CHEADLE HULME SCHOOL

England & Wales · Charity number 1077017

Details

Status	Registered
Legal form	Charitable company
Company number	03823129
Registered	1999-08-13
Register	View on the Charity Commission register

Contact

Address	Cheadle Hulme School Claremont Road Cheadle Hulme Cheadle SK8 6EF
Phone	01614883330
Email	head@chschool.co.uk
Website	www.cheadlehulmeschool.co.uk

Activities

Objects: TO CARRY ON IN GREAT BRITAIN A SCHOOL OR SCHOOLS AT WHICH INFANTS, CHILDREN AND STUDENTS MAY OBTAIN EDUCATION AND INSTRUCTION IN ACADEMIC, SPORTING, MUSICAL, CULTURAL, SCIENTIFIC, TECHNICAL, RELIGIOUS, VOCATIONAL, SOCIAL AND COMMERCIAL SUBJECTS ACTIVITIES AND CRAFTS OF EVERY DESCRIPTION

Activities: To ensure the fullest possible development of every dimension of each pupil within a selective and socially inclusive approach.To develop in each pupil an attitude of concern for others and respect for the views and beliefs of others.To enable pupils to gain the personal skills and confidence to shape their own futures in a rapidly changing world.

Classification

- **How:** Makes Grants To Individuals
- **What:** Education/training
- **Who:** Children/young People

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Geography

- Cheshire East
- Cheshire West & Chester

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£20,975,000	£20,061,000	£19,980,000	320
2023-08-31	£19,605,000	£18,782,000	£19,066,000	323
2022-08-31	£18,236,000	£17,388,000	£18,243,000	316
2021-08-31	£16,602,000	£15,410,000	£17,407,000	308
2020-08-31	£16,516,000	£15,382,000	£16,264,000	323

Trustees

Name	Role	Appointed
Belinda Walmsley		2021-05-10
CHRIS ROBERTS		2011-04-14
Claire Louise Thomson		2020-10-12
Dr DAVID NOEL RILEY		
Graeme Wright		2020-12-10
Joanne Elizabeth Birkett		2017-04-25
Martin Gavin Tyley		2017-04-25
Michael James Bolinbroke		2018-02-15
Nici Matlow		2025-04-22
Richard Oman		2021-10-13
Stuart Abraham		2020-04-03

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CHEADLE HULME SCHOOL

England & Wales - Charity number 1077017

Accounts

Cheadle Hulme School

IMPACT REPORT

2023-2024

Cheadle Hulme School
Year ended XXXXXXXX



WELCOME

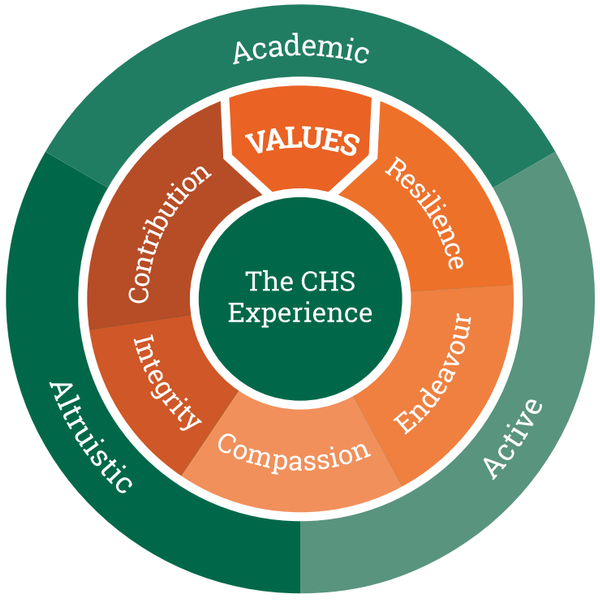
WHAT DOES IT MEAN TO MAKE A DIFFERENCE?

It's a question we ask a lot around here. Founded in 1855, CHS started with one simple mission: to provide an education for those in need. The ethos of helping others was true then and it's true now.

Today, the world looks a little different, but the heart of CHS hasn't changed. We believe that education is about more than grades or exams. It's about preparing young people to step out into the world ready to make it better. We do that by teaching them, yes. But also by showing them and encouraging our students and staff to live by our school values every day.

Our three pillars—Active, Academic, and Altruism—are the foundation of everything we do. Altruism is the one that reminds us to look around, to notice, and to act. It's about knowing that we're part of something bigger. It's about understanding that we're fortunate, and with that comes a responsibility.

This report tells the story of the impact CHS made during the academic year 2023 - 2024. From staff and students raising money for causes close to their hearts to our community partnerships, volunteering programmes and sustainability actions, we are proud of what we have achieved together.





Positive Inspection Report for CHS

Following a three-day visit in March, CHS received glowing feedback from the Independent Schools Inspectorate (ISI). The report highlights the school's inclusive, values-driven ethos, diverse curriculum, and outstanding co-curricular programme—praised as one of the school's key strengths. Head, Mr. Richardson, commended the hard work of staff, pupils, and governors, saying,

> *The school's 'Waconian Values' of **resilience, integrity, endeavour, contribution and compassion** are central to how the school operates. Pupils know and understand the values well. They try hard to always follow them. Pupils develop self-confidence, with strong moral foundations, during their time at the school.*

ISI Inspection Report 2024

> *"This report is a reflection of our collective commitment to creating a thriving, nurturing environment for all."*

Mr Lee Richardson, Head



OUR COMMUNITY PARTNERSHIPS: A SHARED JOURNEY

Our community partnerships are about sharing what CHS is fortunate to have, learning from colleagues in partner state schools and building something bigger together to benefit our entire community.

Last year we continued to be part of the Stockport State-Independent School Partnership and provided curriculum and co-curricular support across Science, Art, Music, Drama and Sport and hosted an overnight residential for Year 6 pupils.

378
children from local state schools attended an outreach music or drama event at CHS

Our Partner Primary Schools



"One of our core aims is for every Waconian to use their CHS experience to make a positive lifelong contribution to our world. Our Community Partnerships work plays a big part in helping them to understand their place in their local and global community, enhancing their learning experiences and providing them with diverse opportunities and new perspectives.

Our partnerships are truly collaborative and everyone involved benefits mutually from engagement with the different programmes. The CHS experience is enriched from getting involved and feeling firsthand the power of giving something back and contributing to something bigger than ourselves."

Caroline Dunn,
Community and Partnerships Lead



"The CHS collaboration is an amazing opportunity to foster a sense of community and belonging."

Cheadle Heath Primary School

"Both the STEAM Project and the music performance have been fantastic and really fun to be a part of. It's great to see a school with an abundance of resources share these with schools in the local community. This partnership is so unbelievable positive for our school."
- Adswood Primary School



Year 6 Residentials held at CHS for partnership state schools

For the first time we coordinated Year 6 Residential for Cale Green Primary School who would otherwise not have been able to offer a residential due to the rising cost of the trip.

45 Year 6 pupils spent the day enjoying water activities at Manley Mere before returning to CHS for team building activities and camping overnight on the school grounds.

"The children and staff absolutely loved it. They enjoyed telling the other members of staff about what they got up to and created some pieces of Art, linked to building a campfire. The day was so well organised and kept our children engaged throughout." - Year 6 teacher, Cale Green Primary School

31
science outreach workshops delivered

199
pupils from our partner state schools attended science outreach lessons

60
groups from our partner state schools competed in a STEAM project

Science Outreach in Action

Last year our long-established Science Outreach programme brought science to life for 199 Year 5 pupils from our four partner schools and supported 10 primary school teachers. Additional material and resources were also made available for those teachers to deliver at their schools.

"Year 5 really loved the Science workshops. The space workshop linked really well with the science topics we were covering and acted as a pre-teach for the children. We saw a huge impact in their learning if they had covered that topic in a workshop and children can bridge back to what they had learnt. The workshops were very helpful and had an impact on their learning." - Miss Hodgkiss, Adswood Primary School

"I never cease to be amazed at the curiosity and the enthusiasm shown by young people who have the opportunity to learn about science in a practical way."

Dr Anne Carlin,
CHS Science Outreach Lead

SWIM! support for state school outreach

Last year we were especially proud of the addition of the SWIM catch-up sessions. Through our continued partnership with the Rebecca Adlington Swim Academy, SWIM! pupils from our state partner primary schools benefited from 76 free hours of swimming lessons. 46 state school pupils across years 4 and 5 took part in the lessons with the majority achieving the statutory requirement.

76
free hours of swimming lessons for pupils at partner state schools

"Partnering with Cheadle Hulme School (CHS) has been a fantastic opportunity for Swim!. It has allowed us to reach more children in the local community and create a deeper impact by providing them with essential swimming skills in a fun, supportive environment. What excites me most about the future of this partnership is the potential to expand our outreach and make swimming accessible to even more young people, helping to build their confidence in and out of the water."

Rebecca Adlington



Becky spent time sharing her story with CHS Junior School pupil



Kicking off opportunities: Summer Football camps with Stockport County

The partnership between CHS and Stockport County Football Club continued to grow and provided even more young people from state schools the opportunity to stay active during the school holidays. The Stockport County Community Trust values the access to CHS's excellent facilities, which allows them to offer high-quality football camps to children from a wide range of socio-economic backgrounds. Many of these children participate at little or no cost, contributing to the Trust's mission of promoting physical and mental well-being through sport.





Looking ahead, the Trust is excited to expand its provision, with plans to introduce a girls' football holiday camp at CHS. This initiative will be led by inspiring female role models, ensuring that girls across Stockport have more opportunities to engage in football in a supportive and empowering environment.

Fostering a Love for Reading: Parent and Sixth Form Volunteering Scheme continued for a second year

Last year, our parent volunteering scheme continued to thrive, with 98 pupils from Years 3 to 6 benefiting from regular literacy sessions. CHS parents generously volunteered their time to nurture reading skills and a passion for literature in students from three of our partner state schools, making a meaningful contribution to their educational development.



5 schools benefited from the CHS Reading Scheme

25 volunteers involved from the CHS community

"I enjoyed listening to the pupils read as it allowed me to see what they struggled with and how I could help them. I found this experience very rewarding as I was able to have an influence on the younger generation while also developing my people skills." - Macey Elton, Year 12

"It didn't take long for my two hours at Adswood Primary School to become one of the highlights of my week. The children were a joy to be around, keen to read and the staff so welcoming and friendly. I'm really looking forward to getting back."
- Fiona, parent volunteer

"Annie and Shoshi have made a huge difference to the children at Cheadle Heath Primary School. Their presence creates the opportunity for several children to have focused practice of their skills delivered with enthusiasm and encouragement by our amazing volunteers. The students have built an outstanding relationship with the children which has helped them to achieve so much."
- Teacher, Cheadle Heath Primary School

Who used our facilities...

18
different sports community groups

3
summer sports camps providers

1
bump and baby antenatal group



200
young people attended a CRY heart screening workshop

1000
member of community groups access our facilities every week during term time


Judy McSorley
CHS Enterprises Coordinator

1
Stockport County Academy

2
chess clubs



"Partnerships with local institutions like CHS allow Stockport County to deepen its roots in the community, creating relationships with families, schools, and young players who are the foundation of our future fan base and talent pipeline. Access to CHS's high-quality facilities provides an optimal environment for our players to develop skills, technique, and teamwork—key factors in nurturing potential that aligns with our long-term commitment to player development."

Ryan Jones,
Head of Academy Operations



WACONIANS MAKING A DIFFERENCE

We believe that helping others isn't just something you do—it's who you are. That's why we encourage our students to get involved in charity work from day one. Whether it's supporting a House charity or raising money for causes close to their hearts, we help Waconinas to understand the power of giving back. Because when they help others, they grow too.

Last year, Waconians supported a wide range of charitable causes both locally and globally.

Coffee4Craig, a homelessness provision that is open every evening, 365 days a year

Manchester Refugee Support Network supporting refugee communities in Manchester

Headway promotes understanding and support for those suffering from brain injuries

Royal Manchester Children's Hospital

Cheadle Hulme School

"No act of kindness, however small, is ever wasted."

