School supports a library in a local primary school and Art teachers and DT teachers have been involved in outreach programmes in local state schools.

We also aim to develop critical thinkers, creatives, communicators and characters who understand the importance of curiosity, generosity and humility. A great deal of our work in this regard centres around the pastoral care available and delivered through the House system that provides for comprehensive individual care and creates friendships throughout the School. There have been significant changes in the boarding provision both in terms of facilities and staffing. Cranleigh Prep has much better and rejuvenated boarding accommodation which has seen the popularity of boarding and its community grow. The School has also invested in Learning Support facilities, placing them at the heart of the academic programme, physically and ideologically. The new aims and ethos of the school are communicated across both sites.

Our co-curriculum is broad. Leadership and decision-making are embedded in many activities. The number of activities on offer to pupils is too numerous to mention here, but a clearer understanding of the whole School approach to the co-curriculum can be found online at www.cranleigh.org.

Inclusion



The School is committed to improving equity, diversity and inclusion both as part of its social purpose and to ensure pupils are better prepared to be global citizens. The Governing Body has set objectives to:

- Increase the number of girls to achieve 50:50 gender balance.
- To continue to increase the diversity of the student body
- To increase the number of international students

Social purpose objectives are also partially met through the funding of bursaries from income from international schools and the Cranleigh Foundation.

Cranleigh Foundation Trustees' Report and Financial Statements outline the continued progress in the development of Cranleigh Foundation. The Foundation has received donations this year of £309k (2024: £333k), and total income of £469k (2024: £475k). The Foundation supports transformational bursaries for a number of pupils in year groups 7 to 13 at Cranleigh School. The Foundation Trustees decided pre-Covid to focus activity on the development of an endowment which will be built up over decades whilst continuing to support Foundationer pupils through the award of transformational bursaries, often with assistance from external organisations such as Springboard. There is not currently a fund-raising strategy and in the medium term the School will be appointing a Development Director in this important area. The Charities therefore had no active fund-raising activities this year requiring disclosure under S162A of the Charities Act 2011. The School and Foundation are compliant with the General Data Protection Regulation (GDPR).



Strategic Report

Review of achievements and performance for the year

The principal activity, as specified in the Articles of Association, is the advancement of education and, in this, the School has had another successful year, notably:

- Academic results at GCSE and A Level were some of the best in recent memory with 76% of all GCSE grades in English, mathematics and science graded 9-7 and 83% of A Level grades at A*- B.
- More than 40 Cranleigh Prep pupils were awarded medals in the Primary Maths Challenge, including 10 Gold medals.
- The 1st XV rugby team enjoyed an outstanding season, going unbeaten and finishing as runners-up in the prestigious Daily Mail National Trophy. This season marked a historic milestone for Cranleigh rugby, with the school proudly celebrating its first-ever female international player.
- The Cranleigh Prep Form 6 team became national Fives champions and our U13 boys Hockey team were IAPS national and regional champions.
- At the National Arena Eventing Championships in May 2025, the Cranleigh team claimed the National Open title and a Team Silver Medal.
- During the academic year 2024-25, the Music Department staged 60 events in 33 weeks.
- Our production 'The Girl on the Train' was nominated in 4 categories at The National School Theatre Awards, with Sophia Ferguson winning in the Best Actress category.
- One Cranleigh Prep pupil was accepted onto the National Children's Choir and one Upper Fifth Pupil at Cranleigh Senior was installed as Head Chorister at Guildford Cathedral.
- From our survey of boarders, 95% said they have enjoyed life in their house.

Admissions

Cranleigh Senior averaged 685 pupils (2024: 687) of whom 159 were day pupils (2024:171). Cranleigh Prep averaged 280 (2024: 316) pupils. At Cranleigh Prep the flexible boarding arrangements continued to be popular with, on average, circa 70 pupils boarding at the School each week in the newly refurbished boarding facilities which opened in September 2021. Demand for places remains strong although less predictable in the light of changes to independent schools tax status resulting from the introduction of VAT on school fees from January 2025. The School year was successful with many notable specific achievements, some of which are reported below.

Academic achievements

We are pleased to report outstanding GCSE results this year with 76% of all grades in English, mathematics and science graded 9-7. Grade 8 was the most common grade achieved, closely followed by grade 9, with over half of all grades being one of the top two grades. 78% of all pupils achieved a 9-7 grade in the core subjects of English and mathematics – an 8% increase on 2024. 26% of all grades were 9's – the highest grade possible – a 6% increase on last year. 73% of all grades were in the 9-7 range – up 5%. 59% of students achieved seven or more grades 9-7, up 4% from 2024. Overall, there were 13 subjects where over half the grades were a 9 or an 8, including:



Biology (54%), Chemistry (55%), English Language (55%), English Literature (66%), French (50%), Geography (85%), Greek (100%), History (69%), Latin (70%), Music (88%) and Physics (58%).
 84 out of the 142 students in the year (59%) achieved seven or more 9-7 grades. 62 students (44%) achieved nine or more 9-7 grades – an increase of 7% on 2024.

We are also pleased to report improved A Level results for Cranleigh School in 2025 with 83% of grades at A*- B, 52% of grades at A* – A, a quarter of all students achieving a clean sweep of A*/As and an overall pass rate of 100%. Cranleigh’s Upper Sixth Formers have delivered the school’s strongest post-pandemic A Level performance, with 83% of grades at A*- B, an increase from 78% in 2024. 43% of students achieved two or more A* or A grades – up from 38% last year. STEM subjects were a particular strength, with 63% of Mathematics students gaining A* or A and a combined A*/A rate of 60% across all maths and science courses. Economics also impressed with 70% at A*/A, while the Arts excelled with 86% in Art, 80% in Music and 78% in Drama. Notably, 96 of the 146 students in the cohort achieved A*- B across all their subjects. Most Sixth Formers at Cranleigh also complete an Extended Project Qualification (EPQ). EPQ results also improved from last year with 44% of pupils gaining A*/A and 76% of all EPQs graded at A*- B.

74% of students accepted their first choice university offer with 86% of the year group (113 students) going to Russell Group or equivalent universities - the joint highest percentage in recent memory. This was our most successful year in terms of offers received since 2016. The most striking statistic from this year’s application cycle was the number of students going to Durham, which far exceeds anything we have seen at Cranleigh before, and reflects this university’s increased popularity and national reputation. Cranleighans gained places at 28 different institutions:

Institution	#	Institution	#
Durham University	21	University of Warwick	2
Newcastle University	14	Cardiff Metropolitan University	1
University of Exeter	14	Erasmus University Rotterdam	1
University of Bristol	12	IE University Madrid	1
University of Bath	10	King’s College London	1
University of Leeds	9	Nottingham Trent University	1
University of Nottingham	7	Royal Holloway	1
University of Edinburgh	6	Swansea University	1
Cardiff University	5	University of British Columbia	1
Loughborough University	5	University of Cambridge	1
Oxford Brookes University	4	University of Oxford	1
University of Birmingham	4	University of Salford	1
University of Reading	3	UWE Bristol	1
Imperial College London	2	University of York	1



Sport

This year has been another testament to the depth, breadth, and excellence of our programme, reinforcing our reputation as one of the country's leading independent schools for sport. While success can certainly be measured through results and accolades, the true strength of Cranleigh sport lies in the exceptional number of teams we field across all year groups and the commitment of pupils and staff to inclusive, high-quality sporting experiences.

The Senior Boys' 1st XI cricketers won more than 90% of their matches, including a significant victory away at Whitgift, achieved with four U15 players in the team. They also reached the Regional Final of the National T20 competition. Four Old Cranleighans featured in a men's Surrey 1st XI fixture this summer, and current pupil Alex French was selected to represent England U19—a superb personal achievement. The girls' cricket programme continues to grow rapidly. A highlight of the season was the girls' preseason trip to Lord's, followed by a coaching session with current England Head Coach Charlotte Edwards in May. The Girls' 1st XI and U15 sides both reached the last 16 of their respective National Cups, with the 1st XI recording a notable victory over Middlesex. Arabella Stevenson scored a century against Hurstpierpoint and narrowly missed another with 99 in April. Across the club, five different boys' and girls' teams finished the season with win rates above 70%, reaffirming Cranleigh's place among the top cricketing schools in the country. In June our U13 Girls XI won the Surrey ESCA Cricket Hardball Cup.

This year, a record number of girls opted to play hockey at senior level, a reflection of the sport's growing popularity and the strength of our coaching provision. Our Girls' 1st XI continue to compete in the top tier of national school hockey, with consistently strong performances. Our U15A side were impressive and we saw a large number involved in talent academies. We had four pupils (3 boys and one girl) involved in international teams which once again is outstanding. At Cranleigh Prep our U13 Boys team were IAPS national and regional champions.

Football continues to grow significantly at Cranleigh, both in terms of participation and success. The Boys' 1st XI reached the semi-finals of the ISFA Shield, meaning the team has now reached two national finals and a semi-final over the past three seasons. Across all senior teams, the school achieved a win rate of 61%, indicating strong and consistent performance. With pupil interest growing year-on-year, football is fast becoming one of Cranleigh's flagship sports.

This has been another strong year in terms of Netball participation, with 21 teams regularly fielded across Years 9 to 13 every Saturday. The U14 age group was particularly promising, with the U14A team reaching the knock out rounds of the Sisters in Sport Cup. Strong performances were also seen across our C and D teams in particular with the 15C's who remained unbeaten, demonstrating the club's depth. The 3rd and 4th senior teams had an outstanding season both winning 87.5% of matches played. When taking into account all the teams, the school saw over 75% of the teams with over a 50% win record.

The 1st XV rugby team enjoyed an outstanding season, going unbeaten and finishing as runners-up in the prestigious Daily Mail National Trophy. Their performances confirmed their place among the top school rugby sides in the UK. Two pupils signed professional contracts upon leaving school, adding to an impressive tally of 18 Old Cranleighans who have moved into the professional game over the past decade. Our tradition in Sevens rugby continued strongly. The 1st VII reached the semi-finals of the



National Sevens Tournament and claimed the Hampton Plate. Both the 1st and 2nd VII sides also reached the finals of the Surrey Sevens Tournament. This season marked a historic milestone for Cranleigh rugby, with the school proudly celebrating its first-ever female international player. Across the board, Cranleigh's rugby sides won 88% of their Sevens fixtures and 67% of all rugby matches. Another exciting development was the debut of our first Touch Rugby team, who impressed by reaching the final of the South East Divisional Tournament. In November we took over 50 pupils on a Rugby and Hockey tour to Wiltshire with our players involved in matches against schools and clubs over a long weekend.

Our Golfers opened the season by winning the team handicap prize at the West Sussex Golf Club Schools Invitational, competing against 16 schools. Three pupils competed regularly on the SWIFT Tour, and one pupil secured a full golf scholarship to an American university. One pupil placed third in the SWIFT Tour Finals at the JCB Golf and Country Club, delivering the only under-par round of the day.

At the National Arena Eventing Championships in May 2025, the Cranleigh team claimed the National Open title and a Team Silver Medal. At the Surrey County Championships, we won the Novice Individual Dressage and Sophia Tooth claimed the 1.10 Pony Show Jumping title. Representing Surrey at the National County Championships, we had a pupil crowned Pony 1.10 Champion, and another retained her Novice Dressage title. Two pupils were selected for the South East U18 Eventing Team.

Six athletes were selected to represent Waverley at the Surrey Schools' Athletics Championships. The Home Meet in June was the most successful in recent memory, with 30 personal bests recorded and new school records set in the Swedish Medley Relay by both the boys' and girls' teams. Forms 2, 3, 4 and 5 all won their team events at the Wellington College Prep Cross Country meet in January.

This year marked a dramatic increase in competitive swimming fixtures, with our swimmers achieving an almost perfect record. The school was promoted to the A League in the Schools League competition—an outstanding achievement. A record 298 pupils selected Tennis as their sport of choice in the summer term. Pre-season preparations included a successful five-day training camp in Vale do Lobo, with 38 pupils attending. The Girls' U15A and U15B teams both went unbeaten throughout the season, and the Girls' 1st team achieved a 60% win rate. Our Squash teams performed strongly across both block fixtures and cup tournaments, and participation remains consistently high. The school remains committed to supporting this growing sport and expanding competitive opportunities for all levels.

Target Sprint continues to grow in popularity at Cranleigh. We were proud to host the National Target Sprint Championships this year, where one of our pupils earned a well-deserved silver medal. The discipline remains an exciting and unique part of the school's sporting offering. After a period of absence, sailing returned this year. Two pupils led the way with an excellent performance, crossing the line first in the RS200 category. Sailing's reintroduction marks a new chapter for this exciting area of school sport as well as one pupil representing Great Britain at junior age group.

Spinning, Cranfit, and Strength & Conditioning remain core components of Cranleigh's commitment to pupil wellbeing. These activities continue to attract strong engagement, with pupils making excellent use of the new studio gym. Increasing opportunities for structured, supervised sessions—particularly for girls—is a key development priority for the coming year.

Music and performing arts



During the academic year 2024-25, the Music Department staged 60 events in 33 weeks. These included our regular series of lunchtime and evening concerts, choral Evensong, music for Advent and two choral masterpieces (including one in Hebrew) and our first-ever showcase for Music Technology, where pupils presented some amazing work. Pupils have also performed in nursing homes, churches, the local Arts Centre, in our boarding houses, on stage in the music school, Speech Hall, the Chapel, at Cranleigh Prep, at Speech Day, at G Live in Guildford and together with our school in Abu Dhabi for a brilliant Winter Music Festival. The concerts in the Emms centre and then the Big Band Supper Dance were real highlights - and the standard of the Big Band in particular was as high as it has ever been. The links that are being forged between the music departments of the international schools are important; music is an activity that can genuinely be experienced and enjoyed across all our international schools, and the online Cranleigh International Musician of the Year competition provided a wonderful showcase for musicians from all our schools.

Three of our U6th pupils performed concerto movements with a professional orchestra here, several other advanced musicians were in that pro orchestra or sang significant solos, and the combined choirs from senior and prep schools performed brilliantly in both halves of the concert. To be able to put concerts like this on in a school is testament to the depth of talent and commitment that our musicians show every day, particularly the extraordinary contribution of the U6th. Three pupils took Diplomas, six others took Grade 8, and we had more pupils holding these qualifications by the end of the year than we have ever had before. To put that in context, a diploma is equivalent in standard to 2nd year university level, and we had 7 pupils who achieved these. As a natural consequence, eleven of our advanced musicians performed recitals in the Helen Wareham competition, with the winning performance being the world premiere of a trombone piece that was composed for a pupil by a notable professional composer. At the end of the summer term, we held a brilliant Junior Cranleigh Live in the VCT, with 8 girls singing superbly, and a fantastic senior show, with our contemporary musicians showing just what they can do; all to cap off a remarkable year.

Last year our Michaelmas senior school production 'The Girl on the Train' broke all expectations of what a school show should look like in taking on the ambitious Live Cinema technique made famous by Katie Mitchell. The production was nominated in 4 categories at The National School Theatre Awards which were held in June, with Sophia Ferguson winning in the Best Actress category. Sophia was accepted onto a foundation course at LAMDA and will then embark on a course at The American Academy of Dramatic Arts in New York. Our inaugural House Drama Competition involved all 4 pairs of affiliated houses producing a play in 5 weeks. Our Lent play offered another opportunity for students in U5th to U6th to take to the stage with 'Welcome to Thebes'. The cast of 'High School Musical 2' put on our best junior musical to date. Our numbers for LAMDA continue to grow with 52 students taking their LAMDA exams just before summer. 5 students achieved Grade 8 Gold and 82% Distinction.

The Cranleigh Prep Chapel Choir performed in robes for the Harvest and Remembrance Services. Members of the Senior Band joined together with Senior School musicians to form a joint wind band to play for the Cranleigh Village Remembrance service. We held the first ever CPS Live! event which showcased our ever-growing contemporary music department. Held in the Wyatt Hall, the guitar groups, Contemporary Band and soloists performed to the whole school to great acclaim. The performance was later repeated to parents in the evening. In March we took the Lower School Choir and the Chamber Choir to the Cranleigh Arts Centre where they took part in a joint concert with the Senior School pupils as part of their tea-time concert programme. During the last few weeks of June, the whole of Form 5 joined together to deliver an outstanding production of 'Oliver!'



Outdoor Education

Pupils have undertaken a wide range of challenging expeditions in renowned areas, including the Surrey Hills, Ashdown Forest, and the New Forest. Gold Award participants completed a demanding practice expedition on Dartmoor in difficult conditions, which prepared them thoroughly for their final expedition in the Peak District, completed with great success. A record number of thirteen students and their parents attended the Gold Award celebration at Buckingham Palace.

The Year 9 cohort engaged in a comprehensive outdoor activity programme throughout the year. This culminated in a two-day residential adventure designed to consolidate the skills they had developed both on and off site. Highlights included a hike across the Seven Sisters, one of England's most striking coastal landscapes, and collaboration with the School's Environmental and Sustainability Team. The programme has been instrumental in developing leadership, teamwork, and environmental stewardship among pupils.

The Climbing Team continued to excel, placing second in the East Regional Competition and sixth in the National Climbing Championships, held in London. These results are a testament to the commitment of the team and their coaches.

This year also marked the successful introduction of scuba diving. Following completion of their PADI Open Water qualifications, students travelled to the Maldives to gain their Advanced Award. Memorable experiences included a night dive with manta rays and dives alongside a whale shark and tiger sharks. Dinghy sailing was another exciting addition to the programme. Pupils competed in club racing at a local lake, with a pair representing the School at the prestigious Itchenor Schools Week.

Combined Cadet Force

The Combined Cadet Force continues to thrive, with a large and highly engaged contingent. This year marked the 125th anniversary of the CCF's establishment, celebrated through a wide range of events and achievements. Senior cadets have demonstrated exemplary leadership, particularly during the Biennial Inspection, where their professionalism was highly commended.

Cadets took part in an extensive programme of activities. Highlights included completion of the National Navigation Award during an adventure week in the Lake District, and a Static Line Parachuting course, which culminated in cadets undertaking solo jumps over Salisbury Plain. Over 100 cadets also proudly represented the School at the Village Remembrance Parade.

Shooting remains a particular strength of the contingent. Cadets achieved outstanding results in national-level competitions, placing first in the South East and second nationally in the British Schools Air Rifle Competition. The School also hosted the Target Sprint National Final, further strengthening its reputation within the sport. The Full Bore Shooting Team achieved notable success, placing third in the South East and securing third place in the Ashburton Fours at Bisley Schools – the School's highest finish since 1967.

Cadets also attended a range of camps, including summer camp and a week of water sports at Thorney Island. The year concluded with a major success as the contingent was named "Best Contingent" at summer camp.



Houses

From our survey of boarders, 95% said they have enjoyed life in their house. 94% of pupils knew the systems to use in order to Raise a Concern. We have 25 overseas boarders (pupils who live overseas and do not have British passports) with the vast majority from Mainland China. In contrast to previous years, we have lots of new overseas boarders in the IV form and our overseas pupils are now more evenly spread across all eight houses. The majority are studying in the UK for the first time although some have joined us from other boarding schools. All pupils have the option of EAL and have an accredited Guardian. Over the weekends, the pupils enjoy a varied programme with our domestic weekend boarders including trips and activities on-site which are supported by various members of house staff. We welcome ideas and suggestions from the pupils themselves.

Every effort is made to help new pupils settle into the Senior school and help returning pupils settle into their new year groups. For the vast majority of them, this is a seamless and effective transition, but of course, there are exceptions, which fortunately only a handful in number. Some of these children are homesick whilst others have more significant anxiety issues. Pupils with existing mental health issues are supported with formal plans. A range of support measures are in place to help with Year 9/10 transition in particular. These include boarding weekends in Year 8, pupil induction activity, pastoral talks and workshops for pupils and parents. Our annual pupil survey shows that satisfaction levels are very high. 99% of pupils agree they can talk to their tutor about school based concerns. 86% of pupils agree they can talk to their tutor about personal concerns. 97% of pupils agree that their tutor follows up when things go well or badly.

School site

The School has once again had an immensely busy summer period. Most notably, our Sixth Form pupils are now benefiting from a new Sixth Form Centre which has been created from the existing staff common room, with the staff being relocated to a refurbished facility between the art department and the golf course. The School has also continued its drive to improve the overall look and feel of its impressive estate, with considerable investment being made in new windows, road surfaces and lighting. The Williams Library has had its first significant upgrade for many years and is now a modern study centre to complement the Reading Room and reception area completed last summer.

Bluett's, our premier Rugby pitch, had significant drainage work undertaken to improve the performance of the drain channels in poor weather. All this whilst continuing with our rolling redecoration, maintenance and compliance programmes in boarding houses, classrooms and across the wider estate. At the Prep site, work consisted of a refurbishment of the Roulston area and classrooms and work in other areas of the School so that we were ready to welcome our first ever cohort of Yr 1 & 2 children.

Over the past year, our school's facilities have continued to attract a diverse range of users across sports, recreation, education, and community events. We have welcomed both long-standing partners and new clients, reflecting strong engagement and effective use of our estate throughout the year.

Our sports facilities remain in high demand, with more than forty regular users alongside a variety of ad-hoc bookings. Clubs and groups hiring our spaces include local football, cricket, hockey, and netball teams, as well as yoga, dance, and fitness classes. Regular clients include Albury FC, Cranleigh Hockey Club, Surrey Cricket, Blackheath Cricket Club, and Bloom Netball, among many others. Our venues



have also supported a range of community and private events, including Cranleigh Choral Society rehearsals and events and corporate meetings.

We continue to partner with SuperCamps, who now operate their multi-activity holiday programmes from Cranleigh Prep, making full use of its excellent facilities. SuperCamps also run a weekly gym club on site.

Building on the success of previous years, we have expanded our own initiatives, which include a Cranleigh Prep Cricket Academy, a swimming academy and swim clinics for performance swimmers. New initiatives launched this year also include fitness classes, cookery classes, a tennis academy and junior tennis club and a lifeguard course. Our pool continues to be heavily used outside of school hours, with regular bookings from local coaching businesses and Park Mead and St Joseph's schools.

We host residential groups during the summer, including the Independent Schools Cultural Alliance (ISCA) which brought in 380 attendees last year.

Our Equestrian Centre continues to be a valued facility, hosting weekly private group lessons for Hurtwood House and other clients and pony mornings during holidays and some weekends. Our sports membership scheme remains active and well-utilised, with regular participation in golf, pickleball, squash and tennis.

We continue to offer free-of-charge community lets, including the annual Triathlon, hosting over 1,000 participants, the 1170 Committee local history group and children's cricket sessions at Cranleigh Prep, contributing substantially to the School's public benefit register.

Public benefit

Cranleigh School continues to be committed to the provision of public benefit in accordance with its founding principles, and newly adopted aims and ethos. The requirement to report public benefit in more detail is formalised in the Charities Act 2011.

The awarding of bursaries is a measurable means of providing public benefit. The trustees consider that bursaries, awarded to those who would not otherwise be able to afford the fees, are important, but not to the exclusion of the much wider benefit that Cranleigh provides within the local community. Those pupils who attend Cranleigh and who receive this financial support contribute to the School community in a variety of ways and so enrich the whole School and, in some cases, the community outside the School. The value of scholarships and bursaries to people who would not otherwise be able to afford the fees to attend Cranleigh School was this year £1,315k (2024: £1,257k). The value of these bursaries has been met by funding from international schools, income from the Cranleigh Foundation and enterprises such as summer lets.

Forty-eight local sports clubs used the School's sporting facilities, and outreach assistance includes maintenance by the School's Grounds department of the estate at Glebelands School, the maintained secondary school bordering Cranleigh School. In many cases the School's support is focused on providing support to the youth sections of sports clubs. The School has formed a good relationship with the Surrey Virtual School supporting educational programmes for looked after children. This theme of social responsibility is important as Cranleigh School aims to develop local community projects.

Cranleigh School continues to fund a Young Readers Programme at Cranleigh Church of England Primary School, which is delivered by the National Literacy Trust. This partnership is now in its fourth year. In 2025, 1 in 3 (33.1%) pupils told us that the books they chose as part of the Young Readers



Programme were the first books they've owned. Pupils' reading confidence improved with 9 in 10 (90.2%) describing themselves as 'very good' or 'good' readers after participation in the programme, compared to less than 6 in 10 (57%) before. Almost all teachers noticed positive changes in pupils' reading enjoyment (98.7%) and motivation (95.5%) as a result of the programme.

The Cranleigh Public Benefit Register collates all charitable activities undertaken by any Cranleigh Staff during each academic year. Events may have been off campus and nothing to do with the school as well as events hosted on Cranleigh premises. We record charitable activity that falls into one of the following categories:

- i) **Activities that had a public benefit in direct alignment with our objectives** eg: helping a community based arts workshop to teach screen printing; leading a conversational French group in a local church or coaching in a local cricket club. This will typically involve some personal engagement as opposed to simply provision of facilities
- ii) **Activities that had a public benefit, but not necessarily in alignment with our charitable objects** eg: volunteer work; a trustee of another charity or a member of a board of church governors; regular garden maintenance for community elders
- iii) **Other direct fundraising activities** usually involving a cash donation to, or fundraising for, another charity eg: running a marathon or organising a bake/cake sale
- iv) **Provision of Cranleigh School facilities** for public benefit in line with our objectives eg: Use/hire of the sports facilities by external organisations and local groups

Many members of the Cranleigh School community have more than one public benefit involvement across a number of our specified categories. It is often difficult to quantify a financial worth to every activity but all staff members are asked at the end of each year to provide a brief description of their charitable activities with notification of any money raised.

Student led charitable work and involvement is also recorded on the register. Each year, Cranleigh Prep commits to fundraising for a select set of charities. Each boarding house in the Senior School fundraises for its chosen charity or charities. During the weekly curriculum, the Voluntary Action (VA) programme places students in local organisations and environments to offer public benefit assistance in the immediate community. This has proved popular with students and beneficiaries alike. Each week for example, Cranleigh students visit elderly residents in local care homes, listen to local primary school pupils read and teach them to play sport.

It is difficult to measure accurately the financial cost to the School of this public benefit, that is given in addition to bursaries, but it is certainly well into six figures. The benefit provided by bursaries and other activities can also be considered alongside the benefit of educating the 965 pupils (143 in the primary school sector) which, in itself, has saved the Exchequer some £7,026,100¹ this year.

Cranleigh Foundation is an integral element in the provision of public benefit. There are eight Foundation bursary holders (Foundationers) in the School in September 2024 each with a bursary covering either full fees or a significant proportion of full fees. The School continues to seek candidates to be Foundationers. The financial benefit to Foundationers this year was £313k (2024: £308k).

¹ 2024 Annual Report on Education Spending in England by the Institute of Fiscal Studies. £7,400 per pupil in secondary schools and £6,700 per pupil in primary schools.



Financial Review

Results for the year

The School's consolidated net movement in funds in the attached financial statements is £1,681k (2024: £2,515k). The surplus made by Cranleigh School (net incoming funds from operations before transfers and investment gains) was £1,589k for the year (2024: £1,667k). The FRS 102 pension valuation is a non-cash item within the School's accounts and has calculated that the scheme has a net actuarial gain/loss recognised in the year of £0k, however the funding level is in surplus by £2,459k (2024: surplus of £1,291k).

Forecast for the current year (2025/26)

The Governing Body has considered several factors when forming their conclusion as to the use of the Going Concern basis for the basis of preparation of these financial statements including a review of updated forecasts to 31 December 2027 that include the continuing impact of the imposition of VAT on school fees from January 2025. There has been comprehensive consideration of key risks that could negatively affect the charity and its working capital requirements. The Governing Body has concluded that School's finances and for the year ahead are sound and so it continues to adopt the going concern basis in preparing the financial statements.

Investment policy, objectives and performance

The Governing Body has a balanced risk policy for investments. This is set out in the Statement of Investment Principles which is reviewed annually. The Finance Committee has delegated responsibility for investments to an Investment Committee. The Investment Committee comprises the Mr Mukherjee, Mr Whitehouse, Mr Roberts and Miss Underdown. The Committee meets the School's investment advisors up to four times a year and provides a brief for the Governing Body at each Finance Committee meeting. Investment performance is measured against appropriate benchmarks and the Finance Committee is satisfied that performance is good when measured against benchmarks. This year performance has been above inflation and the portfolio increased in value by 4.2% (2024: 14.2%) to £4,951k. The Investment Committee is currently reviewing investment risk and the structure of investment advice. The Governing Body considers that the performance of investments over the year are in line with benchmark total returns.

Reserves level and policy

Cranleigh School has total reserves of £7,951k (2024: £9,750k). The School's reserves policy is to maintain sufficient unrestricted funds to meet an unexpected shortfall of revenue in order to provide cash for three months operating costs at an average of £2,929k per month. The School's reserves comprise the investment portfolio valued at £4,951k and the unused overdraft of £3,000k. With reserves having been used to share the burden of VAT with parents, this year total reserves are slightly shy of the £8,787k sum required by the policy. A temporary increase to the overdraft facility would be sought should it be needed.



The Charity has not conducted active fund-raising during the year. Notwithstanding this Cranleigh Foundation (Charity Number 1122918) raised £469k (2024: £475k) during the accounting year from donations, legacies and investment income.

Principal risks and uncertainties

Cranleigh School Governing Body is responsible for the management of the risks faced by the School. Risk Management is delegated to the Risk Management Group (RMG) which reports formally to the Governing Body each autumn. This Committee comprises four members of the Governing Body and it is assisted in its work by senior management and other staff as necessary. The process provides continuous assessment of risks through the auspices of the sub committees with each taking responsibility for risks, and where appropriate mitigation, in its given area of expertise. The generic controls used by the Charity to minimise risks include:

- oversight of key areas of risk, such as health and safety and safeguarding, by individually nominated governors;
- formal agendas for Committee and Board activity;
- formal strategic planning, reviewed annually and assisted by the Strategy and Risk Committee;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies;
- vetting procedures as required by law for the protection of the vulnerable;
- compliance with regulations that apply to the running of a school;
- declaration of conflicts of interest, renewed at each Governing Body meeting, including sub committee meetings.

The most significant external risk facing the School is financial following the impact of the imposition of VAT on school fees from January 2025 and its associated effect on pupil numbers. In order to mitigate this risk a number of strategic decisions have been taken most notably the introduction of Pre-Prep Years 1 and 2 and the opening of a dedicated Sixth Form Centre. This is in addition to a thorough review of the cost base alongside increased commercial activity to support the Charity's objectives. Global insecurity is considered a medium term external risk to Cranleigh's international operations and this risk is monitored by the International Committee as a standing item at each meeting of the Committee.

Previous direction given to the executive to place safeguarding of pupils as the School's first priority is enduring. Health and Safety is both a Safeguarding and more general risk, and both risks are residual and so will endure. The School continues to prioritise safeguarding culture and education, refreshing and updating a comprehensive programme of sex and relationships education. The School has also prioritised anti-racist education and a governors' working party formed in 2021 supports the School's leadership in the introduction of more comprehensive EDI initiatives, in partnership with Flair Impact, the African Caribbean Education Network and Black Lives in Music. Work on decolonising the curriculum continues and the Assistant Head Pastoral, who sits on the board of the Schools Inclusion Network, has involved pupil leaders in improvements to more inclusive practice and language and strengthened education and alliance activities with all those with protected characteristics. An Independent Schools Inspectorate report carried out in November 2022 highlighted the inclusiveness of the school's culture and the strength of its safeguarding procedures.



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. Sports' injuries are monitored carefully, each being tracked, to record trends in order to identify those elements of sport most likely to cause injury so that mitigating actions can be taken. To release any potential pressures on the NHS ambulance service, and prevent further risk of injury, all matches this term continue to have private medical facilities on the touch line. There continues to be interest in the wider education community about the risk of injury on the rugby field.

The Governing Body seeks to understand some individual risks in more detail and from time-to-time initiates external scrutiny. The Governing Body is satisfied that the major risks have been identified and controls put in place to manage risk adequately. It is recognised that systems can provide reasonable, but not absolute, assurance that major risks are being managed.



Statement of Accounting and Reporting Responsibilities

The Trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue to operate.

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

Insofar as each of the members of the Governing Body at the date of approval of this report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

Authorisation

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Cranleigh School on 9 December 2025, including in their capacity as company directors approving the Directors' and Strategic Reports contained therein, and is signed as authorised on its behalf by the Chairman of the Governing Body.

Signed by:

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Adrian Lajtha
 (Chairman of Governing Body)

Independent Auditor's Report to the Members of Cranleigh School

Opinion

We have audited the financial statements of Cranleigh School ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2025 which comprise Consolidated Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Statement of Cashflows and notes to the financial statements, including 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 group's and the charitable company's affairs as at 31 July 2025 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement as set out on page 27, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income, the timing of recognition of other trading activities, and the override of controls by management which includes estimates and judgements in relation to the pension liability. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical procedures and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date 12 December 2025

CRANLEIGH SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2025

		Trading School Subsidiaries				
		Unrestricted	Unrestricted	Restricted	Group	Group
	Note	Funds	Funds	Funds	2025	2024
		2025	2025	2025	2025	2024
		£'000	£'000	£'000	£'000	£'000
INCOME FROM:						
Charitable activities						
School fees	2	32,563	-	-	32,563	33,455
Other income	4	1,512	-	-	1,512	1,455
Other trading activities						
Facilities and trading income	5	1	2,354	-	2,355	988
Other incoming resources	5	161	-	-	161	151
Share of surplus from Joint Venture	5	-	-	-	-	-
Investments						
Investment income	6	70	-	-	70	41
Bank and other interest	6	834	-	-	834	380
Voluntary sources						
Donations and legacies	7	118	-	309	427	433
Fundraising events	7	-	-	42	42	26
Total incoming resources		35,259	2,354	351	37,964	36,929
EXPENDITURE ON:						
Raising funds						
Trading costs	8	-	854	-	854	493
Share of loss from Joint Venture	12	-	359	-	359	413
Financing costs	9	1,046	5	-	1,051	668
Investment management		28	-	-	28	26
Fundraising and development		-	-	14	14	8
Total deductible costs		1,074	1,218	14	2,306	1,608
Charitable activities						
Education and grant making	8	34,069	-	-	34,069	33,654
Total expenditure		35,143	1,218	14	36,375	35,262
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS						
		116	1,136	337	1,589	1,667
Gains / (losses) on investments	12	160	-	(68)	92	848
NET INCOME / (EXPENDITURE)		276	1,136	269	1,681	2,515
Transfers	3	1,482	(1,482)	0	-	-
Other recognised gains / (losses):						
Pension scheme actuarial gain/(loss)	20	-	-	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		1,758	(346)	269	1,681	2,515
FUNDS B/FWD 1 AUGUST 2024		51,130	1,241	4,214	56,585	54,070
FUNDS C/FWD 31 JULY 2025		52,888	895	4,483	58,266	56,585

The notes on pages 33 to 52 form part of these accounts

CRANLEIGH SCHOOL

BALANCE SHEETS AS AT 31 JULY 2025

	Note	School 2025 £'000	School 2024 £'000	Group 2025 £'000	Group 2024 £'000
FIXED ASSETS					
Tangible assets	11	54,728	57,101	54,806	57,160
Investments	12	4,951	4,750	9,961	9,862
		<u>59,679</u>	<u>61,851</u>	<u>64,767</u>	<u>67,022</u>
CURRENT ASSETS					
Stocks		70	50	279	262
Debtors - due within one year	13	2,615	1,086	2,061	1,009
- due after one year	13	1,289	8	1,289	8
Cash and bank balances		14,609	22,713	15,490	23,010
		<u>18,583</u>	<u>23,857</u>	<u>19,119</u>	<u>24,289</u>
CURRENT LIABILITIES					
Creditors payable within one year	14	(11,986)	(15,720)	(12,232)	(15,868)
		<u>(11,986)</u>	<u>(15,720)</u>	<u>(12,232)</u>	<u>(15,868)</u>
NET CURRENT ASSETS / (LIABILITIES)					
		<u>6,597</u>	<u>8,137</u>	<u>6,887</u>	<u>8,421</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>66,276</u>	<u>69,988</u>	<u>71,654</u>	<u>75,443</u>
LONG-TERM LIABILITIES					
Creditors payable after one year	15	(13,388)	(18,858)	(13,388)	(18,858)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY					
		<u>52,888</u>	<u>51,130</u>	<u>58,266</u>	<u>56,585</u>
Pension scheme funding	20	-	-	-	-
TOTAL NET ASSETS					
		<u>52,888</u>	<u>51,130</u>	<u>58,266</u>	<u>56,585</u>
FUNDS					
Foundation restricted funds		-	-	4,483	4,214
Trading subsidiaries		-	-	100	100
School unrestricted funds		52,888	51,130	53,683	52,271
Pension reserve	20	-	-	-	-
TOTAL FUNDS					
	18	<u>52,888</u>	<u>51,130</u>	<u>58,266</u>	<u>56,585</u>

The net movement in funds for the financial year dealt with in the financial statements of the parent company was £1,681k (2024 : £2,515k)

Approved and authorised for issue by the Governors on 9 December 2025 and signed on their behalf by

Signed by:

E052A459F983423...

Adrian Lajtha (Chairman of Governing Body)

The notes on pages 33 to 52 form part of these accounts

Company No.3595824

CRANLEIGH SCHOOL**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2025**

	2025 £'000	2024 £'000
Net cash inflow from operations		
Net cash provided by / (used in) operating activities (a)	<u>(115)</u>	<u>5,908</u>
Cash flows from investing activities		
Payments for tangible fixed assets	481	(2,301)
Purchase of investments	(395)	(661)
Withdrawals from investments	28	26
Investment income and bank interest received	<u>70</u>	<u>41</u>
Net cash (used in) / provided by investing activities	184	(2,895)
Cash flows from financing activities		
Finance costs paid	(339)	(479)
Advance fees: New contracts	1,743	18,681
Accrued to contracts	617	147
Appropriations	(8,299)	(2,297)
Loan facility	<u>(1,311)</u>	<u>(3,483)</u>
Net cash provided by financing activities	(7,589)	12,569
	<u>(7,520)</u>	<u>15,582</u>
Debt repayment (net)	1,311	3,484
	<u>(6,209)</u>	<u>19,066</u>
Change in cash and cash equivalents in the reporting period	(6,209)	19,066
Cash and cash equivalents at the beginning of the reporting period	14,932	(4,134)
Cash and cash equivalents at the end of the reporting period (b)	<u>8,723</u>	<u>14,932</u>

The notes on pages 35 to 52 form part of these financial statements

CRANLEIGH SCHOOL

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2025

(a) Reconciliation of net income to net cash flow from operating activities

	2025		2024
	£'000		£'000
Net incoming resources	1,589		1,667
Elimination of non-operating cash flows:			
Investment income	(70)	(41)	
Finance costs paid	339	479	
Depreciation	1,873	1,802	
(Loss)/Profit from disposal of assets	(12)	(3)	
(Increase)/Decrease in stock	(17)	(47)	
(Increase)/Decrease in debtors	(2,333)	861	
Increase/(Decrease) in creditors	<u>(1,484)</u>	<u>1,190</u>	4,241
	<u>(115)</u>		<u>5,908</u>

(b) Analysis of cash and cash equivalents

	1 August 2024 £' 000		1 August 2025 £' 000
Cash at bank and in hand less overdraft	23,010	(7,520)	15,490
Loan facility - Handelsbanken	<u>(8,078)</u>	<u>1,311</u>	<u>(6,767)</u>
	<u>14,932</u>	<u>(6,209)</u>	<u>8,723</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

1. ACCOUNTING POLICIES

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 July 1998 (Company No. 3595824) and registered as a charity (Charity No. 1070856).

The financial statements have been prepared in accordance with 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 27.

The accounts present the consolidated Statement of Financial Activities (SoFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School and with its wholly owned subsidiaries Cranleigh Enterprises Limited (Company No. 2902113), Cranleigh Foundation (Company No.1122918) and Cranleigh Education Services Limited (Company No. 8224546). Cranleigh Education Services Limited also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture. 70% of the Joint Venture profits are included in the Group accounts. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The net incoming resources of the Charity are disclosed on page 31. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the Charity's financial instruments. The Charity has taken advantage of exemption 408 of the Companies Act and as such a separate parent income statement has not been prepared.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The School has recognised its liability in relation to the Cranleigh School Pension Scheme which involves a number of estimations as detailed in Note 20.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

1. ACCOUNTING POLICIES (continued)

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships and bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

Rental income (including incentives received or paid) for operating leases on investment property are recognised in profit or loss on a straight line basis over the lease term.

1.3 Donations, legacies, grants and other voluntary incoming resources

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

Voluntary income for the School's 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 the case of donated services or facilities.

1.4 Advance Fee Scheme

Interest is paid by the charity on the advance, in which case the transaction is in substance a loan and is classed as a basic financial instrument. The financing cost is the interest paid and this must be treated as an interest expense. (If the interest rate paid is below the market rate for an equivalent loan, then the loan may qualify for treatment as a concessionary loan.)

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. The direct costs incurred in preserving the School's ancient buildings and their contents are shown as a charitable activity distinct from that of education and grant making.

Grants awarded are expensed as soon as they become legal or operational commitments. Governance costs comprise the costs of complying with constitutional and statutory requirements. Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

1. ACCOUNTING POLICIES (continued)**1.6 Tangible fixed assets**

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £5,000 are capitalised and carried in the balance sheet at historical cost. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on equipment incurred in the normal day-to-day running of the School and its subsidiaries is charged to the Statement of Financial Activities as incurred.

1.7 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

School buildings, including major extensions	15-50 years
Staff housing	50 years
Furniture, machinery and equipment	3-30 years
Motor vehicles	5 years
IT	4 years

A full year's depreciation is recognised on an asset in the year of completion.

1.8 Investments

Investment properties are valued as individual investments at their market values as at the balance sheet date. Rental income is recognised in the period to which it relates. Purchases and sales of investment properties are recognised on exchange of contracts.

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

1.9 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

1.10 Fund accounting

The charitable trust funds of the School and its subsidiaries are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the governors either to further the School's Objects or to benefit the School itself. Where the governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

1. ACCOUNTING POLICIES (continued)**1.11 Pension costs**

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

(a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

(b) The Cranleigh School Pension Scheme - This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit liability is presented separately after other net assets on the face of the balance sheet. If the School cannot recover any pension scheme asset, it is not recognised in accordance with FRS 102.

(c) The Cranleigh School Group Personal Pension Plan - This is a defined contribution group personal pension plan with Aviva. Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1.13 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

2. CHARITABLE ACTIVITIES - FEES	2025	2024
	£'000	£'000
Fees receivable consist of:		
Gross fees	37,120	37,821
Less: Total bursaries, grants and allowances	(4,557)	(4,366)
	32,563	33,455
The above educational awards were made to 335 pupils (2024 : 332).		

3. SUBSIDIARY COMPANIES

Cranleigh Enterprises Limited, is a company in which the School owns all 100 £1 shares, and the aggregate amount of assets, liabilities and funds is £65.6k. The trading activities of Cranleigh Enterprises Limited comprise a retail operation (supplying school clothing, sportswear and sports equipment, for pupils, teachers and employees of Cranleigh School), and the lettings of School facilities. The turnover was £1003.9k and the net profit £526.6k with £65.6k of net funds. The net profit earned by this company is donated annually to Cranleigh School under Gift Aid. The value of goods and services supplied to the School by the company in the year was £96.8k (2024 : £103.5k) and the value of services supplied to the company by the School in the year was £0k (2024 : £Nil). The Gift Aid donation for the year of £507.3k (2024 : £349k) has been shown on the Statement of Financial Activities as a transfer to the School.

Cranleigh Education Services Limited is a company in which the School owns all 100 £1 shares and the aggregate amount of assets, liabilities and funds is £196.6k. The trading activities of Cranleigh Education Services Limited is to facilitate the establishment of overseas schools and then monitor the running of overseas schools once open. The turnover was £1,469.8k and the net profit £967.7k. There were no services supplied to the School by the Company in the year and £38.4k services supplied to the Company by the School in the year. The Gift Aid donation for the year of £975.2k (2024 : £106k) has been shown on the Statement of Financial Activities as a transfer to the School.

Both trading companies are now consolidated within the group financial statements as detailed in the Statement of Accounting Policies.

Cranleigh School is also the sole member of Cranleigh Foundation, a company limited by guarantee established to promote and advance any charitable purpose directly connected with Cranleigh School. The financial results of Cranleigh Foundation are included as the Foundation restricted funds within these consolidated accounts

4. CHARITABLE ACTIVITIES - OTHER INCOME	2025	2024
	£'000	£'000
Educational visits	651	712
Activities	230	215
Other	384	348
Rental income	244	178
Registration fees	3	2
Other	1,512	1,455
	1,512	1,455
5. OTHER TRADING ACTIVITIES	2025	2024
	£'000	£'000
Facilities and trading income		
Cranleigh School	1	15
Cranleigh Enterprises Ltd	884	682
Cranleigh Education Services Ltd	1,470	291
	2,355	988
Other incoming resources		
Surplus on asset sales	15	5
Other	146	146
	161	151
Share of surplus from JV		
C R Education Ltd (see note 12)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

				2025 £'000	2024 £'000
6. INVESTMENTS				70	41
Investment income					
Bank and other interest				834	380
Bank interest					
7. VOLUNTARY SOURCES				2024 £'000	2024 £'000
Donations and legacies				118	100
Donations to Cranleigh School				309	333
Donations to Cranleigh Foundation					
				427	433
Fundraising events				2025 £'000	2024 £'000
Cranleigh Foundation				42	26
8. ANALYSIS OF EXPENDITURE				Total 2025 £'000	Total 2024 £'000
	Staff Costs £'000	Other £'000	Depreciation £'000		
a) Total expenditure					
Costs of generating funds					
Trading costs	389	440	25	854	493
Share of loss from Joint Venture	-	359	-	359	413
Financing costs	-	1,051	-	1,051	668
Investment	-	28	-	28	26
Fundraising	-	14	-	14	8
Total costs of generating funds	389	1,892	25	2,306	1,608
Charitable expenditure					
Education and grant making					
Teaching costs	15,579	3,647	87	19,313	18,342
Welfare	3,318	1,680	74	5,072	5,119
Premises	1,251	3,383	1,653	6,287	7,094
Support costs and governance	1,037	2,326	34	3,397	3,099
Grants and awards	-	-	-	-	-
Total charitable expenditure	21,185	11,036	1,848	34,069	33,654
Total expended	21,574	12,928	1,873	36,375	35,262
				2025 £'000	2024 £'000
b) Grants and awards					
From Unrestricted Funds:	Bursaries			-	-
				-	-
c) Governance included in support costs				2025 £'000	2024 £'000
Remuneration paid to auditor for audit services:		School		33	31
		Subsidiaries		13	12
Other governance costs				110	90
				156	133

Travel expenses were reclaimed by three members (2024: 2) of the Governing Body.