- Aesop

CONTRIBUTION
- WACONIAN VALUES -

CHARITY HIGHLIGHTS OF THE YEAR



The Waconian Walk

Over xxx families took to the streets together, raising funds for our partner school in The Gambia and the House charities.



Sixth Form Care Home Visits

Sixth Form students spent time with local care home residents, listening to stories, sharing their own and performing music for them.





NSPCC

Junior School charity day

Junior School pupils raised funds for their chosen charity, NSPCC through cake sales, selling handmade gifts and pre-loved toys and organising their own dinosaur themed games.

Class of 2024 Leavers Curry & Quiz Fundraiser

Over 140 parents, pupils, and staff came together for Upper Sixth's Curry & Quiz event, raising more than £2,300 for the CHS Bursary Fund. The tradition of Upper Sixth contributing a leavers gift to the Bursary Fund began in 2012, and this year's event, supported by Old Waconian President Nik Basran, was a huge success.

"We wanted to make the night special, and with great food, a fun quiz, and an exciting raffle, we're thrilled with how much we raised," said the Head Pupils.



Afternoon Tea for the Elderly

Our Sixth Form students hosted a special Christmas afternoon tea for elderly residents, bringing the community together over tea, cakes, and Christmas Carols.

192
pupils performed in The Christmas Concert at Stockport Town Hall. The event raised £xxx for House charities and the Bursary Fund.

A Lifelong Connection: Our Work with The Gambia

Last December, 23 students and 5 staff had the chance to visit our partner school in The Gambia. The lead-up to the trip saw our students raising funds and collecting donations to distribute to the young people and their families.

- **Gambia Day:** Senior School students wore their own clothes, inspired by the colours of The Gambia's flag, raising awareness and funds.
- **Football Shirt Collection:** Football is a passion in The Gambia, and our students collected football shirts (ages 2–18) as gifts for the children there.
- **Toy and Stationery Donations:** Students donated toys, games, and stationery for children aged 3–11.
- **Laptop Collection:** Laptops in good working condition were collected to support learning in the partner schools.

"Seeing our school's long-standing connection with The Gambia firsthand was an incredible experience," said xxxx, who led the trip. *"The culture, the people—it was eye-opening, and our students really stepped up to help however they could."* (name of teacher)

"I am glad I went on the trip. It reminded me of how lucky I am and how important and impactful the acts of charity CHS undertakes are." - Joe Thomson

XXX
numbers of volunteer hours by CHS students





Madlug collaboration continued

Last year, Year 13 students were inspired by a Beyond CHS talk from Madlug founder, Dave Linton. Madlug's mission—restoring dignity to young people in the UK's care system. Moved by the reality that many children in care transport their belongings in bin bags, Dave shared how he started Madlug with just £500 and a vision to make a difference. Since 2022 CHS has supported Madlug by recommending the purchase of their high quality school bag for all pupils.



Old Waconians giving back

We are fortunate to have a diverse group of Old Waconians who regularly give back to their old school, sharing their stories with current students through lectures, magazine articles, and case studies. Many of these Old Waconians embody the school's values in their everyday work, showcasing how the lessons learned at CHS continue to shape their lives and careers.

> *"I work as a Net Zero and Economic Programme Officer supporting Enterprise Cheshire and Warrington and North West Net Zero Hub. CHS not only gave me the skills, knowledge and confidence to pursue a career in policy but the values that were part of everyday school life have stayed with me, driving me to take on roles that have a positive impact on society and the world around me."*
>
> Anna Parker, Class of 2018



Molly Pipping, Class of 2015, now a Senior Programme Lead for Education at Greater Manchester Cancer Alliance, hosted a careers event at The Christie, inspiring the next generation of students to pursue paths in STEM and healthcare.

Jon Ross, Class of 1997, founded Sow the City, transforming urban landscapes in Manchester's most disadvantaged areas, bringing green spaces to those who need them most. Jon shared his story with the Old Waconian community in the latest edition of the Old Waconian magazine.



Caring connections

Mr Hedwat led a team of around 20 Sixth Form students who regularly visited a local care home as part of their Medical Sciences Pathway. As well as supporting their studies, their visits brought a sense of joy and energy to the residents who enjoyed sharing their stories with the students.

Why do you think it's important for students to have opportunities like this, where school work or career interests meet real-world experiences?

Volunteering at Meadway Court and Abbeyfield residential care home provided first hand experience of working with the elderly and taught students to appreciate the emotional and psychological aspects of geriatric care. For most of our Medical Pathway students, this was their first time in such an environment, preparing students for the demands of a career in a care setting. Moreover, it allowed students to see the practical implications of medical knowledge, bridging the gap between theory and practice.

How does being part of a school that places value on altruism influence your own desire to get involved in projects like this?

When altruism is emphasised in the school environment, it creates a culture that encourages students and staff to think about the impact they can make. By joining students in the care homes, there was a sense of community and shared purpose. I feel fortunate to be part of a CHS community that values altruism projects such as volunteering in local care homes and it enhanced a sense of personal fulfilment and purpose.



Honouring the legacy of Kate and Archie Vokes

In November 2023, Archie Vokes, Class of 2020, took on the incredible challenge of running 100km to raise funds for the awareness, prevention, and treatment of prostate cancer—a cause deeply personal to him and his family, who had seen the profound impact such efforts have on those affected.

Tragically, in December of last year, Archie and his mother, Kate, lost their lives in a devastating accident. Both were posthumously awarded the Old Waconian Contribution Award, recognizing their unwavering commitment to CHS and the support they provided through the family's charitable foundation.

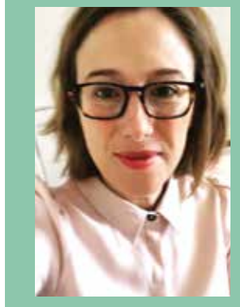
Their legacy of generosity and service continues to inspire the CHS community.

Old Waconains recognised for their commitment to Waconian Values

Other Old Waconian Award winners last year included Professor Tom Bourne, Class of 1978, an international authority on the management of early pregnancy issues, and Sarah Jackson, Class of 2016, IFCA Vice World Champion in windsurfing and ocean ambassador for the Marine Conservation Society. Both Tom and Sarah returned to CHS to receive their awards and inspire the outgoing Class of 2024 at their Graduation Ceremony, sharing their stories of achievement and passion for making a difference in their fields.







> *"Securing my CHS bursary was the catalyst that set me on a totally new pathway, so it's meant the world to me to be able to give back to school. In the 80s and 90s I was a pupil. In the 2000s I started telling my story at fundraising events and then in the 2010s I became an Alumni Board member. Since 2020 I've become a Governor and Trustee of the Bursary fund. It's a real honour to be part of the team that take the important decisions to positively impact 'future me's'."*
>
> Belinda Matthews, Class of 1994

10
number of Old Waconians took part in a pilot mentoring programme for current CHS students or young alumni

90
number of Old Waconians who gave talks, helped at school events, served as members of Alumni Boardsoung alumni

189
Old Waconians made a donation to the Bursary Fund

HOW CHS STAFF ARE MAKING A DIFFERENCE

It's easy to talk about the impact CHS has but it's harder to do it. Our teaching and professional services staff don't just work at CHS, they live out the school values in the world around them by volunteering as Governors in state schools, sitting on the boards of charities or offering their skills as advisors and mentors, they are out there, making things happen.

DURING 2023 - 2024

9%
of CHS staff were Governors at schools, of which about half are maintained schools

35%
of staff raised money for charities unrelated to CHS activities

19%
volunteered for local charities

Cheadle Hulme School

"It does not matter how slowly you go so long as you do not stop."

- Confucius

ENDEAVOUR
- WACONIAN VALUES -

Connecting state schools with relatable role models

Inspired by the positive impact that external speakers and Old Waconians have on CHS students, Fran Kennedy Director of External Relations founded StateTalking, a not-for-profit organisation that connects state schools across Manchester with relatable role models. Through inspirational talks and mentorship, StateTalking provides young people in state schools with the same level of support and inspiration, helping to raise aspirations and broaden horizons. Last year, StateTalking engaged over 9000 young people and co-ordinated talks for 45 state schools.

STATE TALKING



£300
raised at the Staff Macmillan Coffee Morning

Need image of Giles running

Running to Make a Difference

CHS's Co-Director of Sport, Mr. Giles Heagerty, took part in the Wilmslow Half Marathon, running in support of Bare Necessities, a local toiletry bank that fights hygiene poverty. Inspired by the charity's mission and his family's involvement, Mr. Heagerty joined 30 runners aiming to raise funds for those struggling to afford basic hygiene products.

John Wilson, Assistant Head is co-founder and trustee of WoLLoW (The World of Languages and Languages of the World) and CBB, Cricket Beyond Boundaries.

What was the spark that got you involved with both WoLLow and CCB? How have your experiences with them changed you?
cCBB came first, rather like Freddie Flintoff did for his recent BBC TV series, back in 2011 we wanted to challenge the misconception that cricket is a posh sport. We wanted young people, boys and girls, who showed talent in this fantastic sport to find opportunity to break through and refine their talent. For WolloW the spark was that I was seeing multilingual classrooms across the country but this language diversity was not being celebrated and too many students were not understanding the rich tapestry of language across their communities. We wanted students to see how languages connect and how the wealth of cultures associated with these languages can also connect and flourish together.

How does being part of a school that places value on altruism influence your own desire to volunteer?
When I see genuine altruism at CHS with students, colleagues and parents giving of their time and expertise without expecting anything in return, it really inspires me. When I consider the difference our charitable acts make to various communities beyond our wonderful site, it gives me great joy. Just over a year ago I had the pleasure of sharing our donations with our partner communities in the Gambia and, more importantly, talking to inspiring educators who shared my fundamental desires for their students but did not benefit from the resources that we enjoy and take for granted. This further fueled my desire to volunteer and continue to do what I know is the right thing.



LIFE-CHANGING BURSARIES: A COMMITMENT TO INCLUSIVITY

At the heart of our school is a simple, but powerful, belief that education should be accessible to young people from all walks of life.

Right now, 1 in 11 students at CHS benefits from financial assistance and last year we outlined our ambition to increase this to 1 in 6 by 2030, ensuring that even more deserving young people have the opportunity to thrive in our school community. We embarked on the quiet phase of a campaign to raise funds to achieve the 1 in 6 target and have plans to launch a public appeal next year.

This commitment isn't just about financial assistance. It's about preserving the very essence of CHS - the diverse mix of perspectives, backgrounds, and opportunities that shape the environment for every student.

THE 1 IN 6 BURSARY CAMPAIGN.

IMPACT OF CHS BURSARIES

90%
OF CHS BURSARY PUPILS GO TO UNIVERSITY

60%
ATTEND RUSSELL GROUP UNIVERSITIES

42%
OF BURSARY STUDENTS COME FROM FAMILIES WITH AN INCOME BELOW £30,000. ON AVERAGE ONLY 28% OF STUDENTS WHO ARE ELIGIBLE FOR FREE SCHOOL MEALS PROGRESS TO UNIVERSITY BY AGE 19[1]

OUR BURSARY STUDENTS HAVE PROGRESSED INTO THE FOLLOWING UNIVERSITY FIELDS

Social sciences and humanities	27
Business and Economics	21
Health and Medicine	19
Engineering and Technology	13
Linguistics and Language Studies	10
Natural Sciences and Mathematics	9
Communications or media	4
Education	2
Interdisciplinary	7

So what?

Attending further education is associated with 25% higher earnings by age 29 for men. For women this figure is more than 50% higher[5]

Graduates are almost 4 times more likely to become socially mobile than non graduates[6]

Girls who attend independent education earn more than twice as much as women from the 20% most deprived socio-economic backgrounds by age 29[7]

Boys who attend independent education earn on average £18,000 more per year than men from the 20% most deprived economic backgrounds by age 29[8]

https://www.gov.uk/government/publications/labour-market-value-of-higher-and-further-education-qualifications-a-summary-report/labour-market-value-of-higher-and-further-education-qualifications-a-summary-report [6]https://ifs.org.uk/publications/returns-undergraduate-degrees-socio-economic-group-and-ethnicity [7] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/924353/The_impact_of_undergraduate_degrees_on_early-career_earnings.pdf [8]ibid

From CHS Bursary to Founder in LA



Michael Heaven, Class of 2009 returned to CHS last year to share his story with current students.

After briefly studying Politics and Economics at the University of Birmingham, Michael decided to leave university and pursue work experience instead. This led him to build a career in social media, eventually becoming one of the founding members of Social Chain, and co-founded Butterfly 3ffect, a creative agency based in LA.

Reflecting on his time at CHS, Michael attributes much of his success to the opportunities he had as a bursary student. *"Looking back, the bursary gave me the chance to be in an environment that shaped how I think and communicate. I'm really grateful for that,"* he said.

Third year of partnership with Royal National Children's Springboard Foundation

Our partnership with the Royal National Children's Springboard Foundation continued for a third year. The social mobility charity works closely with community partnerships, state schools and local authorities to identify children who will benefit from the education CHS offers. To date we have offered five transformational bursary places to young people: those who have faced challenging circumstances – children and teenagers in or on the edge of care, or growing up in households and communities where opportunities to flourish are limited.

The Zochonis Library Renaming

Last year, CHS celebrated the renaming of the Senior School library as The Zochonis Library in recognition of the generous support from The Zochonis Charitable Trust for the Bursary Trust. The ceremony, led by our Chair of Governors and Head Pupils, highlighted the long-standing connection between CHS and the Trust.



Zochonis Charitable Trust trustees, Paul Milner and Paul Evans with Chris Roberts, Chair of Governors

Cheadle Hulme School

"All things are difficult before they are easy."

- Thomas Fuller

RESILIENCE
- WACONIAN VALUES -

EQUALITY, DIVERSITY AND INCLUSION

At CHS, fostering a safe, inclusive environment is part of who we are. Last year, we took bold steps to ensure our school community continued to embrace and celebrate diversity, both inside and outside the classroom.

Throughout the year, we arranged impactful external speakers and initiatives for our students, providing platforms for important conversations across the entire school community.

PROUD TO BE™ FREDIE

Conditional Investors in Diversity standard achieved

CHS is proud to have achieved the conditional Investors in Diversity (IiD) standard, marking our ongoing commitment to fostering fairness, respect, equality, diversity, inclusion, and engagement ("FREDIE") across the school. *"We are dedicated to creating a culture where every individual feels valued and included,"* said Senior Deputy Head, Mrs. Caroline Dunn. *"This achievement reflects our passion for building an inclusive environment and our determination to continue this journey towards full accreditation."*

SILVER SCHOOL MENTAL HEALTH AWARD 2024-27

Carnegie School Mental Health Award – Silver Status

Our ongoing dedication to mental health awareness was recognised last year with the Carnegie School Mental Health Award – Silver Status.

This award, established by the Carnegie Centre of Excellence for Mental Health in Schools, highlights the school's commitment to supporting mental well-being for students and staff alike. *"This award is a testament to the school's significant efforts in prioritising the mental health of its community,"* said Ms. Rachel Boyle, Dean of Leeds Beckett's Carnegie School of Education.



Angela Samata - Dealing with Mental Health

Year 13 students were given the opportunity to hear from mental health activist Angela Samata as part of the Beyond CHS lectures series. Samata came to prominance after a particularly impactful TEDx Talk on suicide prevention and after leading a BBC 1 award-winning documentary on the subject, Life After Suicde.

Samata discussed the stigmas still surrounding mental health and offered guidance to those facing challenges, whether academic stress or personal issues.



CHed Talk with Caitlin Moran

In November 2023, students and their parents had the opportunity to attend the latest CHed Talks event; featuring bestselling author and Times columnist Caitlin Moran. Usually focused on feminist issues, her latest book What About Men?, tackled conversations around toxic masculinity and the challenges faced by young men and women as a result.



Make Time for the Menopause Event

In collaboration with John Lewis, CHS hosted the Make Time for the Menopause event, bringing together staff and parents to create a supportive space for women navigating menopause. With guest speakers and community groups, the event offered valuable guidance and a safe space for women to share their stories and gain support.

Pride Month and LGBTQ+ Advocacy

During Pride month, CHS hosted a special episode of our *Ed Podcast* featuring Old Waconian Eva Echo, Class of 1998, an activist and advocate for the LGBTQ+ community. Eva shared her journey and spoke passionately about the importance of inclusivity in schools, inspiring our students to create a more accepting environment for all.





Men's Mental Health Week Film

The Sixth Form Council took the lead during Men's Mental Health Week, producing a powerful film featuring members of the boys' sports teams. The film, which encouraged open conversations about men's mental health, was shared with the entire school community.

"The students wanted to show that it's okay to talk about feelings, especially for boys who might feel pressure to keep things bottled up," - Mike Jones, Head of Sixth Form



Painting Peace Poles for a Better Tomorrow

Waconians took part in the Peace Pole Project, an international initiative led by World Peace. Students painted Peace Poles, each bearing the message "May Peace Prevail on Earth" in multiple languages, alongside words like 'harmony,' 'hope,' and 'mindful.'

"We see our Peace Poles as a recognition of our well-being, and they serve as a visual reminder to look after the well-being of ourselves and others," said Mr. Adam Hayley, Head of Art & Design.



Promoting understanding through interfaith dialogue

To help students deepen their understanding of the diverse world around them, CHS invited two local faith leaders—Dr. Nasser Kurdy, a lay Imam, and Rabbi Dovid Lewis, a Rabbi from South Manchester—to lead an Interfaith Assembly. Their powerful message celebrated diversity and addressed complex global challenges, particularly the conflicts in the Middle East. By focusing on love over hate, they encouraged students to embrace empathy, respect, and open-mindedness, reinforcing the school's commitment to fostering a community that values understanding across all backgrounds.

Refugee employed by CHS

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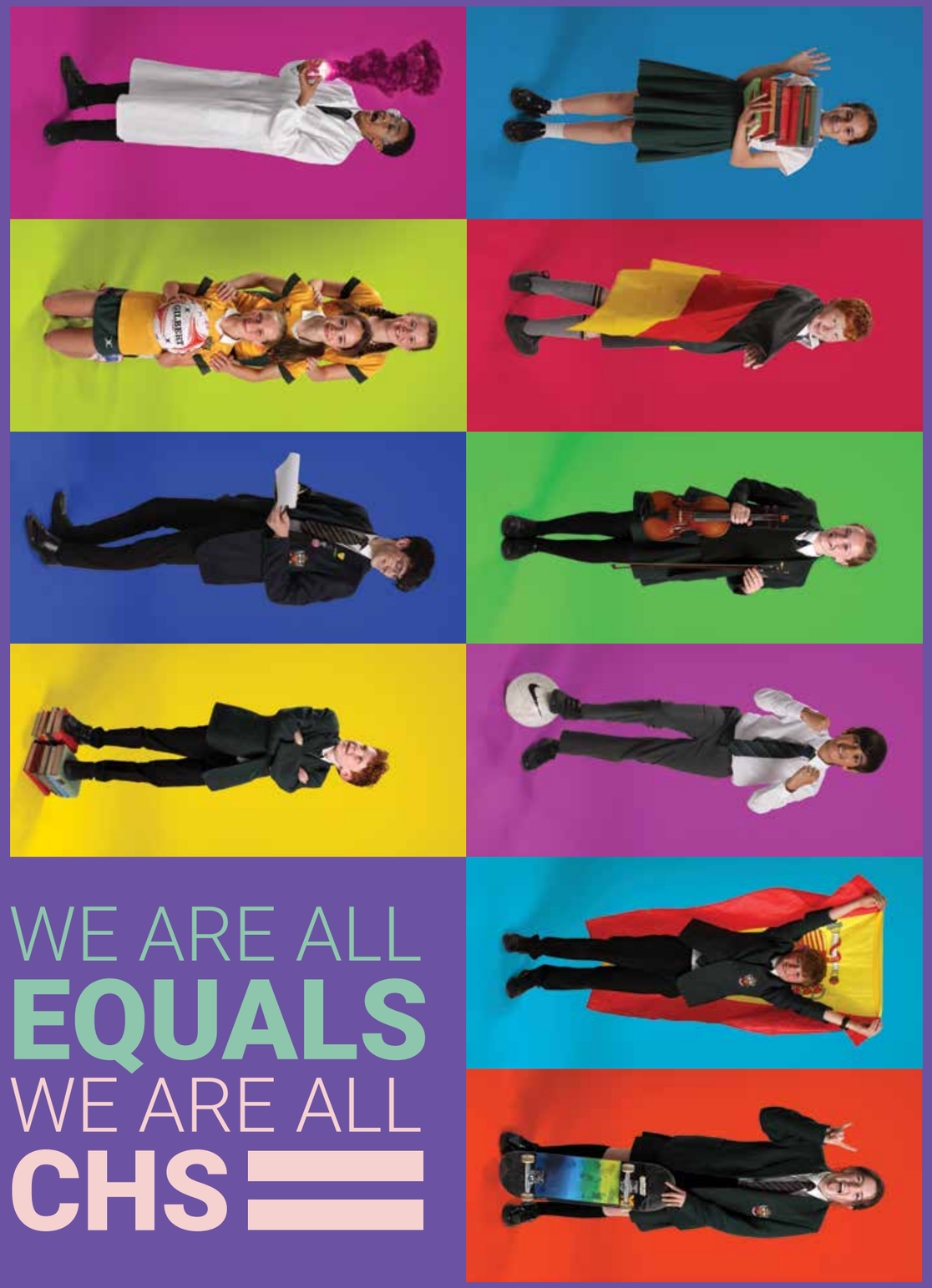
Cheadle Hulme School

“The time is always right to do what is right.”

- Dr. Martin Luther King

INTEGRITY

- WACONIAN VALUES -



WE ARE ALL
EQUALS
WE ARE ALL
CHS

GROWING A SUSTAINABLE CHS

Last year our Junior School students not only continued to raise awareness of environmental issues across the whole school community but also rolled up their sleeves and were involved in numerous practical, hands-on initiatives. From planting and harvesting their own vegetables to building beehives and leading campaigns on energy conservation, together they made a real impact.

Here's just a glimpse of what our young pupils got up to last year.



"Our Junior School children are leading the way when it comes to sustainability at CHS. They're not just learning about the environment—they're taking action to protect it. I'm so proud to see how passionate they are about making a difference."

Mrs Yvonne Lyng

Plastic pen recycling initiative:

Students collected used pens for recycling.



Healthy eating campaign:

Pupils led a whole-school assembly and displayed banners in the dining room encouraging everyone to eat more plant-based foods.

Switch It Off! campaign:

Raising awareness about energy conservation, leading to fewer lights and boards being left on in classrooms.

A green plant for the classroom:

Each classroom received a green plant, a reminder to care for the environment and nurture creativity.



Litter picking:

Regular clean-up efforts to keep the school environment tidy and to inspire others not to drop litter.

Junior garden:

Young garners harvested courgettes, peas, potatoes, beetroot, radishes, and spring onions!



Eco Schools Green Flag Award:

Work continued towards renewing the Eco Schools Green Flag accreditation building on distinction secured for 2022 - 2023.



613.2
tCO_2e measured emissions

Measured emissions equivalent to
542 flights from London to New York

2.3
tCO_2e per employee

Buildings	Travel	Waste	Water	Procurement
601.3 tCO_2e	6.0 tCO_2e	1.5 tCO_2e	4.4 tCO_2e	N/A
Used enough electricity to power **228** UK homes for one year	Travelled **1** time around the world	Produced waste that weighs the same as **7** London buses	**184** litres per employee per day	

Planet Mark Award Winners

Our Planet Mark certification and accreditation for the reporting of our carbon footprint ensure we are embedding sustainability into our practices. We received the Best Newcomer award in November 2023 for xxxx





The Buzz About Our Bees

This year, the highlight of our sustainability journey has been the arrival of 20,000 new residents: our very own bees!