In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £5.4k (2024: £12.4k) and tax advice £8.5k (2024: £0.9k)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

	2025 £'000	2024 £'000
9. FINANCING AND OTHER COSTS		
Bank interest and charges	434	521
Advanced fees discounts	<u>617</u>	<u>147</u>
	<u>1,051</u>	<u>668</u>
10. STAFF COSTS AND RELATED PARTY TRANSACTIONS		
	2025 £'000	2024 £'000
The aggregate payroll costs for the year were as follows		
Wages and salaries	17,469	16,262
Social security costs	1,913	1,641
Pension costs	<u>2,192</u>	<u>2,483</u>
	<u>21,574</u>	<u>20,386</u>
No governor received remuneration in 2025 (2024: £Nil). The granting of a benefit to any governor is consistent with the School's policies for benefits and no governor receives any remuneration or benefit that would not be available to a parent.		
Aggregate employee-benefits of 21 (2024:19) key management personnel	<u>2,472</u>	<u>2,361</u>
The number of higher paid employees in bands of:		
£ 60,001 - £ 70,000	39	40
£ 70,001 - £ 80,000	24	13
£ 80,001 - £ 90,000	5	6
£ 90,001 - £100,000	1	1
£ 100,001 - £110,000	2	4
£ 110,001 - £120,000	2	0
£ 120,001 - £130,000	0	0
£ 130,001 - £140,000	1	0
£ 140,001 - £150,000	0	1
£ 150,001 - £160,000	0	0
£ 160,001 - £170,000	0	0
£ 170,001 - £180,000	0	0
£ 180,001 - £190,000	0	0
£ 190,001 - £200,000	0	0
£ 200,001 - £210,000	0	0
£ 210,001 - £220,000	1	1
	<u>75</u>	<u>66</u>
The number with retirement benefits accruing		
- in Defined Contribution schemes was	74	65
of which the contributions amounted to	£915,000	£950,000
The average number of the School's employees during the year calculated on a full time equivalent basis was 336 (2024: 338). The average headcount for the year was 430 (2024 : 425)		
	2025 £'000	2024 £'000
Teaching	165	165
Welfare	71	72
Premises	29	32
Support	15	15
Other activities	<u>56</u>	<u>54</u>
	<u>336</u>	<u>338</u>

During the year one termination payment was made (2024: 0). There were none outstanding at the year end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

11. TANGIBLE FIXED ASSETS	Freehold Land & Buildings £'000	Assets Under Construction £'000	Motor Vehicles £'000	Fittings & Equipment £'000	IT Hardware £'000	Total £'000
Cost (or frozen valuation)						
At 1 August 2024	75,068	1,460	290	4,285	1,255	82,358
Additions	219	689	44	82	-	1,034
Transfers	241	(602)	-	361	-	-
Disposals	(1,515)	-	(25)	(35)	(675)	(2,250)
At 31 July 2025	<u>74,013</u>	<u>1,547</u>	<u>309</u>	<u>4,693</u>	<u>580</u>	<u>81,142</u>
Depreciation						
At 1 August 2024	20,503	-	196	3,275	1,224	25,198
Charge for year	1,581	-	35	227	30	1,873
Disposals	-	-	(25)	(35)	(675)	(735)
At 31 July 2025	<u>22,084</u>	<u>-</u>	<u>206</u>	<u>3,467</u>	<u>579</u>	<u>26,336</u>
Net book values						
At 31 July 2025	<u>51,929</u>	<u>1,547</u>	<u>103</u>	<u>1,226</u>	<u>1</u>	<u>54,806</u>
At 31 July 2024	<u>54,565</u>	<u>1,460</u>	<u>94</u>	<u>1,010</u>	<u>31</u>	<u>57,160</u>

The School's fixed assets total £54,728k and Cranleigh Enterprises £78k.

All tangible fixed assets are held for use on charitable activities.

The freehold land and buildings, excluding separate buildings, comprising Cranleigh School and Cranleigh Preparatory School were revalued in 1999. Buildings were not previously depreciated, but with effect from 1 August 2005, depreciation is calculated over 50 years for all School buildings. When building projects are still in progress at the year end, depreciation is not calculated until the financial year in which the asset is brought into full use. Land is not depreciated.

12. SECURITIES INVESTMENTS	School 2025 £'000	School 2024 £'000	Group 2025 £'000	Group 2024 £'000
Group investments				
Balance at 1 August 2024	4,552	3,961	8,668	7,185
New money invested from realised gains	-	-	-	-
New money invested	-	-	325	620
Reinvested Income	70	41	70	41
Investment management fees	(28)	(26)	(28)	(26)
Increase/(Decrease) in value of investments	159	576	91	848
Group investments at 31 July 2025	<u>4,753</u>	<u>4,552</u>	<u>9,126</u>	<u>8,668</u>
Balance at 1 August 2024	198	198	1,194	1,605
Investment in Subsidiary	-	-	(359)	(411)
Subsidiary investment in Joint Venture	-	-	-	-
Group investments at 31 July 2025	<u>198</u>	<u>198</u>	<u>835</u>	<u>1,194</u>
School investments at 31 July 2025	<u>4,951</u>	<u>4,750</u>	<u>9,961</u>	<u>9,862</u>
Investments comprise:				
Listed investments - Equities	4,683	4,500	9,056	8,617
Cash	70	51	70	51
Group investments	<u>4,753</u>	<u>4,552</u>	<u>9,126</u>	<u>8,668</u>
Investment in Subsidiary	198	198	-	-
Subsidiary investment in Joint Venture	-	-	835	1,194
School investments	<u>198</u>	<u>198</u>	<u>835</u>	<u>1,194</u>
School investments	<u>4,951</u>	<u>4,750</u>	<u>9,961</u>	<u>9,862</u>

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Securities investments are managed for the School by Brewin Dolphin Ltd. All investments are managed and held in the UK.

Original cost of investments held at 31 July 2025 is £4.280m (2024 : £2.286m)

The School has invested £198,001 in Cranleigh Education Services Ltd purchasing all 100 shares.

Cranleigh Education Services Ltd also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture in relation to the construction, operation and management of a school in Abu Dhabi. Cranleigh Education Services Ltd holds 50 shares with a nominal value of Dirhams 1000 each. With the school having opened in September 2014, Cranleigh Education Services Ltd now incorporates 70% of the Joint Venture profit to the 31 July. The subsidiary's share of turnover for the year ended 31 July 2025 was £1,224k (2024: £955k) with a net loss of (£326k) (2024: Loss £424k) and the aggregate share of assets, liabilities and funds of the Joint Venture is £827k (2024: £1,186k).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

13. DEBTORS	School 2025 £'000	School 2024 £'000	Group 2025 £'000	Group 2024 £'000
Fees	1	6	1	6
Sundry debtors	441	106	1,391	570
Prepayments	457	444	435	418
Staff loans	8	23	8	23
Other debtors	1,515	-	1,515	-
Amounts due from Cranleigh Education Services Ltd	-	60	-	-
Gift aid donations from subsidiary companies	1,482	455	-	-
	<u>3,904</u>	<u>1,095</u>	<u>3,350</u>	<u>1,017</u>

All debtors are due within one year, except for £6k (2024: £8k) of staff loans and £1,283k of VAT recoverable, which are due after more than one year.

The above fees are net of bad debt provision £174k (2024: £123k).

14. CREDITORS : amounts falling due within one year	School 2025 £'000	School 2024 £'000	Group 2025 £'000	Group 2024 £'000
Bank loans (see Note 17)	306	1,306	306	1,306
Fees received in advance	657	1,094	657	1,094
Final term deposits	2,499	2,231	2,499	2,231
Taxation, social security and pension contributions	698	735	698	735
Amounts due to Cranleigh Enterprises Ltd	-	-	-	-
Other creditors and accruals	1,640	3,388	1,886	3,537
	<u>5,800</u>	<u>8,754</u>	<u>6,046</u>	<u>8,903</u>
Advance fees (see Note 16)	6,186	6,965	6,186	6,965
	<u>11,986</u>	<u>15,720</u>	<u>12,232</u>	<u>15,868</u>

15. CREDITORS : amounts falling due after one year	School 2025 £'000	School 2024 £'000	Group 2025 £'000	Group 2024 £'000
Bank loans (see Note 17)	6,461	6,772	6,461	6,772
Advance fees (see Note 16)	6,927	12,086	6,927	12,086
	<u>13,388</u>	<u>18,858</u>	<u>13,388</u>	<u>18,858</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

16. ADVANCE FEE PAYMENTS

Parents may enter into a contract to pay to the School up to the equivalent of 10 years' tuition fees in advance. The amounts received are treated as deferred income and form part of the School's working capital. Fees are taken to income for each term as the relevant pupils progress through the School. Advance payments may be returned subject to specific conditions on the receipt of one term's notice.

	2025	2024
	£'000	£'000
Assuming pupils will remain in the School, advance fees will be applied as follows :		
After 5 years	128	64
Within 2 to 5 years	6,799	12,022
Within 1 year (Note 14)	<u>6,186</u>	<u>6,965</u>
	<u>13,113</u>	<u>19,051</u>

The balance represents the accrued liability under the contracts, and the movements during the year were:

	£'000
Amounts utilised in payment of fees:	<u>13,113</u>

17. LOAN FINANCE

Credit facilities with Handelsbanken are currently in place, on which interest is payable at normal commercial rates. The loan facilities are secured by separate First Legal Mortgages executed by the School over certain freehold properties owned by the School. The structure is shown in the following table.

	£'000
4.22% Fixed rate amortizing credit facility expiring 26 July 2027	<u>6,767</u>
	<u>6,767</u>

The facilities are repaid by quarterly instalments with the exception of the revolving credit which is repayable on maturity. All facilities mature as follows:

	2025	2024
	£'000	£'000
After 5 years	5,216	5,527
Within 2 to 5 years	1,245	1,245
Within 1 year	<u>306</u>	<u>1,306</u>
	<u>6,767</u>	<u>8,078</u>

In addition there is a revolving current account overdraft facility from Handelsbanken of £3m expiring on 30 September 2026.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

18. STATEMENT OF FUNDS

	Balance 1 August 2024 £'000	Income £'000	Expenditure £'000	Gains/ (Losses) £'000	Transfers £'000	Balance 31 July 2025 £'000
Foundation	4,214	351	(14)	(68)	-	4,483
Total restricted funds	<u>4,214</u>	<u>351</u>	<u>(14)</u>	<u>(68)</u>	<u>-</u>	<u>4,483</u>
Total unrestricted funds	52,371	37,613	(36,361)	160	-	53,783
Total funds	<u>56,585</u>	<u>37,964</u>	<u>(36,375)</u>	<u>92</u>	<u>-</u>	<u>58,266</u>

The funds of the Foundation are considered to be restricted given the aims and objects are narrower than the School and as such are accounted for as a restricted fund in the Group.

19. COMPARATIVE STATEMENT OF FUNDS

	Balance 1 August 2023 £'000	Income £'000	Expenditure £'000	Gains/ (Losses) £'000	Transfers £'000	Balance 31 July 2024 £'000
Foundation	3,591	359	(8)	272	-	4,214
Total restricted funds	<u>3,591</u>	<u>359</u>	<u>(8)</u>	<u>272</u>	<u>-</u>	<u>4,214</u>
Total unrestricted funds	50,479	36,570	(35,254)	576	-	52,371
Total funds	<u>54,070</u>	<u>36,929</u>	<u>(35,262)</u>	<u>848</u>	<u>-</u>	<u>56,585</u>

20. PENSION SCHEMES

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

Defined benefit schemes**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,572k (2024: £1,789k) and at the year-end £0k (2024: £148k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

20. PENSION SCHEMES (continued)

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Cranleigh School Pension Scheme

The School operates a defined benefit scheme for non-teaching staff, the Cranleigh School Pension Scheme. The scheme was closed to new members with effect from 1 January 2013, though it remains open to existing members. As of 1 January 2013, the School established a generous defined contribution scheme for new employees (see page 38).

Contributions are made to the scheme in accordance with the recommendations of the scheme's actuary and are charged to the Statements of Financial Activities. Following the signing of the latest valuation in May 2025 the School's contribution reduced from 22.5% to 12.9%. At 31 July 2025 £0 was accrued in respect of pension contributions to this scheme (2024: £0).

The School has provided £119k to cover the potential cost of meeting the possible commitment to pay additional guaranteed minimum pension (GMP) equalisation costs following the October 2018 ruling by the High Court in the Lloyds Bank case

The fair value of the scheme assets exceeded the present value of future obligations at 31 July 2025 by £2,459,000. However, as the School will not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements in accordance with FRS102.

Cranleigh School is aware of the Virgin Media v NTL Pension Trustees II Limited Court of Appeal judgement which may give rise to adjustments to the Cranleigh School Pension Scheme. At present the legal process is incomplete and therefore we are unable to quantify any potential liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

20. PENSION SCHEMES (continued)

	2025 £'000	2024 £'000
(a) The amounts recognised in the balance sheet are as follows :		
Present value of funded obligations	(15,587)	(17,165)
Fair value of plan assets	<u>18,046</u>	<u>18,456</u>
less asset not recognised	(2,459)	(1,291)
Surplus amount shown in the balance sheet	<u>-</u>	<u>-</u>
	2025 £'000	2024 £'000
(b) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	17,165	15,993
Service cost	259	275
Interest cost	835	825
Actuarial loss/(gain)	(1,987)	744
Benefits paid	<u>(685)</u>	<u>(672)</u>
Defined benefit obligation at year end	<u>15,587</u>	<u>17,165</u>
	2025 £'000	2024 £'000
(c) Changes in the fair value of the Scheme assets		
Opening fair value of the scheme assets	18,456	17,260
Interest on assets/Expected return	904	901
Actuarial gain/(loss)	(926)	489
Employer's contributions	256	386
Employees' contributions	89	92
Expenses paid	(48)	-
Benefits paid	<u>(685)</u>	<u>(672)</u>
Closing assets at year end	<u>18,046</u>	<u>18,456</u>
	2025 £'000	2024 £'000
(d) Amounts included within the Statement of Financial Activities		
Current service cost	2,459	1,291
Past service cost (GMP equalisation)	-	-
Expected return on scheme assets	904	901
Interest on pension liabilities	<u>(835)</u>	<u>(825)</u>
Total amount charged to the Statement of Financial Activities	<u>2,528</u>	<u>1,367</u>
Net Actuarial gains/(losses)	<u>1,061</u>	<u>(255)</u>
less asset not recognised	<u>(1,061)</u>	<u>255</u>
Net Actuarial gains/(losses) recognised in the year	-	-
Net Cumulative actuarial gains/(losses)	<u>-</u>	<u>-</u>

The School expects to contribute £162k to the scheme in 2025/26

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

20. PENSION SCHEMES (continued)

	2025 £'000	2024 £'000
(e) Reconciliation of movements in Present Value of Plan : Liabilities and Assets		
Net asset / (liability) at the beginning of the year	-	-
Movements in the year:		
Employer's current service cost	(170)	(183)
Employer's past service cost	-	-
Employer's contribution	256	386
Net interest on the defined benefit asset/liability	(69)	(76)
Actuarial gains less scheme asset not recognised	-	345
Net asset / (liability) at the end of the year	<u>17</u>	<u>472</u>
(f) The categories of scheme assets as a percentage of total assets	2025	2024
Equities	21	20
Bonds	76	76
Annuities	3	4
Cash	<u>-</u>	<u>-</u>

(g) Principal assumptions at the balance sheet date (expressed in percentages as weighted averages)

Discount rate	5.60	4.95
Expected return on plan assets	6.10	5.45
Rate of increase in salaries	3.00	3.00
Rate of increase in pensions in payment	3.65	3.75
RPI	3.00	3.20
CPI	2.50	2.60
Assumes life expectations in years on retirement age 65		
Retiring today - males	21.4	20.8
Retiring today - females	23.7	23.4
Retiring in 20 years - males	22.7	22.1
Retiring in 20 years - females	25.1	24.9

(h) The amounts for the current and previous periods are :

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Defined benefit obligation	(15,587)	(17,165)	(15,993)	(19,616)	(26,861)
Scheme assets	18,046	18,456	17,260	21,297	27,094
Deficit	-	-	-	-	-
Experience adjustments on liabilities	135	234	(5,270)	(3,629)	4,381
Experience adjustments on assets	(926)	489	(4,639)	(5,121)	1,900

Defined contribution scheme

The Cranleigh School Group Personal Pension Plan started in January 2013 for teaching and non-teaching staff. This is a money purchase group personal pension scheme managed by Aviva. Basic contributions are 4% for the employee and 8% for the employer. The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the year amounted to £734,143 (2024: £505,527). At 31 July 2025 £0 was accrued in respect of pension contributions to this scheme (2024 : £0).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

21. FINANCIAL INSTRUMENTS

The Charity 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

At the balance sheet date the Charity held financial assets at amortised cost of £18,840k (2024: £24,027k). Financial assets at fair value through income or expenditure of £0k (2024: £0) and Financial liabilities at amortised cost of £25,620k (2024: £34,726k)

22. RELATED PARTY TRANSACTIONS

The School rents a residential property from the Chairman of the Governing Body (Mr A J Lajtha) for the housing of school staff. The school pays rent of £1,700 per month under an Assured Shorthold Tenancy agreement. There were no amounts outstanding or owed to the School at 31 July 2025 (2024: Nil)

The spouse of a member of the Senior Leadership Team and a person of significant control, received a salary of £23,740 in the year ending 31 July 2025.

There have been no other related party transactions that require disclosure other than transactions with other group entities, as set out below:

In 2025 the Charity charged Cranleigh Enterprises Limited minibus running costs totalling £46,530 (2024: £45,180). This is calculated as a fee per term based on fuel and maintenance costs.

In 2025 Cranleigh Enterprises Limited charged the Charity minibus usage costs totalling £73,566 (2024: £71,424). This is calculated as a fee per term based on the reasonable wear and tear of the vehicles.

In 2025 Cranleigh Enterprises Limited charged the Charity stationery and book costs totalling £96,804 (2024: £103,497). This is based on the recommended retail price.

23. CAPITAL COMMITMENTS

As at 31 July 2025 the Group had capital commitments of £325k for the works on the Sixth Form Centre project to provide a dedicated space for sixth form pupils.

24. OPERATING LEASES

As at 31 July 2025 the Group had the following non-cancellable operating leases, payable as follows:

	2025 £'000	2024 £'000
Within 2 to 5 years	-	0
Within 1 year	-	19
	<u>-</u>	<u>19</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

25. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000
INCOME FROM:			
Charitable activities			
School fees	33,455	-	33,455
Other income	1,455	-	1,455
Other trading activities			
Facilities and trading income	988	-	988
Other incoming resources	151	-	151
Share of surplus from Joint Venture	-	-	-
Investments			
Investment income	41	-	41
Bank and other interest	380	-	380
Voluntary sources			
Donations and legacies	100	333	433
Fundraising events	-	26	26
Total incoming resources	<u>36,570</u>	<u>359</u>	<u>36,929</u>
EXPENDITURE ON:			
Raising funds			
Trading costs	493	-	493
Share of loss from Joint Venture	413	-	413
Other income-generating activities	-	-	-
Financing costs	668	-	668
Investment management	26	-	26
Fundraising and development	-	8	8
Total deductible costs	<u>1,600</u>	<u>8</u>	<u>1,608</u>
Charitable activities			
Education and grant making	33,654	-	33,654
Total expenditure	<u>35,254</u>	<u>8</u>	<u>35,262</u>
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	1,316	351	1,667
Gains/(losses) on investments	576	272	848
	<u>1,892</u>	<u>623</u>	<u>2,515</u>
NET INCOME AND CAPITAL (INFLOW)			
Transfers	-	-	-
Pension scheme actuarial (loss)/gain	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR FUNDS B/FWD 1 AUGUST 2023	<u>1,892</u>	<u>623</u>	<u>2,515</u>
	<u>50,479</u>	<u>3,591</u>	<u>54,070</u>
FUNDS C/FWD 31 JULY 2024	<u>52,371</u>	<u>4,214</u>	<u>56,585</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

26. ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2025:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	64,767	-	64,767
Current assets	19,032	87	19,119
Current liabilities	(12,232)	-	(12,232)
Long term liabilities	(13,388)	-	(13,388)
Total net assets	58,179	87	58,266

27. COMPARATIVE ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2024	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	67,022	-	67,022
Current assets	24,202	87	24,289
Current liabilities	(15,868)	-	(15,868)
Long term liabilities	(18,858)	-	(18,858)
Total net assets	56,498	87	56,585

CRANLEIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

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CRANLEIGH SCHOOL

England & Wales - Charity number 1070856

Accounts



CRANLEIGH
EX CULTU ROBUR

CRANLEIGH SCHOOL

A COMPANY LIMITED BY GUARANTEE

REGISTERED NUMBER 3595824

CHARITY NUMBER 1070856

ANNUAL REPORT AND ACCOUNTS

31 July 2024

**CRANLEIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024**

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CRANLEIGH SCHOOL

**CRANLEIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024**

GOVERNORS, OFFICERS AND ADVISORS

GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The members of the Governing Body of **Cranleigh School** are the charity trustees of Cranleigh School and the Directors of Cranleigh School ('the Charity'). The members of the Governing Body are:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A J Lajtha* MA, FCIB (Chairman)	●	●	●	●		●	●
S E Bayliss MA		●					
J Boyd* OBE, MA (<i>Retired 23 April 2024</i>)	●				●		
J A Brown MA (Oxon)		●					
R Chesser MA, MB, BChir, MRCP	●						
F N Farrant* BA		●					
M M S Fisher MA (Deputy Chair)		●		●		●	●
P S P Going BSc, MRICS			●	●			
S Gunapala BEng, MEng, FCA				●	●		
T J House LLB (Hons) (<i>Appointed 25 November 2023</i>)	●						
M G Kapotwe* LLB, PGDL (<i>Appointed 18 June 2024</i>)							
K J S Kerr BA (Hons), MCIPD				●			
D Khurshid MA, KC					●	●	
A J Lye BA (<i>Reappointed 1 January 2024</i>)		●					
J P Maskery* MEng	●						
S Mukherjee BSc, FCSI (<i>Appointed 21 March 2024</i>)				●			
C H Severs LLB (Hons)				●		●	
E Stanton BSc, ACA				●			
J J D C Tate RIBA, FRSA			●		●		
P M Wells BEd (Hons)		●			●		
D G Westcott BA, BCL, KC	●			●			
S J Whitehouse BA (Cantab)	●			●	●	●	
R J Wilkins MA, DPhil		●					
D A E Williams BA, FCA (<i>Retired 31 December 2023</i>)				●			
M J Williamson			●				

- (1) Strategy and Risk Committee
- (2) Education Committee
- (3) Buildings and Estate Committee
- (4) Finance Committee
- (5) Risk Management Group
- (6) Cranleigh International Committee
- (7) Nominations Committee
- * Parent of a pupil or pupils at the School

CRANLEIGH SCHOOL

Mrs M M S Fisher and Mr S J Whitehouse are members of the management board of Cranleigh Abu Dhabi. Mr Williams is a trustee of Cranleigh School Pension Scheme.

The Board is a self-appointing body. The normal term of office for governors is five years with two further terms of three years each if elected by the majority of Governors to continue in office. Cranleigh Preparatory (Prep) School has the same Governing Body as Cranleigh School.

EXECUTIVE OFFICERS:

Head Cranleigh School: M S Reader MA, MPhil, MBA, QTS (retired 31 August 2024)
S A Price MA, QTS (appointed 1 September 2024)
Head Cranleigh Prep School: N R Brooks BA, QTS
Director of Operations: P A Dunn BA
Director of Finance: J A Underdown BA (Hons) ACMA
Clerk to the Governing Body: P T Roberts MBE, DChA

Principal address and Registered Office	Cranleigh School Horseshoe Lane Cranleigh Surrey GU6 8QQ	Cranleigh Prep School Horseshoe Lane Cranleigh Surrey GU6 8QH
Websites	www.cranleigh.org	www.cranleighprepschool.org

ADVISORS:

Bankers: Handelsbanken
Andrews House
College Road
Guildford
GU1 4RG

Solicitors: Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

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

Investment Advisors: Brewin Dolphin Limited
12 Smithfield Street
London
EC1A 9BD

CRANLEIGH SCHOOL

ANNUAL REPORT OF THE CRANLEIGH SCHOOL GOVERNORS **FOR THE YEAR ENDED 31 JULY 2024**

The Cranleigh School Governing Body presents the annual report for the year ended 31 July 2024 under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Acts, the Articles of Association and the Charities SORP 2015 in accordance with FRS 102 (as updated).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Charity was founded in 1865 and is registered with the Charity Commission under charity number 1070856. Cranleigh School is a company limited by guarantee, registered number 3595824. Cranleigh School is governed by Articles of Association introduced in 2010 to incorporate changes in legislation in the Companies Act 2006. These Articles replaced the previous Memorandum and Articles of Association dating from 2000. Cranleigh School's object and principal activity, as a charity and as set out in the Articles of Association, is the advancement of education by providing a boarding and/or day school or schools for boys and/or girls in accordance with the principles of the Church of England.

The Charity is structured with a single governing body for two schools known as Cranleigh School and Cranleigh Prep School. The Charity, in furtherance of its object, establishes and administers bursaries, grants, awards and other benefactors, and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of the Charity's objects. The trustees are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011 and have had regard to Charity Commission guidance on public benefit. The Charity's governance complies with the Code for the Voluntary and Community Sector, endorsed by the Charity Commission and other best-practice guidelines published by the Charity Commission. Further details of the Charity's activities are set out below in the strategic report section of this annual report.

GOVERNANCE AND MANAGEMENT

Governing Body

There is one Governing Body for the two schools. The members of the Governing Body and executive officers of the School, together with the principal advisors are listed on pages 1 and 2.

Recruitment and Training of Governors

The Charity's elected members of the Governing Body are appointed at meetings of the Cranleigh School Governing Body on the basis of recommendations from the Nominations Committee. The Nominations Committee scrutinises candidates on behalf of the Governing Body. Trustees and executive officers of the School put forward candidates to the Nominations Committee based on a candidate's professional qualities, experience, personal competences and local availability. The Governing Body is mindful of the benefits of diversity in the widest sense and as noted in Principle 6 of Charity Commission guidance. New members of the Governing Body are inducted into the workings of the Charity and its schools, including Governing Body policy and procedures, at briefings organised for them by the Heads and Director of Operations and Director of Finance. The new members also attend specialist external courses on the roles and responsibilities of charity trustees. Members of the Governing Body attend external trustee training and information courses in order to ensure that the Governing Body is kept informed of current issues and regulations in the education and charity sectors. Governors may attend days at the School shadowing pupils or visiting support departments.

CRANLEIGH SCHOOL

Organisational Management

The members of the Cranleigh School Governing Body, as trustees of the Charity, are legally responsible for the overall management and control of both Cranleigh School and Cranleigh Prep School. The Governing Body takes note of guidance provided by the Charity Commission and specifically the principles set out in the Governance Code published in July 2017. Overall, the Charity meets a very significant proportion of the recommended and best practice for governance that is contained within the Governance Code across the seven principles and is comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code. The Chairman of the Governing Body is Mr A J Lajtha and the Deputy Chair is Mrs M M S Fisher. The full Board meets each term, and so three times a year, and the work of implementing its policies is carried out by six sub-committees:

- The Strategy and Risk Committee considers proposals for development of the School and advises senior management of the strengths and weaknesses of strategic options. A biennial strategy day is held for members of the Governing Body and senior executives to review performance and consider future development. The last strategy day was in June 2023. The Strategy and Risk Committee is chaired by Mr D G Westcott.
- The Education Committee considers educational and pastoral policy. Mrs S E Bayliss is the governor with responsibility for Safeguarding and her deputy is Mrs A J Lye. Mrs F N Farrant has responsibility for Special Educational Needs and Disabilities (SEND). The Education Committee is chaired by Mrs M M S Fisher.
- The Buildings and Estate Committee supervises and monitors capital building projects and maintenance of the fabric of the School and its estate. The Committee has delegated responsibility for Health and Safety and produces a report each term on Health and Safety matters for the Governing Body. Mrs M J Williamson has oversight of boarding on behalf of the Governing Body; including both the provision of facilities and pastoral support (the latter is a responsibility of the Education Committee). The Buildings and Estate Committee is chaired by Mr P S P Going.
- Cranleigh International Committee was established in 2020 (under the name Overseas Committee) to monitor performance and risks of the School's international schools specifically Cranleigh Abu Dhabi and Cranleigh China. Cranleigh International Committee is chaired by Mr S J Whitehouse.
- The Risk Management Group (RMG) monitors risks facing the School. This Committee presides over an annual risk management process that culminates with the production of a risk report in the autumn each year. Each sub-committee is responsible for considering the risks in its area of governance and each has appointed a member to take the lead in risk management. The RMG is chaired by Mr S J Whitehouse.
- The Finance Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. The Finance Committee is chaired by Mrs E Stanton.

The day-to-day running of the School is delegated to the respective Heads, supported by their Senior Management Teams. The Heads and representative members of senior management attend meetings of the Governing Body sub-committees and together these groups are the key management personnel. Remuneration is determined by the Governing Body which is conscious of the contribution of all staff to the School's success and, as such, it is right that remuneration of staff is the highest single cost incurred by the Charity. The Governing Body makes reference to comparisons of staff costs at other schools which are produced in various benchmark surveys that are anonymous and compliant with competition law. The remuneration policy balances fair wages and a generous pension scheme for lower paid staff with the provision of incentives for senior managers who take the burden of responsibility for the School's complex operations. The School complies with the UK's Equality Act 2010 Regulations. These require that companies with more than 250 employees publish information on the gender pay gap annually. The 2023 report is available on the School's website.

CRANLEIGH SCHOOL

Group Structure and Relationships

Cranleigh Foundation was set up in 2007 as a separate charity limited by guarantee with a registered charity number of 1122918 and a company number of 06452540. Cranleigh Foundation's statutory financial statements are consolidated with the School's within this Annual Report and Financial Statements. Cranleigh Foundation is governed by a Memorandum of Association and Articles of Association produced in 2008. The Chairman is a former governor, Mr M J Meyer and one member of the Governing Body, Mr A J Lajtha is also a Foundation trustee. The Heads, Director of Finance and Clerk to the Governing Body attend Foundation trustee meetings.

Cranleigh School has two wholly owned non-charitable subsidiaries. Cranleigh Enterprises Limited (CEL) is a trading company that arranges the letting of facilities when not in use by the School and it has a retail outlet within the School for the sale of items such as school uniform and sports equipment. CEL profit is donated under gift aid to the School. There are more details concerning CEL at Note 3 to the financial statements. The accounts of CEL are consolidated into the Cranleigh School accounts. Cranleigh Education Services Limited (CESL) was incorporated in September 2012. The Company has five directors who are members or former members of the Governing Body or executive officers of Cranleigh School. The Company's purpose is to facilitate the establishment of international schools and then monitor the operation of international schools once open. The Company was responsible for planning Cranleigh Abu Dhabi, working closely with joint venture partners and the firm contracted to run the School. Cranleigh Abu Dhabi opened in September 2014 with 637 pupils from FS 1 to Year 9. The School now has 2,165 pupils having opened a new off-site purpose-built Pre-Prep building in January 2024 on Saadiyat Lagoons. The School's public exam results were strong with 86% of pupils achieving GCSE grades 6-9 and at A Level 72% achieved grades A*-B. Cranleigh China opened its first school in Changsha in September 2020. There are 187 pupils in the international high school section as of September 2024. Outstanding A-level exam results were recorded in 2024 with 41% of students recording A* grades. The iGCSE results were also strong with 90% of students in the A* to C ranking (Cambridge International use grades not numbers). Cranleigh China School opened in Wuhan in September 2022 with over 400 students on roll. Cogdel Cranleigh Wuhan High School recorded a very strong first set of iGCSE results in 2024 with 81% of students achieving A*-A grades.

Stakeholder Engagement, Employment and Sustainability Policy

The trustees confirm that in accordance with Section 172 (1) of the Companies Act and Charity Commission guidance they govern in order to achieve the objects of the Charity. The long-term financial and operational sustainability of the School is considered by trustees as set out in the Going Concern section of this report. Trustees assess financial projections and key risks that could impact the sustainability and reputation of the School. Assessments are made with the assistance of the executive and by reviewing management information, budgets, capital expenditure plans, cash flow forecasts and progress against financial projections each school term. Overarching the assessments of financial sustainability is a comprehensive risk management process that guides the executive and trustees towards areas of risk and specifically the impact and likelihood of risks together with mitigation strategies. The risk process and current assessments are explained in more detail later in this report.

Cranleigh School is an equal opportunities employer. The School has a comprehensive Ethnicity, Diversity and Inclusion (EDI) policy and full and fair consideration is made of job applications from disabled persons and consideration of their training and employment needs is made as necessary. The School complies with modern slavery regulations. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are aware of the financial and economic performance of the School. Communication with employees continues through normal management channels in a variety of forms and through exceptional channels to apprise staff of current issues. Examples of consultation are briefings to teaching staff at the start of each term by the respective Heads to outline development options and seek the views of staff and engagement with staff regarding terms and conditions of employment through the staff Salaries Committee which meet with

CRANLEIGH SCHOOL

the Heads and Director of Finance together, once annually with the Chairman of the Governing Body and Chair of the Finance Committee. The Director of Operations and Director of Finance give additional and regular updates and briefings to support staff.

The Governing Body and the Executive has spent much of the year preparing for both the succession of Heads at the Senior School in September 2024 and the Prep School in January 2025; and gathering data to inform potential changes and mitigations in response to a changing market place and political scenarios. Mrs Samantha Price, the Head of Benenden School in Kent until the end of Summer Term 2024, assumed the appointment of Head of Cranleigh School on 1st September 2024. In September 2023 it was announced that the Head of Cranleigh Prep School, Mr Neil Brooks, will retire in December 2024. Following an extensive recruitment process, the governors appointed Mr William Newman, current Head of Sedbergh Prep School to be the next Head. With two new Heads starting the School close together, the Schools are excited about the potential for proactive and shared change to ensure the Schools are in the strongest position possible to face the challenges of the next few years.

The School is committed to engagement with stakeholders. The main groups are pupils, parents, alumni, employees and contractors. There is significant communication using a full range of media with pupils and their parents or guardians. This is routine and extensive with the aim of ensuring a smooth passage for the eleven years of a pupil's education at Cranleigh. The alumni organisation, The Old Cranleigh Society (OCS), is based at the School and works on behalf of all alumni including those from Cranleigh's international schools. There is extensive engagement with the functional sub-groups of the OCS and assistance is given with the organisation of events.

The procurement of goods and services by the School is undertaken to achieve a secure supply of high quality provisions and material with fair and timely payment. Local and smaller companies are favoured wherever possible and there are arrangements with a variety of sole traders in the local area. The School is conscious of its position as the largest employer in the area and aims to support local business wherever possible. Payment terms are 30 days but sole traders are able to request earlier payment which is arranged on a case-by-case basis.

The School is committed to improving environmental sustainability. There is a pupil led Environmental Committee which first developed its strategy in 2019 and is now taking this forward. The School recycles food waste for anaerobic digestion to generate energy from the waste. The School complies with environmental regulation and specifically is currently undergoing the latest iteration of its ESOS responsibilities which will see an updated report produced at the end of this calendar year. This is a matter close to the front of the minds of pupils who have led a number of initiatives during the year. There is a commitment to improve energy efficiency. The total energy consumption figures for the year were:

Utility and Scope	FY2024 Consumption (kWh)	FY2023 Consumption (kWh)
Scope 1 Total	6,827,642	7,836,466
Natural Gas and Other Fuels (Scope 1)	6,739,200	7,739,326
Transportation (Scope 1)	88,442	97,140

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Scope 2 Total	2,108,640	2,189,869
Grid-Supplied Electricity (Scope 2)	2,108,640	2,189,869
Total	8,936,283	10,026,335

The annual reporting figure changes are as follows:

- There has been a 12.22% decrease in natural gas and other fuel emissions during FY24 compared with FY23. This is due to a mild winter, which delayed heating needs and reduced fuel consumption. Additionally, increased investment in maintaining and monitoring plant rooms has improved energy efficiency. By upgrading equipment and checking boiler rooms more frequently, Cranleigh School have minimized unnecessary heating and hot water usage, leading to reduced emissions.
- Electricity emissions have decreased by 3.72% in FY24, with emissions totaling 436.59 tCO₂e.
- Transport emissions have decreased by 9.23% in FY24, with emissions totaling 20.96 tCO₂e. This is due to match cancellations, either from opposition teams being unable to field players or poor weather conditions. These cancellations reduced the need for travel, and as a result, fewer transport resources were used, contributing to the overall emissions reduction.

The School is active in monitoring for risks of bribery, corruption, fraud and cyber-attack. The risk process is comprehensive and overseen by the Governing Body Risk Management Group. A more detailed explanation of the risk process is given later in this report.

The School maintains a register of those executives and trustees in positions of Significant Control. Conflicts of interest are reviewed formally each year and attendees are required to declare any change of conflict status at each sub-committee and main Board meeting of the Governing Body.

AIMS AND OBJECTIVES

Mission Statement

The purpose of Cranleigh School is to provide, within a Christian environment, the necessary education and appropriate training to enable pupils to develop their potential as individuals, and thereby to ensure that, on leaving, they will become confident members of society and effective contributors to it.

Aims

The aims of Cranleigh School, for the public benefit, are to enable young people to flourish in a school where busy pupils lead fulfilled lives now while developing the personal skills and qualities that will enhance their adult lives. Cranleigh aims to provide young people with the strength to succeed; the wisdom to make informed choices; resilience in the face of failure or difficulty; and the insight to recognise their privilege and to shape the future culture of the world through lives of service and leadership. With these skills, and in the context and heritage of their culture, Cranleigh pupils are encouraged to explore and ask central questions about their purpose and identity. A rigorous academic curriculum is reinforced by a commitment to a breadth of activity that enhances personal development.

Cranleigh is committed to being a medium-sized, co-educational boarding and day school, large enough to provide for breadth of opportunity and small enough to sustain a friendly, cohesive community in

CRANLEIGH SCHOOL

which there is a strong and active partnership between parents and the School. 'Pupils first' is a guiding principle for all decision making. Arising from the School's Christian heritage and cultural background, at the heart of a Cranleigh education are four central values of Service, Relationships, Leadership and Excellence.

Service: All in the community are encouraged to adopt an attitude of service to each other and the wider community.

Relationships: Strong relationships are fostered as a priority in a predominantly boarding community. Children flourish within safe, supportive environments.

Leadership: Openness, integrity and thoroughness are characteristics of everything we do. Cranleigh aspires to lead thinking and practice in holistic, boarding education. Cranleighans will be equipped with the knowledge and skills to shape future culture.

Excellence: Cranleigh will strive for excellence in everything it does and aspires to be recognised both for its educational vision and for the personal qualities of Cranleighans.

Primary objectives

In order to achieve its aims the School has developed primary objectives which are:

- to provide a stimulating learning environment in which pupils are encouraged to pursue and stretch their academic potential;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, co-education, respect for one another and good citizenship; the pursuit of best practice in safeguarding young people will always be a priority;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately;
- to provide the necessary administrative and logistical framework to meet the needs of employees and pupils alike;
- to encourage diversity within a predominantly local boarding community through the expansion of the bursary programme, an increase in the number of Foundationers, and regular monitoring of the Admissions process.

Strategies to achieve primary objectives

The primary objective is to provide a stimulating learning environment and this is achieved by 165 FTE teachers (2023: 169). These teachers strive to allow every pupil to develop their academic potential. This is achieved by focusing on each individual whilst fostering the broader ethos of the School's community as a whole. The School's structure enables tutors, and at the younger age groups form teachers, to commit time and energy to their tutees and individual pupils in each form.

The provision of a happy and secure pastoral environment is at the core of the School's approach to education. Pupils are cared for within a close 'house' structure that provides for comprehensive individual care based on Christian principles and a strong bond that creates friendships throughout the School. The second element of this objective is to foster a sense of community and citizenship. This has been achieved through links with the local community and with international and regional organisations. Over the past year the Prep School has hosted children from local primary schools to join in when external providers, such as theatrical performers, have been in school. The children research and select charities which they wish to support throughout the year. The School supports a library in a local primary school and Art teachers and DT teachers have been involved in outreach programmes in local state schools. There have been significant changes in the boarding provision both

CRANLEIGH SCHOOL

in terms of facilities and staffing. The Prep School has much better and rejuvenated boarding accommodation which has seen popularity of boarding and its community grow. The School has also invested in Learning Support facilities, placing them at the heart of the academic programme, physically and ideologically. The Prep School Code of Conduct clearly communicates expectations to pupils and helps them develop a sense of responsibility, empathy and leadership.

The co-curriculum is broad. Leadership and decision-making are embedded in many activities. The number of activities on offer to pupils is too numerous to mention here. A clearer understanding of the whole school approach to the co-curriculum can be found on the School websites www.cranleigh.org and www.cranprep.org. Readers are encouraged to visit these sites.

The School is committed to improving equity, diversity and inclusion both as part of its social purpose and to ensure pupils are better prepared to be global citizens. The Governing Body has set and published objectives to increase the number of international students to 10% over the next four years; to increase the ethnic diversity of students from 7% to a minimum of 10% of the Cranleigh population over the next four years; to increase the ethnic diversity of staff in line with the ethnic diversity of pupils; to recruit to achieve an equitable gender balance in middle and senior leadership positions over the next ten years. Social purpose objectives are also partially met through the funding of bursaries from income from international schools and the Cranleigh Foundation.

Cranleigh Foundation trustees' Report and Financial Statements outline the continued progress in the development of Cranleigh Foundation. The Foundation has received donations this year of £333k (2023: £282k), and total income of £475k (2023: £397k). The Foundation supports transformational bursaries for a number of pupils in year groups 7 to 13 at Cranleigh School. The Foundation trustees decided pre-Covid to focus activity on the development of an endowment which will be built up over decades whilst continuing to support Foundationer pupils through the award of transformational bursaries, often with assistance from external organisations such as Springboard. There is not currently a fund-raising strategy and in the medium term the School will be appointing a Development Director in this important area. The Charity has therefore had no active fund-raising activities this year requiring disclosure under S162A of the Charities Act 2011. The School and Foundation are compliant with the General Data Protection Regulation (GDPR).

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The principal activity, as specified in the Articles of Association, is the advancement of education and, in this, the School has had another successful year. Cranleigh School averaged 687 pupils (2023: 698) of whom 171 (2023:183) were day pupils and Cranleigh Prep School averaged 316 (2023: 319) pupils. At the Prep School the flexible boarding arrangements continued to be popular with, on average, circa 70 pupils boarding at the School each week in the newly refurbished boarding facilities which opened in September 2021. Demand for places remains strong although less predictable in the light of changes to independent schools tax status resulting from the introduction of VAT on school fees from January 2025. The School year was successful with many notable specific achievements, some of which are reported below.

The school's public examination results were strong at every level. At A Level, 16% of A level exams were graded at A* and 79% graded at A*-B grade. 81% of Cranleigh's leavers were successful in securing places at their university of choice. The School continues to be encouraged that academically able students are gaining places and scholarships at Ivy League universities and other leading universities in America. Of those gaining places in the UK, 82% entered Russell Group or equivalent

CRANLEIGH SCHOOL

universities. The School continues to take a national lead in the EPQ and it is encouraging to note that an increasing number of universities, including a significant number in the Russell Group, now recognise the value of EPQ by making a lower A level offer contingent on achieving an A* or A in the EPQ. This year 44% of Year 13 pupils achieved A* or A grades in their EPQ. The GCSE results were also strong and a testament to the hard work of both pupils and staff with 68% grades 9-7. Cranleigh School retains its place amongst the best schools in the country for academic performance which, combined with the breadth of the educational experience, enables pupils to reach their potential.

Cranleigh sport has flourished once again both at the high-performance level with national and regional success in a wide range of sports but also at the participation level where we continue to put out more teams than other schools of a similar size. In cricket, Cranleigh reinforced its reputation as one of the best boys and girls cricket schools in the country with the boys 1st XI winning 12 out of their 14 matches and a clear pathway for elite pupils to reach professional level. Girls cricket is flourishing with more depth of numbers playing and the main 1st and U15A sides winning over 66% of their matches. In rugby, the U15A entered the National Schools' Cup for the first time and won the National Plate Competition. The 1st sevens side continued its reputation as one of the top sides in the country winning the Hampton Sevens and narrowly losing in the semi-finals of the National Rosslyn Park Cup Competition. In the main Michaelmas rugby term there were a record number of teams being put out from senior 5th XV to U14Ds playing regularly each weekend. A win rate across the club of over 70% was hugely impressive and a clear proven pathway exists for the elite players to follow a number of other recent OCs into playing professional rugby.

Cranleigh continued its fine reputation for hockey with a record number of teams across the boys' and girls' clubs. Both boys' and girls' teams compete in the National Tier 1 Hockey league and the U18A team were National Runners-Up. Several boys and girls played regional level hockey with a number progressing to the National level age group squads. With two Old Cranleighans playing hockey for GB in the Olympics, the success continues. There was also football success with the boys 1st team reaching the final of the National ISFA shield for the second year in a row. The netball club saw a record number of teams playing each Saturday (21 teams from Years 9 to 13) and all the girls' enthusiasm brought much success as well. The breadth of other sports on offer is excellent with three national medals won at the National Schools Eventing and Show Jumping competitions, the Eton Fives 1st pair winning the girls U18 National Championships and a swimmer winning gold in the U18 National 200m Breaststroke.