These incredible little creatures have not only helped pollinate our gardens but have also given our students a first-hand look at how important bees are to the environment. And after months of care and excitement, we've harvested our very first batch of honey, with students watching the whole process unfold.



"It was amazing to see the bees make honey. We learned how important they are and that even something as small as a bee can help save the planet. And the honey was delicious!"

Aiden, Year 5





Pre-Loved, Re-Loved: Sustainable Uniforms with Heart

Last year, our pre-loved uniform sale built on its success, raising over £2,700 for the Bursary Fund and diverting more than 1,000 items from landfill. Families donated second-hand uniforms and each piece was repaired and revitalised. As well as saving families money, our preloved shop keeps clothes in circulation and out of the bin.

"It's lovely to see how much this helps families. We're giving uniforms a second life, and in doing so, we're contributing to the school's sustainability goals. It's a small way to make a big difference."

Judith Johnson,
preloved uniform coordinator



20,000
new residents: our very own bees!

£2,700
raised for the Bursary Fund from our pre-loved uniform sale

744
solar panels were installed

Installation of Solar Panels

744 solar panels were installed upon the roofs of the Gym, Pavilion and Lockhart and Derby Buildings to deliver a 20% reduction in electricity requirements and reduce carbon emissions by 130 tonnes of CO_2 per year (the equivalent of 325,000 driven miles or 16 million smart phone charges!)



CHS 2023-2024: THE YEAR IN NUMBERS

89%
A* - C
A Levels

67.5%
9 - 7
GCSE grades

1529
students aged 3 - 18

30
different ethnicities

196
Teaching staff

12
named religions

102
Professional Services Staff

22
languages spoken

72%
of the Class of 2024 secured one of their chosen universities or courses 4 students accepting places on degree apprenticeship programmes

DofE

112
completed Duke of Edinburgh Bronze

67
completed Duke of Edinburgh Silver

31
completed Duke of Edinburgh Gold

709
Senior School Sports Fixtures

366
individual matches across 11 sports for Waconians aged under 6 to under 11

XXX
students took part in F1 in schools

Sporting highlights

NETBALL
- U14 winners of the Sisters in Sport competition
- U14 and U19 reached final round of National Schools competition
- U14B and U16B Stockport School winners

HOCKEY
- 1 student selected for U16 England team
- 2 students selected to represent North West
- 10 students played at County level

CRICKET
- U13 and U15 girls won every county cup competition
- U12 boys Cheshire Cup semi-finalists
- 1 student selected for Lancashire Academy
- 34 students selected for County to County district cricket

FOOTBALL
- 1st team finalists of the Boodles ISFA Cup Final at MK Dons
- U14 Stockport School finalists
- U15 girls Stockport Schools league winners and ISFA Cup semi-finalists
- U13 girls North West regional winners
- 13 U13 - 16 boys selected for academy level
- 23 girls and selected for representative teams across Stockport and Greater Manchester

RUGBY
- 28 pupils on Developing Player Programme with Sale Sharks
- 1st XV Cheshire Cup Semi-Finalists
- 1st XV National Plate Quarter Finalists

240
pupils took part in music concerts

426
instrumental or vocal music lessons took place each week

63
pieces of student artwork exhibited at Manchester Art Fair

TBC
academic enrichment clubs

250
students took part in Model United Nations Cheadle Hulme (MUNCH)

14
overseas trips

500
Old Waconians attended alumni events

£TBC
raised for charity by current students

XXX
countries visited on school trips

Cheadle Hulme School

Head - Lee Richardson

Claremont Road · Cheadle Hulme · Cheadle · Cheshire · SK8 6EF

Tel 0161 488 3330 · **Email** head@chschool.co.uk
cheadlehulmeschool.co.uk

Registered Company Number 3823129
Registered Charity Number 1077017

Cheadle Hulme School Report and Financial Statements

Year ended 31 August 2024

Cheadle Hulme School

Registered Charity No. 1077017

Company No. 03823129

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SECTION A - KEY INFORMATION

DIRECTORS, OFFICERS AND ADVISORS

The Cheadle Hulme School (CHS) Governors are the Charity trustees and Company Directors of the Charity and Company, 'Cheadle Hulme School'. They have served in office throughout the year, except where indicated.

All Directors give their time freely and travel expenses only were paid to one member in the year. No Director or person connected with a Director received any benefit from means-tested bursaries.

During the year, the activities of the Governing Body were carried out through 5 Sub Committees plus Governor involvement in 2 Working Groups (Estates & Environment and Human Resources). The membership of these Sub Committees is shown below.

Name	Appointment /resignation in year	(1)	(2)	(3)	(4)	(5)
Mr S Abraham #						
Mrs J E Birkett				X		X
Mr M Bolingbroke #				X		
Mrs C Boyd*	Resigned 15/1/24	X	X	X		
Mr R Oman*#			X	X		
Mr D N Riley		X			X	X
Mr C Roberts*				X		
Mrs J Squire	Resigned 11/12/23					X
Mrs C Thomson #			X	X		X
Mr M G Tyley			X		X	
Ms B Walmsley					X	
Mr G Wright		X				

(1) Education & Pupil Progress Committee
(2) Risk Committee
(3) Finance & Resources Committee
(4) Safeguarding & Pupil Experience Committee
(5) Nominations Committee

Directors who were the parents of a pupil at the School during the year

* Member of the Estates and Environment Working Group

OFFICERS

Mr N Smith (until 31/5/24)	Head
Mr L Richardson (from 1/1/24)	Acting Head
(from 1/6/24)	Head
Mr W James (until 28/3/24)	Chief Operating Officer, Company Secretary
Mrs N Atkinson (until 31/5/24)	Senior Finance Manager
(from 29/3/24 until 31/5/24)	Company Secretary
Mrs L Quinn Matthews (from 1/6/24)	Senior Finance Manager Company Secretary

Solicitors: The School has used a number of specialist legal advisors during the year.

Auditor:	Crowe U.K. LLP Chartered Accountants, member of Crowe Global 3rd floor, St George's House 56 Peter Street Manchester M2 3NQ
Bankers:	Santander UK plc 4 St Pauls Square Liverpool L3 9SJ Barclays Bank PLC P.O. Box 357 51 Mosley Street Manchester M60 2AU
Website:	www.cheadlehulmeschool.co.uk

REFERENCE AND ADMINISTRATIVE INFORMATION

Cheadle Hulme School is a company limited by guarantee with no share capital and is a registered charity under the auspices of the Charity Commission.

School Address: Claremont Road
Cheadle Hulme
Cheadle
Cheshire
SK8 6EF

Company No: 3823129

Charity No: 1077017

Taxation

As an educational charity, the School is eligible for a corporation tax exemption on its educational activities and investment income, provided these are applied to the School's charitable aims. The School is also entitled to an 80% reduction in business rates on the property occupied for charitable purposes. The School is, however, unable to reclaim VAT input tax on costs, as it is exempt for VAT purposes.

As a result of the Government introduction of VAT on education from 1 January 2025, the School is now VAT registered from 3 November 2024 (being the date the School recognised the need to register). The School will therefore be able to partially reclaim VAT input tax on its costs during the academic year 2024/25 and beyond. From April 2025 the School will also lose the 80% reduction in business rates due to removal of the exemption previously afforded to independent schools with charitable status.

OBJECTIVES, CONSTRUCT AND AIMS

Cheadle Hulme School was founded in 1855. It has been situated on its present site, now occupying about 75 acres of ground, since 1869. The purpose of the School, at its foundation, was to educate, maintain and clothe Orphans and Necessitous Children of Warehousemen and Clerks in the Manchester area (Waconians, or WACs). The founders declared that the School should be established and conducted on the most liberal principles and be open for the reception of children of both sexes. The broad wishes of the founders are maintained to this day and, as a consequence, the School has a distinct, inclusive and friendly atmosphere: **Academic, Active** and **Altruistic**.

Cheadle Hulme School is a co-educational day School for 3 to18 year-olds, that believes in the intellectual, personal and social value of girls and boys learning alongside one another in preparation for the realities of the adult world. The School aims to provide a balanced approach to academic and co-curricular excellence, blended with a pro-active and inclusive pastoral tradition, which leads its pupils to engage in positive roles in their communities and beyond.

The School builds upon its motto of *'in loco parentis'* by providing the highest levels and quality of pastoral care. Teachers and other staff are committed to supporting the wellbeing of every pupil. Leadership, teamwork, personal responsibility and resilience are important elements of the pastoral education the pupils receive.

The School continues to value its heritage by endeavouring to support pupils whose family incomes would otherwise prevent them from accessing and benefitting from the education on offer; the School's Financial Assistance Scheme also supports the School in improving a more diverse social and ethnic mix of pupils.

The School's **Mission**, **Vision** and **Values** are contained at Annex A.

Detailed information about delivery of these objectives can be found in the 2023-2024 Impact Report with more information about School Performance, School Activity, Pastoral Care, and Environmental Activity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The School is governed by its Articles of Association, updated and approved by the Board of Directors on 27 April 2022 and accepted by both the Charities Commission and Companies House.

Governing Body

The Board of Directors (the Board) is a self-appointing body comprising up to fourteen Directors. The term of office for each Director is renewable by approval of the Board after a specified period, usually of either two or three years.

Recruitment and Training of Directors

An 'as required' Nominations Committee monitors the composition of the Board and makes recommendations to ensure the Board comprises members with a wide range of skills and experience. The Board seeks to ensure that at least two of the Directors are current parents of pupils attending the School. While there is no specific requirement for former pupils (Old Waconians) to be on the Board, there is a long history of this which continues to be the case.

Directors (known as Governors) are recruited based on their skills, experience and competence. They must have a passion for the work of the School and a broad understanding of education in terms of its positive impact on personal growth. Current Board members have experience in the following areas:

- Education
- HR
- Finance/Investment
- Technology
- Senior business/Entrepreneurship
- Property Development
- Medical
- Legal

As a co-educational School, the Board includes an appropriate balance of male and female Directors. New Directors have a bespoke induction organised for them, to include meetings with the Chair, Head, Chief Operating Officer and other key personnel, to develop understanding of how the School functions, its key policies and procedures and their roles and responsibilities.

Ensuring Good Governance

The Board is committed to the principles of good and ethical governance. The Board uses its sub-committee structure, (table on page 3), to objectively scrutinise different elements of the School's progress and performance. The Board carries out periodic skills and effectiveness reviews of its own construct. Board members are aware of their responsibilities to ensure compliance with statutory and other guidance relevant to its status including as a provider of education, a charity, a company, and as an employer.

The School has clear procedures for risk management, anti-fraud, bribery/corruption, procurement, gifting, behaviours, declarations of interest, complaints and whistleblowing. Its policies are subject to dated review, overseen by Board members.

At the start of each academic year, Directors are required to confirm that they understand their safeguarding obligations, key policies and expectations, and sign the:

- Acceptable IT Use Agreement Form
- Code of Conduct and Expectations for Governors
- Declaration of Interests Form
- Declaration of Offences Form
- Fit and Proper Person Declaration Form

Directors are also expected to observe aspects of School life on a periodic basis during normal School days, to include monitoring how policies and procedures are implemented.

Organisational Management

Board members are both Directors and Charity Trustees, and are legally responsible for the overall performance and control of the School (Junior and Senior). The Board meets at least five times per year and holds Away Days with the Senior Leadership Team as appropriate.

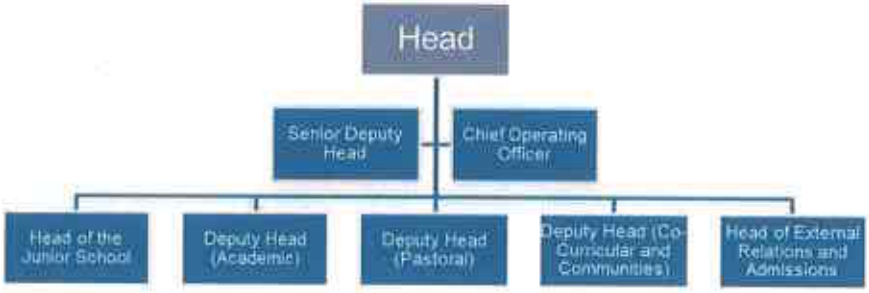
The Head, Head of Junior School, Senior Deputy Head and the Chief Operating Officer (or those in equivalent 'acting' roles) attend all Board meetings. Other members of SLT and staff attend by invitation

All Board sub-committees are chaired by a Governor and include a further 1-3 Governors.

They typically meet termly, with out-of-committee circulation to maintain pace on pressing matters. Each sub-committee also includes key senior staff members and other representatives as appropriate. The Governing Board reviews its sub-committees periodically to ensure they are configured to conduct key business and support the School in its strategic aims.

The Head is responsible for overseeing all aspects of the day-to-day running of the School. The Chief Operating Officer and their team manage financial, infrastructure, site operations, information technology, human resources and governance matters. The Head is supported by the Senior Leadership Team (SLT) (image below). The SLT has authority and day-to-day responsibility for planning, directing and controlling the operational and educational activities of the charity.

Senior Leadership Team:



For part of this financial year, several temporary (acting) leadership roles were in place:

- Senior Deputy Head for the Head
- Deputy Head (Co-Curricular and Communities) for the Senior Deputy Head
- Senior Finance Manager for the Chief Operating Officer

The protocol for setting remuneration for the Senior Leadership Team is:

- The Chair of the Board, together with two other members of the Board, including the Deputy Chair, agree the Head's remuneration.
- The Chair of the Board and the Head agree the remuneration for the Chief Operating Officer.
- The Head, working with the Chair of the Board and Chief Operating Officer, sets the remuneration for the remaining members of SLT.

Group Structure and Relationships

Cheadle Hulme School incorporates both the Junior and Senior School. It has one wholly owned subsidiary, Cheadle Hulme School Enterprises Ltd, established on 14 May 2013, to manage the School's lettings activities. Consolidated Financial Statements have not been prepared on the grounds that the subsidiary is not material.

The School has an ongoing relationship with the Cheadle Hulme School Bursary trust (formerly the Cheadle Hulme School 150th Anniversary Bursary Trust.) The School's External Relations team raises funds for bursaries that are invested and managed by the CHS Bursary Trust using a professional advisor. The Chair of the Trust is also a School Governor. Two other Trustees are also Governors of the School. However, the Trust is an independent charity with its own articles and objectives; to apply the trust funds to pay all or any part of the fees and related costs payable in respect of deserving boys and girls who are being educated or wish to be educated at Cheadle Hulme School in particular but not exclusively to include school uniforms, school lunches, personal educational equipment, school trips and transport to enable the pupils to attend Cheadle Hulme School.'

Old Waconians. All former pupils and staff are considered to be Old Waconians.

Parents' Association. The CHS Parents' Association is a separate organisation, consisting of volunteer parents who arrange events in coordination with, for and on behalf of the School to raise funds to provide additional experiences, equipment or support for non-core activities.

More detail about the work of the Cheadle Hulme School Bursary Trust and the Parents Association can be found in the 2023-24 Impact Report.

PRINCIPAL RISKS

Risk Management

The Board, assisted by the SLT, has examined and documented the major risks that the School faces. The School's Risk Register is compiled in accordance with the Charity Commission's "Charities & Risk Management" framework and is consistent with the Commission's Statement of Recommended Practice (SORP) 2015.

The School actively manages its key risks and has developed systems including a rolling 'deep dive' review, to minimise likelihood of harm to individuals or their families, reduce operational impact, and, reduce financial or reputational impact to the School. The key accumulated risks are: financial shock, compliance, safeguarding, cyber, fire, sports/games injury, travel, trips, lone-working, estate management and compliance. Changes (or predicted changes) to tax, pension cost increases, living wage rise, business rate relief, charitable status, commodity/utility costs, inflation, workforce, the outcome of court rulings, recession, the potential for industrial unrest and environmental obligations are all within sight of the Board.

Directors review the key risks, compliance and mitigating actions on a regular basis via the sub-committees, in direct discussion with key staff and/or via a dedicated Risk Committee.

The School's finances remain under very careful review.

The strategies for managing and mitigating these key risks included:

- Continuing to refine and develop risk assessment and critical incident processes in line with changing context and government guidance.
- Educating and training staff in risk management.
- Continuous horizon scanning to ensure Directors and the SLT are aware of national and local government thinking and policy, and taking action accordingly.
- Understanding the impact of international activities e.g. conflict, recession.
- Being aware of local/national changes in the education sector, considering the impact on the School and taking appropriate action.
- Monitoring and developing the School's admissions process.
- Continuing to prepare and review the annual budget, financial projections and scenario plans, to include changes in fees and remuneration.
- Continuing to ensure that the Risk Committee will focus on risks and compliance across the School, to maintain a full oversight, ensure coherence and promote standardisation of practice.

SECTION B: FINANCIAL

Statement of Financial Activities

The School aims to make an annual surplus on its unrestricted funds, before depreciation, of 10% of income, in line with the latest guidance from the Independent Schools Bursars' Association and from the School's auditors – Crowe LLP. A surplus of this level means the School can generate sufficient cash reserves to ensure it has an appropriate level of resources to maintain and enhance School facilities, and have sufficient working capital. This year, the School has not met the target of 10%, but has achieved a surplus on its unrestricted funds, before depreciation and transfers of £1.59m (2022-23: £1.77m). This represents 7.8% of income (2022-23: 9%). After accounting for depreciation, the Retained Surplus for the Year on unrestricted funds amounted to £0.6m (2022-23: £0.8m).

Fees continue to be the main source of funding, representing 90% of total unrestricted income. School catering accounts for approximately 5% and grants and donations for financial assistance represent over 1%. Income from lettings to community groups and other third parties i.e., CHSE, is less than 1%. Bank interest was earned in the period, representing less than 2%.

Balance Sheet

The School's Net Assets have increased by £0.91m.

Tangible Fixed Assets are £21.2m net of depreciation (2022-23: £20.9m). The School undertook planned capital projects during the summer months to enhance facilities for students, including refurbishment of Level 1 of the Main Building, replacement of the all-weather hockey pitch and enhancement of the Junior School play space. Investment in streamlining and improving the robustness of the technology used by teaching staff and the final phase of the solar panel installation also took place through the year.

Cash at Bank and in hand has increased to £7.5m (2022-23: £4.0m) and Creditors falling due within one year have increased to £5.3m (2022-23: £3.6m), primarily reflecting the increase in fees in advance received.

Overall, net current assets have increased to £2.9m. (2022-23: £0.9m.)

Creditors: Amounts falling due after more than one year have increased to £4.1m (2022-23: £2.7m) reflecting the fees in advance paid for more than one year.

The School has drawn bank loans totalling £1.75m.

The School's pension liabilities are summarised in note 22 in the accounts.

Cash Flow Statement

The Net Increase in Cash for the year was £3.5m (2022-23: negative £0.4m), due to the payment of fees in advance.

Reserves

Total reserves amounted to £20.0m at 31 August 2024 (2022-23: £19.1m), of which £390k (2022-23: £80k) is restricted.

The School has free reserves of £0.4m (2022-23: £0.2m). This is calculated by taking unrestricted reserves of £19.6m, deducting Tangible Fixed Assets of £21.2m, and adding back Loans of £2.0m.

The School has slowed investment of its reserves in 2023-24 in order to preserve cash at this time.

The School ensures it has sufficient cash balances to cover its day-to-day operations. Bank borrowings are carefully monitored.

Historically, the Directors have aimed to maintain free reserves at around zero, whilst the planned estates capital programme was completed. However, due to a rapid and significant change in the cost of capital works at this time, there has been a deliberate slowing of investment.

Investment policy and objectives

The School does not hold any long-term investments. Surplus cash is held in instant access bank accounts with the best interest rate available. Directors periodically review the banks used by the School. However, there are no restrictions on the School's power to invest.

Financial Assistance

The School has provided financial assistance through bursaries for many years. The School's main Financial Assistance Scheme is derived from current fee income and is supplemented by income from the - CHS Bursary Trust Fund and other generous donors, including the Zochonis Charitable Trust.

Financial assistance is awarded to pupils on application and following an assessment of parental means with awards ranging from 5% to 100% remission of fees. Financial assistance is also provided to help with the costs of educational School trips, transport, uniform and equipment, where a substantial award has already been made. This year the value of all bursaries, scholarships and other awards totalled £1.766m (2022-23: £1.821m) and represented 8.6% of gross fees (2022-23: 9.2%). Within this total, the value of means-tested bursaries totalled £1.151m (2022-23: £1.193m) and represented 5.6% of gross fees (2022-23: 6.0%). This provided support to 89 pupils (2022-23: 94) of which 37 (2022-23: 41) benefitted from a full remission of fees.

£21,965 of Hardship funds were awarded in 2023/24 (0 awards in 2022/23). The School will continue to review requests to this fund.

Financial Factors

To ensure the School continues to have financial stability and the resources necessary to provide the high standard of education facility and staff that parents and pupils expect now and in future years, the School prepares and regularly updates 4-year financial projections incorporating scenario and sensitivity analysis.

As fees are the School's primary source of income, the School works with parents to ensure prompt payment of fees. For those parents having difficulties with payment of fees, the School takes action to reach arrangements for ongoing payments. The School does utilise external debt collection agencies.

Directors' Responsibilities

The Board is confident that the Directors have complied with their duties in section 172 (1) of the Companies Act. All key decisions are taken collectively by the Board. Board papers comprise comprehensive information detailing the risks and opportunities facing the School and decisions are taken about promoting the long-term sustainability of the School for its pupils, parents, staff, suppliers and local community. All decisions taken are considered carefully to ensure they are justifiable, appropriate and that they will benefit the School and the environment it operates in.

Section 172 (1) Statement

The Board of Directors have a duty to act in the best interests of the School and also in the best interests of its pupils, staff, parents and other stakeholders, as recognised beneficiaries under charity law. The Directors fulfil this duty by considering the long-term factors affecting the School and their impact on its pupils, staff, parents, partners, suppliers and local community. The School's commitment to providing an excellent education for its pupils is the key driver within its Strategic plan and in its target of continued financial sustainability. The School ensures that engagement with pupils, staff, parents, carers, partners and other stakeholders informs the Board of Directors' decision making. Engagement takes place in a range of ways:

Pupils

Pupil representatives have continued to meet regularly as part of the CHSenate, which meets in the Lower School, Upper School and Sixth Form to discuss key areas for review and improvement. Pupils have been encouraged to give feedback on a range of issues on an informal basis to their Form Tutors whilst more formal pupil surveys have been conducted each term on a year group basis. The pupil surveys covered all aspects of School life and helped identify issues which have arisen or were likely to affect the pupils' experience of School. In addition, pupils in Year 10 have been participating in the #Beewell survey, a longitudinal study of pupil wellbeing across Greater Manchester.

Parents/ carers

The School continued to conduct parent/ carers surveys each term on a year group basis. It also encouraged feedback from parents at parent information evenings and by facilitating direct contact with teaching staff and members of the Senior Leadership Team. The School also held a number of parent forums and parents were given the opportunity to provide feedback on the School's delivery and performance.

Staff

The Employee Involvement section at Annex C details how the School engages its staff.

Communities

The School actively and directly engaged with the community groups who use the School's facilities in the evenings, weekends and holiday periods to ensure suitable risk assessments and training were in place and that the services provided by the School met their needs. Wider partnership, community outreach and engagement impact is covered in the 2023-2024 Impact Report.

Partners & Suppliers

The School relied on its key suppliers and contractors for delivery of goods and services. Appropriate measures were taken to ensure value and price was fairly assessed and that the contracts awarded met the needs of the School. Contracts are evaluated, with termly performance meetings; A tender process is conducted, as appropriate, when significant fixed-term contracts expire. The main suppliers are Sodexo for catering, British Gas for utilities and Premiserve for cleaning.

DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the Directors are required to select suitable accounting policies and applied them consistently:

- Making judgements and estimates that are reasonable and prudent.
- Following applicable accounting standards and the Charities SORP 2015; and state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Preparing the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for at least a further 3 years. Actual performance is monitored at least termly and cash balances are managed daily. The School continued to have strong pupil recruitment and made a positive Income and Expenditure surplus which it uses to reinvest in its facilities. The Directors continue to undertake planning and forecasting including closely monitoring the UK political and economic situation and its possible impact for the School, including workforce availability and wages pressures and the implications of any changes to UK taxation as it applies to independent schools.

The directors also keep under review the short and long-term impact of geopolitical conflict including issues in supply chains, energy costs and other materials costs. Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware:

- there is no relevant audit information of which the company's auditors are unaware, and;
- the Directors have taken all the steps that ought to have been taken as a member in order to be aware of any information needed by the auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The Directors have also taken all reasonable steps to comply with their obligations as set out by the Charity Commission to act in the best interests of the charity and comply with their legal duties under charity law, including their duty of prudence.

Approval

This report was approved by the Board on 27.5.25

Chris Roberts
Director

ANNEX A: Energy Data

The School has begun using Planet Mark to monitor and report energy use across the School site. Planet Mark is an annual assessment and sustainability certification programme which provides a robust baseline to enable continuous improvement and target setting to reduce the carbon emissions and energy consumption of the School operations and its estate.

In Year 1 of the accreditation, the installation of site-wide LED lighting significantly lowered electricity utilisation, and data reporting quality assurances through Planet Mark has seen an improvement in data capture (which has seen an increase in energy data reported), but through a programme of engagement and communication, the School has been able continue to drive progress across energy saving measures and to drive behavioural change resulting in an overall reduction in energy use and associated greenhouse gas emissions.

More details about the School's commitment to saving energy can be found in the 2023-2024 Impact Report.

	2023-24	**2022-23**	**2021-22**
Energy use (kWh)	3,408,011	3,440,266	3,984,556
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	633,710	719,950	730,411
Intensity ratio Emissions per pupil	428	475	460

Associated greenhouse gases have been calculated using the conversion factors from the Department for Business, Energy, and Industrial Standard, and using an average pupil number of 1480. Intensity ratio of emissions per pupil is lower than 2022-23 due to the introduction of solar panels during the second half of the year.

Annex B: The School's Strategic and Operational Plans

The School has a clear **Ethos & Mission:**

Our School was built by free-thinking philanthropists in 1855 to provide a liberal, inclusive co-education to orphans and necessitous children.

To this day, we inspire every Waconian to use their CHS experience to make a positive lifelong contribution to our world.

Our mission and vision will be achieved through a culture characterised by compassion, curiosity and joy, built around connections with people, our community and our heritage.

We passionately believe that an inclusive coeducation has never been more important – where pupils embrace difference and learn the value of respecting new and diverse ways of thinking.

The School's **Values** underpin and guide all aspects of life at CHS, whilst providing a strong sense of identity and purpose for the whole community. All members of the community are encouraged to uphold these principles in their interactions with one another and throughout each day.

The 5 Waconian Values underpin and guide all aspects of life at CHS, whilst also providing a strong sense of identity, and purpose for the whole School community.

They are: **Integrity, Endeavour, Compassion, Resilience and Contribution**

Work on the School's Strategic Plan has been paused pending a review of the post-VAT landscape. Meanwhile, in-year Development Plans have been produced and fulfilled for all functional areas, with particular emphasis on maximising the efficient use of resources and minimising overall cost. The medium-term aim is to ensure that the quality of education is preserved, whilst minimising current and future fee increases.

ANNEX C: Employment, Communication and Professional Development

The School is an equal opportunities employer and has achieved the conditional Investors in Diversity (IiD) standard, demonstrating commitment to Diversity and Inclusion across the School community.

It has clear and transparent recruitment procedures that adhere to employment law, best practice and Department for Education guidelines. The School considers all job applicants equally and against predetermined criteria required for the post. The School undertakes to make all reasonable adjustments to ensure that any applicant who fulfils the criteria, can be offered an interview.

The School meets its obligations in relation to safeguarding; it meets safer recruitment standards and undertakes any checks necessary to ensure the suitability of any staff or volunteers working with children.

Development

The School has a clearly defined development cycle for all employees. Different systems are used for teachers and non-teachers, due to the nature of their roles. These systems are designed to encourage regular conversations between employees and their line managers, focussing not only on professional development and growth but also on wellbeing, work satisfaction and longer-term team plans.

The School runs its own development programmes for Recently-Qualified teachers, and aspiring Senior and Middle leaders. The School has an annual budget for CPD activities, accessible to both teaching and non-teaching employees. There are professional learning community meetings for teachers which take place twice a term and weekly breakfast CPD sessions.

Wellbeing

Staff wellbeing is key to the School's appeal and success. School provides staff coaching and mentoring for professional and personal development and operates an Employee Support Scheme: an external organisation is on hand 24/7 to provide a broad range of advice and support (personal and work-related) on a confidential basis to all School staff. All staff have access to the internal HR department who offer support and guidance on wellbeing matters.

Benefits

The School's employment contract also includes various benefits: access to the School's fitness and pool facilities for staff and their families; on-site parking; lunches; access to Private Medical insurance; and partial-fee remission for staff with children in the Senior School. These benefits are regularly reviewed for impact, uptake and perceived value to the staff.

Employees with disabilities

The School undertakes to make all reasonable adjustments to ensure that any candidate applying for a role at the School, and who is deemed appointable, would be able to carry out their duties effectively. Any member of staff with a disability, or who becomes disabled during their employment, will not be disadvantaged in their opportunities for training and development.

Where appropriate, specialist training or resources are made available to allow them to develop their skills and career opportunities.

All employees are expected to treat disabled colleagues, pupils and visitors with the same dignity and respect as their non-disabled counterparts. Any form of harassment of a person with a disability on account of their impairment is unacceptable behaviour and is potentially unlawful under the terms of the Equality Act 2010 and the Protection from Harassment Act 1997.

The School has a rolling programme of improvements within an estates plan to offer improved access and facilities for disabled staff, pupils and visitors, to include gender-neutral and inclusive toilets/washrooms and the facility for the observance of normal religious practices.

Employee Involvement

The School operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. The School actively consults with its employees or their representatives with the aim of taking the views of employees into account where decisions are made that are likely to affect their interests e.g. working practices, remuneration, pensions and other benefits. During this year, a Trade Union Recognition Agreement was negotiated with the major teaching unions and a new Staff Council designed to facilitate open discussion between senior leaders, governors and elected representatives from across the staff body. Since August 2024, both the TURA and Staff Council have come into operation. The School involves employees in discussions regarding the development of the Strategic Plan and informs them on progress at least annually at INSET meetings. Employees are encouraged to present their suggestions and views on all elements of the School.

Communication

The School communicates with employees in a variety of forms e.g. INSET days, weekly staff briefings, all-staff emails, half-termly line managers' meetings, all-Staff meetings, team meetings and Away Days. A comprehensive online Staff Site acts as the primary source of information for all staff and is updated daily. Regular meetings are held between management and employees to enable the free flow of information and ideas.

School-Centred Initial Teacher Training (SCITT)

The School continues to act as a regional hub for the National Modern Languages (NML) SCITT. Four NML trainees are placed each year at CHS and partner schools. The School has chosen to withdraw from the Maths and Physics (NMAPS) SCITT due to the receipt of very low numbers of suitable applications, making continued involvement unsustainable. All SCITT trainees to date have secured employment in state sector schools.

Independent Auditor's Report to the Members of Cheadle Hulme School

Opinion

We have audited the financial statements of Cheadle Hulme School ('the charitable company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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 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 28 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 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment legislation and Health & Safety Legislation.

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 other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Resources 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, sample testing of other income 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.

Vicky Szulist

Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
St George's House
56 Peter Street
Manchester M2 5NT

Date 29th May 2025

STATEMENT OF FINANCIAL ACTIVITIES (Including an income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
INCOME		**£'000**	**£'000**	**£'000**	**£'000**
Income from:					
Donations and legacies	6	263	332	595	246
Investments	5	341	-	341	155
Ancillary trading income	4	1,408	-	1,408	1,284
Charitable activities	3	18,631	-	18,631	17,920
Total Income		20,643	332	20,975	19,605
EXPENDITURE					
Charitable activities		20,039	22	20,061	18,782
Total Expenditure	7	20,039	22	20,061	18,782
Net School Income for the year before transfers		604	310	914	823
Transfers between funds	19	-	-	-	-
Net movement in funds		604	310	914	823
Total funds brought forward		18,986	80	19,066	18,243
Total funds carried forward	21	19,590	390	19,980	19,066

The Statement of Financial Activities includes all gains and losses recognised in the year.

All activities are classed as continuing.

The notes on the following pages form part of these financial statements

BALANCE SHEET
Company number: 3823129

	Note	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Tangible assets	10		21,195		20,852
Current assets					
Debtors	12	867		681	
Cash at bank and in hand		7,558		4,025	
		8,425		4,706	
Creditors: Amounts falling due within one year	13				
Loans		(200)		(200)	
Other		(5,343)		(3,609)	
Net current assets/(liabilities)			2,882		897
Total assets less current liabilities			24,077		21,749
Creditors: Amounts falling due after more than one year	14		(4,097)		(2,683)
Net assets			19,980		19,066
Funds					
Unrestricted general funds	20		19,590		18,986
Restricted funds	19		390		80
Total charity funds			19,980		19,066

The financial statements were approved by the Board of Directors on 27.5.25 and signed on its behalf by:

C Roberts
Director

The notes on the following pages form part of these financial statements

STATEMENT OF CASH FLOWS

	2024 £'000	2023 £'000
Cash flows from operating activities:		
Net movement in funds	914	823
Adjusted for:		
Depreciation	984	950
Interest payable	88	83
Interest receivable	(341)	(155)
Loss on disposal of fixed assets	-	7
(Increase)/decrease in trade and other receivables	(186)	(123)
Increase/(decrease) in trade and other payables	3,495	(926)
(Decrease) in pension debt provision	(57)	(94)
Net cash inflow from operating activities	4,896	565
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,327)	(835)
Interest received	341	155
Net cash outflows from investing activities	(986)	(680)
Cash flows from financing activities		
Repayments of amounts borrowed	(200)	(200)
Repayments of finance lease	(89)	(71)
Interest paid	(88)	(83)
Net cash outflows from financing activities	(377)	(354)
Net increase in cash & cash equivalents	3,533	(468)
Opening cash & cash equivalents	4,025	4,493
Closing cash & cash equivalents	7,558	4,025
Movement in cash & cash equivalents	3,533	(468)

RECONCILIATION OF NET DEBT

	At 1 September 2023 £'000	Cash flow £'000	At 31 August 2024 £'000
Cash at bank	4,025	3,533	7,558
Bank loan due in less than one year	(200)	-	(200)
Bank loan due in greater than one year	(1,950)	200	(1,750)
	1,875	3,733	5,608

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information

Cheadle Hulme School is a private company limited by guarantee and is non-profit making. Cheadle Hulme School is incorporated in England and Wales. The registered office is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF.

Basis of accounting

Cheadle Hulme School meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, with the exception of certain buildings which have been included at a valuation made in 1939 and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Companies Act 2006.

Going concern

The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for at least a further 3 years. Actual performance is monitored at least termly and cash balances are managed daily. The School continued to have strong pupil recruitment and made a positive Income and Expenditure surplus which it uses to reinvest in its facilities. The Directors continue to undertake planning and forecasting including closely monitoring the UK political and economic situation and its possible impact for the School, including workforce availability and wages pressures and the implications of any changes to UK taxation as it applies to independent schools.

The directors also keep under review the short and long-term impact of geopolitical conflict including issues in supply chains, energy costs and other materials costs. Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Group accounts

The charity has not prepared consolidated accounts as the subsidiary undertaking may be excluded from consolidation on the basis that it is not material. These financial statements therefore present information about the charity as an individual undertaking rather than as a group.