Sport at Cranleigh Prep School continues to be strong at inter and intra-school levels. Major team games (football, hockey, netball, rugby and cricket) allow all pupils to represent teams and attend fixtures. There are a vast number of other sports, for example riding, fencing, judo, tennis, swimming, athletics, cross-country and badminton which continue to be offered to the pupils. The U12A girls' cricket team won the Surrey Hardball Cup. This year has seen that offering expand further as the School has gained access to the Senior School's new squash courts. NFL (National Football League), a version of the American game, also features on the sporting programme and is played competitively, the School came second in the regional finals. Girls' football is now fully integrated in the sporting curriculum. Boys' and girls' teams reached national finals levels in hockey. Sports participation beyond the level offered by the school is strong with pupils supported at county and regional level for cricket, hockey and swimming. 12 pupils competed at the London Aquatic Centre at the IAPS National Swimming Finals with a notable gold medal in the 50m breaststroke. One girl, aged 13, was a member of the winning pair in the Eton Fives U18 National Finals. Three children won the Intermediate Polo Summer Championship at the Schools and Universities Polo competition. Three pupils won a National Title at Hickstead, competing against 232 other schools in the National Schools Equestrian Association's Eventers' Challenge Championships.

Pupils have undertaken challenging expeditions in renowned areas, including the Surrey Hills, Ashdown Forest, and the New Forest. Gold Award participants completed a demanding practice expedition on

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Dartmoor under challenging conditions. This rigorous training prepared them well for their final expedition in the Brecon Beacons, which was completed successfully. In line with modern safety protocols, GPS tracking devices were implemented for all expeditions. This not only enhanced safety but also improved the training process, offering a more structured approach to expedition navigation and monitoring.

The Year 9 cohort engaged in a comprehensive outdoor activity program throughout the year. The culmination of these activities was a two-day adventure designed to consolidate the skills acquired during the year, both on and off site. Noteworthy elements of this program include a hike across the Seven Sisters, one of England's most scenic coastal landscapes, and collaboration with the School's Environmental and Sustainability Team. This program has been instrumental in developing pupils' leadership, teamwork, and environmental stewardship.

The Climbing Team has once again achieved commendable results this year, placing second in the South East Regional Competition and fifth at the National Climbing Championships. These results reflect the hard work and dedication of the team and coaches alike.

This year saw the successful introduction of scuba diving in preparation for a scuba trip. Pupils worked towards their Open Water Qualification through a combination of online training, practice sessions in the School pool, and a two-day open water dive at a local lake. In addition to this new offering, efforts are underway to expand the school's involvement in other watersports, specifically paddling and sailing. We are currently in the process of reintroducing K2 and dinghy racing with a view to participating in local and national races and regattas.

The Combined Cadet Force (CCF) continues to thrive, maintaining a large and highly engaged contingent. The past year was marked by several notable events and achievements, as the CCF entered its 125th year of operation. The leadership displayed by senior cadets has been exemplary, with a range of successful activities undertaken, including the completion of the National Navigation Award by cadets during an adventure week in the Lake District. 14 cadets successfully completed a Static Line Parachuting course, culminating in a solo jump over Salisbury Plain. Over 100 cadets participated in the Village Remembrance Parade and the D-Day 80 Celebrations, both of which were organised with significant support from the School.

Shooting remains a hallmark of the CCF with cadets delivering outstanding performances in national-level competitions. The School's cadets placed first in the South East and second nationally in the British Schools Air Rifle Competition. The School hosted a Target Sprint National Qualifier, where five cadets qualified for the British Shooting Final, which we hosted on Jubilee. One of our students secured a silver medal and was subsequently offered a place on the Team GB pathway programme. The Full Bore Shooting Team also enjoyed a successful year. Through close collaboration with the OCs, the team achieved third place in the South East. The shooting team made up of year 10 cadets attended the prestigious Bisley Schools Competition, securing fifth place out of 61 competing schools. This achievement marks the first time in over 40 years that Cranleigh has appeared on the Bisley Main Leader Board. The continued success of both Outdoor Education and the Combined Cadet Force is a testament to the hard work, dedication, and commitment of the pupils, staff, and the wider school community. These programs are integral to the development of important life skills, including leadership, resilience, teamwork, and environmental stewardship.

This has been a year to celebrate Cranleigh's long heritage and excellence in the creative and performing arts, in line with our motto, *from culture comes strength*. 2024 marked the 50th anniversary of the Helen Wareham Solo Music Competition. A celebratory concert in March saw a soloist from each section play a 10-minute recital to a discerning audience of past winners, music scholars and their parents. The quality of musicianship on display was astonishing, reflecting the increasing number of musicians who are now taking diploma qualifications. The Music department has continued to promote

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participation with lower stakes concerts at tea time and lunch time and the increasingly popular Open Mic' nights after Prep. Together with the larger set piece events such as choral concerts with professional orchestras and Cranleigh Live contemporary music concerts they present an enriching cultural experience for the pupils. The Music department has continued to champion diversity in music. This year the Summer Concert focused on neurodiversity with musicians from the Orpheus Trust Centre and the Simon Trust joining Cranleigh pupils in a memorable and moving performance. A developing partnership with the Cranleigh Arts Centre is enabling Cranleigh music to be more accessible to the local community. Cranleigh School put on the first ever amateur performance of 'West Side Story' in 1964. To mark the 60th anniversary, Cranleigh performed 'West Side Story' once more. Probably the most challenging of all the musicals given its combination of complex music and dance, especially for those who have never danced before, the performances proved that if pupils are stretched they will always outperform expectations. The show gained plaudits from professionals and from many of the returning cast from 1964. To encourage greater participation in drama, House plays, which had fallen into abeyance post pandemic were given a new lease of life with each house putting on a play in the late autumn. The enjoyment of debut actors and directors was clearly evident.

Cranleigh School's broadening international family is providing more opportunities for creative collaboration in celebration of our motto. In October, 30 musicians from years 7-13 travelled to Abu Dhabi and together with the Hermann Gmeiner School, Ghana and Cranleigh Abu Dhabi, students prepared and performed a day of concerts, dance and performance art in the Louvre Abu Dhabi, a unique innovation. In March, 10 dancers from Cranleigh Abu Dhabi joined the company of 'West Side Story' for the week and next year the Helen Wareham Competition will include musicians from Abu Dhabi and Cranleigh Schools in China.

To further strengthen co-curricular activity, a new fitness studio, three new squash courts, a spinning room and a dance studio were opened. The opening of the fitness studio has enabled further development of high-performance strength and conditioning whilst also providing for those who are more interested in general fitness. The dance studio will meet the demand of a rapidly expanding dance programme, energised by 'West Side Story'.

There were once again a huge number of wide-ranging House competitions from the plethora of sports events to academic public speaking and general knowledge quizzes, right through to a Year 9 dance and House part-song singing competition at the House performance show in September. A rich and varied programme of clubs and societies run each week and one notable highlight was the highly successful Design club. Cranleigh's VEX Robotics team continues to perform well in national competitions, narrowly missing out this year on qualification for the World Championships. An extensive range of educational visits took place this year with a rapid increase in demand for overseas trips of all varieties from sports tours around Europe, volunteering and charitable ventures as far away as Zambia and many other cultural and academic enriching trips from London to the USA

At Cranleigh Prep School, Year 8 produced film versions of 'Lord of the Flies', 'Noughts and Crosses' and 'Romeo and Juliet', Year 7 staged 'Seussical the Musical' and Year 5 impressed with 'A Funny Thing Happened on the way to Camelot'. 29 pupils attempted LAMDA exams in the summer, all of whom attained Distinctions. The Chapel Choir continues to be popular and the Chamber Choir sang in a local care home. One pupil was selected to sing with the National Youth Choir, another with the National Children's Choir of Great Britain.

The School had an immensely busy summer period where over 90 individual projects were completed by the support departments. Most notably, the main kitchen and servery have been completely redeveloped proving new, modern facilities for cooking and serving as well as developing better facilities to support the department and staff back of house. Additionally, the Reception and visitors' area at the front of School has been redeveloped to provide a more welcoming experience to all who visit the School. The lower tennis and netball courts have been refurbished as part of our ongoing commitment

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to maintain our existing facilities as well as we are able, and a myriad of smaller redecoration and compliance projects within boarding houses and at the Prep School have also been completed.

Public benefit

Cranleigh School continues to be committed to the provision of public benefit in accordance with its founding principles. The requirement to report public benefit in more detail is formalised in the Charities Act 2011.

The awarding of bursaries is a measurable means of providing public benefit. The trustees consider that bursaries, awarded to those who would not otherwise be able to afford the fees, are important, but not to the exclusion of the much wider benefit that Cranleigh provides within the local community. Those pupils who attend Cranleigh and who receive this financial support contribute to the School community in a variety of ways and so enrich the whole School and, in some cases, the community outside the School. The value of scholarships and bursaries to people who would not otherwise be able to afford the fees to attend Cranleigh School was this year £1,257k (2023: £1,141k). The value of these bursaries has been met by funding from international schools, income from the Cranleigh Foundation and enterprises such as summer lets.

In addition to bursaries, the School has engaged in many activities that provide public benefit in accordance to the Charity's objectives, and these are listed in a register maintained by the School. The School was quick to offer support to Ukrainian families fleeing the war and initially took in four pupils with two remaining in the longer term. Fund-raising activities to those effected by the war have been held regularly since February 2022. There have been many other charitable events in support of the objects during the year. Some examples are: partnerships with local maintained schools so that teachers from Cranleigh School teach at local maintained schools if there is a need for enhancement in a particular area and three members of staff are governors at local primary schools. The School's outreach programme into the community is active and has, during the year, involved activities such as the relief of hardship through support by Cranleigh Mission and support to local sports clubs. 48 local sports clubs used the School's sporting facilities, and outreach assistance includes maintenance by the School's Grounds department of the estate at Glebelands School, the maintained secondary school bordering Cranleigh School. In many cases the School's support is focused on providing support to the youth sections of sports clubs. The School has formed a good relationship with the Surrey Virtual School supporting educational programmes for looked after children. This theme of social responsibility is important as Cranleigh School aims to develop local community projects.

Cranleigh continues to focus its partnership activities on literacy outreach in collaboration with the National Literacy Trust and Cranleigh CofE primary school, a school which has a quarter of children on full school meals, through its Young Readers' Programme; storytelling and reading for pleasure events; teacher training; the provision of over 500 books and Cranleigh's Sixth Form pupils assisting with events and reading engagement activities. A separate impact report highlights that the project has enhanced reading culture with positive changes in reading enjoyment, reading motivation, frequency and attainment. The School is also taking a leading role in sharing this expertise through the West Surrey Schools Partnership which has taken literacy as its major focus, expanding the impact across a greater range of primary providers in the area. The School has also taken a lead in supporting the Partnership in sustainability activities.

Continuing the focus on literacy, following the example of our partner school in Zambia, the charity the School collaborates with has rolled out the Jolly Phonics literacy programme across the Copperbelt Province. In 2023-24 the number of government and community schools in Grade 3 involved in the programme grew from 515 to 600 and a further 1,500 teachers were trained bringing the number from 3,500 to 5,000 enabling them to double the number of children the literacy programme has impacted with over 300,000 pupils now learning to read through this method. Consistently, pupils using Jolly Phonics have scored two or three times higher than pupils in non-Jolly Phonics classes. The next stage

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of development is to increase numeracy through improving the knowledge of number bonds which has been identified as an area of weakness.

It is difficult, to measure accurately the financial cost to the School of this public benefit, that is given in addition to bursaries, but it is certainly well into six figures. The benefit provided by bursaries and other activities can also be considered alongside the benefit of educating the 1,003 pupils (167 in the primary school sector) which, in itself, has saved the Exchequer some £6,818,100¹ this year.

Cranleigh Foundation is an integral element in the provision of public benefit. There are seven Foundation bursary holders (Foundationers) in the School in September 2023 each with a bursary covering either full fees or a significant proportion of full fees. The School continues to seek candidates to be Foundationers. The financial benefit to Foundationers this year was £308k (2023: £253k).

¹2023 Annual Report on Education Spending in England by the Institute of Fiscal Studies. £6,900 per pupil in secondary schools and £6,300 per pupil in primary schools.

FINANCIAL REVIEW

Results for the year

The School's consolidated net movement in funds in the attached financial statements is £2,515k (2023: £2,984). The surplus made by Cranleigh School (net incoming funds from operations before transfers and investment gains) was £1,667k for the year (2023: £3,483k). The FRS 102 pension valuation is a non-cash item within the School's accounts and has calculated that the scheme has a net actuarial gain/loss recognised in the year of £0k, however the funding level is in surplus by £1,291k (2023: surplus of £1,267k).

Forecast for the current year (2024/25)

The Governing Body has considered several factors when forming their conclusion as to the use of the Going Concern basis for the basis of preparation of these financial statements including a review of updated forecasts to 31 December 2026 that include the impact of the imposition of VAT on school fees from January 2025. There has been comprehensive consideration of key risks that could negatively affect the Charity and its working capital requirements. The Governing Body has concluded that the School's finances for the year ahead are sound and so it continues to adopt the Going Concern basis in preparing the financial statements.

Investment policy, objectives and performance

The Governing Body has a balanced risk policy for investments. This is set out in the Statement of Investment Principles which is reviewed annually. The Finance Committee has delegated responsibility for investments to an Investment Committee. The Investment Committee comprises the Chair of the Finance Committee, Mr S Mukherjee, Mr S J Whitehouse and Mr P T Roberts. The Committee meet the School's investment advisors four times a year and provides a brief for the Governing Body at each Finance Committee meeting. Investment performance is measured against appropriate benchmarks and the Finance Committee is satisfied that performance is good when measured against benchmarks. This year performance has been above inflation and the portfolio increased in value by 14.2% (2023: 0.8%) to £4,750k. The Investment Committee is currently reviewing investment risk and the structure of investment advice. The Governing Body considers that the performance of investments over the year are in line with benchmark total returns.

Reserves level and policy

Cranleigh School has total reserves of £9,750k (2023: £9,159k). The School's reserves policy is to maintain sufficient unrestricted funds to meet an unexpected shortfall of revenue in order to provide cash for three months operating costs at an average of £2,862k per month. The School's reserves comprise the investment portfolio valued at £4,750k the unused bank facility of £2,000k and unused overdraft of £3,000k. Total reserves at 31st July therefore exceeded the £8,586k sum required by the policy.

The Charity has not conducted active fund-raising during the year. Notwithstanding this Cranleigh Foundation (Charity Number 1122918) raised £475k (2023: £397k) during the accounting year from donations, legacies and investment income.

Principal risks and uncertainties

Cranleigh School Governing Body is responsible for the management of the risks faced by the School. Risk Management is delegated to the Risk Management Group (RMG) which reports formally to the Governing Body each autumn. This RMG comprises six members of the Governing Body and it is assisted in its work by senior management and other staff as necessary. The process provides continuous assessment of risks through the auspices of the sub-committees with each taking responsibility for risks, and where appropriate mitigation, in its given area of expertise. The generic controls used by the Charity to minimise risks include:

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- oversight of key areas of risk, such as health and safety and safeguarding, by individually nominated governors;
- formal agendas for Committee and Board activity;
- formal strategic planning, reviewed annually and assisted by the Strategy and Risk Committee;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies;
- vetting procedures as required by law for the protection of the vulnerable;
- compliance with regulations that apply to the running of a school;
- declaration of conflicts of interest, renewed at each Governing Body meeting, including sub-committee meetings.

The most significant external risk facing the School is financial following the impact of the imposition of VAT on school fees from January 2025 and its associated effect on pupil numbers. In order to mitigate this risk the RMG and Finance Committee recommended the formation of a finance working group to consider financial options. This working group has met on a number of occasions during the year. Global insecurity is considered a medium term external risk to Cranleigh's international operations and this risk is monitored by the International Committee as a standing item at each meeting of the Committee.

Previous direction given to the executive to place safeguarding of pupils as the School's first priority is enduring. Health and safety is both a safeguarding and more general risk, and both risks are residual and so will endure. The School continues to prioritise safeguarding culture and education, refreshing and updating a comprehensive programme of sex and relationships education. The School has also prioritised anti-racist education and a governors' working party formed in 2021 supports the School's leadership in the introduction of more comprehensive EDI initiatives, in partnership with Flair Impact, the African Caribbean Education Network and Black Lives in Music. Work on decolonising the curriculum continues and the Assistant Head Pastoral, who sits on the board of the Schools Inclusion Network, has involved pupil leaders in improvements to more inclusive practice and language and strengthened education and alliance activities with all those with protected characteristics. An Independent Schools Inspectorate report carried out in November 2022 highlighted the inclusiveness of the school's culture and the strength of its safeguarding procedures.

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. Sports' injuries are monitored carefully, each being tracked, to record trends in order to identify those elements of sport most likely to cause injury so that mitigating actions can be taken. To release any potential pressures on the NHS ambulance service, and prevent further risk of injury, all matches this term continue to have private medical facilities on the touch line. There continues to be interest in the wider education community about the risk of injury on the rugby field.

The Governing Body seeks to understand some individual risks in more detail and from time-to-time initiates external scrutiny. The Governing Body is satisfied that the major risks have been identified and controls put in place to manage risk adequately. It is recognised that systems can provide reasonable, but not absolute, assurance that major risks are being managed.

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Future plans

The School Development Plan of 2015 has been completed. A new development cycle will commence with the succession of the Heads at both schools who will work closely with the executive and Governing Body. It is anticipated that the enduring core work of planning is that Cranleigh School will continue to articulate and extend its culture through ***Cranleigh Thinking, Cranleigh Being and Cranleigh Giving.***

Cranleigh Thinking teaches pupils to think beyond the test, to become independent learners who know how to learn, adapting to changing contexts.

Cranleigh Being promotes a culture in which ***who*** we are and ***how*** we are is as important as what we achieve and in which the well-being of all in the community is a priority.

Cranleigh Giving encourages all in the community to think beyond themselves and to consider how they will share their resources, time and expertise. It also seeks to widen access to Cranleigh, offering opportunities to young people from a diverse range of backgrounds and experience.

Together, these themes express the aspiration that all members of the community are encouraged to be thinking, giving individuals who are able to consider who they are, what they will be and how they will be now and in the future. It is this aspiration that is to be taken forward in the next school development plan.

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STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The trustees are responsible for the preparation of the trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming or outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue to operate.

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

Insofar as each of the members of the Governing Body at the date of approval of this report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Charity's auditor is aware of that information.

AUTHORISATION

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Cranleigh School on 30th November 2024, including in their capacity as company directors approving the Directors' and Strategic Reports contained therein, and is signed as authorised on its behalf by the Chairman of the Governing Body.



M M S Fisher
(Deputy Chair of the Governing Body)

Independent Auditor's Report to the Members of Cranleigh School

Opinion

We have audited the financial statements of Cranleigh School ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2024 which comprise Consolidated Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Statement of Cashflows and notes to the financial statements, including 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 group's and the charitable company's affairs as at 31 July 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit

procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

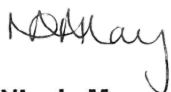
In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation. We also considered compliance with local legislation for the group's overseas operating segments. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of voluntary income, the timing of recognition of other trading activities, and the override of controls by management which includes estimates and judgements in relation to the pension liability. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical procedures and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
Date 4 December 2024

CRANLEIGH SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2024

		Trading School Subsidiaries				
		Unrestricted Funds	Unrestricted Funds	Restricted Funds	Group	Group
	Note	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2023 £'000
INCOME FROM:						
Charitable activities						
School fees	2	33,455	-	-	33,455	30,947
Other income	4	1,455	-	-	1,455	1,199
Other trading activities						
Facilities and trading income	5	15	973	-	988	2,257
Other incoming resources	5	151	-	-	151	116
Share of surplus from Joint Venture	5	-	-	-	-	361
Investments						
Investment income	6	41	-	-	41	130
Bank and other interest	6	380	-	-	380	106
Voluntary sources						
Donations and legacies	7	100	-	333	433	380
Fundraising events	7	-	-	26	26	25
Total incoming resources		35,597	973	359	36,929	35,521
EXPENDITURE ON:						
Raising funds						
Trading costs	8	-	493	-	493	606
Share of loss from Joint Venture	12	-	413	-	413	-
Financing costs	9	662	6	-	668	604
Investment management		26	-	-	26	24
Fundraising and development		-	-	8	8	3
Total deductible costs		688	912	8	1,608	1,237
Charitable activities						
Education and grant making	8	33,654	-	-	33,654	30,801
Total expenditure		34,342	912	8	35,262	32,038
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		1,255	61	351	1,667	3,483
Gains / (losses) on investments	12	576	-	272	848	(49)
NET INCOME / (EXPENDITURE)		1,831	61	623	2,515	3,434
Transfers						
Other recognised gains / (losses):		455	(455)	-	-	-
Pension scheme actuarial gain/(loss)	20	-	-	-	-	(450)
NET MOVEMENT IN FUNDS FOR THE YEAR		2,286	(394)	623	2,515	2,984
FUNDS B/FWD 1 AUGUST 2023		48,844	1,635	3,591	54,070	51,086
FUNDS C/FWD 31 JULY 2024		51,130	1,241	4,214	56,585	54,070

The notes on pages 26 to 43 form part of these accounts

CRANLEIGH SCHOOL

BALANCE SHEETS AS AT 31 JULY 2024

	Note	School 2024 £'000	School 2023 £'000	Group 2024 £'000	Group 2023 £'000
FIXED ASSETS					
Tangible assets	11	57,101	56,631	57,160	56,664
Investments	12	<u>4,750</u>	<u>4,159</u>	<u>9,862</u>	<u>8,790</u>
		<u>61,851</u>	<u>60,790</u>	<u>67,022</u>	<u>65,454</u>
CURRENT ASSETS					
Stocks		50	52	262	215
Debtors - due within one year	13	1,086	2,105	1,009	1,861
- due after one year	13	8	17	8	17
Cash and bank balances		<u>22,713</u>	<u>6,477</u>	<u>23,010</u>	<u>7,428</u>
		<u>23,857</u>	<u>8,651</u>	<u>24,289</u>	<u>9,521</u>
CURRENT LIABILITIES					
Creditors payable within one year	14	<u>(15,720)</u>	<u>(8,948)</u>	<u>(15,868)</u>	<u>(9,256)</u>
		<u>(15,720)</u>	<u>(8,948)</u>	<u>(15,868)</u>	<u>(9,256)</u>
NET CURRENT ASSETS / (LIABILITIES)					
		<u>8,137</u>	<u>(297)</u>	<u>8,421</u>	<u>265</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>69,988</u>	<u>60,493</u>	<u>75,443</u>	<u>65,719</u>
LONG-TERM LIABILITIES					
Creditors payable after one year	15	<u>(18,858)</u>	<u>(11,649)</u>	<u>(18,858)</u>	<u>(11,649)</u>
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY					
		<u>51,130</u>	<u>48,844</u>	<u>56,585</u>	<u>54,070</u>
Pension scheme funding	20	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NET ASSETS					
		<u>51,130</u>	<u>48,844</u>	<u>56,585</u>	<u>54,070</u>
FUNDS					
Foundation restricted funds		-	-	4,214	3,591
Trading subsidiaries		-	-	100	100
School unrestricted funds		51,130	48,844	52,271	50,379
Pension reserve	20	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS					
	18	<u>51,130</u>	<u>48,844</u>	<u>56,585</u>	<u>54,070</u>

The net movement in funds for the financial year dealt with in the financial statements of the parent company was £2,515k (2023 : £2,984k)

Approved and authorised for issue by the Governors on 30 November 2024 and signed on their behalf by



M M S Fisher (Deputy Chair of the Governing Body)

The notes on pages 24 to 43 form part of these accounts

Company No.3595824

CRANLEIGH SCHOOL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2024

	2024	2023
	£'000	£'000
Net cash inflow from operations		
Net cash provided by / (used in) operating activities (a)	<u>5,908</u>	<u>5,243</u>
Cash flows from investing activities		
Payments for tangible fixed assets	(2,301)	(1,238)
Purchase of investments	(661)	(40)
Withdrawals from investments	26	24
Investment income and bank interest received	<u>41</u>	<u>40</u>
Net cash (used in) / provided by investing activities	(2,895)	(1,214)
Cash flows from financing activities		
Finance costs paid	(479)	(530)
Advance fees: New contracts	18,681	2,070
Accrued to contracts	147	44
Appropriations	(2,297)	(1,614)
Loan facility	<u>(3,483)</u>	<u>(428)</u>
Net cash provided by financing activities	12,569	(458)
	<u>15,582</u>	<u>3,571</u>
Debt repayment (net)	<u>3,484</u>	<u>428</u>
Change in cash and cash equivalents in the reporting period	19,066	3,999
Cash and cash equivalents at the beginning of the reporting period	(4,134)	(8,133)
Cash and cash equivalents at the end of the reporting period (b)	<u>14,932</u>	<u>(4,134)</u>

The notes on pages 26 to 43 form part of these financial statements

CRANLEIGH SCHOOL

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2024

(a) Reconciliation of net income to net cash flow from operating activities

	2024		2023
	£'000		£'000
Net incoming resources	1,667		3,483
Elimination of non-operating cash flows:			
Investment income	(41)	(40)	
Finance costs paid	479	530	
Depreciation	1,802	1,723	
(Loss)/Profit from disposal of assets	(3)	4	
(Increase)/Decrease in stock	(47)	1	
(Increase)/Decrease in debtors	861	(1,306)	
Increase/(Decrease) in creditors	1,190	848	1,760
	4,241	848	
	5,908		5,243

(b) Analysis of cash and cash equivalents

	1 August 2023 £' 000		1 August 2024 £' 000
Cash at bank and in hand less overdraft	7,428	15,582	23,010
Loan facility - Handelsbanken	(11,562)	3,484	(8,078)
	(4,134)	19,066	14,932

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 July 1998 (Company No. 3595824) and registered as a charity (Charity No. 1070856).

The financial statements have been prepared in accordance with 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 18.

The accounts present the consolidated Statement of Financial Activities (SoFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School and with its wholly owned subsidiaries Cranleigh Enterprises Limited (Company No. 2902113), Cranleigh Foundation (Company No.1122918) and Cranleigh Education Services Limited (Company No. 8224546). Cranleigh Education Services Limited also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture. 70% of the Joint Venture profits are included in the Group accounts. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The net incoming resources of the Charity are disclosed on page 30. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the Charity's financial instruments. The Charity has taken advantage of exemption 408 of the Companies Act and as such a separate parent income statement has not been prepared.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The School has recognised its liability in relation to the Cranleigh School Pension Scheme which involves a number of estimations as detailed in Note 20.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (continued)

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships and bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

Rental income (including incentives received or paid) for operating leases on investment property are recognised in profit or loss on a straight line basis over the lease term.

1.3 Donations, legacies, grants and other voluntary incoming resources

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

Voluntary income for the School's 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 the case of donated services or facilities.

1.4 Advance Fee Scheme

Interest is paid by the charity on the advance, in which case the transaction is in substance a loan and is classed as a basic financial instrument. The financing cost is the interest paid and this must be treated as an interest expense. (If the interest rate paid is below the market rate for an equivalent loan, then the loan may qualify for treatment as a concessionary loan)

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. The direct costs incurred in preserving the School's ancient buildings and their contents are shown as a charitable activity distinct from that of education and grant making. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments. Governance costs comprise the costs of complying with constitutional and statutory requirements. Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £5,000 are capitalised and carried in the balance sheet at historical cost. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on equipment incurred in the normal day-to-day running of the School and its subsidiaries is charged to the Statement of Financial Activities as incurred.

1.7 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

School buildings, including major extensions	15-50 years
Staff housing	50 years
Furniture, machinery and equipment	3-30 years
Motor vehicles	5 years
IT	4 years

A full year's depreciation is recognised on an asset in the year of completion.

1.8 Investments

Investment properties are valued as individual investments at their market values as at the balance sheet date. Rental income is recognised in the period to which it relates. Purchases and sales of investment properties are recognised on exchange of contracts.

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

1.9 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

1.10 Fund accounting

The charitable trust funds of the School and its subsidiaries are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the governors either to further the School's Objects or to benefit the School itself. Where the governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

1. ACCOUNTING POLICIES (continued)

1.11 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

(a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

(b) The Cranleigh School Pension Scheme - This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit liability is presented separately after other net assets on the face of the balance sheet. If the School cannot recover any pension scheme asset, it is not recognised in accordance with FRS 102.

(c) The Cranleigh School Group Personal Pension Plan - This is a defined contribution group personal pension plan with Aviva. Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1.13 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

2. CHARITABLE ACTIVITIES - FEES	2024	2023
	£'000	£'000
Fees receivable consist of:		
Gross fees	37,821	35,539
Less: Total bursaries, grants and allowances	(4,366)	(4,592)
The above educational awards were made to 332 pupils (2023 : 357).	<u>33,455</u>	<u>30,947</u>

3. SUBSIDIARY COMPANIES

Cranleigh Enterprises Limited, is a company in which the School owns all 100 £1 shares, and the aggregate amount of assets, liabilities and funds is £36.5k. The trading activities of Cranleigh Enterprises Limited comprise a retail operation (supplying school clothing, sportswear and sports equipment, for pupils, teachers and employees of Cranleigh School), and the lettings of School facilities. The turnover was £799.0k and the net profit £378.3k with £414.7k of net funds. The net profit earned by this company is donated annually to Cranleigh School under Gift Aid. The value of goods and services supplied to the School by the company in the year was £103.5k (2023 : £74.4k) and the value of services supplied to the company by the School in the year was £0k (2023 : £Nil). The Gift Aid donation for the year of £349k (2023 : £413k) has been shown on the Statement of Financial Activities as a transfer to the School.

Cranleigh Education Services Limited is a company in which the School owns all 100 £1 shares and the aggregate amount of assets, liabilities and funds is £208.9k. The trading activities of Cranleigh Education Services Limited is to facilitate the establishment of overseas schools and then monitor the running of overseas schools once open. The turnover was £290.8k and the net profit £101.5k. There were no services supplied to the School by the Company in the year and £38.4k services supplied to the Company by the School in the year. The Gift Aid donation for the year of £106k (2023 : £1,220k) has been shown on the Statement of Financial Activities as a transfer to the School.

Both trading companies are now consolidated within the group financial statements as detailed in the Statement of Accounting Policies.

Cranleigh School is also the sole member of Cranleigh Foundation, a company limited by guarantee established to promote and advance any charitable purpose directly connected with Cranleigh School. The financial results of Cranleigh Foundation are included as the Foundation restricted funds within these consolidated accounts

4. CHARITABLE ACTIVITIES - OTHER INCOME	2024	2023
	£'000	£'000
Educational visits	712	529
Activities	215	224
Other		
Rental income	348	318
Registration fees	178	127
Other	2	1
	<u>1,455</u>	<u>1,199</u>

5. OTHER TRADING ACTIVITIES	2024	2023
	£'000	£'000
Facilities and trading income		
Cranleigh School	15	3
Cranleigh Enterprises Ltd	682	899
Cranleigh Education Services Ltd	291	1,355
	<u>988</u>	<u>2,257</u>
Other incoming resources		
Surplus on asset sales	5	4
Other	146	112
	<u>151</u>	<u>116</u>
Share of surplus from JV		
C R Education Ltd (see note 12)	-	361

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

	2024 £'000	2023 £'000
6. INVESTMENTS		
Investment income	41	130
Bank and other interest		
Bank interest	380	106
7. VOLUNTARY SOURCES		
	2024 £'000	2023 £'000
Donations and legacies		
Donations to Cranleigh School	100	98
Donations to Cranleigh Foundation	333	282
	433	380

During the year Cranleigh Foundation has awarded grants to Cranleigh School totalling £0k (2023: £0k) to support bursaries and various capital projects being carried out by the School, all of which were completed in the year. Cranleigh Education Services donated £0k (2023: Nil) to the School during the year.

				2024 £'000	2023 £'000
Fundraising events					
Cranleigh Foundation Ltd				26	25
8. ANALYSIS OF EXPENDITURE					
	Staff Costs £'000	Other £'000	Depreciation £'000	Total 2024 £'000	Total 2023 £'000
a) Total expenditure					
Costs of generating funds					
Trading costs	141	330	22	493	606
Share of loss from Joint Venture	-	413	-	413	-
Financing costs	-	668	-	668	604
Investment	-	26	-	26	24
Fundraising	-	8	-	8	3
Total costs of generating funds	141	1,445	22	1,608	1,237
Charitable expenditure					
Education and grant making					
Teaching costs	14,980	3,272	90	18,342	17,218
Welfare	3,088	1,999	32	5,119	4,642
Premises	1,218	4,286	1,590	7,094	6,069
Support costs and governance	959	2,072	68	3,099	2,782
Grants and awards	-	-	-	-	90
Total charitable expenditure	20,245	11,629	1,780	33,654	30,801
Total expended	20,386	13,074	1,802	35,262	32,038
b) Grants and awards				2024 £'000	2023 £'000
From Unrestricted Funds:	Bursaries			-	90
				-	90
c) Governance included in support costs				2024 £'000	2023 £'000
Remuneration paid to auditor for audit services:		School		31	29
		Subsidiaries		12	12
Other governance costs				90	188
				133	229

Travel expenses were reclaimed by two members (2023: 2) of the Governing Body.

In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £12.4k (2023: £5.0k) and tax advice £0.86k (2023: £0.75k)

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

	2024 £'000	2023 £'000
9. FINANCING AND OTHER COSTS		
Bank interest and charges	521	560
Advanced fees discounts	147	44
	<u>668</u>	<u>604</u>
10. STAFF COSTS AND RELATED PARTY TRANSACTIONS		
	2024 £'000	2023 £'000
The aggregate payroll costs for the year were as follows		
Wages and salaries	16,262	15,253
Social security costs	1,641	1,542
Pension costs	2,483	2,139
	<u>20,386</u>	<u>18,934</u>

No governor received remuneration in 2024 (2023: £Nil) from Cranleigh Education Services Ltd. The granting of a benefit to any governor is consistent with the School's policies for benefits and no governor receives any remuneration or benefit that would not be available to a parent.

Aggregate employee-benefits of 19 (2023:20) key management personnel	<u>2,361</u>	<u>2,319</u>
--	--------------	--------------

The number of higher paid employees in bands of:

£ 60,001 - £ 70,000	40	29
£ 70,001 - £ 80,000	13	10
£ 80,001 - £ 90,000	6	2
£ 90,001 - £100,000	1	4
£ 100,001 - £110,000	4	2
£ 110,001 - £120,000	0	0
£ 120,001 - £130,000	0	0
£ 130,001 - £140,000	0	1
£ 140,001 - £150,000	1	0
£ 150,001 - £160,000	0	0
£ 160,001 - £170,000	0	0
£ 170,001 - £180,000	0	0
£ 180,001 - £190,000	0	0
£ 190,001 - £200,000	0	1
£ 200,001 - £210,000	0	0
£ 210,001 - £220,000	1	0

The number with retirement benefits accruing	<u>66</u>	<u>49</u>
- in Defined Contribution schemes was	65	47
of which the contributions amounted to	£950,000	£759,000

The average number of the School's employees during the year calculated on a full time equivalent basis was 338 (2023: 348). The average headcount for the year was 425 (2023 : 421)

	2024 £'000	2023 £'000
Teaching	165	169
Welfare	72	78
Premises	32	33
Support	15	15
Other activities	54	53
	<u>338</u>	<u>348</u>

During the year one termination payment was made (2023: 0). There were none outstanding at the year end.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

11. TANGIBLE FIXED ASSETS	Freehold Land & Buildings £'000	Assets Under Construction £'000	Motor Vehicles £'000	Fittings & Equipment £'000	IT Hardware £'000	Total £'000
Cost (or frozen valuation)						
At 1 August 2023	73,031	1,548	255	4,140	1,844	80,818
Additions	2	2,222	77	-	-	2,301
Transfers	2,035	(2,310)	-	275	-	-
Disposals	-	-	(42)	(130)	(589)	(761)
At 31 July 2024	<u>75,068</u>	<u>1,460</u>	<u>290</u>	<u>4,285</u>	<u>1,255</u>	<u>82,358</u>
Depreciation						
At 1 August 2023	18,968	-	207	3,229	1,750	24,154
Charge for year	1,535	-	31	173	63	1,802
Disposals	-	-	(42)	(127)	(589)	(758)
At 31 July 2024	<u>20,503</u>	<u>-</u>	<u>196</u>	<u>3,275</u>	<u>1,224</u>	<u>25,198</u>
Net book values						
At 31 July 2024	<u>54,565</u>	<u>1,460</u>	<u>94</u>	<u>1,010</u>	<u>31</u>	<u>57,160</u>
At 31 July 2023	<u>54,063</u>	<u>1,548</u>	<u>48</u>	<u>911</u>	<u>94</u>	<u>56,664</u>

The School's fixed assets total £57,101k and Cranleigh Enterprises £59k.

All tangible fixed assets are held for use on charitable activities.

The freehold land and buildings, excluding separate buildings, comprising Cranleigh School and Cranleigh Preparatory School were revalued in 1999. Buildings were not previously depreciated, but with effect from 1 August 2005, depreciation is calculated over 50 years for all School buildings. When building projects are still in progress at the year end, depreciation is not calculated until the financial year in which the asset is brought into full use. Land is not depreciated.

12. SECURITIES INVESTMENTS	School 2024 £'000	School 2023 £'000	Group 2024 £'000	Group 2023 £'000
Group investments				
Balance at 1 August 2023	3,961	3,930	7,185	7,218
New money invested from realised gains	-	-	-	-
New money invested	-	-	620	-
Reinvested Income	41	40	41	40
Investment management fees	(26)	(24)	(26)	(24)
Increase/(Decrease) in value of investments	576	15	848	(49)
Group investments at 31 July 2024	<u>4,552</u>	<u>3,961</u>	<u>8,668</u>	<u>7,185</u>
Balance at 1 August 2023	198	198	1,605	1,246
Investment in Subsidiary	-	-	-	-
Subsidiary investment in Joint Venture	-	-	(411)	359
School investments at 31 July 2024	<u>198</u>	<u>198</u>	<u>1,194</u>	<u>1,605</u>
Investments comprise:				
Listed investments - Equities	4,501	3,946	8,617	7,170
Cash	51	15	51	15
Group investments	<u>4,552</u>	<u>3,961</u>	<u>8,668</u>	<u>7,185</u>
Investment in Subsidiary	198	198	-	-
Subsidiary investment in Joint Venture	-	-	1,194	1,605
School investments	<u>198</u>	<u>198</u>	<u>1,194</u>	<u>1,605</u>
	<u>4,750</u>	<u>4,159</u>	<u>9,862</u>	<u>8,790</u>

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Securities investments are managed for the School by Brewin Dolphin Ltd. All investments are managed and held in the UK.

Original cost of investments held at 31 July 2024 is £2.286m (2023 : £2.079m)

The School has invested £198,001 in Cranleigh Education Services Ltd purchasing all 100 shares.

Cranleigh Education Services Ltd also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture in relation to the construction, operation and management of a school in Abu Dhabi. Cranleigh Education Services Ltd holds 50 shares with a nominal value of Dirhams 1000 each. With the school having opened in September 2014, Cranleigh Education Services Ltd now incorporates 70% of the Joint Venture profit to the 31 July. The subsidiary's share of turnover for the year ended 31 July 2024 was £955k (2023: £938k) with a net loss of (£413k) (2023: Profit £453k) and the aggregate share of assets, liabilities and funds of the Joint Venture is £1,186k (2023: £1,599k).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

13. DEBTORS	School 2024 £'000	School 2023 £'000	Group 2024 £'000	Group 2023 £'000
Fees	6	9	6	9
Sundry debtors	106	66	570	1,455
Prepayments	444	374	418	374
Staff loans	23	40	23	40
Amounts due from Cranleigh Education Services Ltd	60	-	-	-
Gift aid donations from subsidiary companies	455	1,633	-	-
	<u>1,094</u>	<u>2,122</u>	<u>1,017</u>	<u>1,878</u>

All debtors are due within one year, except for £8k (2023: £17k) of staff loans, which are due after more than one year.

The above fees are net of bad debt provision £123k (2023: £198k).

14. CREDITORS : amounts falling due within one year	School 2024 £'000	School 2023 £'000	Group 2024 £'000	Group 2023 £'000
Bank loans (see Note 17)	1,306	1,438	1,306	1,438
Fees received in advance	1,094	552	1,094	552
Final term deposits	2,231	2,316	2,231	2,316
Taxation, social security and pension contributions	735	772	735	772
Amounts due to Cranleigh Enterprises Ltd	-	26	-	-
Other creditors and accruals	3,389	2,849	3,537	3,183
	<u>8,755</u>	<u>7,953</u>	<u>8,903</u>	<u>8,261</u>
Advance fees (see Note 16)	6,965	995	6,965	995
	<u>15,720</u>	<u>8,948</u>	<u>15,868</u>	<u>9,256</u>

15. CREDITORS : amounts falling due after one year	School 2024 £'000	School 2023 £'000	Group 2024 £'000	Group 2023 £'000
Bank loans (see Note 17)	6,772	10,124	6,772	10,124
Advance fees (see Note 16)	12,086	1,525	12,086	1,525
	<u>18,858</u>	<u>11,649</u>	<u>18,858</u>	<u>11,649</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

16. ADVANCE FEE PAYMENTS

Parents may enter into a contract to pay to the School up to the equivalent of 10 years' tuition fees in advance. The amounts received are treated as deferred income and form part of the School's working capital. Fees are taken to income for each term as the relevant pupils progress through the School. Advance payments may be returned subject to specific conditions on the receipt of one term's notice.

	2024	2023
	£'000	£'000
Assuming pupils will remain in the School, advance fees will be applied as follows :		
After 5 years	64	55
Within 2 to 5 years	12,022	1,470
Within 1 year (Note 14)	<u>6,965</u>	<u>995</u>
	<u>19,051</u>	<u>2,520</u>

The balance represents the accrued liability under the contracts, and the movements during the year were:

	£'000
Amounts utilised in payment of fees:	<u>19,051</u>

17. LOAN FINANCE

Credit facilities with Handelsbanken are currently in place, on which interest is payable at normal commercial rates. The loan facilities are secured by separate First Legal Mortgages executed by the School over certain freehold properties owned by the School. The structure is shown in the following table.

	£'000
Bank of England base rate + 2.10% revolving credit facility expiring 28 March 2025, £3m available, £2m utilised	1,000
4.22% Fixed rate amortizing credit facility expiring 26 July 2027	<u>7,078</u>
	<u>8,078</u>

The facilities are repaid by quarterly instalments with the exception of the revolving credit which is repayable on maturity. All facilities mature as follows:

	2024	2023
	£'000	£'000
After 5 years	5,527	8,306
Within 2 to 5 years	1,245	1,818
Within 1 year	<u>1,306</u>	<u>1,438</u>
	<u>8,078</u>	<u>11,562</u>

In addition there is a revolving current account overdraft facility from Handelsbanken of £3m expiring on 30 September 2025.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

18. STATEMENT OF FUNDS

	Balance 1 August 2023 £'000	Income £'000	Expenditure £'000	Gains/ (Losses) £'000	Transfers £'000	Balance 31 July 2024 £'000
Foundation	3,591	359	(8)	272	-	4,214
Total restricted funds	<u>3,591</u>	<u>359</u>	<u>(8)</u>	<u>272</u>	<u>-</u>	<u>4,214</u>
Total unrestricted funds	50,479	36,570	(35,254)	576	-	52,371
Total funds	<u>54,070</u>	<u>36,929</u>	<u>(35,262)</u>	<u>848</u>	<u>-</u>	<u>56,585</u>

The funds of the Foundation are considered to be restricted given the aims and objects are narrower than the School and as such are accounted for as a restricted fund in the Group.

19. COMPARATIVE STATEMENT OF FUNDS

	Balance 1 August 2022 £'000	Income £'000	Expenditure £'000	Gains/ (Losses) £'000	Transfers £'000	Balance 31 July 2023 £'000
Foundation	3,351	397	(93)	(64)	-	3,591
Total restricted funds	<u>3,351</u>	<u>397</u>	<u>(93)</u>	<u>(64)</u>	<u>-</u>	<u>3,591</u>
Total unrestricted funds	47,735	35,124	(31,945)	(435)	-	50,479
Total funds	<u>51,086</u>	<u>35,521</u>	<u>(32,038)</u>	<u>(499)</u>	<u>-</u>	<u>54,070</u>

20. PENSION SCHEMES

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

Defined benefit schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,789k (2023: £1,932k) and at the year-end £148k (2023: £221k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

20. PENSION SCHEMES (continued)

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Cranleigh School Pension Scheme

The School operates a defined benefit scheme for non-teaching staff, the Cranleigh School Pension Scheme. The scheme was closed to new members with effect from 1 January 2013, though it remains open to existing members. As of 1 January 2013, the School established a generous defined contribution scheme for new employees (see page 39).

Contributions are made to the scheme in accordance with the recommendations of the scheme's actuary and are charged to the Statements of Financial Activities. Following the signing of the latest valuation in June 2022 the School's contribution remained at 22.5%. In addition the School paid contributions totalling £89,400 in respect of the past service deficit. At 31 July 2024 £0 was accrued in respect of pension contributions to this scheme (2023: £0).

Following the latest full Actuarial Valuation at 6 April 2021, the trustees of the Cranleigh School Pension Scheme agreed with Cranleigh School, the employer, to continue with a recovery plan designed to eliminate the deficit from 6 May 2021 until 6 May 2027. Cranleigh School will make lump sum contributions of £7,450 per calendar month to fund the past service deficit.

The School has provided £119k to cover the potential cost of meeting the possible commitment to pay additional guaranteed minimum pension (GMP) equalisation costs following the October 2018 ruling by the High Court in the Lloyds Bank case

The fair value of the scheme assets exceeded the present value of future obligations at 31 July 2024 by £1,291,000. However, as the School will not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements in accordance with FRS102.