Income

All income is included in the Statement of Financial Activities when the School is legally entitled to the income and the amounts can be quantified with reasonable accuracy. Income mainly represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Donations and gifts
All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Income (continued)
Donations under Gift Aid, together with associated income tax recoveries, are credited as income when the donations are receivable.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, if the receipt is both probable and measurable. These are included in the Statement of Financial Activities.

Investment income
Investment income, including associated income tax recoveries, is recognised when receivable.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified to the particular activity where the cost relates directly to that activity.

Charitable expenditure
This represents expenditure incurred on activities in furtherance of the charity's objects (which includes support costs).

Governance costs
Costs incurred are those relating to the organisation and running of the charity itself and are included in charitable expenditure.

Fixed assets
Fixed assets are included in the balance sheet at historic cost except for certain buildings noted above. From 1 April 1993 all plant and equipment purchased with a cost of greater than £1K is being capitalised and disclosed within the fixed asset note.

Depreciation is provided evenly on the cost of plant and equipment to write them down to their estimated residual values over their expected useful economic lives of 5-20 years. Information Technology equipment is written down over 4 or 5 years. Fixtures and fittings are written down over 10 years.

Buildings are being depreciated over a life of 50 years. Certain improvements to properties are depreciated over their estimated useful lives, ranging from 5 to 20 years.

Taxation
The School is not liable to taxation on the results of its charitable activities as it is a registered charity.

Investments
Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Pensions

School staff are members of one of two pension schemes. Teachers' Pension Scheme is a defined benefit scheme and Independent School's pension scheme still open to members is defined contribution. There is also a further defined benefit scheme with no active members. More details of the schemes are given in note 22.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department of Education. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the School in the year. More details of the schemes are given in note 22.

Defined Contribution Schemes

Independent Schools' Pension Scheme

Non-teaching members of staff are offered membership of the Independent Schools' Pension Scheme (ISPS) Defined Contribution section. The contributions paid by the School during the year are charged to the Statement of Financial Activities.

Non-teaching members of staff appointed prior to 1 September 2013 were eligible to be members of the ISPS funded multi-employer Defined Benefit section. The scheme is closed to new employees. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. More details of the schemes are given in note 22.

If the actuarial valuation of the scheme reveals a deficit, the Directors will agree a recovery plan to eliminate the deficit over a specified period. This is held as a liability in the financial statements, as detailed in note 16.

The pension costs for the scheme represent the contributions payable by the School in the year.

Reserves

The School has a number of restricted income funds to account for situations where an income stream requires that the income must be spent on a particular purpose.

All other funds are classified as unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 affects both current and future periods.

Critical accounting judgements
The critical accounting judgements that the Directors have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- Pension deficit provision
  The charity has an obligation to pay deficit funding contributions towards the multi-employer defined benefit pension scheme. This provision is dependent on a number of factors including discount rate, life expectancy and asset valuations. The assumptions reflect historical experience and current trends.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Determining residual values and useful economic lives of property, plant and equipment
  The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by the Directors. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by the Directors when determining the residual values for plant, machinery and equipment. When determining the residual value, the Directors aim to assess the amount that the charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

3. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2024 £'000	2023 £'000
Fees receivable consist of:		
School fees	20,397	19,742
Less: total bursaries and scholarships	(1,766)	(1,822)
	18,631	17,920

4. CHARITABLE ACTIVITIES – OTHER INCOME

	2024 £'000	2023 £'000
Catering fees	1,047	1,007
Entrance and registration fees	50	40
After school and other clubs	120	105
Income from CHS Enterprises	110	117
Other income	81	16
	1,408	1,285

5. INVESTMENT INCOME

	Total 2024 £'000	Total 2023 £'000
Bank interest	341	155
	341	155

6. GRANTS AND DONATIONS RECEIVABLE

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2024 £'000**
Grants received for Bursaries from:			
CHS Bursary Trust	183	-	183
Biology legacy	-	332	332
Individual donor bursary donations	74	-	74
Peter Kershaw income	6	-	6
	263	332	595

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2023 £'000**
Grants received for Bursaries from:			
CHS Bursary Trust	180	-	180
Oglesby Trust	10	-	10
STEM and ART bursary donations	51	-	51
Peter Kershaw income	5	-	5
	246	-	246

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £'000	Other £'000	2024 Total £'000
Charitable expenditure	14,500	5,561	20,061

	Staff Costs £'000	Other £'000	2023 Total £'000
Charitable expenditure	13,461	5,321	18,782

Total expenditure are stated after charging:

	2024 £'000	2023 £'000
Depreciation	984	950
Auditor's remuneration - audit	15	14
- non-audit (other assurance services)	1	1

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

8. STAFF COSTS

	2024 £'000	2023 £'000
Staff costs were as follows:-		
Salaries	11,108	10,359
Social security costs	1,121	1,068
Pension costs	2,184	1,968
Private medical insurance	87	65
	14,500	13,461

Included within wages are termination and voluntary severance payments of £130k (2022-23: 2k). The average number of employees in the year analysed by function was:-

	2024 No	2023 No
Teachers	177	174
Fund raising and publicity	6	7
Management and administration	137	142
	320	323

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

9. STAFF COSTS (CONTD)

The following analysis shows the number of higher paid staff in the following ranges.

Emoluments include salary, taxable benefits in kind and other payments to employees.

	2024 No	2023 No
£70,000 to £79,999	1	-
£80,000 to £89,999	4	5
£90,000 to £99,999	1	1
£100,000 to £109,999	-	1
£110,000 to £119,999	1	-
£130,000 to £139,999	1	-
£150,000 to £159,999	-	-
£160,000 to £169,999	-	1
£170,000 to £179,999	1	-

Retirement benefits under defined benefit and defined contribution schemes are accruing for the above staff.

No Director received any remuneration during the period.

One (2022-23: One) director received reimbursed expenses and expenses paid directly to third parties of £39 (2022-23: £153) during the period.

The key management personnel of the charity comprise the Directors, the Head, three Deputy Heads, the Chief Operating Officer, the Senior Deputy Head, the Head of Junior School and the Development Director. The total employee benefits of the key management personnel of the Charity were £1.3m (2022-23: £901k). The reason for the increase in costs is due to temporary roles being in place for part of the year. As a result, the Directors have determined these costs are not indicative of a normal year.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

10. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Cost or valuation			
At 31 August 2023	28,311	2,402	30,713
Additions	797	530	1,327
Revaluations			
At 31 August 2024	29,108	2,932	32,040
Depreciation			
At 31 August 2024	8,633	1,228	9,861
Charged in year	675	309	984
Disposals			
At 31 August 2024	9,308	1,537	10,845
Net book value			
At 31 August 2024	19,800	1,395	21,195
At 31 August 2023	19,678	1,174	20,852

Fixed assets are included in the balance sheet at the following values:-

Land	- at historic cost
Buildings	- at 1939 valuation with subsequent additions at cost
Equipment	- at cost

As records are not available back to 1939 and as a result of the passage of time, the 1939 valuation used for buildings is deemed to be cost for the purpose of FRS 102.

All the tangible fixed assets are used for direct charitable purposes.

As at 31 August 2024, the School had capital commitments of £27k in relation to playground works, with works expected to commence during the 24/25 financial period.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

11. INVESTMENTS

	£
Historic cost as at 31 August 2023 and 2024	1

The above investment represents 100% of the issued ordinary share capital of Cheadle Hulme School Enterprises Limited. The registered office of Cheadle Hulme School Enterprises Limited is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF. The principal activity being the lettings of the school premises. As at 31 August 2024, its reserves stood at £183,893 (2022-23 - £137,490) and its profit for the year was £183,893 (2022-23 - £137,490).

12. DEBTORS

	2024 £'000	2023 £'000
School debtors	61	59
Prepayments and accrued income	351	517
Amounts owed by associated undertakings	101	55
Cheadle Hulme School Bursary Trust Fund	290	-
Other debtors	64	51
	867	681

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Bank loans (note 15)	200	200
	200	200
Trade creditors	671	648
School fees in advance (note 17)	3,213	1,355
Other taxation and Social Security	255	249
Other creditors	267	478
Accruals	404	451
Sundry School pupils' accounts	349	69
Cheadle Hulme School Bursary Trust Fund	-	175
Pension deficit provision (note 16)	107	107
Obligations under finance leases	77	77
	5,343	3,609

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £'000	2023 £'000
Bank loans – secured (note 15)	1,550	1,750
School fees paid in advance (note 17)	1,763	2
Pension deficit provision (note 16)	651	708
Obligations under finance leases	133	223
	4,097	2,683

There are two loans, one is a variable loan of £1M payable at 1.7% above SONIA and the second is £2M at a fixed rate of 3.51%. Both loans are repayable quarterly in equal instalments until 2026 and then a lump sum payment of £1.45M.

All loans are secured by a charge over the land and buildings of the School.

15. CREDITORS: LOANS

Loans are repayable as follows;

	2024 £'000	2023 £'000
In one year or less	200	200
Between one and two years	200	200
Between two and five years	1,350	1,550
In five years or more	-	-
	1,750	1,950

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

16. CREDITORS: PENSION DEFICIT PROVISION

Included within Creditors due within one year and more than one year is a multi-employer defined benefit pension scheme deficit and the estimated employer debt. This debt relates to the Independent Schools' Pension Scheme and the Growth plan. Following the valuation of the scheme as at 30 September 2017, the contributions payable by the employer have been communicated relating to recovery of the deficit over the 13 years to 31 August 2029. As of the balance sheet date the estimated discounted employer deficit is detailed below.

	2024 £'000	2023 £'000
Pension deficit provision as at 1 September 2023	815	907
Deficit contributions paid	(107)	(104)
Remeasurement of defined benefit pension	47	12
Pension deficit provision as at 31 August 2024	755	815
Less: amount due within one year	(104)	(107)
	651	708

17. CREDITORS: DEFERRED INCOME

	2024 £'000
At 1 September 2023	1,357
Received during the year	4,961
Discounts given during the year	-
Released to income for the year	(1,342)
At 31 August 2024	4,976

Deferred income represents school fees paid in advance and fee deposits repayable upon pupils leaving the School.

18. FINANCIAL INSTRUMENTS

	2024 £000	2023 £000
Financial assets measured at amortised cost (a)	7,619	4,084
Financial liabilities measured at amortised cost (b)	4,361	2,781

(a) Financial assets include cash, trade and fee debtors and other debtors
(b) Financial liabilities include deposits, trade creditors, other creditors and obligations under finance leases.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

19. RESTRICTED FUNDS

	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2024 £'000
Hardship fund	69	-	(22)	-	47
Biology legacy	-	332	-	-	332
Music and Languages Fund	10	-	-	-	10
Specific student funds	1	-	-	-	1
	80	332	(22)	-	390

These restricted funds relate to funds received by the School for use for the purposes stipulated by the donor.

Hardship fund was created to provide financial support to families struggling due to the Coronavirus pandemic.
Biology legacy was created to provide equipment for the laboratories and field trips for the pupils of the Biology Department.
Specific Student funds were donations made by individual donors for specific students.

	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2023 £'000
Hardship fund	69	-	-	-	69
Music and languages fund	10	-	-	-	10
Specific student funds	5	-	(4)	-	1
	84	-	(4)	-	80

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

20. UNRESTRICTED FUNDS

	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2024 £'000
General	18,986	20,643	(20,039)	-	19,590
	18,986	20,643	(20,039)	-	19,590

There has been no transfers between unrestricted and restricted funds in the period.

	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2023 £'000
General	18,159	19,605	(18,778)	-	18,986
	18,159	19,605	(18,778)	-	18,986

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2024	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2024 Total £'000
Restricted Funds	-	390	-	390
Unrestricted Funds	21,195	2,492	(4,097)	19,590
	21,195	2,882	(4,097)	19,980

2023	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2023 Total £'000
Restricted Funds	-	80	-	80
Unrestricted Funds	20,852	817	(2,683)	18,986
	20,852	897	(2,683)	19,066

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22. PENSIONS

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 £1,971k (2022-23: £1,683k) and at the year-end £231k (2022-23: £196k) 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 was published in October 2023.