Cranleigh School is aware of the Virgin Media v NTL Pension Trustees II Limited Court of Appeal judgement which may give rise to adjustments to the Cranleigh School Pension Scheme. At present the legal process is incomplete and therefore we are unable to quantify any potential liabilities.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

20. PENSION SCHEMES (continued)

	2024 £'000	2023 £'000
(a) The amounts recognised in the balance sheet are as follows :		
Present value of funded obligations	(17,165)	(15,993)
Fair value of plan assets	<u>18,456</u>	<u>17,260</u>
less asset not recognised	(1,291)	(1,267)
Surplus amount shown in the balance sheet	<u>-</u>	<u>-</u>
	2024 £'000	2023 £'000
(b) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	15,993	19,616
Service cost	275	322
Interest cost	825	685
Actuarial loss/(gain)	744	(4,008)
Benefits paid	<u>(672)</u>	<u>(622)</u>
Defined benefit obligation at year end	<u>17,165</u>	<u>15,993</u>
	2024 £'000	2023 £'000
(c) Changes in the fair value of the Scheme assets		
Opening fair value of the scheme assets	17,260	21,297
Interest on assets/Expected return	901	753
Actuarial gain/(loss)	489	(4,639)
Employer's contributions	386	380
Employees' contributions	92	91
Benefits paid	<u>(672)</u>	<u>(622)</u>
Closing assets at year end	<u>18,456</u>	<u>17,260</u>
	2024 £'000	2023 £'000
(d) Amounts included within the Statement of Financial Activities		
Current service cost	1,291	1,267
Past service cost (GMP equalisation)	-	-
Expected return on scheme assets	901	753
Interest on pension liabilities	<u>(825)</u>	<u>(685)</u>
Total amount charged to the Statement of Financial Activities	<u>1,367</u>	<u>1,335</u>
Net Actuarial gains/(losses)	<u>(255)</u>	<u>(631)</u>
less asset not recognised	<u>255</u>	<u>181</u>
Net Actuarial gains/(losses) recognised in the year	-	(450)
Net Cumulative actuarial gains/(losses)	<u>-</u>	<u>-</u>

The School expects to contribute £311k to the scheme in 2024/25

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

20. PENSION SCHEMES (continued)

	2024	2023
	£'000	£'000
(e) Reconciliation of movements in Present Value of Plan : Liabilities and Assets		
Net asset / (liability) at the beginning of the year	-	-
Movements in the year:		
Employer's current service cost	(183)	(231)
Employer's past service cost	-	-
Employer's contribution	386	380
Net interest on the defined benefit asset/liability	(76)	(68)
Actuarial gains less scheme asset not recognised	345	(314)
Net asset / (liability) at the end of the year	<u>472</u>	<u>(233)</u>
(f) The categories of scheme assets as a percentage of total assets	2024	2023
Equities	20	38
Bonds	76	58
Annuities	4	4
Cash	-	-

(g) Principal assumptions at the balance sheet date (expressed in percentages as weighted averages)

Discount rate	4.95	5.25
Expected return on plan assets	5.45	5.75
Rate of increase in salaries	3.00	3.00
Rate of increase in pensions in payment	3.75	3.65
RPI	3.20	3.20
CPI	2.60	2.30
Assumes life expectations in years on retirement age 65		
Retiring today - males	20.8	21.1
Retiring today - females	23.4	23.5
Retiring in 20 years - males	22.1	22.4
Retiring in 20 years - females	24.9	25.0

(h) The amounts for the current and previous periods are :

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(17,165)	(15,993)	(19,616)	(26,861)	(27,136)
Scheme assets	18,456	17,260	21,297	27,094	24,926
Deficit	-	-	-	-	(2,210)
Experience adjustments on liabilities	234	(5,270)	(3,629)	4,381	491
Experience adjustments on assets	489	(4,639)	(5,121)	1,900	1,194

Defined contribution scheme

The Cranleigh School Group Personal Pension Plan started in January 2013 for teaching and non-teaching staff. This is a money purchase group personal pension scheme managed by Aviva. Basic contributions are 4% for the employee and 8% for the employer. The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the year amounted to £505,527 (2023: £309,644). At 31 July 2024 £0 was accrued in respect of pension contributions to this scheme (2023 : £0).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

21. FINANCIAL INSTRUMENTS

The Charity 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

At the balance sheet date the Charity held financial assets at amortised cost of £24,027k (2023: £9,306k). Financial assets at fair value through income or expenditure of £0k (2023: Nil) and Financial liabilities at amortised cost of £34,726k (2023: £20,905k)

22. RELATED PARTY TRANSACTIONS

The Head of Cranleigh School is also the trustee of 1170. This charity has used the facilities of Cranleigh School for fundraising meetings. There was no charge for these services and there were no amounts owed to the School at 31 July 2024 (2023: Nil)

The School rents a residential property from the Chairman of the Governing Body (Mr A J Lajtha) for the housing of school staff. The school pays rent of £1,700 per month under an Assured Shorthold Tenancy agreement. There were no amounts outstanding or owed to the School at 31 July 2024 (2023: Nil)

There have been no other related party transactions that require disclosure other than transactions with other group entities, as set out below:

In 2024 the Charity charged Cranleigh Enterprises Limited minibus running costs totalling £45,180 (2023: £44,280). This is calculated as a fee per term based on fuel and maintenance costs.

In 2024 Cranleigh Enterprises Limited charged the Charity minibus usage costs totalling £71,424 (2023: £70,020). This is calculated as a fee per term based on the reasonable wear and tear of the vehicles.

In 2024 Cranleigh Enterprises Limited charged the Charity stationery and book costs totalling £103,497 (2023: £74,400). This is based on the recommended retail price.

23. CAPITAL COMMITMENTS

As at 31 July 2024 the Group had capital commitments of £277k for the works on the Catering project to improve the servery and kitchen at the Senior School.

24. OPERATING LEASES

As at 31 July 2024 the Group had the following non-cancellable operating leases, payable as follows:

	2024 £'000	2023 £'000
Within 2 to 5 years	-	19
Within 1 year	19	29
	<u>19</u>	<u>48</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

25. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Total Funds 2023 £'000
INCOME FROM:			
Charitable activities			
School fees	30,947	-	30,947
Other income	1,199	-	1,199
Other trading activities			
Facilities and trading income	2,257	-	2,257
Other incoming resources	116	-	116
Share of surplus from Joint Venture	361	-	361
Investments			
Investment income	40	90	130
Bank and other interest	106	-	106
Voluntary sources			
Donations and legacies	98	282	380
Fundraising events	-	25	25
Total incoming resources	<u>35,124</u>	<u>397</u>	<u>35,521</u>
EXPENDITURE ON:			
Raising funds			
Trading costs	606	-	606
Share of loss from Joint Venture	-	-	-
Other income-generating activities	-	-	-
Financing costs	604	-	604
Investment management	24	-	24
Fundraising and development	-	3	3
Total deductible costs	<u>1,234</u>	<u>3</u>	<u>1,237</u>
Charitable activities			
Education and grant making	30,711	90	30,801
Total expenditure	<u>31,945</u>	<u>93</u>	<u>32,038</u>
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	3,179	304	3,483
Gains/(losses) on investments	15	(64)	(49)
	<u>3,194</u>	<u>240</u>	<u>3,434</u>
NET INCOME AND CAPITAL (INFLOW)			
Transfers			
Pension scheme actuarial (loss)/gain	(450)	-	(450)
NET MOVEMENT IN FUNDS FOR THE YEAR FUNDS B/FWD 1 AUGUST 2022	2,744	240	2,984
	<u>47,735</u>	<u>3,351</u>	<u>51,086</u>
FUNDS C/FWD 31 JULY 2023	50,479	3,591	54,070

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

26. ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2024:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	67,022	-	67,022
Current assets	24,202	87	24,289
Current liabilities	(15,868)	-	(15,868)
Long term liabilities	(18,858)	-	(18,858)
Total net assets	56,498	87	56,585

27. COMPARATIVE ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2023	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	65,454	-	65,454
Current assets	9,434	87	9,521
Current liabilities	(9,256)	-	(9,256)
Long term liabilities	(11,649)	-	(11,649)
Total net assets	53,983	87	54,070

28. PRIOR YEAR ADJUSTMENT

The financial statements include restatements relating to the item summarised below:

	2023 £'000	2022 £'000
Facilities and trading income	345	694
Total incoming resources as previously stated	35,176	32,193
Total incoming resources restated	35,521	32,887
Total funds as previously stated	53,031	50,392
Total funds as restated	54,070	51,086

The financial accounts for 2022 and 2023 include a technical consolidation adjustment that sought to remove intercompany trading between CR Education Ltd and Cranleigh Education Services Ltd which is not required under FRS102.14.8(e). These have been adjusted by way of a prior period adjustment and a reconciliation between previously reported balances. Restated balances are disclosed above. There is no impact on the cash position.

CRANLEIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

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CRANLEIGH SCHOOL

England & Wales - Charity number 1070856

Accounts



CRANLEIGH
EX CULTU ROBUR

CRANLEIGH SCHOOL

A COMPANY LIMITED BY GUARANTEE

REGISTERED NUMBER 3595824

CHARITY NUMBER 1070856

ANNUAL REPORT AND ACCOUNTS

31 July 2023

**CRANLEIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023**

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CRANLEIGH SCHOOL

**CRANLEIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023**

GOVERNORS, OFFICERS AND ADVISORS

GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The members of the Governing Body of **Cranleigh School** are the charity trustees of Cranleigh School and the Directors of Cranleigh School ('the Charity'). The members of the Governing Body are:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A J Lajtha* MA, FCIB (Chairman)	●	●	●	●		●	●
Mrs S E Bayliss, MA		●					
Colonel J Boyd* OBE, MA	●				●		
J A Brown MA (Oxon)		●					
Dr R Chesser MA, MB, BChir, MRCP	●						
F N Farrant* BA		●					
M M S Fisher MA (Deputy Chair)		●		●		●	●
P S P Going BSc, MRICS			●	●			
S Gunapala BEng, MEng, FCA				●	●		
K J S Kerr BA (Hons) MCIPD				●			
D Khurshid MA, KC					●	●	
J A M Knight BA (Hons) (Retired 31 December 2022)	●		●		●		
A J Lye BA (Retired 31 December 2022)		●	●		●		
J P Maskery* MEng	●						
C H Severs LLB (Hons)				●		●	
E Stanton BSc, ACA				●			
J J D C Tate RIBA, FRSA			●		●		
P M Wells BEd (Hons)		●			●		
D G Westcott BA, BCL, KC	●			●			
S J Whitehouse BA (Cantab)	●			●	●	●	
Professor R J Wilkins MA, DPhil		●					
D A E Williams BA, FCA				●			
M J Williamson			●				

- (1) Strategy and Risk Committee
- (2) Education Committee
- (3) Buildings and Estate Committee
- (4) Finance Committee
- (5) Risk Management Group
- (6) Cranleigh International Committee
- (7) Nominations Committee
- * Parent of a pupil or pupils at the School

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Mrs Fisher and Mr Whitehouse are members of the management board of Cranleigh Abu Dhabi. Mr Williams is a Trustee of Cranleigh School Pension Scheme.

The Board is a self-appointing body. The normal term of office for governors is five years with two further terms of three years each if elected by the majority of Governors to continue in office. Cranleigh Preparatory (Prep) School has the same Governing Body as Cranleigh School.

EXECUTIVE OFFICERS:

Headmasters	- Cranleigh School	M S Reader MA, MPhil, MBA, QTS
	- Cranleigh Prep School	N R Brooks BA, QTS
Director of Operations		P A Dunn BA
Director of Finance		J A Underdown BA (Hons) ACMA
Clerk to the Governing Body		P T Roberts MBE, DChA
Principal address	Cranleigh School	Cranleigh Prep School
and Registered Office	Horseshoe Lane Cranleigh Surrey GU6 8QQ	Horseshoe Lane Cranleigh Surrey GU6 8QH
Websites	www.cranleigh.org	www.cranleighprepschool.org

ADVISORS:

Bankers:	Handelsbanken Andrews House College Road Guildford GU1 4RG
Solicitors:	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
Auditors:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Investment Advisors:	Brewin Dolphin Limited 12 Smithfield Street London EC1A 9BD

CRANLEIGH SCHOOL

ANNUAL REPORT OF THE CRANLEIGH SCHOOL GOVERNORS **FOR THE YEAR ENDED 31 JULY 2023**

The Cranleigh School Governing Body presents the annual report for the year ended 31 July 2023 under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Acts, the Articles of Association and the Charities SORP 2015 in accordance with FRS 102 (as updated).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Charity was founded in 1865 and is registered with the Charity Commission under charity number 1070856. Cranleigh School is a company limited by guarantee, registered number 3595824. Cranleigh School is governed by Articles of Association introduced in 2010 to incorporate changes in legislation in the Companies Act 2006. These Articles replaced the previous Memorandum and Articles of Association dating from 2000. Cranleigh School's object and principal activity, as a charity and as set out in the Articles of Association, is the advancement of education by providing a boarding and/or day school or schools for boys and/or girls in accordance with the principles of the Church of England.

The Charity is structured with a single governing body for two schools known as Cranleigh School and Cranleigh Preparatory (Prep) School. The Charity, in furtherance of its object, establishes and administers bursaries, grants, awards and other benefactors, and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of the Charity's objects. The Trustees are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011 and have had regard to Charity Commission guidance on public benefit. The Charity's governance complies with the Code for the Voluntary and Community Sector, endorsed by the Charity Commission and other best-practice guidelines published by the Charity Commission. Further details of the Charity's activities are set out below in the strategic report section of this annual report.

GOVERNANCE AND MANAGEMENT

Governing Body

There is one Governing Body for the two schools. The members of the Governing Body and executive officers of the School, together with the principal advisors are listed on pages 1 and 2.

Recruitment and Training of Governors

The Charity's elected members of the Governing Body are appointed at meetings of the Cranleigh School Governing Body on the basis of recommendations from the Nominations Committee. The Nominations Committee scrutinises candidates on behalf of the Governing Body. Trustees and executive officers of the School put forward candidates to the Nominations Committee based on a candidate's professional qualities, experience, personal competences and local availability. The Governing Body is mindful of the benefits of diversity in the widest sense and as noted in Principle 6 of Charity Commission guidance. New members of the Governing Body are inducted into the workings of the Charity and its schools, including Governing Body policy and procedures, at briefings organised for them by the Headmasters and Director of Operations and Director of Finance. The new members also attend specialist external courses on the roles and responsibilities of charity trustees. Members of the Governing Body attend external trustee training and information courses in order to ensure that the Governing Body is kept informed of current issues and regulations in the education and charity sectors. Governors may attend days at the School shadowing pupils or visiting support departments.

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Organisational Management

The members of the Cranleigh School Governing Body, as trustees of the Charity, are legally responsible for the overall management and control of both Cranleigh School and Cranleigh Prep School. The Governing Body takes note of guidance provided by the Charity Commission and specifically the principles set out in the Governance Code published in July 2017. Overall, the Charity meets a very significant proportion of the recommended and best practice for governance that is contained within the Governance Code across the seven principles and is comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code. The Chairman of the Governing Body is Mr A J Lajtha and the Deputy Chair is Mrs M M S Fisher. The full Board meets each term, and so three times a year, and the work of implementing its policies is carried out by six sub-committees:

- The Strategy and Risk Committee considers proposals for development of the School and advises senior management of the strengths and weaknesses of strategic options. A biennial strategy day is held for members of the Governing Body and senior executives to review performance and consider future development. The last strategy day was in June 2023. The Strategy and Risk Committee is chaired Mr D G Westcott.
- The Education Committee considers educational and pastoral policy. Mrs S E Bayliss has special responsibility for Safeguarding and Mrs A J Lye had special responsibility for Special Educational Needs and Disabilities (SEND) until she retired in December 2022 when Mrs Farrant took on this responsibility. The Education Committee is chaired by Mrs M M S Fisher.
- The Buildings and Estate Committee supervises and monitors capital building projects and maintenance of the fabric of the School and its estate. The Committee has delegated responsibility for Health and Safety and produces a report each term on Health and Safety matters for the Governing Body. Mrs M J Williamson has oversight of boarding on behalf of the Governing Body; including both the provision of facilities and pastoral support (the latter is a responsibility of the Education Committee). The Buildings and Estate Committee is chaired by Mr P S P Going.
- Cranleigh International Committee was established in 2020 (under the name Overseas Committee) to monitor performance and risks of the School's international schools specifically Cranleigh Abu Dhabi and Cranleigh China. Cranleigh International Committee is chaired by Mr S J Whitehouse.
- The Risk Management Group (RMG) monitors risks facing the School. This Committee presides over an annual risk management process that culminates with the production of a risk report in the autumn each year. Each sub-committee is responsible for considering the risks in its area of governance and each has appointed a member to take the lead in risk management. The RMG was chaired by Mr J A M Knight until his retirement in December 2022 and it is now chaired by Colonel Boyd.
- The Finance Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. The Finance Committee is chaired by Mrs E Stanton.

The day-to-day running of the School is delegated to the respective Headmasters, supported by their Senior Management Teams. The Headmasters and representative members of senior management attend meetings of the Governing Body sub-committees and together these groups are the key management personnel. Remuneration is determined by the Governing Body which is conscious of the contribution of all staff to the School's success and, as such, it is right that remuneration of staff is the highest single cost incurred by the Charity. The Governing Body makes reference to comparisons of staff costs at other schools which are produced in various benchmark surveys that are anonymous and compliant with competition law. The remuneration policy balances fair wages and a generous pension scheme for lower paid staff with the provision of incentives for senior managers who take the burden of responsibility for the School's complex operations. The School complies with the UK's Equality Act

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2010 Regulations. These require that companies with more than 250 employees publish information on the gender pay gap annually. The 2022 report is available on the School's website.

Group Structure and Relationships

Cranleigh Foundation was set up in 2007 as a separate charity limited by guarantee with a registered charity number of 1122918 and a company number of 06452540. Cranleigh Foundation's statutory financial statements are consolidated with the School's within this Annual Report and Financial Statements. Cranleigh Foundation is governed by a Memorandum of Association and Articles of Association produced in 2008. The Chairman is a former governor, Mr M J Meyer and one member of the Governing Body, Mr A J Lajtha is also a Foundation Trustee. The Headmasters, Director of Finance and Clerk to the Governing Body attend Foundation Trustee meetings.

Cranleigh School has two wholly owned non-charitable subsidiaries. Cranleigh Enterprises Limited (CEL) is a trading company that arranges the letting of facilities when not in use by the School and it has a retail outlet within the School for the sale of items such as school uniform and sports equipment. CEL profit is donated under gift aid to the School. There are more details concerning CEL at Note 3 to the financial statements. The accounts of CEL are consolidated into the Cranleigh School accounts. Cranleigh Education Services Limited (CESL) was incorporated in September 2012. The Company has five directors who are members or former members of the Governing Body or executive officers of Cranleigh School. The Company's purpose is to facilitate the establishment of international schools and then monitor the operation of international schools once open. The Company was responsible for planning Cranleigh Abu Dhabi, working closely with joint venture partners and the firm contracted to run the School. Cranleigh Abu Dhabi opened in September 2014 with 637 pupils from FS 1 to Year 9. The School now has 1,965 pupils and has expansion plans to increase the number to around 2,200 pupils with a new off-site purpose-built Pre-Prep building currently under construction and to be opened in January 2024. The School's public exam results were strong in the context of global readjustments post-pandemic with 72% of pupils achieving GCSE grades 7-9 and at A Level 90% achieved grades A*-C. Cranleigh China opened its first school in Changsha in September 2020. There are 116 pupils in the international high school section as of September 2023. Outstanding A-level exam results were recorded in 2023 with 73% of students recording A* grades. iGCSE results were also strong with 82% of students in the A* to C ranking (Cambridge International use grades not numbers). A second Cranleigh China school opened in Wuhan in September 2022 with over 400 students on roll and Cranleigh opened its third school in China with Cogdel Education in the city of Chengdu in September 2023.

Stakeholder Engagement, Employment and Sustainability Policy

The Trustees confirm that in accordance with Section 172 (1) of the Companies Act and Charity Commission guidance they govern in order to achieve the objects of the Charity. The long-term financial and operational sustainability of the School is considered by Trustees as set out in the Going Concern section of this report. Trustees assess financial projections and key risks that could impact the sustainability and reputation of the School. Assessments are made with the assistance of the executive and by reviewing management information, budgets, capital expenditure plans, cash flow forecasts and progress against financial projections each school term. Overarching the assessments of financial sustainability is a comprehensive risk management process that guides the executive and Trustees towards areas of risk and specifically the impact and likelihood of risks together with mitigation strategies. The risk process and current assessments are explained in more detail later in this report.

Cranleigh School is an equal opportunities employer. The School has a comprehensive Ethnicity, Diversity and Inclusion (EDI) policy and full and fair consideration is made of job applications from disabled persons and consideration of their training and employment needs is made as necessary. The School complies with modern slavery regulations. Consultation with employees, or their

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representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are aware of the financial and economic performance of the School. Communication with employees continues through normal management channels in a variety of forms and through exceptional channels to apprise staff of current issues. Examples of consultation are briefings to teaching staff at the start of each term by the respective Heads to outline development options and seek the views of staff and engagement with staff regarding terms and conditions of employment through the common room salaries committee which meet with the Heads and Director of Finance together, once annually with the Chairman of the Governing Body and Chair of the Finance Committee of the Governing Body. An equivalent for support staff is arranged by the Director of Operations and Director of Finance who gives regular staff updates and briefings to staff.

The Governing Body held a strategy day in June 2023 to consider future plans. The emphasis of the day was an analysis of political scenarios and their potential mitigation. There was also consideration of future models for education to ensure that the School remains relevant. It was announced in April 2023 that the Head of the Senior School, Mr Martin Reader, would retire in July 2024. The Governing Body conducted a thorough recruiting process between April – June 2023 to select his successor. The Governing Body made an announcement in late June that following a strong candidate list Mrs Samantha Price, the current Head of Benenden School in Kent, will be the next Head of Cranleigh School. The School is delighted with her appointment. In September 2023 it was announced that the Head of Cranleigh Prep School, Mr Neil Brooks, will retire in December 2024. The process to select his successor is currently taking place.

The School is committed to engagement with stakeholders. The main groups are pupils, parents, alumni, employees and contractors. There is significant communication using a full range of media with pupils and their parents or guardians. This is routine and extensive with the aim of ensuring a smooth passage for the eleven years of a pupil's education at Cranleigh. The alumni organisation, The Old Cranleigh Society (OCS), is based at the School and works on behalf of all alumni including those from Cranleigh's international schools. There is extensive engagement with the functional sub groups of the OCS and assistance is given with the organisation of events.

The procurement of goods and services by the School is undertaken to achieve a secure supply of high quality provisions and material with fair and timely payment. Local and smaller companies are favoured wherever possible and there are arrangements with a variety of sole traders in the local area. The School is conscious of its position as the largest employer in the area and aims to support local business wherever possible. Payment terms are thirty days but sole traders are able to request earlier payment which is arranged on a case-by-case basis.

The School is committed to improving environmental sustainability. There is a pupil led environmental committee which first developed strategy in 2019 and is now taking this forward. Their work has greater focus with the increase in fuel costs resulting from the invasion of Ukraine by Russia. The School recycles food waste for anaerobic digestion to generate energy from the waste. The School complies with environmental regulation and specifically is currently undergoing the latest iteration of its ESOS responsibilities which will see an updated report produced at the end of this calendar year. This is a matter close to the front of the minds of pupils who have led a number of initiatives during the year. There is a commitment to improve energy efficiency. The total energy consumption figures for the year were:

Natural gas consumption:	7,964,011 kWh, +18.44% year-on-year
Electricity consumption:	2,197,744 kWh, +1.93% year-on-year
Natural gas carbon intensity:	44.15 tCO ₂ e per £m revenue, +14.94% year-on-year
Electricity carbon intensity:	13.39 tCO ₂ e per £m revenue, -1.07% year-on-year

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The School is active in monitoring for risks of bribery, corruption, fraud and cyber-attack. The risk process is comprehensive and overseen by the Governing Body Risk Management Group. A more detailed explanation of the risk process is given later in this report.

The School maintains a register of those executives and trustees in positions of Significant Control. Conflicts of interest are reviewed formally each year and attendees are required to declare any change of conflict status at each sub committee and main board meeting of the Governing Body.

AIMS AND OBJECTIVES

Mission Statement

The purpose of Cranleigh School is to provide, within a Christian environment, the necessary education and appropriate training to enable pupils to develop their potential as individuals, and thereby to ensure that, on leaving, they will become confident members of society and effective contributors to it.

Aims

The aims of Cranleigh School, for the public benefit, are to enable young people to flourish in a school where busy pupils lead fulfilled lives now while developing the personal skills and qualities that will enhance their adult lives. Cranleigh aims to provide young people with the strength to succeed; the wisdom to make informed choices; resilience in the face of failure or difficulty; and the insight to recognise their privilege and to shape the future culture of the world through lives of service and leadership. With these skills, and in the context and heritage of their culture, Cranleigh pupils are encouraged to explore and ask central questions about their purpose and identity. A rigorous academic curriculum is reinforced by a commitment to a breadth of activity that enhances personal development.

Cranleigh is committed to being a medium-sized, co-educational boarding and day school, large enough to provide for breadth of opportunity and small enough to sustain a friendly, cohesive community in which there is a strong and active partnership between parents and the School. 'Pupils first' is a guiding principle for all decision making. Arising from the School's Christian heritage and cultural background, at the heart of a Cranleigh education are four central values of Service, Relationships, Leadership and Excellence.

Service: All in the community are encouraged to adopt an attitude of service to each other and the wider community.

Relationships: Strong relationships are fostered as a priority in a predominantly boarding community. Children flourish within safe, supportive environments.

Leadership: Openness, integrity and thoroughness are characteristics of everything we do. Cranleigh aspires to lead thinking and practice in holistic, boarding education. Cranleighans will be equipped with the knowledge and skills to shape future culture.

Excellence: Cranleigh will strive for excellence in everything it does and aspires to be recognised both for its educational vision and for the personal qualities of Cranleighans.

Primary objectives

In order to achieve its aims the School has developed primary objectives which are:

- to provide a stimulating learning environment in which pupils are encouraged to pursue and stretch their academic potential;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, co-education, respect for one another and good citizenship; the pursuit of best practice in safeguarding young people will always be a priority;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;

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- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately;
- to provide the necessary administrative and logistical framework to meet the needs of employees and pupils alike.
- to encourage diversity within a predominantly local boarding community through the expansion of the bursary programme, an increase in the number of Foundationers, and regular monitoring of the Admissions process.

Strategies to achieve primary objectives

The primary objective is to provide a stimulating learning environment and this is achieved by 169 FTE teachers (2022: 166). These teachers strive to allow every pupil to develop their academic potential. This is achieved by focusing on each individual whilst fostering the broader ethos of the School's community as a whole. The School's structure enables tutors, and at the younger age groups form teachers, to commit time and energy to their tutees and individual pupils in each form.

The provision of a happy and secure pastoral environment is at the core of the School's approach to education. Pupils are cared for within a close 'house' structure that provides for comprehensive individual care based on Christian principles and a strong bond that creates friendships throughout the School. The second element of this objective is to foster a sense of community and citizenship. This has been achieved through links with the local community and with international and regional organisations. Over the past year the Prep School has hosted children from local primary schools to join in when external providers, such as theatrical performers, have been in school. The children research and select charities which they wish to support throughout the year. The School supports a library in a local primary school and Art teachers and DT teachers have been involved in outreach programmes in local state schools. There have been significant changes in the boarding provision both in terms of facilities and staffing. The Prep School has much better and rejuvenated boarding accommodation which has seen popularity of boarding and its community grow. The School has also invested in Learning Support facilities, placing them at the heart of the academic programme, physically and ideologically. The Prep School Code of Conduct clearly communicates expectations to pupils and helps them develop senses of responsibility, empathy and leadership.

The co-curriculum is broad. Leadership and decision-making are embedded in many activities. The number of activities on offer to pupils is too numerous to mention here. A clearer understanding of the whole school approach to the co-curriculum can be found at the School websites www.cranleigh.org and www.cranprep.org. Readers are encouraged to visit these sites.

The School is committed to improving equity, diversity and inclusion both as part of its social purpose and to ensure pupils are better prepared to be global citizens. The Governing Body has set and published objectives to increase the number of international students to 10% over the next five years; to increase the ethnic diversity of students from 7% to a minimum of 10% of the Cranleigh population over the next five years; to increase the ethnic diversity of staff in line with the ethnic diversity of pupils; to recruit to achieve an equitable gender balance in middle and senior leadership positions over the next ten years. Social purpose objectives are also partially met through the funding of bursaries from income from international schools and the Cranleigh Foundation.

Cranleigh Foundation Trustees' Report and Financial Statements outline the continued progress in the development of Cranleigh Foundation. The Foundation has received donations this year of £282k (2022: £253k), and total income of £397k (2022: £569k). The Foundation supports transformational bursaries for a number of pupils in year groups 7 to 13 at Cranleigh School. The Foundation Trustees decided pre-Covid to focus activity on the development of an endowment which will be built up over decades whilst continuing to support Foundationer pupils through the award of transformational

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bursaries, often with assistance from external organisations such as Springboard. There is not currently a fund-raising strategy and in the medium term the School will be appointing a Development Director in this important area. The Charities therefore had no active fund-raising activities this year requiring disclosure under S162A of the Charities Act 2011. The School and Foundation are compliant with the General Data Protection Regulation (GDPR).

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The principal activity, as specified in the Articles of Association, is the advancement of education and, in this, the School has had another successful, albeit unique, year. Cranleigh School averaged 698 pupils (2022: 677) of whom 183 (2022:183) were day pupils and Cranleigh Prep School averaged 319 (2022: 333) pupils. At the Prep School the flexible boarding arrangements continued to be popular with, on average, circa 70 pupils boarding at the School each week in the newly refurbished boarding facilities which opened in September 2021. Waiting lists remain full for both schools and demand for places has increased again this year. The school year was successful with many notable specific achievements, some of which are reported below.

Cranleigh School and Cranleigh Prep School both received an Educational Quality and Focused Compliance Inspection by the Independent Schools Inspectorate in November 2022. The Schools were found to have met the Independent Schools Standards and Regulations and the National Minimum Standards for Boarding. The educational quality of both schools was found to be excellent in the two areas inspected: the quality of pupils' achievements and the quality of pupils' personal development. The detail of the reports highlighted the exceptionally high achievements of the pupils' in their academic studies and activities and the support of outstanding and innovative teaching, pastoral care, leadership and governance.

Despite the well-publicised return to 2019 grade distributions, the school's public examination results were very strong at every level. At A Level, 17% of A level exams were graded at A* (2019: 11%) and 81% graded at A*- B grade (2019: 77%). Despite this year's grades being lower than last year's, the 2022 results should be viewed as a one-off. The approach the exam boards took to grading was to reflect a midpoint between summer 2019 and 2021. Schools were therefore asked to make more meaningful comparisons with 2019 results, which was when exams were last sat. Despite the concerns portrayed by the media 95% of Cranleigh's leavers were successful in securing places at their university of choice. The School continues to be encouraged that for more academically able pupils students are gaining places and scholarships at Ivy League universities and other leading universities in America and of those gaining places in the UK, 78% entered Russell Group or equivalent universities. The School continues to take a national lead in the EPQ and it is encouraging to note that an increasing number of universities, including a significant number in the Russell Group, now recognise the value of EPQ by making a lower A level offer contingent on achieving an A* or A in the EPQ. This year 60% of Year 13 pupils achieved A* or A grades in their EPQ (2019: 42%). The GCSE results were also strong and a testament to the hard work of both pupils and staff with 73% of exams achieving grades 9 – 7 (2019: 65%). Cranleigh School retains its place amongst the best schools in the country for academic performance which, combined with the breadth of the educational experience, enables pupils to reach their potential.

Cranleigh sport has flourished once again both at the high-performance level with national and regional success in a wide range of sports but also at the participation level where we continue to put out more

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teams than other schools of a similar size. In Cricket, Cranleigh reinforced its reputation as one of the best boys and girls cricket schools in the country with the boys 1st XI winning 13 out of their 15 matches and a clear pathway for elite pupils to reach professional level. Girls cricket is flourishing with more depth of numbers playing and the main 1st and U15A sides winning over 70% of their matches. In rugby, the highlight of the year was the 1st sevens side winning the Rosslyn Park Plate competition and in the main Michaelmas rugby term there were a record number of teams being put out from senior 5th XV to U14Ds playing regularly each weekend. A win rate across the club of over 70% was hugely impressive and a clear, proven pathway exists for the elite players to follow a number of other recent OCs into playing professional rugby.

Cranleigh continued its fine reputation for hockey with a record number of teams across the boys' and girls' clubs. The boys 1st team were undefeated in all home matches and the girls 1st team played successfully in the Tier 1 National competition and only lost three of the 16 matches they played over the season. There were a good number of boys and girls playing regional level hockey and several though to the National level age groups squads. There was also football success with the boys 1st team reaching the final of the National ISFA shield in the first season that we entered the competition. The Netball club saw a record number of teams playing each Saturday (21 teams from Years 9 to 13) and all the girls' enthusiasm brought much success as well. The 1st team won over 70% of their matches and had two players regularly playing for Surrey Storm U19 side. The breadth of other sports on offer is excellent and it was wonderful to see notable individual and team success at regional and national level in equestrian, golf, skiing and swimming.

Sport at Cranleigh Prep School continues to be strong at inter and intra-school levels. Major team games (football, hockey, netball, rugby and cricket) allow all pupils to represent teams and attend fixtures. There are a vast number of other sports, for example riding, fencing, judo, tennis, swimming, athletics and badminton. Girls' football teams compete against local clubs and maintained schools. Boys' and girls' teams reached national finals levels in hockey. Sports participation beyond the level offered by the school is strong with pupils supported at county and regional level for cricket, hockey and swimming. Recently, three pupils swam for Guildford in the Arena Junior Relay Challenge finishing first: they are the fastest nationally in their age group. The Chamber Choir were selected to sing in the Finals of the National Youth Choir Competition in the ICC, Birmingham.

Outdoor Education continues to thrive with high numbers of pupils completing the Bronze, Silver and Gold awards and enjoying the rewarding but challenging expeditions from the local Surrey Hills to the Welsh mountains. The Combined Cadet Force (CCF) has retained a very large contingent size with a notable feature being the impressive leadership of the senior cadets this year. Various camps and adventure weekends were enjoyed by pupils including a parachuting trip and the top shooting cadets performed with great credit at various national competitions including the highly regarded Bisley School Event. The Contingent also proudly support the local branch of the Royal British Legion and an affiliation ceremony took place in November. All the Year 9 pupils enjoyed a wide-ranging introduction to the Outdoor Education programme over the year which culminated in an adventure camp for two days at the end of the summer term with a wide variety of activities and walking expeditions on and off-site.

Performing arts are highly celebrated and have provided many highlights at Cranleigh over the year. In Music, there is strong participation across all genres and styles and over the year diversity in music was championed. There are a large number of small tea time and lunch time concerts for developing musicians and a series of outstanding large set piece events such as Choral Concerts with professional orchestras and Cranleigh Live contemporary music concerts. The drama department also ensure there are opportunities for all to perform from LAMDA classes, drama clubs and House plays to the wonderfully received school plays including an innovative immersive production of "Neverland", a compelling and hard-hitting production of "That Face" and an uplifting junior musical of "Moana". All of these, which wowed their audiences once again, with the professionalism of the acting and production.

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The dance programme is expanding rapidly and with a second new dance studio being opened this year there will be many more opportunities. This year saw a superb dance show in the summer which showcased the brilliant work of all the groups and there were various other opportunities for pupils to perform during the year,

There were once again a huge number of wide-ranging House competitions from the plethora of sports events to academic public speaking and general knowledge quizzes, right through to a Year 9 dance and House part-song singing competition at the House performance show in September. A rich and varied programme of clubs and societies run each week and one notable highlight was the highly successful design club. A Cranleigh team was prepared for the National Robotics competition and surpassed all expectations in qualifying to represent UK at the VEX Robotics World championship in Dallas, Texas and finished a very creditable 65th out of 800 schools. An extensive range of educational visits took place this year with a rapid increase in demand for overseas trips of all varieties from sports tours around Europe, volunteering and charitable ventures as far away as Zambia and many other cultural and academic enriching trips from London to USA

At Cranleigh Prep School Year 8 produced film versions of Lord of the Flies, Noughts and Crosses and Romeo and Juliet, Year 7 staged Seussical the Musical and Year 5 impressed with A Funny Thing Happened on the way to Camelot. Twenty nine pupils attempted LAMDA exams in the summer, all of whom attained Distinctions. The Chapel Choir continues to be popular and the Chamber Choir sang in a local care home. One pupil was selected to sing with the National Youth Choir, another with the National Children's Choir of Great Britain.

There was a busy schedule of refurbishment work at the School during the latter part of this period, which saw over 90 smaller projects completed over the summer.

Public benefit

Cranleigh School continues to be committed to the provision of public benefit in accordance with its founding principles. The requirement to report public benefit in more detail is formalised in the Charities Act 2011.

The awarding of bursaries is a measurable means of providing public benefit. The Trustees consider that bursaries, awarded to those who would not otherwise be able to afford the fees, are important, but not to the exclusion of the much wider benefit that Cranleigh provides within the local community. Those pupils who attend Cranleigh and who receive this financial support contribute to the School community in a variety of ways and so enrich the whole School and, in some cases, the community outside the School. The value of scholarships and bursaries to people who would not otherwise be able to afford the fees to attend Cranleigh School was this year £1,141k (2022: £1,100k). The value of these bursaries has been met by funding from international schools, income from the Cranleigh Foundation and enterprises such as summer lets.

In addition to bursaries, the School has engaged in many activities that provide public benefit in accordance to the Charity's objectives, and these are listed in a register maintained by the School. The School was quick to offer support to Ukrainian families fleeing the war and initially took in four pupils with two remaining in the longer term. Fund-raising activities to those effected by the war have been held regularly since February 2022. There have been many other charitable events in support of the objects during the year. Some examples are: partnerships with local maintained schools so that teachers from Cranleigh School teach at local maintained schools if there is a need for enhancement in a particular area and three members of staff are governors at local primary schools. The School's outreach programme into the community is active and has, during the year, involved activities such as the relief of hardship through support by Cranleigh Mission and support to local sports clubs. Forty-eight local sports clubs used the School's sporting facilities, and outreach assistance includes maintenance by the School's Grounds department of the estate at Glebelands School, the maintained

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secondary school bordering Cranleigh School. In many cases the School's support is focused on providing support to the youth sections of sports clubs. The School has formed a good relationship with the Surrey Virtual School supporting educational programmes for looked after children. This theme of social responsibility is important as Cranleigh School aims to develop local community projects.

Cranleigh has focused its partnership activities on literacy outreach. The OECD report 'Reading for Change' suggests that literacy has the single biggest impact on social mobility and research from the National Literacy Trust illustrates the link between low literacy and poverty. Collaborating with the National Literacy Trust and Cranleigh CofE primary school, a school which has a quarter of children on full school meals, Cranleigh has undertaken a number of initiatives as part of a Young Readers' Programme: storytelling and reading for pleasure events; teacher training; the provision of over 500 books and Cranleigh's Sixth Form pupils assisting with events and reading engagement activities. A separate impact report highlights that the project has enhanced reading culture with positive changes in reading enjoyment, reading motivation, frequency and attainment. The School is also taking a leading role in sharing this expertise through the West Surrey Schools Partnership which has taken literacy as its major focus, expanding the impact across a greater range of primary providers in the area.

Continuing the focus on literacy, following the example of our partner school in Zambia, the charity the School collaborates with has rolled out the Jolly Phonics literacy programme across the Copperbelt Province in all 515 government and community schools in Grade 3, the point at which pupils are expected to start to read and write in English as guided by the Zambian National Curriculum. Over the last 6 years, over 3,500 teachers have been trained in Jolly Phonics, which has enabled them to go on to develop the literacy of over 150,000 pupils. Consistently, pupils using Jolly Phonics have scored two or three times higher than pupils in non-Jolly Phonics classes.

It is difficult, to measure accurately the financial cost to the School of this public benefit, that is given in addition to bursaries, but it is certainly well into six figures. The benefit provided by bursaries and other activities can also be considered alongside the benefit of educating the 1,017 pupils (176 in the primary school sector) which, in itself, has saved the exchequer some £6,876,500¹ this year.

Cranleigh Foundation is an integral element in the provision of public benefit. There are seven Foundation bursary holders (Foundationers) in the School in September 2023 each with a bursary covering either full fees or a significant proportion of full fees. The School continues to seek candidates to be Foundationers. The financial benefit to Foundationers this year was £253k (2022: £237k).

¹2022 Annual Report on Education Spending in England by the Institute of Fiscal Studies. £6,900 per pupil in secondary schools and £6,100 per pupil in primary schools.

FINANCIAL REVIEW

Results for the year

The School's consolidated net movement in funds in the attached financial statements is £2,639k (2022: (£1,496)). The surplus made by Cranleigh School (net incoming funds from operations before transfers and investment gains) was £3,138k for the year (2022: £2,032k). The FRS 102 pension valuation is a non-cash item within the School's accounts and has calculated that the scheme has a net actuarial loss recognised in the year of £450k, however the funding level is in surplus by £1,267k (2022: actuarial gain of £44k).

Forecast for the current year (2023/24)

The Governing Body has considered several factors when forming their conclusion as to the use of the going concern basis for the basis of preparation of these financial statements including a review of updated forecasts to 31 December 2025. There has been comprehensive consideration of key risks that could negatively affect the charity and its working capital requirements. The primary risks are considered to be inflation and fuel costs. There is some mitigation from these costs because there are a record number of pupils in the School at the start of the school year in September 2023. The Governing Body has concluded that School's finances and for the year ahead are sound and so it continues to adopt the going concern basis in preparing the financial statements.

Investment policy, objectives and performance

The Governing Body has a balanced risk policy for investments. This is set out in the Statement of Investment Principles which is reviewed annually. The Finance Committee has delegated responsibility for investments to an Investment Committee. The Investment Committee comprises the Chair of the Finance Committee, two former members of the Governing Body who each have specialist knowledge and the Director of Finance. The Committee meet the School's investment advisors four times a year and provide a brief for the Governing Body at each Finance Committee meeting. Investment performance is measured against appropriate benchmarks and the Finance Committee is satisfied that performance is good when measured against benchmarks. This year performance has been below inflation and the portfolio increased in value by 0.8% (2022: -12.0%) to £4,159k. The Governing Body considers the performance of investments over the year are in line with benchmark total returns.

Reserves level and policy

Cranleigh School has total reserves of £9,159k (2022: £9,128k). The School's reserves policy is to maintain sufficient unrestricted funds to meet an unexpected shortfall of revenue in order to provide cash for three months operating costs at an average of £2,611k per month. The School's reserves comprise the investment portfolio valued at £4,159k the unused bank facility of £2,000k and unused overdraft of £3,000k. Total reserves at 31st July therefore exceeded the £7,833k sum required by the policy.

The Charity has not conducted active fund-raising during the year. Notwithstanding this Cranleigh Foundation (Charity Number 1122918) raised £397k (2022: £569k) during the accounting year from donations, legacies and investment income.

Principal risks and uncertainties

Cranleigh School Governing Body is responsible for the management of the risks faced by the School. Risk Management is delegated to the Risk Management Group (RMG) which reports formally to the Governing Body each autumn. This Committee comprises four members of the Governing Body and it is assisted in its work by senior management and other staff as necessary. The process provides continuous assessment of risks through the auspices of the sub committees with each taking responsibility for risks, and where appropriate mitigation, in its given area of expertise. The generic controls used by the Charity to minimise risks include:

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- oversight of key areas of risk, such as health and safety and safeguarding, by individually nominated governors;
- formal agendas for Committee and Board activity;
- formal strategic planning, reviewed annually and assisted by the Strategy and Risk Committee;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies;
- vetting procedures as required by law for the protection of the vulnerable;
- compliance with regulations that apply to the running of a school;
- declaration of conflicts of interest, renewed at each Governing Body meeting, including sub committee meetings.

The most significant external risks facing the School are the continuation of inflationary pressures and, in the medium term, the potential for a future government to change the ways in which independent schools and their parents are taxed. In consideration of both of these financial risks, the RMG considers that, because inflation is now falling, it has a lower impact than last year and the possible imposition of VAT is dependent on politics and, as such, there are significant uncertainties. Both these financial risks are kept under regular review and mitigation strategies are both developing and adapting. Previous direction given to the executive to place safeguarding of pupils as the School's first priority is enduring. Health and Safety is both a Safeguarding and more general risk, and both risks are residual and so will endure.

The School continues to prioritise safeguarding culture and education, refreshing and updating a comprehensive programme of sex and relationships education. The School has also prioritised anti-racist education and a governors' working party formed in 2021 supports the School's leadership in the introduction of more comprehensive EDI initiatives, in partnership with Flair Impact, the African Caribbean Education Network and Black Lives in Music. Work on decolonising the curriculum continues and the Assistant Head Pastoral, who sits on the board of the Schools Inclusion Network, has involved pupil leaders in improvements to more inclusive practice and language and strengthened education and alliance activities with all those with protected characteristics. An Independent Schools Inspectorate report carried out in November 2022 highlighted the inclusiveness of the school's culture and the strength of its safeguarding procedures.

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. Sports' injuries are monitored carefully, each being tracked, to record trends in order to identify those elements of sport most likely to cause injury so that mitigating actions can be taken. To release any potential pressures on the NHS ambulance service, and prevent further risk of injury, all matches this term continue to have private medical facilities on the touch line. There continues to be interest in the wider education community about the risk of injury on the rugby field.

The Governing Body seeks to understand some individual risks in more detail and from time-to-time initiates external scrutiny. The Governing Body is satisfied that the major risks have been identified and controls put in place to manage risk adequately. It is recognised that systems can provide reasonable, but not absolute, assurance that major risks are being managed.

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Future plans

The School Development Plan of 2015 has been completed. A new development cycle will commence with the succession of the Heads at both schools who will work closely with the executive and Governing Body. It is anticipated that the enduring core work of planning is that Cranleigh School will continue to articulate and extend its culture through ***Cranleigh Thinking, Cranleigh Being and Cranleigh Giving***.

Cranleigh Thinking teaches pupils to think beyond the test, to become independent learners who know how to learn, adapting to changing contexts.

Cranleigh Being promotes a culture in which ***who*** we are and ***how*** we are is as important as what we achieve and in which the well-being of all in the community is a priority.

Cranleigh Giving encourages all in the community to think beyond themselves and to consider how they will share their resources, time and expertise. It also seeks to widen access to Cranleigh, offering opportunities to young people from a diverse range of backgrounds and experience.

Together, these themes express the aspiration that all members of the community are encouraged to be thinking, being, giving individuals who are able to consider who they are, what they will be and how they will be now and in the future. It is this aspiration that is to be taken forward in the next school development plan.

CRANLEIGH SCHOOL

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue to operate.

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

Insofar as each of the members of the Governing Body at the date of approval of this report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

AUTHORISATION

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Cranleigh School on 25th November 2023, including in their capacity as company directors approving the Directors' and Strategic Reports contained therein, and is signed as authorised on its behalf by the Chairman of the Governing Body.



Monica Fisher
(Deputy Chair of Governing Body)

Independent Auditor's Report to the Members of Cranleigh School

Opinion

We have audited the financial statements of Cranleigh School ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2023 which comprise Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Statement of Cashflows and notes to the financial statements, including 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 group's and the charitable company's affairs as at 31 July 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

We also considered compliance with local legislation for the group's overseas operating segments.

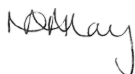
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of voluntary income, the timing of recognition of other trading activities, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical procedures and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date 7th December 2023

CRANLEIGH SCHOOL

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)**

FOR THE YEAR ENDED 31 JULY 2023

	Note	Trading School Subsidiaries			Group 2023 £'000	Group 2022 £'000
		Unrestricted	Unrestricted	Restricted		
		Funds 2023 £'000	Funds 2023 £'000	Funds 2023 £'000		
INCOME FROM:						
Charitable activities						
School fees	2	30,947	-	-	30,947	29,243
Other income	4	1,199	-	-	1,199	902
Other trading activities						
Facilities and trading income	5	3	1,909	-	1,912	616
Other incoming resources	5	116	-	-	116	124
Share of surplus from Joint Venture	5	-	361	-	361	632
Investments						
Investment income	6	40	-	90	130	85
Bank and other interest	6	106	-	-	106	-
Voluntary sources						
Donations and legacies	7	98	-	282	380	321
Fundraising events	7	-	-	25	25	270
Total incoming resources		32,509	2,270	397	35,176	32,193
EXPENDITURE ON:						
Raising funds						
Trading costs	8	-	606	-	606	479
Share of loss from Joint Venture	12	-	-	-	-	-
Other income-generating activities		-	-	-	-	-
Financing costs	9	598	6	-	604	558
Investment management		24	-	-	24	28
Fundraising & development		-	-	3	3	148
Total deductible costs		622	612	3	1,237	1,213
Charitable activities						
Education and grant making	8	30,711	-	90	30,801	28,948
Total expenditure		31,333	612	93	32,038	30,161
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		1,176	1,658	304	3,138	2,032
Gains/(losses) on investments	12	15	-	(64)	(49)	(580)
NET INCOME / (EXPENDITURE)		1,191	1,658	240	3,089	1,452
Transfers	3	1,633	(1,633)	-	-	-
Other recognised gains / (losses):						
Pension scheme actuarial gain/(loss)	20	(450)	-	-	(450)	44
NET MOVEMENT IN FUNDS FOR THE YEAR		2,374	25	240	2,639	1,496
FUNDS B/FWD 1 AUGUST 2022		46,470	571	3,351	50,392	48,896
FUNDS C/FWD 31 JULY 2023		48,844	596	3,591	53,031	50,392

The notes on pages 24 to 40 form part of these accounts

CRANLEIGH SCHOOL

BALANCE SHEETS AS AT 31 JULY 2023

	Note	School 2023 £'000	School 2022 £'000	Group 2023 £'000	Group 2022 £'000
FIXED ASSETS					
Tangible assets	11	56,631	57,139	56,664	57,149
Investments	12	4,159	4,128	8,790	8,463
		<u>60,790</u>	<u>61,267</u>	<u>65,454</u>	<u>65,612</u>
CURRENT ASSETS					
Stocks		52	48	215	216
Debtors - due within one year	13	2,105	1,242	822	517
- due after one year	13	17	57	17	57
Cash and bank balances		6,477	3,610	7,428	3,857
		<u>8,651</u>	<u>4,957</u>	<u>8,482</u>	<u>4,647</u>
CURRENT LIABILITIES					
Creditors payable within one year	14	<u>(8,948)</u>	<u>(8,056)</u>	<u>(9,256)</u>	<u>(8,169)</u>
		<u>(8,948)</u>	<u>(8,056)</u>	<u>(9,256)</u>	<u>(8,169)</u>
NET CURRENT ASSETS / (LIABILITIES)					
		<u>(297)</u>	<u>(3,099)</u>	<u>(774)</u>	<u>(3,522)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		60,493	58,168	64,680	62,090
LONG-TERM LIABILITIES					
Creditors payable after one year	15	(11,649)	(11,698)	(11,649)	(11,698)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY					
		<u>48,844</u>	<u>46,470</u>	<u>53,031</u>	<u>50,392</u>
Pension scheme funding	20	-	-	-	-
TOTAL NET ASSETS					
		<u>48,844</u>	<u>46,470</u>	<u>53,031</u>	<u>50,392</u>
FUNDS					
Foundation restricted funds		-	-	3,591	3,351
Trading subsidiaries		-	-	100	100
School unrestricted funds		48,844	46,470	49,340	46,941
Pension reserve	20	-	-	-	-
TOTAL FUNDS					
	18	<u>48,844</u>	<u>46,470</u>	<u>53,031</u>	<u>50,392</u>

The net movement in funds for the financial year dealt with in the financial statements of the parent company was £2,639k (2022 : £1,496k)

Approved and authorised for issue by the Governors on 25 November 2023 and signed on their behalf by



Monica Fisher (Deputy Chair of Governing Body)

The notes on pages 24 to 40 form part of these accounts

Company No.3595824

CRANLEIGH SCHOOL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2023

	2023 £'000	2022 £'000
Net cash inflow from operations		
Net cash provided by / (used in) operating activities (a)	<u>5,243</u>	<u>3,906</u>
Cash flows from investing activities		
Payments for tangible fixed assets	(1,238)	(585)
Proceeds on sale of tangible fixed assets	-	-
Purchase of investments	(40)	(1,678)
Withdrawals from investments	24	28
Investment income and bank interest received	<u>40</u>	<u>39</u>
Net cash (used in) / provided by investing activities	(1,214)	(2,196)
Cash flows from financing activities		
Finance costs paid	(530)	(586)
Advance fees: New contracts	2,070	784
Accrued to contracts	44	31
Appropriations	(1,614)	(1,681)
Loan Facility	<u>(428)</u>	<u>(5,669)</u>
Net cash provided by financing activities	(458)	(7,121)
	<u>3,571</u>	<u>(5,411)</u>
Debt repayment (net)	428	5,669
	<u>3,999</u>	<u>258</u>
Change in cash and cash equivalents in the reporting period	3,999	258
Cash and cash equivalents at the beginning of the reporting period	(8,133)	(8,391)
Cash and cash equivalents at the end of the reporting period (b)	<u>(4,134)</u>	<u>(8,133)</u>

The notes on pages 24 to 40 form part of these financial statements

CRANLEIGH SCHOOL

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2023

(a) Reconciliation of net income to net cash flow from operating activities

	2023		2022
	£'000		£'000
Net incoming resources	3,138		2,032
Elimination of non-operating cash flows:			
Investment income	(40)	(39)	
Finance costs paid	530	586	
Pension gains less contributions paid	-	-	
Depreciation	1,723	1,745	
Profit from disposal of assets	4	-	
Decrease/(Increase) in stock	1	(14)	
(Increase)/Decrease in debtors	(265)	(93)	
Increase/(Decrease) in creditors	152	(311)	1,874
	5,243		3,906

(b) Analysis of cash and cash equivalents

	1 August 2022 £' 000		1 August 2023 £' 000
Cash at bank and in hand less overdraft	3,857	3,571	7,428
Loan facility - Handelsbanken	(11,990)	428	(11,562)
	(8,133)	3,999	(4,134)

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 July 1998 (Company No. 3595824) and registered as a charity (Charity No. 1070856).

The financial statements have been prepared in accordance with 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 16.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School and with its wholly owned subsidiaries Cranleigh Enterprises Limited (Company No. 2902113), Cranleigh Foundation (Company No.1122918) and Cranleigh Education Services Limited (Company No. 8224546). Cranleigh Education Services Limited also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture. 70% of the Joint Venture profits are included in the Group accounts. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The net incoming resources of the Charity are disclosed on page 28. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments. The charity has taken advantage of exemption 408 of the Companies Act and as such a separate parent income statement has not been prepared.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The School has recognised its liability in relation to the Cranleigh School Pension Scheme which involves a number of estimations as detailed in Note 20.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES (continued)

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

Rental income (including incentives received or paid) for operating leases on investment property are recognised in profit or loss on a straight line basis over the lease term.

1.3 Donations, legacies, grants and other voluntary incoming resources

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

Voluntary income for the School's 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 is 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 the case of donated services or facilities.

1.4 Advance Fee Scheme

Interest is paid by the charity on the advance, in which case the transaction is in substance a loan and is classed as a basic financial instrument. The financing cost is the interest paid and this must be treated as an interest expense. (If the interest rate paid is below the market rate for an equivalent loan, then the loan may qualify for treatment as a concessionary loan)

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. The direct costs incurred in preserving the School's ancient buildings and their contents are shown as a charitable activity distinct from that of education and grant making. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments. Governance costs comprise the costs of complying with constitutional and statutory requirements. Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £5,000 are capitalised and carried in the balance sheet at historical cost. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on equipment incurred in the normal day-to-day running of the School and its subsidiaries is charged to the Statement of Financial Activities as incurred.

1.7 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

School buildings, including major extensions	15-50 years
Staff housing	50 years
Furniture, machinery and equipment	3-30 years
Motor vehicles	5 years
IT	4 years

1.8 Investments

Investment properties are valued as individual investments at their market values as at the balance sheet date. Rental income is recognised in the period to which it relates. Purchases and sales of investment properties are recognised on exchange of contracts.

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

1.9 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

1.10 Fund accounting

The charitable trust funds of the School and its subsidiaries are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES (continued)

1.11 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

(a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

(b) The Cranleigh School Pension Scheme - This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit liability is presented separately after other net assets on the face of the balance sheet. If the School cannot recover any pension scheme asset, it is not recognised in accordance with FRS 102.

(c) The Cranleigh School Group Personal Pension Plan - This is a defined contribution group personal pension plan with Aviva. Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1.13 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

2. CHARITABLE ACTIVITIES - FEES	2023 £'000	2022 £'000
Fees receivable consist of:		
Gross fees	35,539	33,351
Less: Total bursaries, grants and allowances	(4,592)	(4,108)
Add back: Bursaries paid for by donations to the Fee Relief Fund	-	-
The above educational awards were made to 357 pupils (2022 : 349).	30,947	29,243

3. SUBSIDIARY COMPANIES

Cranleigh Enterprises Limited, is a company in which the School owns all 100 £1 shares, and the aggregate amount of assets, liabilities and funds is £36.5k. The trading activities of Cranleigh Enterprises Limited comprise a retail operation (supplying school clothing, sportswear and sports equipment, for pupils, teachers and employees of Cranleigh School), and the lettings of School facilities. The turnover was £899.4k and the net profit £444.0k with £449.5k of net funds. The net profit earned by this company is donated annually to Cranleigh School under Gift Aid. The value of goods and services supplied to the School by the company in the year was £74.4k (2022 : £51.7k) and the value of services supplied to the company by the School in the year was £0k (2022 : £Nil). The Gift Aid donation for the year of £413k (2022 : £112k) has been shown on the Statement of Financial Activities as a transfer to the School.

Cranleigh Education Services Limited is a company in which the School owns all 100 £1 shares and the aggregate amount of assets, liabilities and funds is £208.9k. The trading activities of Cranleigh Education Services Limited is to facilitate the establishment of overseas schools and then monitor the running of overseas schools once open. The turnover was £1,357.2k and the net profit £1,207.4k. There were no services supplied to the School by the Company in the year and £22.6k services supplied to the Company by the School in the year. The Gift Aid donation for the year of £1,220k (2022 : £1,384k) has been shown on the Statement of Financial Activities as a transfer to the School.

Both trading companies are now consolidated within the group financial statements as detailed in the Statement of Accounting Policies.

Cranleigh School is also the sole member of Cranleigh Foundation, a company limited by guarantee established to promote and advance any charitable purpose directly connected with Cranleigh School. The financial results of Cranleigh Foundation are included as the Foundation restricted funds within these consolidated accounts

4. CHARITABLE ACTIVITIES - OTHER INCOME	2023 £'000	2022 £'000
Educational visits	529	339
Activities	224	191
Other	318	290
Rental income	127	72
Registration fees	1	10
Other	1,199	902

5. OTHER TRADING ACTIVITIES	2023 £'000	2022 £'000
Facilities and trading income		
Cranleigh School	3	3
Cranleigh Enterprises Ltd	899	484
Cranleigh Education Services Ltd	1,010	129
	1,912	616
Other incoming resources		
Surplus on asset sales	4	-
Foundation (recoveries)	-	-
Other	112	124
	116	124
Share of surplus from JV		
C R Education Ltd (see note 12)	361	632

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

	2023 £'000	2022 £'000
6. INVESTMENTS		
Investment income	<u>130</u>	<u>85</u>
Bank and other interest		
Bank interest	<u>106</u>	<u>-</u>
7. VOLUNTARY SOURCES		
Donations and legacies	2023 £'000	2022 £'000
Donations to Cranleigh School	98	68
Donations to Cranleigh Foundation	<u>282</u>	<u>253</u>
	<u>380</u>	<u>321</u>

During the year Cranleigh Foundation has awarded grants to Cranleigh School totalling £0k (2022: £0k) to support bursaries and various capital projects being carried out by the School, all of which were completed in the year. Cranleigh Education Services donated £0k (2022: £659k) to the School during the year.

	2023 £'000	2022 £'000
Fundraising events		
Cranleigh Foundation Ltd	<u>25</u>	<u>270</u>

	Staff Costs £'000	Other £'000	Depreciation £'000	Total 2023 £'000	Total 2022 £'000
8. ANALYSIS OF EXPENDITURE					
a) Total expenditure					
Costs of generating funds					
Trading costs	81	513	12	606	479
Cost of other activities	-	-	-	-	-
Financing costs	-	604	-	604	558
Investment	-	24	-	24	28
Fundraising	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>148</u>
Total costs of generating funds	<u>81</u>	<u>1,144</u>	<u>12</u>	<u>1,237</u>	<u>1,213</u>
Charitable expenditure					
Education and grant making					
Teaching costs	14,103	3,016	99	17,218	16,031
Welfare	2,889	1,734	19	4,642	4,535
Premises	1,082	3,488	1,499	6,069	5,554
Support costs and governance	781	1,906	95	2,782	2,779
Grants and awards	<u>-</u>	<u>90</u>	<u>-</u>	<u>90</u>	<u>49</u>
Total charitable expenditure	<u>18,855</u>	<u>10,234</u>	<u>1,712</u>	<u>30,801</u>	<u>28,948</u>
Total expended	<u>18,936</u>	<u>11,378</u>	<u>1,724</u>	<u>32,038</u>	<u>30,161</u>

		2023 £'000	2022 £'000
b) Grants and awards			
From Restricted Funds:	Bursaries	-	-
From Unrestricted Funds:	Bursaries	<u>90</u>	<u>49</u>
		<u>90</u>	<u>49</u>

		2023 £'000	2022 £'000
c) Governance included in support costs			
Remuneration paid to auditor for audit services:	School	29	27
	Subsidiaries	12	9
Reimbursement of personal expenses to Governors - travel costs		-	-
Other governance costs		<u>188</u>	<u>135</u>
		<u>229</u>	<u>171</u>

Travel expenses were reclaimed by two members (2022: 1) of the Governing Body.

In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £5.0k (2022: £4.8k) and tax advice £0.75k (2022: £0.4k)

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

	2023 £'000	2022 £'000
9. FINANCING AND OTHER COSTS		
Bank interest and charges	560	527
Advanced fees discounts	44	31
	<u>604</u>	<u>558</u>
10. STAFF COSTS AND RELATED PARTY TRANSACTIONS		
The aggregate payroll costs for the year were as follows	2023 £'000	2022 £'000
Wages and salaries	15,253	14,345
Social security costs	1,542	1,464
Pension costs	2,139	2,529
	<u>18,934</u>	<u>18,338</u>

No Governor received remuneration in 2023 (2022: £Nil) from Cranleigh Education Services Ltd. The granting of a benefit to any Governor is consistent with the School's policies for benefits and no Governor receives any remuneration or benefit that would not be available to a parent.

Aggregate employee-benefits of 20 (2022:18) key management personnel	<u>2,319</u>	<u>2,035</u>
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The number of higher paid employees in bands of:

£ 60,001 - £ 70,000	29	23
£ 70,001 - £ 80,000	10	6
£ 80,001 - £ 90,000	2	2
£ 90,001 - £100,000	4	4
£ 100,001 - £110,000	2	0
£ 110,001 - £120,000	0	0
£ 120,001 - £130,000	0	1
£ 130,001 - £140,000	1	0
£ 140,001 - £150,000	0	0
£ 150,001 - £160,000	0	0
£ 160,001 - £170,000	0	0
£ 170,001 - £180,000	0	0
£ 180,001 - £190,000	0	1
£ 190,001 - £200,000	1	0
	<u>49</u>	<u>37</u>

The number with retirement benefits accruing

- in Defined Contribution schemes was	47	34
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of which the contributions amounted to	£759,000	£571,000
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The average number of the School's employees during the year calculated on a full time equivalent basis was 348 (2022: 342). The average headcount for the year was 421 (2022 : 412)

	2023 £'000	2022 £'000
Teaching	169	166
Welfare	78	78
Premises	33	33
Support	15	16
Other activities	53	49
	<u>348</u>	<u>342</u>

During the year no termination payments were made (2022: 1). There were none outstanding at the year end.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

11. TANGIBLE FIXED ASSETS	Freehold Land & Buildings £'000	Assets Under Construction £'000	Motor Vehicles £'000	Fittings & Equipment £'000	IT Hardware £'000	Total £'000
Cost (or frozen valuation)						
At 1 August 2022	72,427	1,095	232	4,128	2,226	80,108
Additions	-	1,057	53	128	-	1,238
Transfers	604	(604)	-	-	-	-
Disposals	-	-	(30)	(116)	(382)	(528)
At 31 July 2023	<u>73,031</u>	<u>1,548</u>	<u>255</u>	<u>4,140</u>	<u>1,844</u>	<u>80,818</u>
Depreciation						
At 1 August 2022	17,515	-	221	3,179	2,044	22,959
Charge for year	1,453	-	16	166	88	1,723
Disposals	-	-	(30)	(116)	(382)	(528)
At 31 July 2023	<u>18,968</u>	<u>-</u>	<u>207</u>	<u>3,229</u>	<u>1,750</u>	<u>24,154</u>
Net book values						
At 31 July 2023	<u>54,063</u>	<u>1,548</u>	<u>48</u>	<u>911</u>	<u>94</u>	<u>56,664</u>
At 31 July 2022	<u>54,912</u>	<u>1,095</u>	<u>11</u>	<u>949</u>	<u>182</u>	<u>57,149</u>

The School's fixed assets total £56,631k and Cranleigh Enterprises £33k.

All tangible fixed assets are held for use on charitable activities.

The freehold land and buildings, excluding separate buildings, comprising Cranleigh School and Cranleigh Preparatory School were revalued in 1999. Buildings were not previously depreciated, but with effect from 1 August 2005, depreciation is calculated over 50 years for all School buildings. When building projects are still in progress at the year end, depreciation is not calculated until the financial year in which the asset is brought into full use. Land is not depreciated.

12. SECURITIES INVESTMENTS	School 2023 £'000	School 2022 £'000	Group 2023 £'000	Group 2022 £'000
Group investments				
Balance at 1 August 2022	3,930	4,494	7,218	6,156
New money invested from realised gains	-	-	-	-
New money invested	-	-	-	1,630
Reinvested Income	40	39	40	39
Investment management fees	(24)	(28)	(24)	(28)
Increase/(Decrease) in value of investments	15	(575)	(49)	(580)
Group investments at 31 July 2023	<u>3,961</u>	<u>3,930</u>	<u>7,185</u>	<u>7,217</u>
Balance at 1 August 2022	198	198	1,246	614
Investment in Subsidiary	-	-	-	-
Subsidiary investment in Joint Venture	-	-	359	632
School investments at 31 July 2023	<u>198</u>	<u>198</u>	<u>1,605</u>	<u>1,246</u>
Investments comprise:				
Listed investments - Equities	3,946	3,928	7,170	7,215
Cash	15	2	15	2
Group investments	<u>3,961</u>	<u>3,930</u>	<u>7,185</u>	<u>7,217</u>
Investment in Subsidiary	198	198	-	-
Subsidiary investment in Joint Venture	-	-	1,605	1,246
School investments	<u>198</u>	<u>198</u>	<u>1,605</u>	<u>1,246</u>
	<u>4,159</u>	<u>4,128</u>	<u>8,790</u>	<u>8,463</u>

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Securities investments are managed for the School by Brewin Dolphin Ltd. All investments are managed and held in the UK.

Original cost of investments held at 31 July 2023 is £2.079m (2022 : £2.079m)

The School has invested £198,001 in Cranleigh Education Services Ltd purchasing all 100 shares.

Cranleigh Education Services Ltd also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture in relation to the construction, operation and management of a school in Abu Dhabi. Cranleigh Education Services Ltd holds 50 shares with a nominal value of Dirhams 1000 each. With the school having opened in September 2014, Cranleigh Education Services Ltd now incorporates 70% of the Joint Venture profit to the 31 July. The subsidiary's share of turnover for the year ended 31 July 2023 was £938k (2022: £782k) with a net profit of £453k (2022: £508k) and the aggregate share of assets, liabilities and funds of the Joint Venture is £1,599k (2022: £1,238k).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

13. DEBTORS	School 2023 £'000	School 2022 £'000	Group 2023 £'000	Group 2022 £'000
Fees	9	2	9	2
Sundry debtors	66	57	416	206
Prepayments	374	287	374	287
Staff loans	40	79	40	79
Amounts due from Cranleigh Enterprises Ltd	-	37	-	-
Amounts due from Cranleigh Education Services Ltd	-	-	-	-
Gift aid donations from subsidiary companies	1,633	837	-	-
	<u>2,122</u>	<u>1,299</u>	<u>839</u>	<u>574</u>

All debtors are due within one year, except for £17k (2022: £58k) of staff loans, which are due after more than one year.

The above fees are net of bad debt provision £198k (2022: £203k).

14. CREDITORS : amounts falling due within one year	School 2023 £'000	School 2022 £'000	Group 2023 £'000	Group 2022 £'000
Bank loans (see Note 17)	1,438	1,297	1,438	1,297
Fees received in advance	552	366	552	366
Final term deposits	2,316	2,105	2,316	2,105
Taxation, social security and pension contributions	772	769	772	769
Amounts due to Cranleigh Enterprises Ltd	26	-	-	-
Overdraft	-	-	-	-
Other creditors and accruals	2,849	2,504	3,183	2,617
	<u>7,953</u>	<u>7,041</u>	<u>8,261</u>	<u>7,154</u>
Advance fees (see Note 16)	995	1,015	995	1,015
	<u>8,948</u>	<u>8,056</u>	<u>9,256</u>	<u>8,169</u>

15. CREDITORS : amounts falling due after one year	School 2023 £'000	School 2022 £'000	Group 2023 £'000	Group 2022 £'000
Bank loans (see Note 17)	10,124	10,693	10,124	10,693
Advance fees (see Note 16)	1,525	1,005	1,525	1,005
	<u>11,649</u>	<u>11,698</u>	<u>11,649</u>	<u>11,698</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

16. ADVANCE FEE PAYMENTS

Parents may enter into a contract to pay to the School up to the equivalent of ten years' tuition fees in advance. The amounts received are treated as deferred income and form part of the School's working capital. Fees are taken to income for each term as the relevant pupils progress through the School. Advance payments may be returned subject to specific conditions on the receipt of one term's notice.

	2023	2022
	£'000	£'000
Assuming pupils will remain in the School, advance fees will be applied as follows :		
After 5 years	55	-
Within 2 to 5 years	1,470	1,005
Within 1 year (Note 14)	995	1,015
	<u>2,520</u>	<u>2,020</u>

The balance represents the accrued liability under the contracts, and the movements during the year were:

		£'000	£'000
Balance at 1 August 2022			2,020
New contracts			2,070
Amounts accrued to contracts			44
			<u>4,134</u>
Amounts utilised in payment of fees:	To the School	(1,580)	
	To other schools	(34)	
	Refunds	-	
		<u>-</u>	<u>(1,614)</u>
Balance at 31 July 2023			<u>2,520</u>

17. LOAN FINANCE

Credit facilities with Handelsbanken are currently in place, on which interest is payable at normal commercial rates. The loan facilities are secured by separate First Legal Mortgages executed by the School over certain freehold properties owned by the School. The structure is shown in the following table.

5.28% Fixed rate amortizing credit facility expiring 30 March 2024	£'000
Bank of England base rate + 2.10% revolving credit facility expiring 28 March 2025, £3m available, £2m utilised	2,302
3.07% Fixed rate amortizing credit facility expiring 29 March 2024	1,000
4.22% Fixed rate amortizing credit facility expiring 26 July 2027	869
	<u>7,391</u>
	<u>11,562</u>

The facilities are repaid by quarterly installments with the exception of the revolving credit which is repayable on maturity. All facilities mature as follows:

	2023	2022
	£'000	£'000
After 5 years	8,306	9,367
Within 2 to 5 years	1,818	1,326
Within 1 year	1,438	1,297
	<u>11,562</u>	<u>11,990</u>

In addition there is a revolving current account overdraft facility from Handelsbanken of £3m expiring on 30 September 2024.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

18. STATEMENT OF FUNDS

	Balance 1 August 2022 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance 31 July 2023 £'000
Foundation	3,351	397	(93)	(64)	-	3,591
Total restricted funds	<u>3,351</u>	<u>397</u>	<u>(93)</u>	<u>(64)</u>	<u>-</u>	<u>3,591</u>
Total unrestricted funds	47,041	34,779	(31,945)	(435)	-	49,440
Total funds	<u>50,392</u>	<u>35,176</u>	<u>(32,038)</u>	<u>(499)</u>	<u>-</u>	<u>53,031</u>

The funds of the Foundation are considered to be restricted given the aims and objects are narrower than the School and as such are accounted for as a restricted fund in the Group.

19. COMPARATIVE STATEMENT OF FUNDS

	Balance 1 August 2021 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance 31 July 2022 £'000
Foundation	1,984	569	(197)	(5)	1,000	3,351
Total restricted funds	<u>1,984</u>	<u>569</u>	<u>(197)</u>	<u>(5)</u>	<u>1,000</u>	<u>3,351</u>
Total unrestricted funds	46,912	31,624	(29,964)	(531)	(1,000)	47,041
Total funds	<u>48,896</u>	<u>32,193</u>	<u>(30,161)</u>	<u>(536)</u>	<u>-</u>	<u>50,392</u>

Following a renegotiation of the School's international agreement with its partner in Abu Dhabi in 2020-21, the School donated £1m to the Foundation in 2021-22 from the funds received.

20. PENSION SCHEMES

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

Defined benefit schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,932k (2022: £1,849k) and at the year-end £221k (2022: £217k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

20. PENSION SCHEMES (continued)

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Cranleigh School Pension Scheme

The School operates a defined benefit scheme for non-teaching staff, the Cranleigh School Pension Scheme. The scheme was closed to new members with effect from 1 January 2013, though it remains open to existing members. As of 1 January 2013, the School established a generous defined contribution scheme for new employees (see page 36).

Contributions are made to the scheme in accordance with the recommendations of the scheme's actuary and are charged to the Statements of Financial Activities. Following the signing of the latest valuation in June 2022 the School's contribution remained at 22.5%. In addition the School paid contributions totalling £89,400 in respect of the past service deficit. At 31 July 2023 £0 was accrued in respect of pension contributions to this scheme (2022: £0).

Following the latest full Actuarial Valuation at 6 April 2021, the Trustees of the Cranleigh School Pension Scheme agreed with Cranleigh School, the employer, to continue with a recovery plan designed to eliminate the deficit from 6 May 2021 until 6 May 2027. Cranleigh School will make lump sum contributions of £7,450 per calendar month to fund the past service deficit.

The School has provided £119k to cover the potential cost of meeting the possible commitment to pay additional guaranteed minimum pension (GMP) equalisation costs following the October 2018 ruling by the High Court in the Lloyds Bank case

The fair value of the scheme assets exceeded the present value of future obligations at 31 July 2023 by £1,267,000. However, as the School will not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements in accordance with FRS102.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

20. PENSION SCHEMES (continued)

	2023	2022
	£'000	£'000
(a) The amounts recognised in the balance sheet are as follows :		
Present value of funded obligations	(15,993)	(19,616)
Fair value of plan assets	<u>17,260</u>	<u>21,297</u>
less asset not recognised	(1,267)	(1,681)
Deficit amount shown in the balance sheet	<u>-</u>	<u>-</u>
	2023	2022
	£'000	£'000
(b) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	19,616	26,861
Service cost	322	559
Interest cost	685	443
Actuarial loss/(gain)	(4,008)	(6,613)
Benefits paid	<u>(622)</u>	<u>(1,634)</u>
Defined benefit obligation at year end	<u>15,993</u>	<u>19,616</u>
	2023	2022
	£'000	£'000
(c) Changes in the fair value of the Scheme assets		
Opening fair value of the scheme assets	21,297	27,094
Interest on assets/Expected return	753	451
Actuarial gain/(loss)	(4,639)	(5,121)
Employer's contributions	380	408
Employees' contributions	91	99
Benefits paid	<u>(622)</u>	<u>(1,634)</u>
Closing defined benefit obligation	<u>17,260</u>	<u>21,297</u>
	2023	2022
	£'000	£'000
(d) Amounts included within the Statement of Financial Activities		
Current service cost	1,267	1,681
Past service cost (GMP equalisation)	-	-
Expected return on scheme assets	753	451
Interest on pension liabilities	<u>(685)</u>	<u>(443)</u>
Total amount charged to the Statement of Financial Activities	<u>1,335</u>	<u>1,689</u>
Net Actuarial gains/(losses)	<u>(631)</u>	<u>1,492</u>
less asset not recognised	<u>181</u>	<u>(1,448)</u>
Net Actuarial gains/(losses) recognised in the year	(450)	44
Net Cumulative actuarial gains/(losses)	<u>-</u>	<u>-</u>

The School expects to contribute £386k to the scheme in 2023/24

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

20. PENSION SCHEMES (continued)

	2023 £'000	2022 £'000
(e) Reconciliation of movements in Present Value of Plan : Liabilities and Assets		
Net liability at the beginning of the year	-	-
Movements in the year:		
Employer's current service cost	(231)	(460)
Employer's past service cost	-	-
Employer's contribution	380	408
Net interest on the Defined Benefit Asset/Liability	(68)	(8)
Actuarial gains less scheme asset not recognised	(314)	60
	<u>(233)</u>	<u>-</u>
Net liability at end of the year	<u>(233)</u>	<u>-</u>

(f) The categories of scheme assets as a percentage of total assets	2023	2022
Equities	38	36
Bonds	58	60
Annuities	4	4
Cash	-	-
	<u>-</u>	<u>-</u>

(g) Principal assumptions at the balance sheet date (expressed in percentages as weighted averages)

Discount rate	5.25	3.55
Expected return on plan assets	5.75	4.05
Rate of increase in salaries	3.00	3.00
Rate of increase in pensions in payment	3.65	3.65
RPI	3.20	3.25
CPI	2.30	2.40
Assumes life expectations in years on retirements age 65		
Retiring today - males	21.1	21.6
Retiring today - females	23.5	24.0
Retiring in 20 years - males	22.4	22.9
Retiring in 20 years - females	25.0	25.5

(h) The amounts for the current and previous periods are :

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Defined benefit obligation	(15,993)	(19,616)	(26,861)	(27,136)	(23,948)
Scheme assets	17,260	21,297	27,094	24,926	23,423
Deficit	-	-	-	(2,210)	(525)
Experience adjustments on liabilities	(5,270)	(3,629)	4,381	491	(1,191)
Experience adjustments on assets	(4,639)	(5,121)	1,900	1,194	1,869

Defined contribution scheme

The Cranleigh School Group Personal Pension Plan started in January 2013. This is a money purchase group personal pension scheme managed by Aviva. Basic contributions are 4% for the employee and 8% for the employer. The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the year amounted to £309,644 (2022: £278,130). At 31 July 2023 £0 was accrued in respect of pension contributions to this scheme (2022 : £0).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

21. FINANCIAL INSTRUMENTS

The charity 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

At the balance sheet date the charity held financial assets at amortised cost of £8,268k (2022: £4,432k). Financial assets at fair value through income or expenditure of £0k (2022: £0k) and Financial liabilities at amortised cost of £20,905k (2022: £19,868k)

22. RELATED PARTY TRANSACTIONS

The Headmaster of Cranleigh School is also the Trustee of 1170. This charity has used the facilities of Cranleigh School for fundraising meetings. There was no charge for these services and there were no amounts owed to the School at 31 July 2023 (2022: Nil)

The School rents a residential property from the Chairman of Governors (Mr A J Lajtha) for the housing of school staff. The school pays rent of £1,700 per month under an Assured Shorthold Tenancy agreement. There were no amounts outstanding or owed to the School at 31 July 2023 (2022: Nil)

There have been no other related party transactions that require disclosure other than transactions with other group entities, as set out below:

In 2023 the Charity charged Cranleigh Enterprises Limited minibus running costs totalling £44,280 (2022: £41,400). This is calculated as a fee per term based on fuel and maintenance costs.

In 2023 Cranleigh Enterprises Limited charged the Charity minibus usage costs totalling £70,020 (2022: £65,430). This is calculated as a fee per term based on the reasonable wear and tear of the vehicles.

In 2023 Cranleigh Enterprises Limited charged the Charity stationery and book costs totalling £74,400 (2022: £51,669). This is based on the recommended retail price.

23. CAPITAL COMMITMENTS

As at 31 July 2023 the Group had capital commitments of £1,097k for the construction works on the Squash Courts project.

24. OPERATING LEASES

As at 31 July 2023 the Group had the following non-cancellable operating leases, payable as follows:

	2023 £'000	2022 £'000
Within 2 to 5 years	19	16
Within 1 year	29	33
	<u>48</u>	<u>49</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

25. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES

	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Total Funds 2022 £'000
INCOME FROM:			
Charitable activities			
School fees	29,243	-	29,243
Other income	902	-	902
Other trading activities			
Facilities and trading income	616	-	616
Other incoming resources	124	-	124
Share of surplus from Joint Venture	632	-	632
Investments			
Investment income	39	46	85
Bank and other interest	-	-	-
Voluntary sources			
Donations and legacies	68	253	321
Fundraising events	-	270	270
Total incoming resources	<u>31,624</u>	<u>569</u>	<u>32,193</u>
EXPENDITURE ON:			
Raising funds			
Trading costs	479	-	479
Share of loss from Joint Venture	-	-	-
Other income-generating activities	-	-	-
Financing costs	558	-	558
Investment management	28	-	28
Fundraising & development	-	148	148
Total deductible costs	<u>1,065</u>	<u>148</u>	<u>1,213</u>
Charitable activities			
Education and grant making	28,899	49	28,948
Total expenditure	<u>29,964</u>	<u>197</u>	<u>30,161</u>
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	1,660	372	2,032
Gains/(losses) on investments	(575)	(5)	(580)
NET INCOME AND CAPITAL (INFLOW)	1,085	367	1,452
Transfers	(1,000)	1,000	-
Pension scheme actuarial gain/(loss)	44	-	44
NET MOVEMENT IN FUNDS FOR THE YEAR FUNDS B/FWD 1 AUGUST 2021	129	1,367	1,496
	46,912	1,984	48,896
FUNDS C/FWD 31 JULY 2022	<u>47,041</u>	<u>3,351</u>	<u>50,392</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

26. ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2023:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	65,454	-	65,454
Current assets	8,395	87	8,482
Current liabilities	(9,256)	-	(9,256)
Long term liabilities	(11,649)	-	(11,649)
Pension scheme assets	-	-	-
Total net assets	52,944	87	53,031

27. COMPARATIVE ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2022	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	65,612	-	65,612
Current assets	4,560	87	4,647
Current liabilities	(8,169)	-	(8,169)
Long term liabilities	(11,698)	-	(11,698)
Pension scheme assets	-	-	-
Total net assets	50,305	87	50,392

CRANLEIGH SCHOOL

England & Wales - Charity number 1070856

Accounts



CRANLEIGH

EX CULTU ROBUR

CRANLEIGH SCHOOL

A COMPANY LIMITED BY GUARANTEE

REGISTERED NUMBER 3595824

CHARITY NUMBER 1070856

ANNUAL REPORT AND ACCOUNTS

31 July 2022

**CRANLEIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

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CRANLEIGH SCHOOL

**CRANLEIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

GOVERNORS, OFFICERS AND ADVISORS

GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The members of the Governing Body of **Cranleigh School** are the charity trustees of Cranleigh School and the Directors of Cranleigh School ('the Charity'). The members of the Governing Body are:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A J Lajtha* MA, FCIB (Chairman)	•	•	•	•		•	•
Mrs S E Bayliss, MA		•					
Colonel J Boyd* OBE, MA	•						
J A Brown MA Oxon		•					
Dr R Chesser MA, MB, BChir, MRCP	•						
F N Farrant* BA (appointed 27 November 2021)		•					
M M S Fisher MA (Deputy Chair)		•		•		•	•
P S P Going BSc, MRICS			•	•			
S Gunapala BEng, MEng, FCA				•	•		
K J S Kerr BA (Hons) MCIPD				•			
D Khurshid MA, KC						•	
J A M Knight BA (Hons)	•		•		•		
A J Lye BA		•	•		•		
J P Maskery* MEng (appointed 27 November 2021)	•						
C H Severs LLB (Hons)				•		•	
E Stanton BSc, ACA				•			
J J D C Tate RIBA, FRSA			•				
P M Wells BEd (Hons)		•					
D G Westcott BA, BCL, KC	•			•			
S J Whitehouse BA (Cantab)	•			•	•	•	
Professor R J Wilkins MA, DPhil		•					
D A E Williams BA, FCA				•			
M J Williamson			•				

- (1) Strategy and Risk Committee
- (2) Education Committee
- (3) Buildings and Estate Committee
- (4) Finance Committee
- (5) Risk Management Group
- (6) Cranleigh International Committee
- (7) Nominations Committee
- * Parent of a pupil or pupils at the School

CRANLEIGH SCHOOL

Mrs Fisher and Mr Whitehouse are members of the management board of Cranleigh Abu Dhabi. Mr Williams is a Trustee of Cranleigh School Pension Scheme.

The Board is a self-appointing body. The normal term of office for governors is five years with two further terms of three years each if elected by the majority of Governors to continue in office. Cranleigh Preparatory (Prep) School has the same Governing Body as Cranleigh School.

EXECUTIVE OFFICERS:

Headmasters - Cranleigh School
- Cranleigh Prep School

Director of Operations

Director of Finance

Clerk to the Governing Body

M S Reader MA, MPhil, MBA, QTS

N R Brooks BA, QTS

P A Dunn BA

J A Underdown BA (Hons) ACMA

P T Roberts MBE, DChA

Principal address **Cranleigh School**
and Registered Office Horseshoe Lane
Cranleigh
Surrey
GU6 8QQ

Cranleigh Prep School
Horseshoe Lane
Cranleigh
Surrey
GU6 8QH

Websites www.cranleigh.org

www.cranleighprepschool.org

ADVISORS:

Bankers: Handelsbanken
Andrews House
College Road
Guildford
GU1 4RG

Solicitors: Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

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

Investment
Advisors: Brewin Dolphin Limited
12 Smithfield Street
London
EC1A 9BD

CRANLEIGH SCHOOL

ANNUAL REPORT OF THE CRANLEIGH SCHOOL GOVERNORS **FOR THE YEAR ENDED 31 JULY 2022**

The Cranleigh School Governing Body presents the annual report for the year ended 31 July 2022 under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Acts, the Articles of Association and the Charities SORP 2015 in accordance with FRS 102 (as updated).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Charity was founded in 1865 and is registered with the Charity Commission under charity number 1070856. Cranleigh School is a company limited by guarantee, registered number 3595824. Cranleigh School is governed by Articles of Association introduced in 2010 to incorporate changes in legislation in the Companies Act 2006. These Articles replaced the previous Memorandum and Articles of Association dating from 2000. Cranleigh School's object and principal activity, as a charity and as set out in the Articles of Association, is the advancement of education by providing a boarding and/or day school or schools for boys and/or girls in accordance with the principles of the Church of England.

The Charity is structured with a single governing body for two schools known as Cranleigh School and Cranleigh Preparatory (Prep) School. The Charity, in furtherance of its object, establishes and administers bursaries, grants, awards and other benefactors, and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of the Charity's objects. The Trustees are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011 and have had regard to Charity Commission guidance on public benefit. The Charity's governance complies with the Code for the Voluntary and Community Sector, endorsed by the Charity Commission and other best-practice guidelines published by the Charity Commission. Further details of the Charity's activities are set out below in the strategic report section of this annual report.

GOVERNANCE AND MANAGEMENT

Governing Body

There is one Governing Body for the two schools. The members of the Governing Body and executive officers of the School, together with the principal advisors are listed on pages 1 and 2.

Recruitment and Training of Governors

The Charity's elected members of the Governing Body are appointed at meetings of the Cranleigh School Governing Body on the basis of recommendations from the Nominations Committee. The Nominations Committee scrutinises candidates on behalf of the Governing Body. Trustees and executive officers of the School put forward candidates to the Nominations Committee based on a candidate's professional qualities, experience, personal competences and local availability. The Governing Body is mindful of the benefits of diversity in the widest sense and as noted in Principle 6 of Charity Commission guidance. New members of the Governing Body are inducted into the workings of the Charity and its schools, including Governing Body policy and procedures, at briefings organised for them by the Headmasters and Bursar. The new members also attend specialist external courses on the roles and responsibilities of charity trustees. Members of the Governing Body attend external trustee training and information courses in order to ensure that the Governing Body is kept informed of current issues and regulations in the education and charity sectors. Governors may attend days at the School shadowing pupils or visiting support departments.

CRANLEIGH SCHOOL

Organisational Management

The members of the Cranleigh School Governing Body, as trustees of the Charity, are legally responsible for the overall management and control of both Cranleigh School and Cranleigh Prep School. The Governing Body takes note of guidance provided by the Charity Commission and specifically the principles set out in the Governance Code published in July 2017. Overall, the Charity meets a very significant proportion of the recommended and best practice for governance that is contained within the Governance Code across the seven principles and is comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code. The Chairman of the Governing Body is Mr A J Lajtha and the Deputy Chair is Mrs M M S Fisher. The full Board meets each term, and so three times a year, and the work of implementing its policies is carried out by six sub-committees:

- The Strategy and Risk Committee considers proposals for development of the School and advises senior management of the strengths and weaknesses of strategic options. A biennial strategy day is held for members of the Governing Body and senior executives to review performance and consider future development. The last strategy day was in March 2022. The Strategy and Risk Committee is chaired Mr D G Westcott.
- The Education Committee considers educational and pastoral policy. Mrs S E Bayliss has special responsibility for Safeguarding and Mrs A J Lye has special responsibility for Special Educational Needs and Disabilities (SEND). The Education Committee is chaired by Mrs M M S Fisher.
- The Buildings and Estate Committee supervises and monitors capital building projects and maintenance of the fabric of the School and its estate. The Committee has delegated responsibility for Health and Safety and produces a report each term on Health and Safety matters for the Governing Body. Mrs M J Williamson has oversight of boarding on behalf of the Governing Body; including both the provision of facilities and pastoral support (the latter is a responsibility of the Education Committee). The Buildings and Estate Committee is chaired by Mr P S P Going.
- Cranleigh International Committee was established in 2020 (under the name Overseas Committee) to monitor performance and risks of the School's international schools specifically Cranleigh Abu Dhabi and Cranleigh China. Cranleigh International Committee is chaired by Mr S J Whitehouse.
- The Risk Management Group (RMG) monitors risks facing the School. This Committee presides over an annual risk management process that culminates with the production of a risk report in the autumn each year. Each sub-committee is responsible for considering the risks in its area of governance and each has appointed a member to take the lead in risk management. The RMG is chaired by Mr J A M Knight.
- The Finance Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. The Finance Committee is chaired by Mrs E Stanton.

The day-to-day running of the School is delegated to the respective Headmasters, supported by their Senior Management Teams. The Headmasters and representative members of senior management attend meetings of the Governing Body sub-committees and together these groups are the key management personnel. Remuneration is determined by the Governing Body which is conscious of the contribution of all staff to the School's success and, as such, it is right that remuneration of staff is the highest single cost incurred by the Charity. The Governing Body makes reference to comparisons of staff costs at other schools which are produced in various benchmark surveys that are anonymous and compliant with competition law. The remuneration policy balances fair wages and a generous pension scheme for lower paid staff with the provision of incentives for senior managers who take the burden of responsibility for the School's complex operations. The School complies with the UK's Equality Act

CRANLEIGH SCHOOL

2010 Regulations. These require that companies with more than 250 employees publish information on the gender pay gap annually. The 2021 report is available on the School's website.

Group Structure and Relationships

Cranleigh Foundation was set up in 2007 as a separate charity limited by guarantee with a registered charity number of 1122918 and a company number of 06452540. Cranleigh Foundation's statutory financial statements are consolidated with the School's within this Annual Report and Financial Statements. Cranleigh Foundation is governed by a Memorandum of Association and Articles of Association produced in 2008. The Chairman is a former governor, Mr M J Meyer and one member of the Governing Body, Mr A J Lajtha is also a Foundation Trustee. The Headmasters, Director of Finance and Clerk to the Governing Body attend Foundation Trustee meetings.

Cranleigh School has two wholly owned non-charitable subsidiaries. Cranleigh Enterprises Limited (CEL) is a trading company that arranges the letting of facilities when not in use by the School and it has a retail outlet within the School for the sale of items such as school uniform and sports equipment. CEL profit is donated under gift aid to the School. There are more details concerning CEL at Note 3 to the financial statements. The accounts of CEL are consolidated into the Cranleigh School accounts. Cranleigh Education Services Limited (CESL) was incorporated in September 2012. The Company has five directors who are members or former members of the Governing Body or executive officers of Cranleigh School. The Company's purpose is to facilitate the establishment of international schools and then monitor the operation of international schools once open. The Company was responsible for planning Cranleigh Abu Dhabi, working closely with joint venture partners and the firm contracted to run the School. 'Cranleigh Abu Dhabi opened in September 2014 with 637 pupils from FS 1 to Year 9. The School now has 1,800 pupils and has expansion plans to increase the number to around 2,200 pupils with a new off-site purpose-built Pre-Prep building currently under construction (to be opened in September 2023). The School's public exam results were strong in the context of global readjustments post-pandemic with 86% of pupils achieving GCSE grades 6-9 and at A Level 71% achieved grades A*-B. Cranleigh China opened its first school in Changsha in September 2020. There are 312 pupils in the international high school section as of September 2022. The first cohort to take A-level exams in 2022 recorded a commendable 60% A* to B ranking. iGCSE results were stronger with 71% of students in the A* to B ranking. A second Cranleigh China school opened in Wuhan in September 2022 with over 400 students on roll.

Stakeholder Engagement, Employment and Sustainability Policy

The Trustees confirm that in accordance with Section 172 (1) of the Companies Act and Charity Commission guidance they govern in order to achieve the objects of the Charity. The long-term financial and operational sustainability of the School is considered by Trustees as set out in the Going Concern section of this report. Trustees assess financial projections and key risks that could impact the sustainability and reputation of the School. Assessments are made with the assistance of the executive and by reviewing management information, budgets, capital expenditure plans, cash flow forecasts and progress against financial projections each school term. Overarching the assessments of financial sustainability is a comprehensive risk management process that guides the executive and Trustees towards areas of risk and specifically the impact and likelihood of risks together with mitigation strategies. The risk process and current assessments are explained in more detail later in this report.

Cranleigh School is an equal opportunities employer. The School has a comprehensive Ethnicity, Diversity and Inclusion (EDI) policy and full and fair consideration is made of job applications from disabled persons and consideration of their training and employment needs is made as necessary. The School complies with modern slavery regulations. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are aware of the financial and economic performance of the School. Communication with employees continues through normal

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management channels in a variety of forms and through exceptional channels to apprise staff of current issues. Examples of consultation are briefings to teaching staff at the start of each term by the respective Headmasters to outline development options and seek the views of staff and engagement with staff regarding terms and conditions of employment through the common room salaries committee which meet with the Headmasters and Director of Finance together, once annually with the Chairman of the Governing Body and Chair of the Finance Committee of the Governing Body. An equivalent for support staff is arranged by the Director of Operations who gives regular staff updates and briefings to staff in smaller meetings by department.

The strategic development of the School was in a period of abeyance during 2020 and 2021 because of the overriding requirement to focus on the provision of the highest quality real time education of our pupils during the Covid 19 pandemic. The 2015 plan completed its implementation in September 2018 and following this the next development cycle was due to commence commencing in late 2019 but due to the pandemic the next strategic development plan is delayed. The Governing Body held a Strategy Day in March 2022 to review the future and capture education and pastoral lessons learnt during the Covid 19 lockdowns. Future planning involves staff at every level in the construction and implementation of targets. This engagement seeks to achieve transparency, and through this, ownership of future plans by staff at all levels.

The School is committed to engagement with stakeholders. The main groups are pupils, parents, alumni, employees and contractors. There is significant communication using a full range of media with pupils and their parents or guardians. This is routine and extensive with the aim of ensuring a smooth passage for the eleven years of a pupil's education at Cranleigh. The alumni organisation, The Old Cranleigh Society (OCS), is based at the School and works on behalf of all alumni including those from Cranleigh's international schools. There is extensive engagement with the functional sub groups of the OCS and assistance is given with the organisation of events.

The procurement of goods and services by the School is undertaken to achieve a secure supply of high quality provisions and material with fair and timely payment. Local and smaller companies are favoured wherever possible and there are arrangements with a variety of sole traders in the local area. The School is conscious of its position as the largest employer in the area and aims to support local business wherever possible. Payment terms are thirty days but sole traders are able to request earlier payment which is arranged on a case-by-case basis.

The School is committed to improving environmental sustainability. There is a pupil led environmental committee which first developed strategy in 2019 and is now taking this forward. Their work has greater focus with the increase in fuel costs resulting from the invasion of Ukraine by Russia. The School recycles food waste for anaerobic digestion to generate energy from the waste. The School complies with environmental regulation and specifically:

The School has completed an Energy Savings Opportunity Scheme (ESOS) assessment again this year and continues to work to decrease energy consumption. This is a matter close to the front of the minds of pupils who have led a number of initiatives during the year. There is a commitment to improve energy efficiency. The total energy consumption figures for the year were:

Natural gas consumption: 6,020,127 kWh, -13.62 year-on-year
Electricity consumption: 2,308,888 kWh, +6.13% year-on-year
Natural gas carbon intensity: 33.45 tCO₂e per £m revenue, -31.42% year-on-year
Electricity carbon intensity: 14.86 tCO₂e per £m revenue, -15.74% year-on-year

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The School is active in monitoring for risks of bribery, corruption, fraud and cyber-attack. The risk process is comprehensive and overseen by the Governing Body Risk Management Group. A more detailed explanation of the risk process is given later in this report.

The School maintains a register of those executives and trustees in positions of Significant Control. Conflicts of interest are reviewed formally each year and attendees are required to declare any change of conflict status at each sub committee and main board meeting of the Governing Body.

AIMS AND OBJECTIVES

Mission Statement

The purpose of Cranleigh School is to provide, within a Christian environment, the necessary education and appropriate training to enable pupils to develop their potential as individuals, and thereby to ensure that, on leaving, they will become confident members of society and effective contributors to it.

Aims

The aims of Cranleigh School, for the public benefit, are to enable young people to flourish in a school where busy pupils lead fulfilled lives now while developing the personal skills and qualities that will enhance their adult lives. Cranleigh aims to provide young people with the strength to succeed; the wisdom to make informed choices; resilience in the face of failure or difficulty; and the insight to recognise their privilege and to shape the future culture of the world through lives of service and leadership. With these skills, and in the context and heritage of their culture, Cranleigh pupils are encouraged to explore and ask central questions about their purpose and identity. A rigorous academic curriculum is reinforced by a commitment to a breadth of activity that enhances personal development.

Cranleigh is committed to being a medium-sized, co-educational boarding and day school, large enough to provide for breadth of opportunity and small enough to sustain a friendly, cohesive community in which there is a strong and active partnership between parents and the School. 'Pupils first' is a guiding principle for all decision making. Arising from the School's Christian heritage and cultural background, at the heart of a Cranleigh education are four central values of Service, Relationships, Leadership and Excellence.

Service: All in the community are encouraged to adopt an attitude of service to each other and the wider community.

Relationships: Strong relationships are fostered as a priority in a predominantly boarding community. Children flourish within safe, supportive environments.

Leadership: Openness, integrity and thoroughness are characteristics of everything we do. Cranleigh aspires to lead thinking and practice in holistic, boarding education. Cranleighans will be equipped with the knowledge and skills to shape future culture.

Excellence: Cranleigh will strive for excellence in everything it does and aspires to be recognised both for its educational vision and for the personal qualities of Cranleighans.

Primary objectives

In order to achieve its aims the School has developed primary objectives which are:

- to provide a stimulating learning environment in which pupils are encouraged to pursue and stretch their academic potential;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, co-education, respect for one another and good citizenship; the pursuit of best practice in safeguarding young people will always be a priority;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;

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- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately;
- to provide the necessary administrative and logistical framework to meet the needs of members of Common Room and pupils alike.
- to encourage diversity within a predominantly local boarding community through the expansion of the bursary programme, an increase in the number of Foundationers, and regular monitoring of the Admissions process.

Strategies to achieve primary objectives

The primary objective is to provide a stimulating learning environment and this is achieved by 165 FTE teachers (2021: 166). These teachers strive to allow every pupil to develop their academic potential. This is achieved by focusing on each individual whilst fostering the broader ethos of the School's community as a whole. The School's structure enables tutors, and at the younger age groups form teachers, to commit time and energy to their tutees and individual pupils in each form.

The provision of a happy and secure pastoral environment is at the core of the School's approach to education. Pupils are cared for within a close 'house' structure that provides for comprehensive individual care based on Christian principles and a strong bond that creates friendships throughout the School. The second element of this objective is to foster a sense of community and citizenship. This has been achieved through links with the local community and with international and regional organisations. The Senior School has had close links with a charity assisting education in Zambia for over a decade and during school holidays pupils and staff travel to Zambia where Cranleigh has assisted in building a primary school, sponsoring children and involved with supporting teacher training. Following the example of our partner school, the charity is now training over 3,000 teachers in 'Jolly Phonics' making a difference to 64,000 children in Zambia. The Prep School supports local, national and international charities fostering empathy and responsibility in the younger years. The schools are now part of the West Surrey Partnership supporting independent and maintained education partnerships with primary and senior schools.

The co-curriculum is broad. Leadership and decision-making are embedded in many activities. The number of activities on offer to pupils is too numerous to mention here. A clearer understanding of the whole school approach to the co-curriculum can be found at the School websites www.cranleigh.org and www.cranleighprepschool.org. Readers are encouraged to visit these sites.

Cranleigh Foundation Trustees' Report and Financial Statements outline the continued progress in the development of Cranleigh Foundation. The Foundation has received donations this year of £253k (2021: £334k), and total income of £569k (2021: £371k). During the year, the School donated £1m to the Foundation following the renegotiation of the School's international agreement with its partner in Abu Dhabi in 2020-21. The Foundation supports transformational bursaries for a number of pupils in year groups 7 to 13 at Cranleigh School. The Foundation Trustees decided pre-Covid to focus activity on the development of an endowment which will be built up over decades whilst continuing to support Foundationer pupils through the award of transformational bursaries, often with assistance from external organisations such as Springboard. There is not currently a fund-raising strategy and in the medium term the School will be appointing a Development Director in this important area. The Charities therefore had no active fund-raising activities this year requiring disclosure under S162A of the Charities Act 2011. The School and Foundation are compliant with the General Data Protection Regulation (GDPR).

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The principal activity, as specified in the Articles of Association, is the advancement of education and, in this, the School has had another successful, albeit unique, year. Cranleigh School averaged 677 pupils (2021: 675) of whom 183 (2021:190) were day pupils and Cranleigh Prep School averaged 333 (2021: 338) pupils. At the Prep School the flexible boarding arrangements continued to be popular once boarding returned post lock down in the summer term with, on average, circa 70 pupils boarding at the School each week in the newly refurbished boarding facilities which opened in September 2021. Waiting lists remain full for both schools and demand for places has increased again this year. The school year was successful with many notable specific achievements, some of which are reported below.

After two years of disruption due to Covid, the country saw a return to public exams in the summer of 2022. In recognition of the fact that students' education was disrupted by the pandemic, all students were given extra help to prepare for their exams, for example, those taking GCSEs in English Literature, History and Geography did not need to cover the usual range of content in the exams and those taking GCSEs in all other subjects were given advance information about the focus of the content of the exams to help them focus their revision. The School's excellent results continue to demonstrate the strong academic performance with 25% of A level exams achieving A* (2021: 29%) and 85% A*- B grade (2021: 91%). Despite this year's grades being lower than last year's, 2021 should be viewed as a one-off and the grades should not be compared directly for that reason. Despite the concerns portrayed by the media 99% of leavers were successful in securing places at their university of choice. The School continues to be encouraged that for more academically able pupils, as well as the traditional entry to Oxford or Cambridge, students are gaining places and scholarships at Ivy League universities and other leading universities in America; of those gaining places in the UK, 78% gained entry into Russell Group or equivalent universities. The School continues to take a national lead in the EPQ and it is encouraging to note that an increasing number of universities, including a significant number in the Russell Group, now recognise the value of EPQ by making a lower A level offer contingent on achieving an A* or A in the EPQ. This year 65% of Year 13 pupils achieved A* or A grades in their EPQ (2021: 60%). The GCSE results were also strong and a testament to the hard work of both pupils and staff with 70% of exams achieving grades 9 – 7 (2021:74%). Cranleigh School retains its place amongst the best schools in the country for academic performance which, combined with the breadth of the educational experience, enables pupils to reach their potential. At Cranleigh Prep School leavers' destinations included RGS Guildford, Charterhouse, Farlington, Cranleigh School and Ardingly and every Year 8 leaver moved to their first choice senior school. Thirty six pupils successfully gained scholarships (academic, sports, design technology, music). An increase (value added) of 13% was registered by the Year 8 cohort in their average, overall percentages, rising from 59% to 72% between the mock exams and Common Entrance. The School continues to be regarded as one of the best preparatory schools in the country.

It is heartening to report that the School made a full return to its extensive sporting and co-curriculum programme during the year. This is at the core of the Cranleigh ethos with a strong desire to encourage participation in a wide range of pursuits by all pupils. There were a number of sporting highlights at the Senior School. Girls' cricket had its most successful year to-date with teams progressing to the latter stages of regional and national competitions. Two leaving pupils signed professional contracts with Surrey Cricket Club. The rugby ethos and tradition remains strong with a now well-established pathway for leaving pupils to move into the professional game. It was encouraging to note the strength in depth

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in rugby with strong performances by a wide range of teams at different ages. Hockey has been inspired by Old Cranleighans representing Great Britain and winning medals, this time Commonwealth Gold medal by Izzy Petter. Izzy Petter identified Cranleigh as her golden pathway following the games. The Under 18 girls team won bronze in the National Tier 1 outdoors and were runners-up indoors and several other boys and girls teams reached the final or latter stages of their respective national competitions. In minority sports the School has achieved impressive national success in sports as diverse as Fives, Equestrian and Skiing. This highlights success at national level, and its associated role models, to complement the broad participation ethos.

Sport at Cranleigh Prep School continues to be strong at inter and intra-school levels. Major team games (football, hockey, netball, rugby and cricket) allow all pupils to represent teams and attend fixtures. There are a vast number of other sports, for example riding, fencing, judo, tennis, swimming, athletics and badminton. This year the school has pitched girls' football teams against local clubs and maintained schools. Boys' and girls' teams reached national finals levels at Eton Fives. There have been notable individual successes for pupils for their individual performances. One girl was selected for the Great Britain equestrian team, another won her age group 200m swimming race at county level, three boys were selected for the Surrey cricket squad, two boys played for the Independent Schools Football Association south Central and one girl won a silver medal in the British Schools' Modern Biathlon Championships.

Drama productions this year have wowed audiences once again with the amazing main school musical "Little Shop of Horrors" taking centre billing. A full-scale LAMDA programme has been introduced with much success and there was an impressive dance show at the end of the Lent term. A diverse array of Music concerts took place from the high profile Chineke! concert in the summer through to the successful main school Summer and Christmas Concerts along with a wide variety of smaller performance opportunities for developing musicians. Contemporary Music continues to thrive with the Cranleigh Live show at the end of the summer term as popular as ever.

There were record numbers involved during the year in all three levels of the Duke of Edinburgh award and with the Combined Cadet Force. These tried and tested schemes have been complemented by outdoor adventure days for Year 9 and residential trips for activities such as parachuting, shooting and climbing during the year. There has been a welcome return to educational visits and trips with a regular diet of local day trips out, such as to London, to enrich all aspects of the curriculum through to a wide variety of international trips such as to Zambia, Italy and the USA; in fact it has been tremendous to see demand for many of these trips so high that we have had to increase places to many more than normal, or offer two trips in some cases.

At Cranleigh Prep School Year 8 produced a film version of King Lear, Year 7 staged Matilda and Year 5 impressed with Peter Pan. Over forty pupils gained distinctions or merits in LAMDA examinations at which local primary schools were invited to attend. The Chapel Choir continues to be popular and the Chamber Choir sang in a local care home. Three pupils were selected to sing with the National Youth Choirs. One girl became a chorister at Guildford Cathedral and a boy sang a solo in Winchester Cathedral accompanied by the English Philharmonia Orchestra.

Away from sport and the arts, pupils have been involved in a broad range of activities to develop their experience and exposure to leadership challenges. It was a great relief to return to normal following Covid 19 because outdoor education was largely curtailed during the lockdowns. The Year 9 Outdoor Education programme went ahead as usual in the Lent and Summer terms, giving everyone a taste of the activities on offer at School, culminating in a two-day adventure participating in a choice of activities based round the campus and in the Surrey Hills. Climbing continued to be a popular activity at all levels. Kayaking and archery attracted much interest from novice participants. The Duke of Edinburgh's Award had record levels of participation with 88 bronze, 43 silver and 14 gold participants. Combined Cadet Force (CCF) numbers remain high with 169 cadets. Cranleigh School hosted the

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British Shooting National Target Sprint series with five pupils and two members of staff qualifying for the finals and then achieving 3rd place in the south east region competition. The School had its most successful competition shooting year at Bisley for over twenty years picking up 3rd place. The CCF is taking a lead in the Cadet in the Community initiative and was the first contingent to affiliate to the Royal British Legion. One hundred and twenty cadets marched through Cranleigh village on Remembrance Day. The contingent provided a bugler, escorts and wreath layers at the services in Aldershot, Brookwood and Cranleigh to mark the fortieth anniversary of the Falklands War. Cranleigh Prep School resumed residential trips this year following the lockdowns. The whole of Year 8 attended an outdoor activity course in Dorset, celebrating their time at the School. Year 7 travelled to York for three days of History studies. Local excursions resumed in the summer term, too, with year groups conducting Geography work in the local village and surrounding countryside; pupils visiting the Shah Jahan mosque in Woking; visits to the Fishbourne Roman Villa and an assortment of other educational excursions. There were too many external visits to name each individually but the breadth of diversity is demonstrated through visits from Zoolab, a mediaeval re-enactment company, Surrey Police, a chocolate company and the Kosmos Ensemble.

There was a busy schedule of refurbishment work at the School during the latter part of this period. The work at Cranleigh Prep School that was reported in 2021 has been consolidated with the addition of the much need repair to the Wyatt Hall. Sports facilities have been refurbished with floodlights added to more artificial surfaces.

Public benefit

Cranleigh School continues to be committed to the provision of public benefit in accordance with its founding principles. The requirement to report public benefit in more detail is formalised in the Charities Act 2011.

The awarding of bursaries is a measurable means of providing public benefit. The Trustees consider that bursaries, awarded to those who would not otherwise be able to afford the fees, are important, but not to the exclusion of the much wider benefit that Cranleigh provides within the local community. Those pupils who attend Cranleigh and who receive this financial support contribute to the School community in a variety of ways and so enrich the whole School and, in some cases, the community outside the School. The value of scholarships and bursaries to people who would not otherwise be able to afford the fees to attend Cranleigh School was this year £1,100k (2021: £1,044k).

In addition to bursaries, the School has engaged in many activities that provide public benefit in accordance to the Charity's objectives, and these are listed in a register maintained by the School. The School was quick to offer support to Ukrainian families fleeing the war and initially took in four pupils with two remaining in the longer term. Fund-raising activities to those effected by the war have been held regularly since February 2022. There have been many other charitable events in support of the objects during the year. Some examples are: partnerships with local maintained schools so that teachers from Cranleigh School teach at local maintained schools if there is a need for enhancement in a particular area and three members of staff are governors at local primary schools. The School's outreach programme into the community is active and has, during the year, involved activities such as the relief of hardship through support by Cranleigh Mission and support to local sports clubs. Forty-eight local sports clubs used the School's sporting facilities, and outreach assistance includes maintenance by the School's Grounds department of the estate at Glebelands School, the maintained secondary school bordering Cranleigh School. In many cases the School's support is focused on providing support to the youth sections of sports clubs. The School has formed a good relationship with the Surrey Virtual School supporting educational programmes for looked after children. This theme of social responsibility is important as Cranleigh School aims to develop local community projects.

The year has seen the School partner the National Literacy Trust on a Young Reader Programme for Cranleigh Church of England Primary School which is the school in the local area that most struggles

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with reading engagement in younger pupils. It is a year-round programme whereby Cranleigh provides online and face to face teacher training in reading engagement and reading for pleasure, runs events where children choose and keep books, and mentors the reading lead at the school. At the end of the year Cranleigh ran a large scale storytelling and picnic with assistance from pupils and staff. With the West Surrey Partnership, the School has offered literacy outreach expertise by expanding the Awesome Book Awards to include state schools and offer packs of books to start off the reading. In October 2022 Cranleigh held its first Partnership Literacy Outreach Day at G-Live in Guildford, to launch the 2023 Awesome Book Awards with a special film from last year's winner before an hour of entertainment from a rap poet.

It is difficult, to measure accurately the financial cost to the School of this public benefit, that is given in addition to bursaries, but it is certainly well into six figures. The benefit provided by bursaries and other activities can also be considered alongside the benefit of educating the 1,010 pupils (188 in the primary school sector) which, in itself, has saved the exchequer some £6,515,600¹ this year.

Cranleigh Foundation is an integral element in the provision of public benefit. There are seven Foundation bursary holders (Foundationers) in the School in September 2022 each with a bursary covering either full fees or a significant proportion of full fees. The School continues to seek candidates to be Foundationers. The financial benefit to Foundationers this year was £237k (2021:£214k).

FINANCIAL REVIEW

Results for the year

The School's consolidated net movement in funds in the attached financial statements is £1,496k (2021: (£10,579k)). The surplus made by Cranleigh School (net incoming funds from operations before transfers and investment gains) was £2,032k for the year (2021: £7,301k). It should be noted that the financial results last year included a single payment of £4,805k received as a lump sum buy out of future profit share obligations of Cranleigh Abu Dhabi. The FRS 102 pension valuation is a non-cash item within the School's accounts and has calculated that the scheme has a funding surplus of £44k and that the funding level is in surplus (2021: surplus of £2,248k).

Forecast for the current year (2022/23)

The Governing Body has considered several factors when forming their conclusion as to the use of the going concern basis for the basis of preparation of these financial statements including a review of updated forecasts to 31 December 2024. There has been comprehensive consideration of key risks that could negatively affect the charity and its working capital requirements. The primary risks are considered to be inflation and fuel costs. There is some mitigation from these costs because there are a record number of pupils in the School at the start of the school year in September 2022. The Governing Body has concluded that School's finances and for the year ahead are sound and so it continues to adopt the going concern basis in preparing the financial statements.

Investment policy, objectives and performance

The Governing Body has a balanced risk policy for investments. This is set out in the Statement of Investment Principles which is reviewed annually. The Finance Committee has delegated responsibility for investments to an Investment Committee. The Investment Committee comprises the Chair of the Finance Committee, two former members of the Governing Body who each have specialist knowledge and the Director of Finance. The Committee meet the School's investment advisors four times a year and provide a brief for the Governing Body at each Finance Committee meeting. Investment performance is measured against appropriate benchmarks and the Finance Committee is satisfied that performance is good when measured against benchmarks. This year performance has been below

¹2021 Annual Report on Education Spending in England by the Institute of Fiscal Studies (page 6). £6,600 per pupil in secondary schools and £5,800 per pupil in primary schools.

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inflation and the portfolio decreased in value by 12.0% (2021: +22.5%) to £4,128k. The Governing Body considers the performance of investments over the year are in line with benchmark total returns.

Reserves level and policy

Cranleigh School has total reserves of £9,128k (2021: £9,692k). The School's reserves policy is to maintain sufficient unrestricted funds to meet an unexpected shortfall of revenue in order to provide cash for three months operating costs at an average of £2,457k per month. The School's reserves comprise the investment portfolio valued at £4,128k the unused bank facility of £2,000k and unused overdraft of £3,000k. Total reserves at 31st July therefore exceeded the £7,371k sum required by the policy. This position has been re-examined after the year-end and in light of inflation and rising fuel costs

The Charity has not conducted active fund-raising during the year. Notwithstanding this Cranleigh Foundation (Charity Number 1122918) raised £569k (2021: £371k) during the accounting year from donations and legacies.

Principal risks and uncertainties

Cranleigh School Governing Body is responsible for the management of the risks faced by the School. Risk Management is delegated to the Risk Management Group (RMG) which reports formally to the Governing Body each autumn. This Committee comprises four members of the Governing Body and it is assisted in its work by senior management and other staff as necessary. The process provides continuous assessment of risks through the auspices of the sub committees with each taking responsibility for risks, and where appropriate mitigation, in its given area of expertise. The generic controls used by the Charity to minimise risks include:

- oversight of key areas of risk, such as health and safety and safeguarding, by individually nominated governors;
- formal agendas for Committee and Board activity;
- formal strategic planning, reviewed annually and assisted by the Strategy and Risk Committee;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies;
- vetting procedures as required by law for the protection of the vulnerable;
- compliance with regulations that apply to the running of a school;
- declaration of conflicts of interest, renewed at each Governing Body meeting, including sub committee meetings.

The most significant external risk facing the School is inflation and the associated turbulence in fuel costs. There is little short-term mitigation against this risk except low level initiatives to decrease wastage. Previous direction given to the executive to place safeguarding of pupils as the School's first priority is enduring. Health and Safety is both a Safeguarding and more general risk and both risks are residual and so will endure.

With safeguarding in mind, the School has embarked on a comprehensive programme of sex and relationships education, working closely with Teach Us Consent to address issues of sexual violence raised by the Ofsted Enquiry following the murder of Sarah Everard and the launch of Everyone's Invited. The School has also prioritised anti-racist education and a governors' working party formed in 2021 supports the School's leadership in the introduction of more comprehensive EDI initiatives from September 2022. In partnership with Black Lives in Music, the school employed a head of cultural development to take the lead on decolonising the curriculum, and ready for the start of the September term, the school appointed an Assistant Head Pastoral who takes the lead on EDI initiatives and a Head

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of Contemporary Music, again in partnership with Black Lives in Music as the school is intentional in recruiting staff from diverse backgrounds.

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. Sports' injuries are monitored carefully, each being tracked, to record trends in order to identify those elements of sport most likely to cause injury so that mitigating actions can be taken. To release any potential pressures on the NHS ambulance service, and prevent further risk of injury, all matches this term will have private medical facilities on the touch line. There continues to be interest in the wider education community about the risk of injury on the rugby field.

The Governing Body seeks to understand some individual risks in more detail and from time-to-time initiates external scrutiny. The Governing Body is satisfied that the major risks have been identified and controls put in place to manage risk adequately. It is recognised that systems can provide reasonable, but not absolute, assurance that major risks are being managed.

Future plans

The School Development Plan of 2015 has been completed, albeit with a delay caused by Covid 19. A new development cycle commenced this year with a Governing Body strategy day in March 2022. It is hoped to complete this work within two years. The core work of planning is that Cranleigh School will continue to articulate and extend its culture through ***Cranleigh Thinking, Cranleigh Being and Cranleigh Giving***.

Cranleigh Thinking teaches pupils to think beyond the test, to become independent learners who know how to learn, adapting to changing contexts.

Cranleigh Being promotes a culture in which ***who*** we are and ***how*** we are is as important as what we achieve and in which the well-being of all in the community is a priority.

Cranleigh Giving encourages all in the community to think beyond themselves and to consider how they will share their resources, time and expertise. It also seeks to widen access to Cranleigh, offering opportunities to young people from a diverse range of backgrounds and experience.

Together, these themes express the aspiration that all members of the community are encouraged to be thinking, being, giving individuals who are able to consider who they are, what they will be and how they will be now and in the future. It is this aspiration that is to be taken forward in the next school development plan.

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STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue to operate.

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

Insofar as each of the members of the Governing Body at the date of approval of this report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

AUTHORISATION

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Cranleigh School on 26th November 2022, including in their capacity as company directors approving the Directors' and Strategic Reports contained therein, and is signed as authorised on its behalf by the Chairman of the Governing Body.



Adrian Lajtha
(Chairman of Governing Body)

Independent Auditor's Report to the Members of Cranleigh School

Opinion

We have audited the financial statements of Cranleigh School ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2022 which comprise Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Statement of Cashflows and notes to the financial statements, including 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 group's and the charitable company's affairs as at 31 July 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

We also considered compliance with local legislation for the group's overseas operating segments.

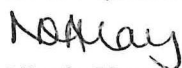
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of voluntary income, the timing of recognition of other trading activities, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date 15th December 2022

CRANLEIGH SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2022

	Note	Trading School Subsidiaries			Group 2022 £'000	Group 2021 £'000
		Unrestricted Funds 2022 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000		
INCOME FROM:						
Charitable activities						
School fees	2	29,243	-	-	29,243	26,029
Other income	4	902	-	-	902	690
Other trading activities						
Facilities and trading income	5	3	613	-	616	6,229
Other incoming resources	5	124	-	-	124	599
Share of surplus from Joint Venture	5	-	632	-	632	319
Investments						
Investment income	6	39	-	46	85	68
Bank and other interest	6	-	-	-	-	-
Voluntary sources						
Donations and legacies	7	68	-	253	321	391
Fundraising events	7	-	-	270	270	6
Total incoming resources		30,379	1,245	569	32,193	34,331
EXPENDITURE ON:						
Raising funds						
Trading costs	8	-	479	-	479	351
Share of loss from Joint Venture	12	-	-	-	-	-
Other income-generating activities		-	-	-	-	-
Financing costs	9	553	5	-	558	775
Investment management		28	-	-	28	29
Fundraising & development		-	-	148	148	1
Total deductible costs		581	484	148	1,213	1,156
Charitable activities						
Education and grant making	8	28,899	-	49	28,948	25,874
Total expenditure		29,480	484	197	30,161	27,030
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		899	761	372	2,032	7,301
Gains/(losses) on investments	12	(575)	-	(5)	(580)	1,030
NET INCOME / (EXPENDITURE)		324	761	367	1,452	8,331
Transfers	3	496	(1,496)	1,000	-	-
Other recognised gains / (losses):						
Pension scheme actuarial gain/(loss)	20	44	-	-	44	2,248
NET MOVEMENT IN FUNDS FOR THE YEAR		864	(735)	1,367	1,496	10,579
FUNDS B/FWD 1 AUGUST 2021		45,606	1,306	1,984	48,896	38,317
FUNDS C/FWD 31 JULY 2022		46,470	571	3,351	50,392	48,896

The notes on pages 23 to 39 form part of these accounts

CRANLEIGH SCHOOL

BALANCE SHEETS AS AT 31 JULY 2022

	Note	School 2022 £'000	School 2021 £'000	Group 2022 £'000	Group 2021 £'000
FIXED ASSETS					
Tangible assets	11	57,139	58,288	57,149	58,309
Investments	12	<u>4,128</u>	<u>4,692</u>	<u>8,463</u>	<u>6,770</u>
		<u>61,267</u>	<u>62,980</u>	<u>65,612</u>	<u>65,079</u>
CURRENT ASSETS					
Stocks		48	36	216	202
Debtors - due within one year	13	1,242	5,677	517	396
- due after one year	13	57	85	57	85
Cash and bank balances		<u>3,610</u>	<u>2,868</u>	<u>3,857</u>	<u>9,268</u>
		<u>4,957</u>	<u>8,666</u>	<u>4,647</u>	<u>9,951</u>
CURRENT LIABILITIES					
Creditors payable within one year	14	<u>(8,056)</u>	<u>(8,386)</u>	<u>(8,169)</u>	<u>(8,480)</u>
		<u>(8,056)</u>	<u>(8,386)</u>	<u>(8,169)</u>	<u>(8,480)</u>
NET CURRENT ASSETS / (LIABILITIES)					
		<u>(3,099)</u>	<u>280</u>	<u>(3,522)</u>	<u>1,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		58,168	63,260	62,090	66,550
LONG-TERM LIABILITIES					
Creditors payable after one year	15	(11,698)	(17,654)	(11,698)	(17,654)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY					
		<u>46,470</u>	<u>45,606</u>	<u>50,392</u>	<u>48,896</u>
Pension scheme funding	20	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NET ASSETS					
		<u>46,470</u>	<u>45,606</u>	<u>50,392</u>	<u>48,896</u>
FUNDS					
Foundation restricted funds		-	-	3,351	1,984
Trading subsidiaries		-	-	100	100
School unrestricted funds		46,470	45,606	46,941	46,812
Pension reserve	20	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS					
	18	<u>46,470</u>	<u>45,606</u>	<u>50,392</u>	<u>48,896</u>

The net movement in funds for the financial year dealt with in the financial statements of the parent company was £1,496k (2021 : £10,579k)

Approved and authorised for issue by the Governors on 26 November 2022
and signed on their behalf by



Adrian Lajtha (Chairman of Governing Body)

The notes on pages 23 to 39 form part of these accounts

Company No.3595824

CRANLEIGH SCHOOL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2022

	2022	2021
	£'000	£'000
Net cash inflow from operations		
Net cash provided by / (used in) operating activities (a)	<u>3,906</u>	<u>10,865</u>
Cash flows from investing activities		
Payments for tangible fixed assets	(585)	(284)
Proceeds on sale of tangible fixed assets	-	-
Purchase of investments	(1,678)	(537)
Withdrawals from investments	28	29
Investment income and bank interest received	<u>39</u>	<u>37</u>
Net cash (used in) / provided by investing activities	(2,196)	(755)
Cash flows from financing activities		
Finance costs paid	(586)	(659)
Advance fees: New contracts	784	1,883
Accrued to contracts	31	53
Appropriations	(1,681)	(1,620)
Loan Facility	<u>(5,669)</u>	<u>(1,619)</u>
Net cash provided by financing activities	(7,121)	(1,962)
	<u>(5,411)</u>	<u>8,148</u>
Debt repayment (net)	5,669	1,619
	<u>258</u>	<u>9,767</u>
Change in cash and cash equivalents in the reporting period	258	9,767
Cash and cash equivalents at the beginning of the reporting period	(8,391)	(18,158)
Cash and cash equivalents at the end of the reporting period (b)	<u>(8,133)</u>	<u>(8,391)</u>

The notes on pages 23 to 39 form part of these financial statements

CRANLEIGH SCHOOL

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2022

(a) Reconciliation of net income to net cash flow from operating activities

	2022		2021
	£'000		£'000
Net incoming resources	2,032		7,300
Elimination of non-operating cash flows:			
Investment income	(39)	(37)	
Finance costs paid	586	659	
Pension gains less contributions paid	-	(2,210)	
Depreciation	1,745	1,771	
Profit from disposal of assets	-	-	
(Increase)/Decrease in stock	(14)	30	
(Increase)/Decrease in debtors	(93)	115	
(Decrease)/Increase in creditors	<u>(311)</u>	<u>3,237</u>	3,565
	<u>3,906</u>		<u>10,865</u>

(b) Analysis of cash and cash equivalents

	1 August		1 August
	2021		2022
	£' 000		£' 000
Cash at bank and in hand less overdraft	9,268	(5,411)	3,857
Loan facility - Handelsbanken	<u>(17,659)</u>	<u>5,669</u>	<u>(11,990)</u>
	<u>(8,391)</u>	<u>258</u>	<u>(8,133)</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 July 1998 (Company No. 3595824) and registered as a charity (Charity No. 1070856).

The financial statements have been prepared in accordance with 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 15.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School and with its wholly owned subsidiaries Cranleigh Enterprises Limited (Company No. 2902113), Cranleigh Foundation (Company No.1122918) and Cranleigh Education Services Limited (Company No. 8224546). Cranleigh Education Services Limited also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture. 50% of the Joint Venture profits are included in the Group accounts. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The net incoming resources of the Charity are disclosed on page 28. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments. The charity has taken advantage of exemption 408 of the Companies Act and as such a separate parent income statement has not been prepared.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The School has recognised its liability in relation to the Cranleigh School Pension Scheme which involves a number of estimations as detailed in Note 20.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES (continued)

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

Rental income (including incentives received or paid) for operating leases on investment property are recognised in profit or loss on a straight line basis over the lease term.

1.3 Donations, legacies, grants and other voluntary incoming resources

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

Voluntary income for the School's 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 is 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 the case of donated services or facilities.

1.4 Advance Fee Scheme

Interest is paid by the charity on the advance, in which case the transaction is in substance a loan and is classed as a basic financial instrument. The financing cost is the interest paid and this must be treated as an interest expense. (If the interest rate paid is below the market rate for an equivalent loan, then the loan may qualify for treatment as a concessionary loan)

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. The direct costs incurred in preserving the School's ancient buildings and their contents are shown as a charitable activity distinct from that of education and grant making. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments. Governance costs comprise the costs of complying with constitutional and statutory requirements. Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £5,000 are capitalised and carried in the balance sheet at historical cost. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on equipment incurred in the normal day-to-day running of the School and its subsidiaries is charged to the Statement of Financial Activities as incurred.

1.7 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

School buildings, including major extensions	15-50 years
Staff housing	50 years
Furniture, machinery and equipment	3-30 years
Motor vehicles	5 years
IT	4 years

1.8 Investments

Investment properties are valued as individual investments at their market values as at the balance sheet date. Rental income is recognised in the period to which it relates. Purchases and sales of investment properties are recognised on exchange of contracts.

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

1.9 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

1.10 Fund accounting

The charitable trust funds of the School and its subsidiaries are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1. ACCOUNTING POLICIES (continued)

1.11 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

(a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

(b) The Cranleigh School Pension Scheme - This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit liability is presented separately after other net assets on the face of the balance sheet. If the School cannot recover any pension scheme asset, it is not recognised in accordance with FRS 102.

(c) The Cranleigh School Group Personal Pension Plan - This is a defined contribution group personal pension plan with Aviva. Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1.13 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

2. CHARITABLE ACTIVITIES - FEES	2022	2021
	£'000	£'000
Fees receivable consist of:		
Gross fees	33,351	30,059
Less: Total bursaries, grants and allowances	(4,108)	(4,055)
Add back: Bursaries paid for by donations to the Fee Relief Fund	-	25
	<u>29,243</u>	<u>26,029</u>
The above educational awards were made to 349 pupils (2021 : 384).		

3. SUBSIDIARY COMPANIES

Cranleigh Enterprises Limited, is a company in which the School owns all 100 £1 shares, and the aggregate amount of assets, liabilities and funds is £14.9k. The trading activities of Cranleigh Enterprises Limited comprise a retail operation (supplying school clothing, sportswear and sports equipment, for pupils, teachers and employees of Cranleigh School), and the lettings of School facilities. The turnover was £483.8k and the net profit £103.0k with £117.8k of net funds. The net profit earned by this company is donated annually to Cranleigh School under Gift Aid. The value of goods and services supplied to the School by the company in the year was £51.7k (2021 : £47.4k) and the value of services supplied to the company by the School in the year was £0k (2021 : £Nil). The Gift Aid donation for the year of £112k (2021 : £31k) has been shown on the Statement of Financial Activities as a transfer to the School.

Cranleigh Education Services Limited is a company in which the School owns all 100 £1 shares and the aggregate amount of assets, liabilities and funds is £221.6k. The trading activities of Cranleigh Education Services Limited is to facilitate the establishment of overseas schools and then monitor the running of overseas schools once open. The turnover was £823.4k and the net profit £725.1k. There were no services supplied to the School by the Company in the year and £18.8k services supplied to the Company by the School in the year. The Gift Aid donation for the year of £1,384k (2021 : £5,245k) has been shown on the Statement of Financial Activities as a transfer to the School.

Both trading companies are now consolidated within the group financial statements as detailed in the Statement of Accounting Policies.

Cranleigh School is also the sole member of Cranleigh Foundation, a company limited by guarantee established to promote and advance any charitable purpose directly connected with Cranleigh School. The financial results of Cranleigh Foundation are included as the Foundation restricted funds within these consolidated accounts

4. CHARITABLE ACTIVITIES - OTHER INCOME	2022	2021
	£'000	£'000
Educational visits	339	182
Activities	191	115
Other	290	294
Rental income	72	83
Registration fees	10	16
Other	902	690
	<u>902</u>	<u>690</u>

5. OTHER TRADING ACTIVITIES	2022	2021
	£'000	£'000
Facilities and trading income		
Cranleigh School	3	1
Cranleigh Enterprises Ltd	484	320
Cranleigh Education Services Ltd	129	5,908
	<u>616</u>	<u>6,229</u>
Other incoming resources		
Surplus on asset sales	-	-
Foundation (recoveries)	-	-
Other	124	599
	<u>124</u>	<u>599</u>
Share of surplus from JV		
C R Education Ltd (see note 12)	632	319
	<u>632</u>	<u>319</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

	2022 £'000	2021 £'000
6. INVESTMENTS		
Investment income	<u>85</u>	<u>68</u>
Bank and other interest		
Bank interest	<u>-</u>	<u>-</u>
7. VOLUNTARY SOURCES		
Donations and legacies		
Donations to Cranleigh School	68	57
Donations to Cranleigh Foundation	<u>253</u>	<u>334</u>
	<u>321</u>	<u>391</u>

During the year Cranleigh Foundation has awarded grants to Cranleigh School totalling £0k (2021: £0k) to support bursaries and various capital projects being carried out by the School, all of which were completed in the year. Cranleigh Education Services donated £659k (2021: £0k) to the School during the year.

	2022 £'000	2021 £'000
Fundraising events		
Cranleigh Foundation Ltd	<u>270</u>	<u>6</u>

	Total 2022 £'000	Total 2021 £'000
8. ANALYSIS OF EXPENDITURE		
a) Total expenditure		
Costs of generating funds		
Trading costs	94	351
Cost of other activities	-	-
Financing costs	-	775
Investment	-	29
Fundraising	<u>-</u>	<u>1</u>
Total costs of generating funds	<u>94</u>	<u>1,156</u>
Charitable expenditure		
Education and grant making		
Teaching costs	13,451	14,508
Welfare	2,874	3,887
Premises	1,101	4,903
Support costs and governance	817	2,520
Grants and awards	<u>-</u>	<u>56</u>
Total charitable expenditure	<u>18,243</u>	<u>25,874</u>
Total expended	<u>18,337</u>	<u>27,030</u>
b) Grants and awards		
From Restricted Funds: Bursaries	-	25
From Unrestricted Funds: Bursaries	<u>49</u>	<u>31</u>
	<u>49</u>	<u>56</u>
c) Governance included in support costs		
Remuneration paid to auditor for audit services:		
School	27	26
Subsidiaries	9	8
Reimbursement of personal expenses to Governors - travel costs	-	-
Other governance costs	<u>135</u>	<u>125</u>
	<u>171</u>	<u>159</u>

Travel expenses were reclaimed by one member (2021: Nil) of the Governing Body.

In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £4.8k (2021: £4.6k) and tax advice £0.4k (2021: £0k)

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

9. FINANCING AND OTHER COSTS	2022 £'000	2021 £'000
Bank interest and charges	527	722
Advanced fees discounts	31	53
	<u>558</u>	<u>775</u>

10. STAFF COSTS AND RELATED PARTY TRANSACTIONS	2022 £'000	2021 £'000
The aggregate payroll costs for the year were as follows		
Wages and salaries	14,345	13,393
Social security costs	1,464	1,307
Pension costs	2,529	2,420
	<u>18,338</u>	<u>17,120</u>

No Governor received remuneration in 2022 (2021: £Nil) from Cranleigh Education Services Ltd. The granting of a benefit to any Governor is consistent with the School's policies for benefits and no Governor receives any remuneration or benefit that would not be available to a parent.

Aggregate employee-benefits of 18 (2021:18) key management personnel	<u>2,035</u>	<u>1,904</u>
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The number of higher paid employees in bands of:

£ 60,001 - £ 70,000	23	20
£ 70,001 - £ 80,000	6	7
£ 80,001 - £ 90,000	2	3
£ 90,001 - £100,000	4	2
£ 100,001 - £110,000	0	0
£ 110,001 - £120,000	0	1
£ 120,001 - £130,000	1	0
£ 130,001 - £140,000	0	0
£ 140,001 - £150,000	0	0
£ 150,001 - £160,000	0	0
£ 160,001 - £170,000	0	1
£ 170,001 - £180,000	0	0
£ 180,001 - £190,000	1	0
	<u>37</u>	<u>34</u>

The number with retirement benefits accruing

- in Defined Contribution schemes was	34	31
of which the contributions amounted to	£571,000	£506,000

The average number of the School's employees during the year calculated on a full time equivalent basis was 342 (2021: 340). The average headcount for the year was 412 (2021 : 401)

	2022 £'000	2021 £'000
Teaching	166	166
Welfare	78	80
Premises	33	32
Support	16	14
Other activities	49	49
	<u>342</u>	<u>341</u>

During the year one termination payment was made (2021: Nil). There were none outstanding at the year end.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

11. TANGIBLE FIXED ASSETS	Freehold Land & Buildings £'000	Assets Under Construction £'000	Motor Vehicles £'000	Fittings & Equipment £'000	IT Hardware £'000	Total £'000
School and Group						
Cost (or frozen valuation)						
At 1 August 2021	72,344	763	232	4,146	2,149	79,634
Additions	83	332		51	119	585
Transfers						-
Disposals				(69)	(42)	(111)
At 31 July 2022	<u>72,427</u>	<u>1,095</u>	<u>232</u>	<u>4,128</u>	<u>2,226</u>	<u>80,108</u>
Depreciation						
At 1 August 2021	16,080	-	210	3,111	1,924	21,325
Charge for year	1,435		11	137	162	1,745
Disposals				(69)	(42)	(111)
At 31 July 2022	<u>17,515</u>	<u>-</u>	<u>221</u>	<u>3,179</u>	<u>2,044</u>	<u>22,959</u>
Net book values						
At 31 July 2022	<u>54,912</u>	<u>1,095</u>	<u>11</u>	<u>949</u>	<u>182</u>	<u>57,149</u>
At 31 July 2021	<u>56,264</u>	<u>763</u>	<u>22</u>	<u>1,035</u>	<u>225</u>	<u>58,309</u>

The School's fixed assets total £57,138k and Cranleigh Enterprises £11k.

All tangible fixed assets are held for use on charitable activities.

The freehold land and buildings, excluding separate buildings, comprising Cranleigh School and Cranleigh Preparatory School were revalued in 1999. Buildings were not previously depreciated, but with effect from 1 August 2005, depreciation is calculated over 50 years for all School buildings. When building projects are still in progress at the year end, depreciation is not calculated until the financial year in which the asset is brought into full use. Land is not depreciated.

12. SECURITIES INVESTMENTS	School 2022 £'000	School 2021 £'000	Group 2022 £'000	Group 2021 £'000
Group investments				
Balance at 1 August 2021	4,494	3,632	6,156	4,618
New money invested from realised gains	-	-	-	-
New money invested	-	-	1,630	500
Reinvested Income	39	37	39	37
Investment management fees	(28)	(29)	(28)	(29)
(Decrease)/Increase in value of investments	(575)	854	(580)	1,030
Group investments at 31 July 2022	<u>3,930</u>	<u>4,494</u>	<u>7,217</u>	<u>6,156</u>
Balance at 1 August 2021	198	198	614	295
Investment in Subsidiary	-	-	-	-
Subsidiary investment in Joint Venture	-	-	632	319
School investments at 31 July 2022	<u>198</u>	<u>198</u>	<u>1,246</u>	<u>614</u>
Investments comprise:				
Listed investments - Equities	3,928	4,480	7,215	6,142
Cash	2	14	2	14
Group investments	<u>3,930</u>	<u>4,494</u>	<u>7,217</u>	<u>6,156</u>
Investment in Subsidiary	198	198	-	-
Subsidiary investment in Joint Venture	-	-	1,246	614
School investments	<u>198</u>	<u>198</u>	<u>1,246</u>	<u>614</u>
	<u>4,128</u>	<u>4,692</u>	<u>8,463</u>	<u>6,770</u>

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Securities investments are managed for the School by Brewin Dolphin Ltd. All investments are managed and held in the UK.

Original cost of investments held at 31 July 2022 is £2.079m (2021 : £2.078m)

The School has invested £198,001 in Cranleigh Education Services Ltd purchasing all 100 shares.

Cranleigh Education Services Ltd also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture in relation to the construction, operation and management of a school in Abu Dhabi. Cranleigh Education Services Ltd holds 50 shares with a nominal value of Dirhams 1000 each. With the school having opened in September 2014, Cranleigh Education Services Ltd now incorporates 70% of the Joint Venture profit to the 31 July. The subsidiary's share of turnover for the year ended 31 July 2022 was £782k (2021: £6,635k) with a net profit of £508k (2021: £5,774k) and the aggregate share of assets, liabilities and funds of the Joint Venture is £1,238k (2021: £606k).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

13. DEBTORS	School 2022 £'000	School 2021 £'000	Group 2022 £'000	Group 2021 £'000
Fees	2	17	2	17
Sundry debtors	57	91	206	196
Prepayments	287	167	287	167
Staff loans	79	101	79	101
Amounts due from Cranleigh Enterprises Ltd	37	110		
Amounts due from Cranleigh Education Services Ltd	-	-		
Gift aid donations from subsidiary companies	837	5,276		
	<u>1,299</u>	<u>5,762</u>	<u>574</u>	<u>481</u>

All debtors are due within one year, except for £58k (2021:£85k) of staff loans, which are due after more than one year.

The above fees are net of bad debt provision £203k (2021:£353k).

14. CREDITORS : amounts falling due within one year	School 2022 £'000	School 2021 £'000	Group 2022 £'000	Group 2021 £'000
Bank loans (see Note 17)	1,297	1,626	1,297	1,626
Fees received in advance	366	751	366	751
Final term deposits	2,105	2,049	2,105	2,049
Taxation, social security and pension contributions	769	726	769	726
Amounts due to Cranleigh Enterprises Ltd	-	-	-	-
Overdraft	-	-	-	-
Other creditors and accruals	2,504	1,969	2,617	2,063
	<u>7,041</u>	<u>7,121</u>	<u>7,154</u>	<u>7,215</u>
Advance fees (see Note 16)	1,015	1,265	1,015	1,265
	<u>8,056</u>	<u>8,386</u>	<u>8,169</u>	<u>8,480</u>

15. CREDITORS : amounts falling due after one year	School 2022 £'000	School 2021 £'000	Group 2022 £'000	Group 2021 £'000
Bank loans (see Note 17)	10,693	16,033	10,693	16,033
Advance fees (see Note 16)	1,005	1,621	1,005	1,621
	<u>11,698</u>	<u>17,654</u>	<u>11,698</u>	<u>17,654</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

16. ADVANCE FEE PAYMENTS

Parents may enter into a contract to pay to the School up to the equivalent of ten years' tuition fees in advance. The amounts received are treated as deferred income and form part of the School's working capital. Fees are taken to income for each term as the relevant pupils progress through the School. Advance payments may be returned subject to specific conditions on the receipt of one term's notice.

	2022	2021
	£'000	£'000
Assuming pupils will remain in the School, advance fees will be applied as follows :		
After 5 years	-	-
Within 2 to 5 years	1,005	1,621
Within 1 year (Note 14)	<u>1,015</u>	<u>1,265</u>
	<u>2,020</u>	<u>2,886</u>

The balance represents the accrued liability under the contracts, and the movements during the year were:

		£'000	£'000
Balance at 1 August 2021			2,886
New contracts			784
Amounts accrued to contracts			<u>31</u>
			3,701
Amounts utilised in payment of fees:	To the School	(1,456)	
	To other schools	(66)	
	Refunds	<u>(159)</u>	
			<u>(1,681)</u>
Balance at 31 July 2022			<u>2,020</u>

17. LOAN FINANCE

Credit facilities with Handelsbanken are currently in place, on which interest is payable at normal commercial rates. The loan facilities are secured by separate First Legal Mortgages executed by the School over certain freehold properties owned by the School. The structure is shown in the following table.

5.28% Fixed rate amortizing credit facility expiring 30 March 2024	£'000
Bank of England base rate + 2.10% revolving credit facility expiring 28 March 2025, £3m available, £2m utilised	2,394
3.07% Fixed rate amortizing credit facility expiring 29 March 2024	1,000
4.22% Fixed rate amortizing credit facility expiring 26 July 2027	901
	<u>7,695</u>
	<u>11,990</u>

The facilities are repaid by quarterly installments with the exception of the revolving credit which is repayable on maturity. All facilities mature as follows:

	2022	2021
	£'000	£'000
After 5 years	9,367	13,305
Within 2 to 5 years	1,326	2,728
Within 1 year	<u>1,297</u>	<u>1,626</u>
	<u>11,990</u>	<u>17,659</u>

In addition there is a revolving current account overdraft facility from Handelsbanken of £3m expiring on 30 September 2023.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

18. STATEMENT OF FUNDS

	Balance 1 August 2021 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance 31 July 2022 £'000
Foundation	1,984	569	(197)	(5)	1,000	3,351
Total restricted funds	<u>1,984</u>	<u>569</u>	<u>(197)</u>	<u>(5)</u>	<u>1,000</u>	<u>3,351</u>
Total unrestricted funds	46,912	31,624	(29,964)	(531)	(1,000)	47,041
Total funds	<u>48,896</u>	<u>32,193</u>	<u>(30,161)</u>	<u>(536)</u>	<u>-</u>	<u>50,392</u>

The funds of the Foundation are considered to be restricted given the aims and objects are narrower than the School and as such are accounted for as a restricted fund in the Group. Following a renegotiation of the School's international agreement with its partner in Abu Dhabi in 2020-21, the School donated £1m to the Foundation in 2021-22 from the funds received.

19. COMPARATIVE STATEMENT OF FUNDS

	Balance 1 August 2020 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance 31 July 2021 £'000
Fees relief fund	-	25	(25)	-	-	-
Foundation	1,468	372	(32)	176	-	1,984
Total restricted funds	<u>1,468</u>	<u>397</u>	<u>(57)</u>	<u>176</u>	<u>-</u>	<u>1,984</u>
Total unrestricted funds	36,849	33,934	(26,973)	3,102	-	46,912
Total funds	<u>38,317</u>	<u>34,331</u>	<u>(27,030)</u>	<u>3,278</u>	<u>-</u>	<u>48,896</u>

20. PENSION SCHEMES

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

Defined benefit schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,849k (2021: £1,738k) and at the year-end £217k (2021 - £206k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

20. PENSION SCHEMES (continued)

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Cranleigh School Pension Scheme

The School operates a defined benefit scheme for non-teaching staff, the Cranleigh School Pension Scheme. The scheme was closed to new members with effect from 1 January 2013, though it remains open to existing members. As of 1 January 2013, the School established a generous defined contribution scheme for new employees (see page 36).

Contributions are made to the scheme in accordance with the recommendations of the scheme's actuary and are charged to the Statements of Financial Activities. Following the signing of the latest valuation in June 2022 the School's contribution remained at 22.5%. In addition the School paid contributions totalling £89,400 in respect of the past service deficit. At 31 July 2022 £0 was accrued in respect of pension contributions to this scheme (2021: £0).

Following the latest full Actuarial Valuation at 6 April 2021, the Trustees of the Cranleigh School Pension Scheme agreed with Cranleigh School, the employer, to continue with a recovery plan designed to eliminate the deficit from 6 May 2021 until 6 May 2027. Cranleigh School will make lump sum contributions of £7,450 per calendar month to fund the past service deficit.

The School has provided £119k to cover the potential cost of meeting the possible commitment to pay additional guaranteed minimum pension (GMP) equalisation costs following the October 2018 ruling by the High Court in the Lloyds Bank case

The fair value of the scheme assets exceeded the present value of future obligations at 31 July 2022 by £1,448,000. However, as the School will not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements in accordance with FRS102.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

20. PENSION SCHEMES (continued)

	2022 £'000	2021 £'000
(a) The amounts recognised in the balance sheet are as follows :		
Present value of funded obligations	(19,616)	(26,861)
Fair value of plan assets	<u>21,297</u>	<u>27,094</u>
less asset not recognised	(1,681)	(233)
Deficit amount shown in the balance sheet	<u>-</u>	<u>-</u>
	2022 £'000	2021 £'000
(b) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	26,861	27,136
Service cost	559	558
Interest cost	443	389
Actuarial loss/(gain)	(6,613)	(581)
Benefits paid	<u>(1,634)</u>	<u>(641)</u>
Defined benefit obligation at year end	<u>19,616</u>	<u>26,861</u>
	2022 £'000	2021 £'000
(c) Changes in the fair value of the Scheme assets		
Opening fair value of the scheme assets	27,094	24,926
Interest on assets/Expected return	451	361
Actuarial gain/(loss)	(5,121)	1,900
Employer's contributions	408	439
Employees' contributions	99	109
Benefits paid	<u>(1,634)</u>	<u>(641)</u>
Closing defined benefit obligation	<u>21,297</u>	<u>27,094</u>
	2022 £'000	2021 £'000
(d) Amounts included within the Statement of Financial Activities		
Current service cost	1,681	233
Past service cost (GMP equalisation)	-	-
Expected return on scheme assets	451	361
Interest on pension liabilities	<u>(443)</u>	<u>(389)</u>
Total amount charged to the Statement of Financial Activities	<u>1,689</u>	<u>205</u>
Net Actuarial gains/(losses)	<u>1,492</u>	<u>2,481</u>
less asset not recognised	<u>(1,448)</u>	<u>(233)</u>
Net Actuarial gains/(losses) recognised in the year	44	2,248
Net Cumulative actuarial gains/(losses)	<u>-</u>	<u>-</u>

The School expects to contribute £414k to the scheme in 2022/23

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

20. PENSION SCHEMES (continued)

	2022 £'000	2021 £'000
(e) Reconciliation of movements in Present Value of Plan :		
Liabilities and Assets		
Net liability at the beginning of the year	-	-
Movements in the year:		
Employer's current service cost	(460)	(449)
Employer's past service cost	-	-
Employer's contribution	408	439
Net interest on the Defined Benefit Asset/Liability	(8)	28
Actuarial gains less scheme asset not recognised	60	(18)
	<u>-</u>	<u>-</u>
Net liability at end of the year	-	-

	2022	2021
(f) The categories of scheme assets as a percentage of total assets		
Equities	36	49
Bonds	60	47
Annuities	4	4
Cash	-	-
	<u>-</u>	<u>-</u>

(g) Principal assumptions at the balance sheet date (expressed in percentages as weighted averages)

Discount rate	3.55	1.70
Expected return on plan assets	4.05	1.70
Rate of increase in salaries	3.00	3.25
Rate of increase in pensions in payment	3.65	3.65
Rate of increase in pensions in deferment	2.40	2.35
RPI	3.25	3.25
CPI	2.40	2.35
Assumes life expectations in years on retirements age 65		
Retiring today - males	21.6	22.1
Retiring today - females	24.0	24.1
Retiring in 20 years - males	22.9	23.4
Retiring in 20 years - females	25.5	25.3

(h) The amounts for the current and previous periods are :

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Defined benefit obligation	(19,616)	(26,861)	(27,136)	(23,948)	(20,920)
Scheme assets	21,297	27,094	24,926	23,423	21,082
Deficit	-	-	(2,210)	(525)	-
Experience adjustments on liabilities	(3,629)	4,381	491	(1,191)	(2,675)
Experience adjustments on assets	(5,121)	1,900	1,194	1,869	597

Defined contribution scheme

The Cranleigh School Group Personal Pension Plan started in January 2013. This is a money purchase group personal pension scheme managed by Aviva. Basic contributions are 4% for the employee and 8% for the employer. The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the year amounted to £278,130 (2021: £250,983). At 31 July 2022 £0 was accrued in respect of pension contributions to this scheme (2021 : £0).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

21. FINANCIAL INSTRUMENTS

The charity 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

At the balance sheet date the charity held financial assets at amortised cost of £4,431k (2021: £9,748k). Financial assets at fair value through income or expenditure of £0k (2021: £0k) and Financial liabilities at amortised cost of £19,867k (2021: £26,134k)

22. RELATED PARTY TRANSACTIONS

The Headmaster of Cranleigh School is also the Trustee of 1170. This charity has used the facilities of Cranleigh School for fundraising meetings. There was no charge for these services and there were no amounts owed to the School at 31 July 2022 (2021: Nil)

The School rents a residential property from the Chairman of Governors (Mr A J Lajtha) for the housing of school staff. The school pays rent of £1,700 per month under an Assured Shorthold Tenancy agreement. There were no amounts outstanding or owed to the School at 31 July 2022 (2021: Nil)

There have been no other related party transactions that require disclosure other than transactions with other group entities, as set out below:

In 2022 the Charity charged Cranleigh Enterprises Limited minibus running costs totalling £41,400 (2021: £25,560). This is calculated as a fee per term based on fuel and maintenance costs. In 2021 only two terms were charged due to the impact of Covid-19.

In 2022 Cranleigh Enterprises Limited charged the Charity minibus usage costs totalling £65,430 (2021: £40,380). This is calculated as a fee per term based on the reasonable wear and tear of the vehicles. In 2021 only two terms were charged due to the impact of Covid-19.

In 2022 Cranleigh Enterprises Limited charged the Charity stationery and book costs totalling £51,669 (2021: £47,388). This is based on the recommended retail price.

23. CAPITAL COMMITMENTS

As at 31 July 2022 the Group had no capital commitments for the construction works on the capital development programme.

24. OPERATING LEASES

As at 31 July 2022 the Group had the following non-cancellable operating leases, payable as follows:

	2022 £'000	2021 £'000
Within 2 to 5 years	16	19
Within 1 year	33	35
	<u>49</u>	<u>54</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

25. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Total Funds 2021 £'000
INCOME FROM:			
Charitable activities			
School fees	26,029	-	26,029
Other income	690	-	690
Other trading activities			
Facilities and trading income	6,229	-	6,229
Other incoming resources	599	-	599
Share of surplus from Joint Venture	319	-	319
Investments			
Investment income	37	31	68
Bank and other interest	-	-	-
Voluntary sources			
Donations and legacies	31	360	391
Fundraising events	-	6	6
Total incoming resources	<u>33,934</u>	<u>397</u>	<u>34,331</u>
EXPENDITURE ON:			
Raising funds			
Trading costs	351	-	351
Share of loss from Joint Venture	-	-	-
Other income-generating activities	-	-	-
Financing costs	775	-	775
Investment management	29	-	29
Fundraising & development	-	1	1
Total deductible costs	<u>1,155</u>	<u>1</u>	<u>1,156</u>
Charitable activities			
Education and grant making	25,818	56	25,874
Total expenditure	<u>26,973</u>	<u>57</u>	<u>27,030</u>
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	6,961	340	7,301
Gains/(losses) on investments	854	176	1,030
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME AND CAPITAL (INFLOW)	7,815	516	8,331
Pension scheme actuarial gain/(loss)	<u>2,248</u>	<u>-</u>	<u>2,248</u>
NET MOVEMENT IN FUNDS FOR THE YEAR	10,063	516	10,579
FUNDS B/FWD 1 AUGUST 2020	36,849	1,468	38,317
FUNDS C/FWD 31 JULY 2021	<u>46,912</u>	<u>1,984</u>	<u>48,896</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

26. ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2022:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	65,612	-	65,612
Current assets	4,560	87	4,647
Current liabilities	(8,169)	-	(8,169)
Long term liabilities	(11,698)	-	(11,698)
Pension scheme assets	-	-	-
Total net assets	50,305	87	50,392

27. COMPARATIVE ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2021	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	65,079	-	65,079
Current assets	9,864	87	9,951
Current liabilities	(8,480)	-	(8,480)
Long term liabilities	(17,654)	-	(17,654)
Pension scheme assets	-	-	-
Total net assets	48,809	87	48,896

CRANLEIGH SCHOOL

England & Wales - Charity number 1070856

Accounts



CRANLEIGH

EX CULTU ROBUR

CRANLEIGH SCHOOL

A COMPANY LIMITED BY GUARANTEE

REGISTERED NUMBER 3595824

CHARITY NUMBER 1070856

ANNUAL REPORT AND ACCOUNTS

31 July 2021

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**CRANLEIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

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CRANLEIGH SCHOOL

**CRANLEIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

GOVERNORS, OFFICERS AND ADVISORS

GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The members of the Governing Body of **Cranleigh School** are the charity trustees of Cranleigh School and the Directors of Cranleigh School ('the Charity'). The members of the Governing Body are:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A J Lajtha MA, FCIB* (Chairman)	●	●	●	●		●	●
Mrs S E Bayliss, MA, PGCE		●					
Colonel J Boyd OBE MA (appointed 21 September 2020)	●						
Mrs J A Brown MA		●					
Dr R Chesser MA, MB, BChir, MRCP*	●						
Mrs M M S Fisher MA (Deputy Chair)		●		●		●	●
M Foster MA (retired 30 September 2020)							
P S P Going BSc, MRICS*			●	●			
S Gunapala BEng, MEng, FCA				●	●		
Miss K J S Kerr BA (Hons) MCIPD (appointed 18 August 2021)				●			
J A M Knight BA			●		●		
D Khurshid BA QC (appointed 10 September 2020)						●	
Mrs A J Lye BA		●	●		●		
C H Severs LLB (Hons) (appointed 14 June 2021)						●	
Mrs E Stanton BSc, ACA				●			●
J J D C Tate BA (Hons) DipArch MArch (appointed 6 November 2020)			●				
S J Watkinson BSc ACA (retired 12 April 2021)							
O A R Weiss MA (retired 21 November 2020)							
P M Wells BEd (Hons)		●					●
D G Westcott BA BCL QC		●					
S J Whitehouse BA (Cantab)	●			●			
Professor R J Wilkins MA DPhil	●				●	●	
D A E Williams BA FCA		●					
Mrs M J Williamson *				●			

- (1) Strategy and Risk Committee
- (2) Education Committee
- (3) Buildings and Estate Committee
- (4) Finance Committee
- (5) Risk Management Committee
- (6) Overseas Committee
- (7) Nominations Committee
- * Parent of a pupil or pupils at the School

CRANLEIGH SCHOOL

Mr Weiss has special responsibility for Cranleigh Prep School. Mrs Fisher, Mr Watkinson and Mr Whitehouse are members of the management board of Cranleigh Abu Dhabi. Mr Williams is a Trustee of Cranleigh School Pension Scheme.

The Board is a self-appointing body. The normal term of office for governors is five years with two further terms of three years each if elected by the majority of Governors to continue in office. Cranleigh Preparatory (Prep) School has the same Governing Body as Cranleigh School.

EXECUTIVE OFFICERS:

Headmasters	- Cranleigh School	Mr M S Reader MA, MPhil, MBA, QTS
	- Cranleigh Prep School	Mr N R Brooks BA, QTS
Director of Operations		Mr P A Dunn BA
Director of Finance		Miss J A Underdown BA (Hons) ACMA
Clerk to the Governing Body		Mr P T Roberts MBE, DChA

Principal address	Cranleigh School	Cranleigh Prep School
and Registered Office	Horseshoe Lane	Horseshoe Lane
	Cranleigh	Cranleigh
	Surrey	Surrey
	GU6 8QQ	GU6 8QH
Websites	www.cranleigh.org	www.cranleighprepschool.org

ADVISORS:

Bankers:	Handelsbanken Andrews House College Road Guildford GU1 4RG
Solicitors:	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
Auditors:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Investment Advisors:	Brewin Dolphin Limited 12 Smithfield Street London EC1A 9BD

CRANLEIGH SCHOOL

ANNUAL REPORT OF THE CRANLEIGH SCHOOL GOVERNORS **FOR THE YEAR ENDED 31 JULY 2021**

The Cranleigh School Governing Body presents the annual report for the year ended 31 July 2021 under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Acts, the Articles of Association and the Charities SORP 2015 in accordance with FRS 102 (as updated).

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Charity was founded in 1865 and is registered with the Charity Commission under charity number 1070856. Cranleigh School is a company limited by guarantee, registered number 3595824. Cranleigh School is governed by Articles of Association introduced in 2010 to incorporate changes in legislation in the Companies Act 2006. These Articles replaced the previous Memorandum and Articles of Association dating from 2000. Cranleigh School's object and principal activity, as a charity and as set out in the Articles of Association, is the advancement of education by providing a boarding and/or day school or schools for boys and/or girls in accordance with the principles of the Church of England.

The Charity is structured with a single governing body for two schools known as Cranleigh School and Cranleigh Preparatory (Prep) School. The Charity, in furtherance of its object, establishes and administers bursaries, grants, awards and other benefactors, and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of the Charity's objects. The Trustees are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011 and have had regard to Charity Commission guidance on public benefit. The Charity's governance complies with the Code for the Voluntary and Community Sector, endorsed by the Charity Commission and other best-practice guidelines published by the Charity Commission. Further details of the Charity's activities are set out below in the strategic report section of this annual report.

GOVERNANCE AND MANAGEMENT

Governing Body

There is one Governing Body for the two schools. The members of the Governing Body and executive officers of the School, together with the principal advisors are listed on pages 1 and 2.

Recruitment and Training of Governors

The Charity's elected members of the Governing Body are appointed at meetings of the Cranleigh School Governing Body on the basis of recommendations from the Nominations Committee. The Nominations Committee scrutinises candidates on behalf of the Governing Body. Trustees and executive officers of the School put forward candidates to the Nominations Committee based on a candidate's professional qualities, experience, personal competences and local availability. The Governing Body is mindful of the benefits of diversity in the widest sense and as noted in Principle 6 of Charity Commission guidance. New members of the Governing Body are inducted into the workings of the Charity and its schools, including Governing Body policy and procedures, at briefings organised for them by the Headmasters and Bursar. The new members also attend specialist external courses on the roles and responsibilities of charity trustees. Members of the Governing Body attend external trustee training and information courses in order to ensure that the Governing Body is kept informed of

CRANLEIGH SCHOOL

current issues and regulations in the education and charity sectors. Governors may attend days at the School shadowing pupils or visiting support departments.

Organisational Management

The members of the Cranleigh School Governing Body, as trustees of the Charity, are legally responsible for the overall management and control of both Cranleigh School and Cranleigh Prep School. The Governing Body takes note of guidance provided by the Charity Commission and specifically the principles set out in the Governance Code published in July 2017. Overall, the Charity meets a very significant proportion of the recommended and best practice for governance that is contained within the Governance Code across the seven principles and is comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code. The Chairman of the Governing Body is Mr A J Lajtha and the Deputy Chair is Mrs M M S Fisher. The full Board meets each term, and so three times a year, and the work of implementing its policies is carried out by six sub-committees:

- The Strategy and Risk Committee considers proposals for development of the School and advises senior management of the strengths and weaknesses of strategic options. A biennial strategy day is held for members of the Governing Body and senior executives to review performance and consider future development. The last strategy day was in June 2019 with the next planned for March 2022, having been delayed by one year due to Covid-19. The Strategy and Risk Committee is chaired Mr D G Westcott.
- The Education Committee considers educational and pastoral policy. Mrs S E Bayliss has special responsibility for Safeguarding and Mrs A J Lye has special responsibility for Special Educational Needs and Disabilities (SEND). The Education Committee is chaired by Mrs M M S Fisher.
- The Buildings and Estate Committee supervises and monitors capital building projects and maintenance of the fabric of the School. The Committee has delegated responsibility for Health and Safety and it produces a report each term on Health and Safety matters for the Governing Body. Mrs M J Williamson has oversight of boarding on behalf of the Governing Body; including both the provision of facilities and pastoral support (the latter is a responsibility of the Education Committee). The Buildings and Estate Committee is chaired by Mr P S P Going.
- The Overseas Committee was established in 2020 to monitor performance and risks of the School's overseas schools specifically Cranleigh Abu Dhabi and Cranleigh China. The Overseas Committee is chaired by Mr S J Whitehouse.
- The Risk Management Group (RMG) monitors risks facing the School. This Committee presides over an annual risk management process that culminates with the production of a risk report in the autumn each year. Each sub-committee is responsible for considering the risks in its area of governance and each has appointed a member to take the lead in risk management. The RMG is chaired by Mr J A M Knight.
- The Finance Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. The Finance Committee is chaired by Mrs E Stanton.

The day-to-day running of the School is delegated to the respective Headmasters, supported by their Senior Management Teams. The Headmasters and representative members of senior management attend meetings of the Governing Body sub-committees and together these groups are the key management personnel. Remuneration is determined by the Governing Body which is mindful of the contribution of all staff to the School's success and, as such, it is right that remuneration of staff is the highest single cost incurred by the Charity. The Governing Body makes reference to comparisons of staff costs at other schools which are produced in various benchmark surveys that are anonymous and so compliant with competition law. The remuneration policy balances fair wages and a generous pension scheme for lower paid staff with the provision of incentives for senior managers who take the

CRANLEIGH SCHOOL

burden of responsibility for the School's complex operations. The School produced a gender pay report again this year as required of employers with more than 250 employees. The gender pay report for 2020 is available on the School's website.

Group Structure and Relationships

Cranleigh Foundation was set up in 2007 as a separate charity limited by guarantee with a registered charity number of 1122918 and a company number of 06452540. Cranleigh Foundation's statutory financial statements are consolidated with the School's within this Annual Report and Financial Statements. Cranleigh Foundation is governed by a Memorandum of Association and Articles of Association produced in 2008. The Chairman is a former governor, Mr M J Meyer and one member of the Governing Body, Mr A J Lajtha is also a Foundation Trustee. The Headmasters and Director of Finance attend Foundation Trustee meetings.

Cranleigh School has two wholly owned non-charitable subsidiaries. Cranleigh Enterprises Limited (CEL) is a trading company that arranges the letting of facilities when not in use by the School and it has a retail outlet within the School for the sale of items such as school uniform and sports equipment. CEL profit is donated under gift aid to the School. There are more details concerning CEL at Note 3 to the financial statements. The accounts of CEL are consolidated into the Cranleigh School accounts. Cranleigh Education Services Limited (CESL) was incorporated in September 2012. The Company has five directors who are members or former members of the Governing Body or executive officers of Cranleigh School. The Company's purpose is to facilitate the establishment of overseas schools and then monitor the operation of overseas schools once open. The Company was responsible for planning Cranleigh Abu Dhabi, working closely with joint venture partners and the firm contracted to run the School. 'Cranleigh Abu Dhabi opened in September 2014 with 637 pupils from FS 1 to Year 9. The School now has 1,604 pupils and has expansion plans to increase the number to around 1,800 pupils (it is now at full capacity) from FS 1 to Year 13. The School's public exam results were, in common with other schools, based on Centre Assessed Grades but nevertheless impressive with 75% (2020: 79%, 2019: 73%) of pupils achieving GCSE grades 9-7 and at A Level 87% (2020: 73%, 2019: 63%) achieved grades A*-B. Cranleigh China opened its first school in Changsha in September 2020. There are 476 pupils as of September 2021. The first public exams were taken during 2020. The results were excellent with 42% achieving GCSE grades A/A*.

Stakeholder Engagement, Employment and Sustainability Policy

The Trustees confirm that in accordance with Section 172 (1) of the Companies Act and Charity Commission guidance they govern in order to achieve the objects of the Charity. The long-term financial and operational sustainability of the School is considered by Trustees as set out in the Going Concern section of this report. Trustees assess financial projections and key risks that could impact the sustainability and reputation of the School. Assessments are made with the assistance of the executive and by reviewing management information, budgets, capital expenditure plans, cash flow forecasts and progress against financial projections each school term and during the Covid-19 pandemic more often. Overarching the assessments of financial sustainability is a comprehensive risk management process that guides the executive and Trustees towards areas of risk and specifically the impact and likelihood of risks together with mitigation strategies. The risk process and current assessments are explained in more detail later in this report.

Cranleigh School is an equal opportunities employer. Full and fair consideration is made of job applications from disabled persons and consideration of their training and employment needs is made as necessary. The School complies with modern slavery regulations. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are aware of the financial and economic performance of the School. Communication with employees continues through normal management channels in a variety of forms and through exceptional channels to apprise staff

CRANLEIGH SCHOOL

of current issues. Examples of consultation are briefings to teaching staff at the start of each term by the respective Headmasters to outline development options and seek the views of staff and engagement with staff regarding terms and conditions of employment through respective common room salaries committees which meet with the Headmasters, Director of Finance together with the Chairman of the Governing Body and Chair of the Finance Committee of the Governing Body. An equivalent for support staff is arranged by the Director of Operations who gives regular staff updates and briefings to staff in smaller meetings by department.

Communication with staff, during the Covid-19 lock down and then subsequent restrictions to achieve bio-secure working conditions, has been of great importance for the monitoring of the morale for a second year. The School has briefed staff more frequently on the full range of operational issues including the continuing financial effects of the lock downs. Briefings were conducted during lock downs using Zoom and Google Meet and for wider audiences by video films and through a dedicated and closed Facebook account for staff. The School continued to use the Government's flexible Job Retention Scheme at the start of the reporting period but the bulk of staff had returned to full time work by end of March 2021. At the time of writing in September 2021, the School is functioning at near to pre-pandemic levels but under the operation of a comprehensive bio-security policy to monitor and, where necessary, control the pandemic. The School's medical Centre has conducted circa 5,000 Covid tests during the pandemic, a figure excludes self-tests conducted twice each week by pupils.

The Company complies with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The 2020 report is available on the School's website.

The strategic development of the School has been in a period of transition during the last two years because of the overriding requirement to focus on the provision of the highest quality real time education of our pupils during the pandemic. The 2015 plan completed its implementation in September 2018 with the next three year cycle commencing in 2019 after a thorough review. Due to the pandemic the completion date for this plan is now July 2023. The planning cycles seek to involve staff at every level in the construction and implementation of targets. This engagement seeks to achieve transparency, and through this, ownership of future plans by staff at all levels. This has been particularly important post pandemic, and with important adaptations having to be made following the murders of George Floyd and Sarah Everard and a national focus on both racism and sexual violence in schools. More details of future plans are explained later in this report.

The School is committed to engagement with stakeholders. The main groups are pupils, parents, alumni, employees and contractors. There is significant communication using a full range of media with pupils and their parents or guardians. This is routine and extensive with the aim of ensuring a smooth passage for the eleven years of a pupil's education at Cranleigh. The alumni organisation, The Old Cranleigh Society (OCS), is based at the School and works on behalf of all alumni including those from Cranleigh Abu Dhabi. There is extensive engagement with the functional sub groups of the OCS and assistance is given with the organisation of events. Furthermore, during lock down the OCS staff at the School were in regular contact with older members of the Society to check on their welfare.

The procurement of goods and services by the School is undertaken to achieve a secure supply of high quality provisions and material with fair and timely payment. Local and smaller companies are favoured wherever possible and there are arrangements with a variety of sole traders in the local area. The School is conscious of its position as the largest employer in the area and aims to support local business wherever possible. Payment terms are thirty days but sole traders are able to request earlier payment which is arranged on a case-by-case basis.

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The School is committed to improving environmental sustainability. There is a pupil led environmental committee which developed its strategy in 2019 and, pre lock down, was focusing on minimising food waste and ceasing the use of single use plastic. There had been good progress on both initiatives which have been picked up again in the new school year now that school life has largely returned to normal. The School recycles food waste for anaerobic digestion to generate energy from the waste. The School complies with environmental regulation and specifically:

- The School has completed an Energy Savings Opportunity Scheme (ESOS) assessment and is working to decrease energy consumption.
- Streamline Energy and Carbon Reporting (SECR) has been adopted. There is a commitment to improve energy efficiency. The total energy consumption figures for the year were:

UK energy use (1) kWh	8,900,295
Associated Greenhouse gas emissions (2) Tonnes CO ² equivalent	1,752
Intensity ratio Emissions (tCO _{2e}) per £m Total Sales Revenue	66.89

The School is active in monitoring for risks of bribery, corruption, fraud and cyber-attack. The risk process is comprehensive and overseen by the Governing Body Risk Management Group. A more detailed explanation of the risk process is given later in this report.

The School maintains a register of those executives and trustees in positions of Significant Control. Conflicts of interest are reviewed formally each year and attendees are required to declare any change of conflict status at each sub committee and main board meeting of the Governing Body.

AIMS AND OBJECTIVES

Mission Statement

The purpose of Cranleigh School is to provide, within a Christian environment, the necessary education and appropriate training to enable pupils to develop their potential as individuals, and thereby to ensure that, on leaving, they will become confident members of society and effective contributors to it.

Aims

The aims of Cranleigh School, for the public benefit, are to enable young people to flourish in a school where busy pupils lead fulfilled lives now while developing the personal skills and qualities that will enhance their adult lives. Cranleigh aims to provide young people with the strength to succeed; the wisdom to make informed choices; resilience in the face of failure or difficulty; and the insight to recognise their privilege and to shape the future culture of the world through lives of service and leadership. With these skills, and in the context and heritage of their culture, Cranleigh pupils are encouraged to explore and ask central questions about their purpose and identity. A rigorous academic curriculum is reinforced by a commitment to a breadth of activity that enhances personal development.

Cranleigh is committed to being a medium-sized, co-educational boarding and day school, large enough to provide for breadth of opportunity and small enough to sustain a friendly, cohesive community in which there is a strong and active partnership between parents and the School. 'Pupils first' is a guiding principle for all decision making. Arising from the School's Christian heritage and cultural background, at the heart of a Cranleigh education are four central values of Service, Relationships, Leadership and Excellence.

CRANLEIGH SCHOOL

Service: All in the community are encouraged to adopt an attitude of service to each other and the wider community.

Relationships: Strong relationships are fostered as a priority in a predominantly boarding community. Children flourish within safe, supportive environments.

Leadership: Openness, integrity and thoroughness are characteristics of everything we do. Cranleigh aspires to lead thinking and practice in holistic, boarding education. Cranleighans will be equipped with the knowledge and skills to shape future culture.

Excellence: Cranleigh will strive for excellence in everything it does and aspires to be recognised both for its educational vision and for the personal qualities of Cranleighans.

Primary objectives

In order to achieve its aims the School has developed primary objectives which are:

- to provide a stimulating learning environment in which pupils are encouraged to pursue and stretch their academic potential;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, co-education, respect for one another and good citizenship; the pursuit of best practice in safeguarding young people will always be a priority;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately;
- to provide the necessary administrative and logistical framework to meet the needs of members of Common Room and pupils alike.
- to encourage diversity within a predominantly local boarding community through the expansion of the bursary programme, an increase in the number of Foundationers, and regular monitoring of the Admissions process.

Strategies to achieve primary objectives

The first objective is to provide a stimulating learning environment and this is achieved by 160 FTE teachers (2020: 151). These teachers strive to allow every pupil to develop their academic potential. This is achieved by focusing on each individual whilst fostering the broader ethos of the School's community as a whole. The School's structure enables tutors, and at the younger age groups form teachers, to commit time and energy to their tutees and individual pupils in each form.

The provision of a happy and secure pastoral environment is at the core of the School's approach to education. Pupils are cared for within a close 'house' structure that provides for comprehensive individual care based on Christian principles and a strong bond that creates friendships throughout the School. The second element of this objective is to foster a sense of community and citizenship. This has been achieved through links with the local community and with international and regional organisations. The Senior School has had close links with a charity assisting education in Zambia for a decade and, pre-Covid, during school holidays pupils and staff travel to Zambia where Cranleigh has assisted in building a primary school, sponsoring children and is involved with supporting teachers. It is planned to restart these visits as soon as the pandemic situation allows visits to Zambia. The Prep School supports local, national and international charities fostering empathy and responsibility in the younger years.

The co-curriculum is broad. Leadership and decision-making are embedded in many activities. The number of activities on offer to pupils is too numerous to mention here. A clearer understanding of the

CRANLEIGH SCHOOL

whole school approach to the co-curriculum can be found at the School websites www.cranleigh.org and www.cranleighprepschool.org. Readers are encouraged to visit these sites.

Cranleigh Foundation Trustees' Report and Financial Statements outline the continued progress in the development of the Foundation. The Foundation has received donations this year of £334k (2020: £328k) and total income of £371k (2020: £375k). The Foundation supports pupils at Cranleigh School. The Trustees have decided to focus activity on the development of an endowment which will be built up over decades whilst continuing to support Foundationer pupils.

The Charities had no active fund-raising activities this year requiring disclosure under S162A of the Charities Act 2011. The decision to pause fund-raising was made eight years ago and modest resources have been allocated since to establish the conditions for future fund-raising. This has involved friend-raising and data gathering. The School and Foundation are compliant with the General Data Protection Regulation (GDPR). It had been intended to start a fund-raising campaign within the next year but with the uncertainty of the corona virus pandemic this decision is on hold.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The principal activity, as specified in the Articles of Association, is the advancement of education and, in this, the School has had another successful, albeit unique, year. Cranleigh School averaged 675 pupils (2020: 663) of whom 190 (2020:193) were day pupils and Cranleigh Prep School averaged 338 (2020: 338) pupils. At the Prep School the flexible boarding arrangements continued to be popular once boarding returned post lock down in the summer term with, on average, circa 70 pupils boarding at the School each week in the newly refurbished boarding facilities which opened in September 2021. Waiting lists remain full for both schools and demand for places has increased again this year. The school year was successful with many notable specific achievements, some of which are reported below, but the overriding theme for the year, as with last year, has been the impact of Covid-19 and the mitigation needed to limit transmission of the virus whilst still providing a full and varied educational programme, often remotely. Benchmarked surveys compiled by the Independent Schools Council demonstrated very high levels of satisfaction from parents at the remote education offered during lockdown. The School complied with the various requirements specified by Government to limit the spread of Covid-19 but, within this, it has functioned as close as possible to the pre Covid normal. This has not been straightforward, particularly given that Cranleigh is predominantly a boarding school. For much of the year restrictions were placed on external activities such as educational visits and inter school sports fixtures; and internally with activities confined to year group bubbles. Notwithstanding this, staff provided alternatives that enabled pupils to experience the full educational benefit. These alternatives included virtual visits and internal co-educational sport which had the added benefit of allowing pupils to play sports that they would not normally experience. The mixed netball competitions were, for example, highly competitive. The level of attainment for academic and co-curriculum work was generally good and in many cases excellent as shown in more detail below.

The School's academic results in public exams were affected by the cancellation of exams and the subsequent grades awarded by OFQUAL for GCSES and A levels. The School developed a robust process in line with Government guidelines to afford pupils opportunities to demonstrate their capabilities within the required holistic judgement of the centre assessed grading. The excellent results continue to demonstrate the strong and improving academic performance with 29% of A level exams

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achieving A* (2020: 22%) and 91% A*- B grade (2020: 85%). The entry to university this year has been unique; nevertheless, 99% of leavers were successful in securing places at their university of choice. The School continues to be encouraged that for more academically able pupils, as well as the traditional entry to Oxford or Cambridge, students are gaining places and scholarships at Ivy League universities and other leading universities in America; of those gaining places in the UK, 81% gained entry into Russell Group or equivalent universities. Extended Project Qualification (EPQ) exams were completed prior to the Covid-19 lock down at the start of the year and so grades based on actual work were awarded. The School continues to take a national lead in the EPQ and it is encouraging to note that an increasing number of universities, including a significant number in the Russell Group, now recognise the value of EPQ by making a lower A level offer contingent on achieving an A* or A in the EPQ. This year 60% of Year 13 pupils achieved A* or A grades in their EPQ (2020: 55%). GCSE results were also awarded by centre assessed grades, using the same approach as used for A levels. The GCSE results were excellent and a testament to the hard work of both pupils and staff with 74% of exams achieving grades 9 – 7 (2020:70%).

Cranleigh School retains its place amongst the best schools in the country for academic performance which, combined with the breadth of the educational experience, enables pupils to reach their potential. At Cranleigh Prep School every Form 6 (Year 8) pupil again moved to their first choice senior school this year and many scholarships and awards were again granted to Prep School pupils to their first choice senior school. The School continues to be regarded as one of the best preparatory schools in the country.

The School has a broad ethos and academic achievement is just one element of a pupil's education at Cranleigh. Restrictions on external travel meant that there were few external sport fixtures during the year but staff were imaginative and two joint initiatives to develop sport and well-being were successful: internal competitions replaced external fixtures and the 'Cranfit' initiative developed by the Director of Sport increased activity levels for all pupils. 'Cranfit' was particularly successful delivered remotely. This meant that, as in previous years, all pupils continued to play sport at least three times each week and often daily, including at weekends. The internal competitions were a notable success with inter boarding house, cross year group and co-educational sport. The latter was particularly successful for netball and hockey. The competitive spirit of these internal competitions was impressive and level of attainment was extremely high, often more so than for inter school fixtures. It also allowed pupils to play sports that they would not normally have experienced. One notable increase in activity was for girls' cricket and with a new coach this sport is increasing in significance at Cranleigh, in line with global development of the sport. The success and depth of sport at Cranleigh continues therefore to be impressive and this was demonstrated by representative honours and medals for young Old Cranleighans in the England men's cricket team and at the Tokyo Olympics where two former pupils were part of the men's and women's hockey team with the women's team winning the bronze medal. The School takes great pride in providing opportunities for all pupils to participate and recognises the strong link between an active lifestyle and well-being which was at the core of the 'Cranfit' initiative. In this context sport is just one part of a cohesive programme that includes provision of first class medical support, including specialist sports medicine provision, strength and conditioning for all pupils and a balanced diet. This is all part of the wider 'Cranleigh Being' initiative that provides pupils with the resilience for a healthy lifestyle beyond Cranleigh.

The School gives high priority to the performing arts. Lock down restrictions affected music significantly but, as with other areas of Cranleigh's educational and co-curriculum provision, the music department devised a programme that enabled pupils to continue to practice and perform music at a level appropriate to their development. These included several outstanding online concerts that were filmed and their broadcast had the added benefit of broadening the audience for musical events with all having over 1,000 views on YouTube. A virtual Big Band was organised, using recordings from pupils at home, and stitched together to create a complete performance. There were a number of outstanding live

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concerts during the summer term when restrictions had been lifted, notably from Year 9 pupils. Ten pupils received Distinction at Grade 8 in a variety of instruments. One pupil at the Prep School successfully auditioned for the National Youth Choir, several other pupils auditioned for the National Children's Choir of Great Britain and one became a full-time Chorister at Guildford Cathedral. A significant achievement was that a Year 13 pupil was awarded scholarship offers from all four London Conservatoires, and after consideration, decided to accept a major award from the Royal Academy of Music.

The School has a rich history of drama and this year has seen another diverse range of productions. There were outdoor plays in garden settings when restrictions allowed that were a great success and had the added benefit of a small audience largely comprising the parents of those pupils performing. The inability to perform inside meant that pupils were given the opportunity to develop media skills and particularly with the production of films. These were produced to a very high standard and shown widely through the school. Three pupils secured places at drama schools and a further three at universities to study drama.

Away from sport and the arts, pupils have been involved in a broad range of activities to develop their experience and exposure to leadership challenges. Outdoor education retains its important place in the life of both schools. It was unfortunate that at both the Prep School and Senior School external activities were restricted. Notwithstanding this the School's participation in the Duke of Edinburgh's Award (DoE) continued, albeit in a slightly restricted format, with 39 bronze, 16 silver and 2 gold certificates awarded. Furthermore, younger pupils were able to experience camping and associated outdoor activities which proved highly popular. The CCF was able to operate and it continues to expand. It is stronger again this year than at any time in the last decade with 174 cadets (2020: 139). During the lock downs CCF continued online for all cadets. The CCF also makes up the core of the newly reformed shooting team which has entered teams into rifle competitions at Bisley for the first time in many years. This activity has broadened opportunities available to pupils.

The majority of plans to refurbish buildings at the Prep School that were put on hold at the start of the Covid-19 pandemic, as reported in the 2020 Directors' Report, commenced at the start of summer 2021 and have all now been completed. This includes the reorganisation and refurbishment of boarding facilities and a new Learning Support department. The completion of these projects leaves, at the Prep School, just the refurbishment of the gym/theatre (The Wyatt Hall) from pre Covid-19 development plans.

Public benefit

Cranleigh School continues to be committed to the provision of public benefit in accordance with its founding principles. The requirement to report public benefit in more detail is formalised in the Charities Act 2011.

The awarding of bursaries is a measurable means of providing public benefit. The Trustees consider that bursaries, awarded to those who would not otherwise be able to afford the fees, are important, but not to the exclusion of the much wider benefit that Cranleigh provides within the local community. Those pupils who attend Cranleigh and who receive this financial support contribute to the School community in a variety of ways and so enrich the whole School and, in some cases, the community outside the School. The value of scholarships and bursaries to people who would not otherwise be able to afford the fees to attend Cranleigh School was this year £1,044k (2020: £1,174k).

In addition to bursaries the School has engaged in many activities that provide public benefit in accordance to the Charity's objectives and these are listed in a register maintained by the School. Examples of the types of benefit are partnerships with local maintained schools so that teachers from Cranleigh School teach at local maintained schools if there is a need for enhancement in a particular

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area. Three members of staff are governors at local primary schools. The School's outreach programme into the community is active and has during the year involved activities such as the relief of hardship through support by Cranleigh Mission and support to local sports clubs. Forty six local sports clubs use the School's sporting facilities and outreach assistance includes maintenance by the School's grounds department of the estate at Glebelands School, the maintained secondary school bordering Cranleigh School. In many cases the School's support is focused on providing support to the youth sections of sports clubs. The School has formed a good relationship with the Surrey Virtual School supporting educational programmes for looked after children. This theme of social responsibility is important as Cranleigh School aims to develop local community projects.

It is difficult, to measure accurately the financial cost to the School of this public benefit, that is given in addition to bursaries, but it is certainly well into six figures. The benefit provided by bursaries and other activities can also be considered alongside the benefit of educating the 1013 pupils (191 in the primary school sector) which, in itself, has saved the exchequer some £5,925,200k¹ this year.

Cranleigh Foundation is an integral element in the provision of public benefit. There are six Foundation bursary holders (Foundationers) in the School in September 2021 each with a bursary covering either full fees or a significant proportion of full fees. The School continues to seek candidates to be Foundationers. The financial benefit to Foundationers this year was £214k (2020:£192k).

FINANCIAL REVIEW

Results for the year

The School's consolidated net movement in funds in the attached financial statements is £10,579k (2020: (£931k)). The surplus made by Cranleigh School (net incoming funds from operations before transfers and investment gains) was £7,301k for the year (2020: £904k). Following a renegotiation of the School's overseas agreement with its partner in Abu Dhabi, the School received a lump sum buy out of future profit share obligations totalling £4,805k. The School will continue to receive management fee income. The FRS 102 pension valuation is a non-cash item within the School's accounts and has calculated that the scheme has a funding surplus of £2,248k and that the funding level is in surplus (2020: deficit of £1,716k).

The Governing Body conducted regular reviews of the School's financial performance throughout the Covid-19 lock down, starting in March 2020. It was decided to discount fees during those periods when remote learning for all pupils was implemented. The discount during these periods was 34% for boarders and between 20% and 25% for day pupils. Furthermore, the School, wherever appropriate, were flexible with payment options for those families most effected by Covid-19 and in some cases Covid bursaries were awarded.

Forecast for the current year (2021/22)

The Governing Body has considered several factors when forming their conclusion as to the use of the going concern basis for the basis of preparation of these financial statements including a review of updated forecasts to 31 December 2023, a consideration of the key risks, including the impact of Covid-19, that could negatively affect the charity and its working capital requirements. Recent Governing Body financial reviews have focused on the risks for the current school year and beyond, including the impact of Covid-19.

The two schools started the school year in September 2021 with 679 pupils at the Senior School and 330 at the Prep School. This is a significant increase on pre-covid levels against a background of

¹2020 Annual Report on Education Spending in England by the Institute of Fiscal Studies (page 8). £6,000 per pupil in secondary schools and £5,200 per pupil in primary schools.

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continued interest during the summer together with reputational gain built up from a further period of successful remote learning. Re-engagement with all pupils and parents, old, current and new is the theme for the new year. Fee income for the first term of the 2021/22 school year has been strong with an indication that payment of fees will be consistent with previous years, albeit with a higher number than usual of short term bursaries because of temporary financial shock caused by Covid-19 restrictions. The brakes on expenditure have been lifted as school life returns back to normal but continues to be closely controlled. The School's cash flow forecast indicates that cash remains positive, without the need to liquidate reserves, for most scenarios but were there to be two school terms of significantly lower income caused by another Covid-19 lockdown then reserves may need to be realised to remain cash positive and thereby provide working capital and meet the requirements of bank covenants. Given this position the Governing Body concludes that School's finances at the start of the current year and for the year ahead are sound and so it continues to adopt the going concern basis in preparing the financial statements.

Investment policy, objectives and performance

The Governing Body has a balanced risk policy for investments. This is set out in the Statement of Investment Principles which is reviewed annually. The Finance Committee has delegated responsibility for investments to an Investment Committee. The Investment Committee comprises the Chair of the Finance Committee, two former members of the Governing Body who each have specialist knowledge and the Director of Finance. The Committee meet the School's investment advisors four times a year and provide a brief for the Governing Body at each Finance Committee meeting. Investment performance is measured against appropriate benchmarks and the Finance Committee is satisfied that performance is good when measured against benchmarks. This year performance has again been ahead of inflation and the portfolio increased in value by 22.5% (2020: (2.3%)) to £4,692k. The Governing Body considers the performance of investments over the year to be tracking well and in line with benchmark total returns.

Reserves level and policy

Cranleigh School has total reserves of £9,692k (2020: £6,830k). The School's reserves policy is to maintain sufficient unrestricted funds to meet an unexpected shortfall of revenue in order to provide cash for three months operating costs at an average of £2,380k per month. The School's reserves comprise the investment portfolio valued at £4,692k, the unused bank facility of £2,000k and unused overdraft of £3,000k. Total reserves at 31st July therefore exceeded the £7,140k sum required by the policy. This position has been re-examined after the year-end and in light of the financial impact of Covid-19. Financial performance remains strong at the date of signing and although the level of reserves at the year exceeds the sum required by the policy, this is considered appropriate in the current environment to provide additional headroom for future potential challenges arising from Covid-19.

The Charity has not conducted active fund-raising during the year and the staff associated with fund-raising were placed on the Government's Job Retention Scheme for much of the reporting year. Notwithstanding this Cranleigh Foundation (Charity Number 1122918) raised £371k (2020: £374k) during the accounting year from donations and legacies.

Principal risks and uncertainties

Cranleigh School Governing Body is responsible for the management of the risks faced by the School. Risk Management is delegated to the Risk Management Group (RMG) which reports formally to the Governing Body each autumn. This Committee comprises four members of the Governing Body and it is assisted in its work by senior management and other staff as necessary. The process provides continuous assessment of risks through the auspices of the sub committees with each taking responsibility for risks, and where appropriate mitigation, in its given area of expertise. The generic controls used by the Charity to minimise risks include:

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- oversight of key areas of risk, such as health and safety and safeguarding, by individually nominated governors;
- formal agendas for Committee and Board activity;
- formal strategic planning, reviewed annually and assisted by the Strategy and Risk Committee;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies;
- vetting procedures as required by law for the protection of the vulnerable;
- compliance with regulations that apply to the running of a school;
- declaration of conflicts of interest, renewed at each Governing Body meeting, including sub committee meetings.

The most significant external risk facing the School is the financial effect of Covid-19 and the associated regulations to limit the spread of the virus. The School has opened successfully for the autumn term in 2021. The RMG is mindful that the situation could change. Measures therefore in place to mitigate the Covid-19 risk are:

- A comprehensive risk assessment to ensure that internal procedures limit the possibility of spreading Covid-19 within the School.
- Enhanced remote learning to enable either a full remote offer or a blended offer allowing some pupils to attend teaching whilst others are remote learning.
- Financial measures to balance income with expenditure.
- Regular Governing Body meetings to review operations, plans and possible contingencies.

The previous direction given to the executive to place Safeguarding of pupils as the School's first priority remains and within this Covid-19 risks are an element of Safeguarding. Health and Safety is both a Safeguarding and more general risk and both risks are residual and so will endure. The RMG is mindful that with considerable effort devoted to mitigating Covid-19 risks there must continue to be emphasis on Safeguarding in its widest sense.

With this in mind, the School has embarked on a comprehensive programme of sex and relationships education, working closely with Teach Us Consent to address issues of sexual violence raised by the Ofsted Enquiry following the murder of Sarah Everard and the launch of Everyone's Invited. The School has also prioritised anti-racist education and a governors' working party formed in 2021 will support the School leadership as it reviews and encourages diversity across the school

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. Sports' injuries are monitored carefully, each being tracked, to record trends in order to identify those elements of sport most likely to cause injury so that mitigating actions can be taken. To release any potential pressures on the NHS ambulance service, and prevent further risk of injury, all matches this term will have private medical facilities on the touch line. There continues to be interest in the wider education community about the risk of injury on the rugby field.

The Governing Body seeks to understand some individual risks in more detail and from time-to-time initiates external scrutiny. There have been no external studies this year because resources have been devoted to mitigating Covid-19 risks.

The Governing Body is satisfied that the major risks have been identified and controls put in place to adequately manage risk. It is recognised that systems can provide reasonable but not absolute assurance that major risks are being managed.

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Future plans

The School Development Plan of 2015 is now complete. A new development cycle has commenced and will be complete by 2023. The core work of this plan is that Cranleigh School will continue to articulate and extend its culture through *Cranleigh Thinking, Cranleigh Being and Cranleigh Giving*.

Cranleigh Thinking teaches pupils to think beyond the test, to become independent learners who know how to learn, adapting to changing contexts.

Cranleigh Being promotes a culture in which *who* we are and *how* we are is as important as what we achieve and in which the well-being of all in the community is a priority.

Cranleigh Giving encourages all in the community to think beyond themselves and to consider how they will share their resources, time and expertise. It also seeks to widen access to Cranleigh, offering opportunities to young people from a diverse range of backgrounds and experience.

Together, these themes express the aspiration that all members of the community are encouraged to be thinking, being, giving individuals who are able to consider who they are, what they will be and how they will be now and in the future. It is this aspiration that is to be taken forward in the next school development plan.

The Governing Body and senior executives are actively refining the development plan so that the School remains resilient and continues to advance its charitable objects post the coronavirus pandemic. These refinements will be considered during the current term and then in detail at the Governing Body strategy day in March 2022.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue to operate.

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

Insofar as each of the members of the Governing Body at the date of approval of this report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with

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preparing the audit report) of which the Charity's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

AUTHORISATION

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Cranleigh School on 27th November 2021, including in their capacity as company directors approving the Directors' and Strategic Reports contained therein, and is signed as authorised on its behalf by the Chairman of the Governing Body.

A handwritten signature in black ink, appearing to read 'Adrian Lajtha', written in a cursive style.

Adrian Lajtha
(Chairman of Governing Body)

Independent Auditor's Report to the Members of Cranleigh School

Opinion

We have audited the financial statements of Cranleigh School ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2021 which comprise Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Statement of Cashflows and notes to the financial statements, including 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 group's and the charitable company's affairs as at 31 July 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

We also considered compliance with local legislation for the group's overseas operating segments.

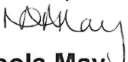
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of voluntary income, the timing of recognition of other trading activities, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.


Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date 20th December 2021

CRANLEIGH SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2021

		Trading School Subsidiaries				
		Unrestricted Funds	Unrestricted Funds	Restricted Funds	Group	Group
	Note	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2020 £'000
INCOME FROM:						
Charitable activities						
School fees	2	26,029	-	-	26,029	24,759
Other income	4	690	-	-	690	1,014
Other trading activities						
Facilities and trading income	5	1	6,228	-	6,229	751
Other incoming resources	5	599	-	-	599	895
Share of surplus from Joint Venture	5	-	319	-	319	164
Investments						
Investment income	6	37	-	31	68	88
Bank and other interest	6	-	-	-	-	-
Voluntary sources						
Donations and legacies	7	31	-	360	391	411
Fundraising events	7	-	-	6	6	19
Total incoming resources		27,387	6,547	397	34,331	28,101
EXPENDITURE ON:						
Raising funds						
Trading costs	8	-	351	-	351	412
Share of loss from Joint Venture	12	-	-	-	-	-
Other income-generating activities		-	-	-	-	1
Financing costs	9	774	1	-	775	948
Investment management		29	-	-	29	25
Fundraising & development		-	-	1	1	4
Total deductible costs		803	352	1	1,156	1,390
Charitable activities						
Education and grant making	8	25,818	-	56	25,874	25,807
Total expenditure		26,621	352	57	27,030	27,197
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		766	6,195	340	7,301	904
Gains/(losses) on investments	12	854	-	176	1,030	(119)
NET INCOME / (EXPENDITURE)		1,620	6,195	516	8,331	785
Transfers						
Other recognised gains / (losses):		5,276	(5,276)	-	-	-
Pension scheme actuarial gain/(loss)	20	2,248	-	-	2,248	(1,716)
NET MOVEMENT IN FUNDS FOR THE YEAR		9,144	919	516	10,579	(931)
FUNDS B/FWD 1 AUGUST 2020		36,462	387	1,468	38,317	39,248
FUNDS C/FWD 31 JULY 2021		45,606	1,306	1,984	48,896	38,317

The notes on pages 24 to 40 form part of these accounts

CRANLEIGH SCHOOL

BALANCE SHEETS AS AT 31 JULY 2021

	Note	School 2021 £'000	School 2020 £'000	Group 2021 £'000	Group 2020 £'000
FIXED ASSETS					
Tangible assets	11	58,288	59,764	58,309	59,796
Investments	12	4,692	3,830	6,770	4,913
		<u>62,980</u>	<u>63,594</u>	<u>65,079</u>	<u>64,709</u>
CURRENT ASSETS					
Stocks		36	46	202	232
Debtors - due within one year	13	5,677	755	396	481
- due after one year	13	85	115	85	115
Cash and bank balances		2,868	196	9,268	1,120
		<u>8,666</u>	<u>1,112</u>	<u>9,951</u>	<u>1,948</u>
CURRENT LIABILITIES					
Creditors payable within one year	14	(8,386)	(7,970)	(8,480)	(8,066)
		<u>(8,386)</u>	<u>(7,970)</u>	<u>(8,480)</u>	<u>(8,066)</u>
NET CURRENT ASSETS / (LIABILITIES)					
		<u>280</u>	<u>(6,858)</u>	<u>1,471</u>	<u>(6,118)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>63,260</u>	<u>56,736</u>	<u>66,550</u>	<u>58,591</u>
LONG-TERM LIABILITIES					
Creditors payable after one year	15	(17,654)	(18,064)	(17,654)	(18,064)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY					
		<u>45,606</u>	<u>38,672</u>	<u>48,896</u>	<u>40,527</u>
Pension scheme funding	20	-	(2,210)	-	(2,210)
TOTAL NET ASSETS					
		<u>45,606</u>	<u>36,462</u>	<u>48,896</u>	<u>38,317</u>
FUNDS					
Foundation restricted funds		-	-	1,984	1,468
Trading subsidiaries		-	-	100	100
School unrestricted funds		45,606	38,672	46,812	38,959
Pension reserve	20	-	(2,210)	-	(2,210)
TOTAL FUNDS					
	18	<u>45,606</u>	<u>36,462</u>	<u>48,896</u>	<u>38,317</u>

The net movement in funds for the financial year dealt with in the financial statements of the parent company was £9,144k (2020:(£1,414k))

Approved and authorised for issue by the Governors on 27 November 2021
and signed on their behalf by



Adrian Lajtha (Chairman of Governing Body)

The notes on pages 24 to 40 form part of these accounts

Company No.3595824

CRANLEIGH SCHOOL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2021

	2021	2020
	£'000	£'000
Net cash inflow from operations		
Net cash provided by / (used in) operating activities (a)	<u>10,865</u>	<u>3,125</u>
Cash flows from investing activities		
Payments for tangible fixed assets	(284)	(111)
Proceeds on sale of tangible fixed assets	-	-
Purchase of investments	(537)	(260)
Withdrawals from investments	29	24
Investment income and bank interest received	<u>37</u>	<u>60</u>
Net cash (used in) / provided by investing activities	(755)	(287)
Cash flows from financing activities		
Finance costs paid	(659)	(719)
Advance fees: New contracts	1,883	994
Accrued to contracts	53	48
Appropriations	(1,620)	(1,943)
Loan Facility	<u>(1,619)</u>	<u>(594)</u>
Net cash provided by financing activities	(1,962)	(2,214)
	<u>8,148</u>	<u>624</u>
Debt repayment (net)	1,619	594
	<u>9,767</u>	<u>1,218</u>
Change in cash and cash equivalents in the reporting period	9,767	1,218
Cash and cash equivalents at the beginning of the reporting period	(18,158)	(19,376)
Cash and cash equivalents at the end of the reporting period (b)	<u>(8,391)</u>	<u>(18,158)</u>

The notes on pages 24 to 40 form part of these financial statements

CRANLEIGH SCHOOL

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2021

(a) Reconciliation of net income to net cash flow from operating activities

	2021		2020
	£'000		£'000
Net incoming resources	7,300		904
Elimination of non-operating cash flows:			
Investment income	(37)	(60)	
Finance costs paid	659	719	
Pension gains less contributions paid	(2,210)	1,685	
Depreciation	1,771	1,876	
Profit from disposal of assets	-	-	
(Increase)/Decrease in stock	30	15	
Decrease/(Increase) in debtors	115	99	
Increase/(Decrease) in creditors	<u>3,237</u>	<u>(2,113)</u>	2,221
	<u>10,865</u>		<u>3,125</u>

(b) Analysis of cash and cash equivalents

	1 August 2020	Cash Flow	31 July 2021
	£' 000	£' 000	£' 000
Cash at bank and in hand less overdraft	1,120	8,148	9,268
Loan facility - Handelsbanken	<u>(19,278)</u>	<u>1,619</u>	<u>(17,659)</u>
	<u>(18,158)</u>	<u>9,767</u>	<u>(8,391)</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1. ACCOUNTING POLICIES

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 July 1998 (Company No. 3595824) and registered as a charity (Charity No. 1070856).

The financial statements have been prepared in accordance with 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 15.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School and with its wholly owned subsidiaries Cranleigh Enterprises Limited (Company No. 2902113), Cranleigh Foundation (Company No.1122918) and Cranleigh Education Services Limited (Company No. 8224546). Cranleigh Education Services Limited also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture. 50% of the Joint Venture profits are included in the Group accounts. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The net incoming resources of the Charity are disclosed on page 28. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments. The charity has taken advantage of exemption 408 of the Companies Act and as such a separate parent income statement has not been prepared.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The School has recognised its liability in relation to the Cranleigh School Pension Scheme which involves a number of estimations as detailed in note 20.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1. ACCOUNTING POLICIES (continued)

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

Rental income (including incentives received or paid) for operating leases on investment property are recognised in profit or loss on a straight line basis over the lease term.

1.3 Donations, legacies, grants and other voluntary incoming resources

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

Voluntary income for the School's 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 is 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 the case of donated services or facilities.

1.4 Advance Fee Scheme

Interest is paid by the charity on the advance, in which case the transaction is in substance a loan and is classed as a basic financial instrument. The financing cost is the interest paid and this must be treated as an interest expense. (If the interest rate paid is below the market rate for an equivalent loan, then the loan may qualify for treatment as a concessionary loan)

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. The direct costs incurred in preserving the School's ancient buildings and their contents are shown as a charitable activity distinct from that of education and grant making. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments. Governance costs comprise the costs of complying with constitutional and statutory requirements. Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £5,000 are capitalised and carried in the balance sheet at historical cost. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on equipment incurred in the normal day-to-day running of the School and its subsidiaries is charged to the Statement of Financial Activities as incurred.

1.7 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

School buildings, including major extensions	15-50 years
Staff housing	50 years
Furniture, machinery and equipment	3-30 years
Motor vehicles	5 years
IT	4 years

1.8 Investments

Investment properties are valued as individual investments at their market values as at the balance sheet date. Rental income is recognised in the period to which it relates. Purchases and sales of investment properties are recognised on exchange of contracts.

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

1.9 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

1.10 Fund accounting

The charitable trust funds of the School and its subsidiaries are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1. ACCOUNTING POLICIES (continued)

1.11 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

(a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

(b) The Cranleigh School Pension Scheme - This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit liability is presented separately after other net assets on the face of the balance sheet. If the School cannot recover any pension scheme asset, it is not recognised in accordance with FRS 102.

(c) The Cranleigh School Group Personal Pension Plan - This is a defined contribution group personal pension plan with Aviva. Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

1.12 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1.13 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

2. CHARITABLE ACTIVITIES - FEES	2021 £'000	2020 £'000
Fees receivable consist of:		
Gross fees	30,059	28,629
Less: Total bursaries, grants and allowances	(4,055)	(3,925)
Add back: Bursaries paid for by donations to the Fee Relief Fund	<u>25</u>	<u>55</u>
The above educational awards were made to 384 pupils (2020 : 388).	<u>26,029</u>	<u>24,759</u>

3. SUBSIDIARY COMPANIES

Cranleigh Enterprises Limited, is a company in which the School owns all 100 £1 shares, and the aggregate amount of assets, liabilities and funds is £14.9k. The trading activities of Cranleigh Enterprises Limited comprise a retail operation (supplying school clothing, sportswear and sports equipment, for pupils, teachers and employees of Cranleigh School), and the lettings of School facilities. The turnover was £320k and the net profit £22.3k with £46.2k of net funds. The net profit earned by this company is donated annually to Cranleigh School under Gift Aid. The value of goods and services supplied to the School by the company in the year was £47.4k (2020 : £54.9k) and the value of services supplied to the company by the School in the year was £0k (2020 : £Nil). The Gift Aid donation for the year of £31k (2020 : £85k) has been shown on the Statement of Financial Activities as a transfer to the School.

Cranleigh Education Services Limited is a company in which the School owns all 100 £1 shares and the aggregate amount of assets, liabilities and funds is £881k. The trading activities of Cranleigh Education Services Limited is to facilitate the establishment of overseas schools and then monitor the running of overseas schools once open. The turnover was £5,908k and the net profit £5,852k. There were no services supplied to the School by the Company in the year and £27.7k services supplied to the Company by the School in the year. The Gift Aid donation for the year of £5,245k (2020 : £214k) has been shown on the Statement of Financial Activities as a transfer to the School.

Both trading companies are now consolidated within the group financial statements as detailed in the Statement of Accounting Policies.

Cranleigh School is also the sole member of Cranleigh Foundation, a company limited by guarantee established to promote and advance any charitable purpose directly connected with Cranleigh School. The financial results of Cranleigh Foundation are included as the Foundation restricted funds within these consolidated accounts

4. CHARITABLE ACTIVITIES - OTHER INCOME	2021 £'000	2020 £'000
Educational visits	182	408
Activities	115	216
Other	294	301
Rental income	83	52
Registration fees	16	37
	<u>690</u>	<u>1,014</u>

5. OTHER TRADING ACTIVITIES	2021 £'000	2020 £'000
Facilities and trading income		
Cranleigh School	1	31
Cranleigh Enterprises Ltd	320	432
Cranleigh Education Services Ltd	<u>5,908</u>	<u>288</u>
	<u>6,229</u>	<u>751</u>
Other incoming resources		
Surplus on asset sales	-	-
Foundation (recoveries)	-	4
Other	<u>599</u>	<u>891</u>
	<u>599</u>	<u>895</u>
Share of surplus from JV		
C R Education Ltd (see note 12)	<u>319</u>	<u>164</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

6. INVESTMENTS	2021 £'000	2020 £'000
Investment income	<u>68</u>	<u>88</u>
Bank and other interest		
Bank interest	<u>-</u>	<u>-</u>

7. VOLUNTARY SOURCES	2021 £'000	2020 £'000
Donations and legacies		
Donations to Cranleigh School	57	83
Donations to Cranleigh Foundation	<u>334</u>	<u>328</u>
	<u>391</u>	<u>411</u>

During the year Cranleigh Foundation has awarded grants to Cranleigh School totalling £0k (2020: £4k) to support bursaries and various capital projects being carried out by the School, all of which were completed in the year. Cranleigh Education Services donated £0k (2020: £0k) to the School during the year.

Fundraising events	2021 £'000	2020 £'000
Cranleigh Foundation Ltd	<u>6</u>	<u>19</u>

8. ANALYSIS OF EXPENDITURE				Total 2021 £'000	Total 2020 £'000
	Staff Costs £'000	Other £'000	Depreciation £'000		
a) Total expenditure					
Costs of generating funds					
Trading costs	70	270	11	351	412
Cost of other activities	-	-	-	-	1
Financing costs	-	775	-	775	948
Investment	-	29	-	29	25
Fundraising	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>4</u>
Total costs of generating funds	<u>70</u>	<u>1,075</u>	<u>11</u>	<u>1,156</u>	<u>1,390</u>
Charitable expenditure					
Education and grant making					
Teaching costs	12,629	1,777	102	14,508	14,858
Welfare	2,594	1,280	13	3,887	3,532
Premises	1,015	2,430	1,458	4,903	4,710
Support costs and governance	812	1,521	187	2,520	2,625
Grants and awards	<u>-</u>	<u>56</u>	<u>-</u>	<u>56</u>	<u>82</u>
Total charitable expenditure	<u>17,050</u>	<u>7,064</u>	<u>1,760</u>	<u>25,874</u>	<u>25,807</u>
Total expended	<u>17,120</u>	<u>8,139</u>	<u>1,771</u>	<u>27,030</u>	<u>27,197</u>

b) Grants and awards			2021 £'000	2020 £'000
From Restricted Funds:	Bursaries		25	55
From Unrestricted Funds:	Bursaries		<u>31</u>	<u>27</u>
			<u>56</u>	<u>82</u>

c) Governance included in support costs			2021 £'000	2020 £'000
Remuneration paid to auditor for audit services:	School		26	25
	Subsidiaries		8	8
Reimbursement of personal expenses to Governors - travel costs			-	-
Other governance costs			<u>125</u>	<u>261</u>
			<u>159</u>	<u>294</u>

Travel expenses were reclaimed by nil members (2020: 2) of the Governing Body.

In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £4.6k (2020: £12.1k)

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

9. FINANCING AND OTHER COSTS	2021 £'000	2020 £'000
Bank interest and charges	722	900
Advanced fees discounts	<u>53</u>	<u>48</u>
	<u>775</u>	<u>948</u>

10. STAFF COSTS AND REPLATED PARTY TRANSACTIONS

	2021 £'000	2020 £'000
The aggregate payroll costs for the year were as follows		
Wages and salaries	13,393	13,087
Social security costs	1,307	1,278
Pension costs	<u>2,420</u>	<u>2,287</u>
	<u>17,120</u>	<u>16,652</u>

No Governor received remuneration in 2021 (2020: £16.3k) from Cranleigh Education Services Ltd. The granting of a benefit to any Governor is consistent with the School's policies for benefits and no Governor receives any remuneration or benefit that would not be available to a parent.

Aggregate employee-benefits of 18 (2020: 18) key management personnel	<u>1,904</u>	<u>1,911</u>
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The number of higher paid employees in bands of:

£ 60,001 - £ 70,000	20	18
£ 70,001 - £ 80,000	7	8
£ 80,001 - £ 90,000	3	2
£ 90,001 - £100,000	2	2
£ 100,001 - £110,000	0	0
£ 110,001 - £120,000	1	2
£ 120,001 - £130,000	0	0
£ 130,001 - £140,000	0	0
£ 140,001 - £150,000	0	0
£ 150,001 - £160,000	0	0
£ 160,001 - £170,000	<u>1</u>	<u>1</u>

34 33

The number with retirement benefits accruing

- in Defined Contribution schemes was	31	29
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of which the contributions amounted to	£506,000	£493,000
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The average number of the School's employees during the year calculated on a full time equivalent basis was 341 (2020: 335). The average headcount for the year was 401 (2020: 408)

	2021 £'000	2020 £'000
Teaching	166	165
Welfare	80	74
Premises	32	33
Support	14	14
Other activities	<u>49</u>	<u>49</u>
	<u>341</u>	<u>335</u>

During the year no termination payments were made (2020: £Nil). There were none outstanding at the year end.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

11. TANGIBLE FIXED ASSETS	Freehold Land & Buildings £'000	Assets Under Construction £'000	Motor Vehicles £'000	Fittings & Equipment £'000	IT Hardware £'000	Total £'000
Cost (or frozen valuation)						
At 1 August 2020	72,339	670	238	4,138	2,192	79,577
Additions	5	93	-	52	134	284
Transfers	-	-	-	-	-	-
Disposals	-	-	(6)	(44)	(177)	(227)
At 31 July 2021	<u>72,344</u>	<u>763</u>	<u>232</u>	<u>4,146</u>	<u>2,149</u>	<u>79,634</u>
Depreciation						
At 1 August 2020	14,652	-	205	3,003	1,921	19,781
Charge for year	1,428	-	11	152	180	1,771
Disposals	-	-	(6)	(44)	(177)	(227)
At 31 July 2021	<u>16,080</u>	<u>-</u>	<u>210</u>	<u>3,111</u>	<u>1,924</u>	<u>21,325</u>
Net book values						
At 31 July 2021	<u>56,264</u>	<u>763</u>	<u>22</u>	<u>1,035</u>	<u>225</u>	<u>58,309</u>
At 31 July 2020	<u>57,687</u>	<u>670</u>	<u>33</u>	<u>1,135</u>	<u>271</u>	<u>59,796</u>

The School's fixed assets total £58,288k and Cranleigh Enterprises £21k.

All tangible fixed assets are held for use on charitable activities.

The freehold land and buildings, excluding separate buildings, comprising Cranleigh School and Cranleigh Preparatory School were revalued in 1999. Buildings were not previously depreciated, but with effect from 1 August 2005, depreciation is calculated over 50 years for all School buildings. When building projects are still in progress at the year end, depreciation is not calculated until the financial year in which the asset is brought into full use. Land is not depreciated.

12. SECURITIES INVESTMENTS	School 2021 £'000	School 2020 £'000	Group 2021 £'000	Group 2020 £'000
Group investments				
Balance at 1 August 2020	3,632	3,722	4,618	4,501
New money invested from realised gains	-	-	-	-
New money invested	-	-	500	200
Reinvested Income	37	60	37	60
Investment management fees	(29)	(24)	(29)	(24)
Increase/(decrease) in value of investments	854	(126)	1,030	(119)
Group investments at 31 July 2021	<u>4,494</u>	<u>3,632</u>	<u>6,156</u>	<u>4,618</u>
Balance at 1 August 2020	198	198	295	148
Investment in Subsidiary	-	-	-	-
Subsidiary investment in Joint Venture	-	-	319	147
School investments at 31 July 2021	<u>198</u>	<u>198</u>	<u>614</u>	<u>295</u>
School investments at 31 July 2021	<u>4,692</u>	<u>3,830</u>	<u>6,770</u>	<u>4,913</u>
Investments comprise:				
Listed investments - Equities	4,480	3,595	6,142	4,581
Cash	14	37	14	37
Group investments	<u>4,494</u>	<u>3,632</u>	<u>6,156</u>	<u>4,618</u>
Investment in Subsidiary	198	198	-	-
Subsidiary investment in Joint Venture	-	-	614	295
School investments	<u>198</u>	<u>198</u>	<u>614</u>	<u>295</u>
School investments	<u>4,692</u>	<u>3,830</u>	<u>6,770</u>	<u>4,913</u>

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Securities investments are managed for the School by Brewin Dolphin Ltd. All investments are managed and held in the UK.

Original cost of investments held at 31 July 2021 is £2.078m (2020 : £1.939m)

The School has invested £198,001 in Cranleigh Education Services Ltd purchasing all 100 shares.

Cranleigh Education Services Ltd also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture in relation to the construction, operation and management of a school in Abu Dhabi. Cranleigh Education Services Ltd holds 50 shares with a nominal value of Dirhams 1000 each. With the school having opened in September 2014, Cranleigh Education Services Ltd now incorporates 50% of the Joint Venture profit to 31 August 2020 and 70% of the Joint Venture profit from 1 September 2020 to 31 July 2021. The subsidiary's share of turnover for the year ended 31 July 2021 was £6,635k (2020: £466k) with a net profit of £5,774k (2020: £164k) and the aggregate share of assets, liabilities and funds of the Joint Venture is £606k (2020: £287k).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

13. DEBTORS	School	School	Group	Group
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Fees	17	173	17	173
Sundry debtors	91	78	196	194
Prepayments	167	107	167	107
Staff loans	101	122	101	122
Amounts due from Cranleigh Enterprises Ltd	110	91		
Amounts due from Cranleigh Education Services Ltd	-	-		
Gift aid donations from subsidiary companies	5,276	299		
	<u>5,762</u>	<u>870</u>	<u>481</u>	<u>596</u>

All debtors are due within one year, except for £85k (2020:£115k) of staff loans, which are due after more than one year.

The above fees are net of bad debt provision £353k (2020:£394k).

14. CREDITORS :	School	School	Group	Group
amounts falling due within one year	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans (see Note 17)	1,626	2,604	1,626	2,604
Fees received in advance	751	615	751	615
Final term deposits	2,049	1,822	2,049	1,822
Taxation, social security and pension contributions	726	692	726	692
Amounts due to Cranleigh Enterprises Ltd	-	-	-	-
Overdraft	-	-	-	-
Other creditors and accruals	1,969	1,056	2,063	1,152
	<u>7,121</u>	<u>6,789</u>	<u>7,215</u>	<u>6,885</u>
Advance fees (see Note 16)	1,265	1,181	1,265	1,181
	<u>8,386</u>	<u>7,970</u>	<u>8,480</u>	<u>8,066</u>

15. CREDITORS :	School	School	Group	Group
amounts falling due after one year	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans (see Note 17)	16,033	16,674	16,033	16,674
Advance fees (see Note 16)	1,621	1,390	1,621	1,390
	<u>17,654</u>	<u>18,064</u>	<u>17,654</u>	<u>18,064</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

16. ADVANCE FEE PAYMENTS

Parents may enter into a contract to pay to the School up to the equivalent of ten years' tuition fees in advance. The amounts received are treated as deferred income and form part of the School's working capital. Fees are taken to income for each term as the relevant pupils progress through the School. Advance payments may be returned subject to specific conditions on the receipt of one term's notice.

	2021	2020
	£'000	£'000
Assuming pupils will remain in the School, advance fees will be applied as follows :		
After 5 years	-	-
Within 2 to 5 years	1,621	1,390
Within 1 year (Note 14)	1,265	1,181
	<u>2,886</u>	<u>2,571</u>

The balance represents the accrued liability under the contracts, and the movements during the year were:

	£'000	£'000
Balance at 1 August 2020		2,571
New contracts		1,882
Amounts accrued to contracts		53
		<u>4,506</u>
Amounts utilised in payment of fees:		
To the School	(1,564)	
To other schools	(52)	
Refunds	<u>(4)</u>	
		<u>(1,620)</u>
Balance at 31 July 2021		<u>2,886</u>

17. LOAN FINANCE

Credit facilities with Handelsbanken are currently in place, on which interest is payable at normal commercial rates. The loan facilities are secured by separate First Legal Mortgages executed by the School over certain freehold properties owned by the School. The structure is shown in the following table.

	£'000
5.33% Fixed rate amortizing credit facility expiring 23 April 2022	3,080
Libor + 1.65% amortizing credit facility expiring 25 July 2022	1,259
5.28% Fixed rate amortizing credit facility expiring 30 March 2024	2,482
Libor + 1.65% revolving credit facility expiring 30 March 2022, £3m available, £1m utilised	3,000
2.91% Fixed rate amortizing credit facility expiring 17 July 2022	2,205
3.24% Fixed rate amortizing credit facility expiring 2 April 2023	2,260
2.95% Fixed rate amortizing credit facility expiring 22 November 2022	2,232
2.77% Fixed rate amortizing credit facility expiring 12 August 2022	2,210
3.07% Fixed rate amortizing credit facility expiring 29 March 2024	931
	<u>19,659</u>

The facilities are repaid by quarterly installments with the exception of the revolving credit which is repayable on maturity. All facilities mature as follows:

	2021	2020
	£'000	£'000
After 5 years	13,305	14,038
Within 2 to 5 years	2,728	2,636
Within 1 year	1,626	2,604
	<u>17,659</u>	<u>19,278</u>

In addition there is a revolving current account overdraft facility from Handelsbanken of £3m expiring on 30 September 2022.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

18. STATEMENT OF FUNDS

	Balance 1 August 2020 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Balance 31 July 2021 £'000
Fees relief fund	-	25	(25)	-	-
Foundation	1,468	372	(32)	176	1,984
Total restricted funds	<u>1,468</u>	<u>397</u>	<u>(57)</u>	<u>176</u>	<u>1,984</u>
Total unrestricted funds	36,849	33,934	(26,973)	3,102	46,912
Total funds	<u>38,317</u>	<u>34,331</u>	<u>(27,030)</u>	<u>3,278</u>	<u>48,896</u>

The funds of the Foundation are considered to be restricted given the aims and objects are narrower than the School and as such are accounted for as a restricted fund in the Group.

19. COMPARATIVE STATEMENT OF FUNDS (*restated*)

	Balance 1 August 2019 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Balance 31 July 2020 £'000
Fees relief fund	-	55	(55)	-	-
Foundation	1,125	374	(38)	7	1,468
Total restricted funds	<u>1,125</u>	<u>429</u>	<u>(93)</u>	<u>7</u>	<u>1,468</u>
Total unrestricted funds	38,123	27,672	(27,104)	(1,842)	36,849
Total funds	<u>39,248</u>	<u>28,101</u>	<u>(27,197)</u>	<u>(1,835)</u>	<u>38,317</u>

20. PENSION SCHEMES

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

Defined benefit schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,738k (2020: £1,654k) and at the year-end £144k (2020: £134k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

20. PENSION SCHEMES (continued)

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Cranleigh School Pension Scheme

The School operates a defined benefit scheme for non-teaching staff, the Cranleigh School Pension Scheme. The scheme was closed to new members with effect from 1 January 2013, though it remains open to existing members. As of 1 January 2013, the School established a generous defined contribution scheme for new employees (see page 37).

Contributions are made to the scheme in accordance with the recommendations of the scheme's actuary and are charged to the Statements of Financial Activities. Following the signing of the latest valuation in May 2019 the School's contribution increased to 22.5%. In addition the School paid contributions totalling £89,400 in respect of the past service deficit. At 31 July 2021 £0 was accrued in respect of pension contributions to this scheme (2020: £0).

Following the latest full Actuarial Valuation at 6 April 2018, the Trustees of the Cranleigh School Pension Scheme agreed with Cranleigh School, the employer, to continue with a recovery plan designed to eliminate the deficit from 6 May 2019 until 31 January 2028. Cranleigh School will make lump sum contributions of £7,450 per calendar month to fund the past service deficit.

The School has provided £119k to cover the potential cost of meeting the possible commitment to pay additional guaranteed minimum pension (GMP) equalisation costs following the October 2018 ruling by the High Court in the Lloyds Bank case

The fair value of the scheme assets exceeded the present value of future obligations at the 31 July 2021 by £233k. However, as the School will not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements in accordance with FRS102.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

20. PENSION SCHEMES (continued)

	2021 £'000	2020 £'000
(a) The amounts recognised in the balance sheet are as follows :		
Present value of funded obligations	(26,861)	(27,136)
Fair value of plan assets	<u>27,094</u>	<u>24,926</u>
less asset not recognised	(233)	-
Deficit amount shown in the balance sheet	<u>-</u>	<u>(2,210)</u>
	2021 £'000	2020 £'000
(b) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	27,136	23,948
Service cost	558	568
Interest cost	389	483
Actuarial loss/(gain)	(581)	2,910
Benefits paid	<u>(641)</u>	<u>(773)</u>
Defined benefit obligation at year end	<u>26,861</u>	<u>27,136</u>
	2021 £'000	2020 £'000
(c) Changes in the fair value of the Scheme assets		
Opening fair value of the scheme assets	24,926	23,423
Interest on assets/Expected return	361	478
Actuarial gain/(loss)	1,900	1,194
Employer's contributions	439	482
Employees' contributions	109	122
Benefits paid	<u>(641)</u>	<u>(773)</u>
Closing defined benefit obligation	<u>27,094</u>	<u>24,926</u>
	2021 £'000	2020 £'000
(d) Amounts included within the Statement of Financial Activities		
Current service cost	233	(2,210)
Past service cost (GMP equalisation)	-	-
Expected return on scheme assets	361	478
Interest on pension liabilities	<u>(389)</u>	<u>(483)</u>
Total amount charged to the Statement of Financial Activities	<u>205</u>	<u>(2,215)</u>
Net Actuarial gains/(losses)	<u>2,481</u>	<u>(1,716)</u>
less asset not recognised	<u>(233)</u>	<u>-</u>
Net Actuarial gains/(losses) recognised in the year	2,248	(1,716)
Net Cumulative actuarial gains/(losses)	<u>-</u>	<u>-</u>

The School expects to contribute £422k to the scheme in 2021/22

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

20. PENSION SCHEMES (continued)

	2021	2020
	£'000	£'000
(e) Reconciliation of movements in Present Value of Plan :		
Liabilities and Assets		
Net liability at the beginning of the year	-	-
Movements in the year:		
Employer's current service cost	(449)	(446)
Employer's past service cost	-	-
Employer's contribution	439	482
Net interest on the Defined Benefit Asset/Liability	28	5
Actuarial gains less scheme asset not recognised	(18)	(1,716)

Net liability at end of the year	<u>-</u>	<u>(1,675)</u>
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	2021	2020
(f) The categories of scheme assets as a percentage of total assets		
Equities	49	44
Bonds	47	52
Annuities	4	4
Cash	<u>-</u>	<u>-</u>

(g) Principal assumptions at the balance sheet date (expressed in percentages as weighted averages)

Discount rate	1.70	1.45
Expected return on plan assets	1.70	1.45
Rate of increase in salaries	3.25	2.90
Rate of increase in pensions in payment	3.65	3.50
Rate of increase in pensions in deferment	2.35	2.25
RPI	3.25	2.90
CPI	2.35	2.00
Assumes life expectations in years on retirements age 65		
Retiring today - males	22.1	22.4
Retiring today - females	24.1	24.3
Retiring in 20 years - males	23.4	23.7
Retiring in 20 years - females	25.3	25.5

(h) The amounts for the current and previous periods are :

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(26,861)	(27,136)	(23,948)	(20,920)	(21,942)
Scheme assets	27,094	24,926	23,423	21,082	19,996
Deficit	-	(2,210)	(525)	-	(1,946)
Experience adjustments on liabilities	4,381	491	(1,191)	(2,675)	(253)
Experience adjustments on assets	1,900	1,194	1,869	597	1,176

Defined contribution scheme

The Cranleigh School Group Personal Pension Plan started in January 2013. This is a money purchase group personal pension scheme managed by Aviva. Basic contributions are 4% for the employee and 8% for the employer. The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the year amounted to £250,983 (2020: £227,549). At 31 July 2021 £0 was accrued in respect of pension contributions to this scheme (2020 : £0).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

21. FINANCIAL INSTRUMENTS

The charity 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

At the balance sheet date the charity held financial assets at amortised cost of £9,748k (2020: £1,716k). Financial assets at fair value through income or expenditure of £0k (2020: £0k) and Financial liabilities at amortised cost of £26,134k (2020: £26,130k)

22. RELATED PARTY TRANSACTIONS

The Headmaster of Cranleigh School is also the Trustee of 1170. This charity has used the facilities of Cranleigh School for fundraising meetings. There was no charge for these services and there were no amounts owed to the School at 31 July 2021 (2020: Nil)

The School rents a residential property from the Chairman of Governors (Mr A J Lajtha) for the housing of school staff. The school pays rent of £1,700 per month under an Assured Shorthold Tenancy agreement. There were no amounts outstanding or owed to the School at 31 July 2021 (2020: Nil)

There have been no other related party transactions that require disclosure other than transactions with other group entities, as set out below:

In 2021 the Charity charged Cranleigh Enterprises Limited minibus running costs totalling £25,560 (2020: £25,080). This is calculated as a fee per term based on fuel and maintenance costs

In 2021 Cranleigh Enterprises Limited charged the Charity minibus usage costs totalling £40,380 (2020: £39,600). This is calculated as a fee per term based on the reasonable wear and tear of the vehicles.

In 2021 Cranleigh Enterprises Limited charged the Charity stationery and book costs totalling £47,388 (2020: £54,995). This is based on the recommended retail price.

23. CAPITAL COMMITMENTS

As at 31 July 2021 the Group had no capital commitments for the construction works on the capital development programme.

24. OPERATING LEASES

As at 31 July 2021 the Group had the following non-cancellable operating leases, payable as follows:

	2021 £'000	2020 £'000
Within 2 to 5 years	19	40
Within 1 year	35	112
	<u>54</u>	<u>152</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

25. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES

	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Total Funds 2020 £'000
INCOME FROM:			
Charitable activities			
School fees	24,759	-	24,759
Other income	1,014	-	1,014
Other trading activities			
Facilities and trading income	751	-	751
Other incoming resources	895	-	895
Share of surplus from Joint Venture	164	-	164
Investments			
Investment income	61	27	88
Bank and other interest	-	-	-
Voluntary sources			
Donations and legacies	28	383	411
Fundraising events	-	19	19
Total incoming resources	<u>27,672</u>	<u>429</u>	<u>28,101</u>
EXPENDITURE ON:			
Raising funds			
Trading costs	412	-	412
Share of loss from Joint Venture	-	-	-
Other income-generating activities	-	1	1
Financing costs	948	-	948
Investment management	25	-	25
Fundraising & development	-	4	4
Total deductible costs	<u>1,385</u>	<u>5</u>	<u>1,390</u>
Charitable activities			
Education and grant making	25,719	88	25,807
Total expenditure	<u>27,104</u>	<u>93</u>	<u>27,197</u>
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	568	336	904
Gains/(losses) on investments	(126)	7	(119)
Transfers	-	-	-
NET INCOME AND CAPITAL (INFLOW)	442	343	785
Pension scheme actuarial gain/(loss)	<u>(1,716)</u>	<u>-</u>	<u>(1,716)</u>
NET MOVEMENT IN FUNDS FOR THE YEAR	(1,274)	343	(931)
FUNDS B/FWD 1 AUGUST 2019	38,123	1,125	39,248
FUNDS C/FWD 31 JULY 2020	<u>36,849</u>	<u>1,468</u>	<u>38,317</u>

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

26. ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2021:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	65,079	-	65,079
Current assets	9,864	87	9,951
Current liabilities	(8,480)	-	(8,480)
Long term liabilities	(17,654)	-	(17,654)
Pension scheme assets	-	-	-
Total net assets	48,809	87	48,896

27. COMPARATIVE ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2020	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	64,709	-	64,709
Current assets	1,861	87	1,948
Current liabilities	(8,066)	-	(8,066)
Long term liabilities	(18,064)	-	(18,064)
Pension scheme liabilities	(2,210)	-	(2,210)
Total net assets	38,230	87	38,317