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 have increased 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%.

Independent Schools' Pension Scheme

Cheadle Hulme School participates in The Independent Schools' Pension Scheme ('the Scheme') which has a multi-employer defined benefit scheme section and a defined contribution section. The Scheme is contracted-out of the State scheme. With effect from 1 November 2016 all members of the Independent School' Pension Scheme moved from the Defined Benefit section to the Defined Contribution section.

As at the balance sheet date there were no active members of the Defined Benefit Scheme employed by Cheadle Hulme School (2022-23: no active members). There were 127 (2022-23: 127) members of the Defined Contribution Scheme.

During the accounting period ended 31 August 2024 Cheadle Hulme School paid employers contributions of 10% and 0.6% for life cover in respect of the Defined Contribution Scheme.

The scheme is a multi-employer scheme which provides benefits to some 61 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions	
From 1 September 2022 to 30 June 2032:	£2,687,000 per annum (payable monthly and increasing by 3% on each 1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 September 2019 to 31 April 2030:	£2,387,357 per annum (payable monthly and increasing by 3% on each 1st September)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The Growth Plan

Cheadle Hulme School also participates in The Growth Plan which is a multi-employer scheme.

The scheme is a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions		
From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions		
From 1 April 2019 to 30 September 2025:	£11,243,000 per annum increasing by 3% each on 1st April)	(payable monthly and

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

23. POST BALANCE SHEET EVENTS

In December 2024, The Pensions Trust approved a recovery plan that will increase future pension payments by approximately £919,000. These additional contributions, which will be incorporated into next year's provision, relate to the Independent Schools' Pension Scheme and the Growth Plan.

24. RELATED PARTY TRANSACTIONS

Included within debtors within one year is an amount of £289,537 held by Cheadle Hulme School Bursary Trust (formerly known as the 150th Anniversary Bursary Trust) on behalf of Cheadle Hulme School (2022-23: Included within creditors within one year is an amount of £175,360 held by Cheadle Hulme School on behalf of Cheadle Hulme School Bursary Trust). Dr D N Riley, Mrs C Boyd, Ms B Walmsley and Mr S Abraham are trustees of Cheadle Hulme School Bursary Trust. During the year, Cheadle Hulme School Bursary Trust granted bursary money to Cheadle Hulme School amounting to £183,000 (2022-23: £180,000).

Included within debtors within one year is an amount of £101,398 (2022-23: £54,619) held by Cheadle Hulme School Enterprises Ltd on behalf of Cheadle Hulme School. During the year, Cheadle Hulme School Enterprises Ltd paid management charges to Cheadle Hulme School amounting to £2,400 (2022-23: £2,400).

A number of directors at the School have children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

25. OPERATING LEASE COMMITMENTS

At 31 August 2024 the School had annual commitments under non-cancellable operating issues:

	Land and buildings	
	2024 £'000	2023 £'000
Operating leases which expire:		
Within one year	-	-
Within two to five years	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

26. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds	Restricted Funds	Total 2023
INCOME		**£'000**	**£'000**	**£'000**
Income from:				
Donations and legacies	6	246	-	246
Investments	5	155	-	155
Ancillary trading income	4	1,284	-	1,284
Charitable activities	3	17,920	-	17,920
Total Income		19,605	-	19,605
EXPENDITURE				
Charitable activities		18,778	4	18,782
Total Expenditure	7	18,778	4	18,782
Net School Income for the year before transfers		827	(4)	823
Transfers between funds	19	-	-	-
Net movement in funds		827	(4)	823
Total funds brought forward		18,159	84	18,243
Total funds carried forward	21	18,986	80	19,066



Crowe

Smart decisions. Lasting Value

Cheadle Hulme School

Report to the Finance Committee

Year ended 31 August 2024

Audit / Tax / Advisory / Risk

Strictly Private and Confidential

The Finance Committee
Cheadle Hulme School
Claremont Road
Cheadle Hulme
SK8 6EF

5th February 2025

Dear Members of the Finance Committee

I have pleasure in submitting our audit findings report for the year ended 31 August 2024. The primary purpose of this report is to communicate to the Finance Committee and the Governors the significant findings arising from our audit that we believe are relevant to those charged with governance.

Please let me know if there are any matters you would like to discuss.

I would like to take this opportunity to express our appreciation for the assistance provided to us by the finance team and the other staff at the School during this year's audit.

Yours sincerely

Vicky Szulist
Partner

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1. Executive summary

Our report to you

We are pleased to present our Audit Findings Report to the Finance Committee and we welcome the opportunity to discuss our findings with you at your meeting on 14th January 2025.

The primary purpose of this report is to communicate to the Finance Committee and the Governors the significant findings arising from our audit that we believe are relevant to those charged with governance.

In accordance with International Standards on Auditing (UK) the matters in this report include

- the results of our work on areas of significant audit risk
- our views about significant qualitative aspects of the group's accounting practices, including accounting policies, accounting estimates and financial statement disclosures
- significant difficulties, if any, encountered during the audit
- any significant matters arising during the audit and written representations we are requesting
- unadjusted misstatement identified during the audit
- circumstances that affect the form and content of our auditor's report, if any
- any other significant matters arising during the audit that, in our professional judgment, are relevant to the oversight of the financial reporting process

We have included comments in relation to the above where relevant in the subsequent sections of this report.

We also report to you any significant deficiencies in internal control identified during our audit which, in our professional judgment, are of sufficient importance to merit your attention.

Conclusions in relation to the areas of significant audit risk

As explained in our Audit Planning Report, in line with ISA (UK) 315 (Revised), we have considered the inherent risks, including the likelihood and magnitude of a potential misstatement.

In line with our audit plan we focussed our work on the significant audit risks identified:

- Management override of controls

The results of our audit work in these areas is set out below:

Significant risk	Control deficiency identified	Adjustment(s) identified	Other reported matters
Management override of controls	x	x	x

Other audit findings

Section 3 sets out various comments on other important matters which we have identified from our audit.

Fraud and irregularities

Section 4 sets out the Governors and our responsibilities in respect of fraud and irregularities.

Audit materiality

The audit materiality for the financial statements set as part of our audit planning took account of the level of activity of Cheadle Hulme School and was set at 2% of income. We have reviewed this level of materiality based on the draft financial statements for the year ended 31 August 2024 and are satisfied that it continues to be appropriate.

We set separate audit materiality levels for each of the group's subsidiary entities. Details of these separate materiality levels are set out in Appendix 3.

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Unadjusted misstatements

We report to you any unadjusted individual errors other than where we consider the amounts to be trivial, and for this purpose we have determined trivial to be 5% of our audit materiality.

We are pleased to announce that there are no errors identified that remain unadjusted.

Audit completion and our Audit Reports

We have substantially completed our audits in accordance with our Audit Planning Report which was sent to you and the senior management team in September 2024, subject to the matters below.

- Review of the front end of the accounts (Governors Report)
- Completion of the going concern and post-Balance Sheet events reviews, including detailed review of forecasts taking account of post-budget and VAT changes.
- Review of the pension deficit adjustment
- Review of the final financial statements.
- Receipt of the signed letter of representation.

We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise from progressing these outstanding matters.

On the satisfactory completion of these matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the 2024 financial statements.

Responsibilities and ethical standards

We have prepared this report taking account of the responsibilities of the Governors and ourselves set out in Appendix 4 of this report.

The matters included in this report have been discussed with the School's management during our audit and at our closing meeting.

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2. Significant audit risks

As reported in our Audit Planning Report, ISA (UK) 315 (Revised) was applicable this year, and required us to consider a spectrum of inherent risk, considering both the likelihood and magnitude of a possible misstatement, with risks close to the upper end of the spectrum of inherent risk considered to be 'significant risks'.

Risk is considered in the context of how, and the degree to which, inherent and control risk factors affect the likelihood and magnitude of a misstatement occurring. Such factors may be qualitative or quantitative, and include complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors.

In addition, the auditing standards also set out a number of areas considered to always be a significant risk. Our audit response in respect of risks not identified as significant is set out in Section 3.

We have commented below on the results of our work in these areas as well as on any additional significant risks, judgements or other matters in relation to the financial statements of Cheadle Hulme School identified during our audit.

2.1 Management override of controls

Auditing standards require us to consider as a significant audit risk areas of potential or actual management override of controls. In completing our audit we have therefore considered the following matters.

Significant accounting estimates and judgements

ISA (UK) 540 (Revised) Auditing Accounting Estimates and Related Disclosures requires additional audit focus over management's estimates, including undertaking separate risk assessments for both inherent and control risks. In respect of the former, consideration is given to the estimation uncertainty, the subjectivity and the complexity of the estimate. We are also required to consider whether the disclosures made in the financial statements are reasonable.

Management have made a number of necessary accounting estimates and judgements which impact the financial statements. We identified the following for specific audit review:

- the assessment of impairment of assets [not significant];
- the assessment of the remaining useful life of assets [not significant];
- the assumptions adopted by management and used when calculating the pension deficit liability [not significant];
- the assumptions relating to income recognition and cut-off [not significant];
- the valuation of the fee debtors provision [not significant]

The work performed on the estimates and judgements that are not considered to be significant risks is set out in Section 3.

It is important that you are satisfied that the assumptions used by management are appropriate and we will ask you to provide a written representation to us to confirm this.

Controls around journal entries and the financial reporting process

We reviewed and carried out sample testing on the group's controls around the processing of journal adjustments (how journals are initiated, authorised and processed) and the preparation of the annual financial statements. We also considered the risk of potential manipulation by journal entry to mask fraud.

We did not identify any instances of management override of controls or other issues from our sample testing of Cheadle Hulme School journals. We note that journal processing can be an area of potential risk and it is good practice to include consideration of this within the overall Cheadle Hulme School risk assessment.

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Significant transactions outside the normal course of business

We are required to consider the impact on the financial statements if there are any significant transactions occurring outside of the normal course of the group's business.

No such transactions were notified to us by management, nor did any such transactions come to our attention during the course of our work.

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3. Other audit findings

In addition to matters relating to the significant audit risks as reported in Section 2, we have also noted the following matters from our audit work which we should bring to your attention.

3.1 Fee Income

Fee income makes up the majority of income at the School. Fee income is considered highly predictable, thought whilst not considered a significant audit risk, is a material balance and a key area of audit focus.

It is important that the year-end cut-off processes ensure that there is a correct split of fee income between years and that any fee amounts received in advance for 2024/25 or future years are correctly identified.

We also, on a test basis, agreed that bursary discounts given have been through the School's required processes and that the discounts correctly reflect the bursaries awarded.

In addition, our audit work included the following:

- Developing expectations over fee income to be recognised in the financial statements, considering published fees and pupil numbers and confirm this is in line with income recorded;
- Reviewing fee debtors and ensure a sample of larger fees are recoverable or have been provided for.

Crowe Response

We noted one error in relation to the level of fee debtors held. More detail on this can be found within Appendix 1.

Other than this, we are pleased to note that we did not find any further issues in regards to fee income.

3.2 Payroll

Payroll is the largest single expenditure item for Cheadle Hulme School. The key risks in this area were considered to be:

- Existence (does the expenditure relate to genuine employees?).
- Accuracy (are payments made at authorised amounts and are the correct deductions made?)
- Disclosure (have all required disclosures been made in the financial statements?)

As part of our audit we reviewed the controls in place over monthly processing including the reconciliation of the payroll to the nominal ledger.

We also performed analytical procedures that consider gross pay, deductions and staff numbers year on year to ensure that all trends and relationships appear reasonable and that the totals agree with the ledger, and we verified a sample of staff between the payroll and other HR records and agreed their costs to supporting documentation on a sample basis.

Crowe Response

We are pleased to note that we did not identify any issues in relation to this area.

3.3 Other Expenditure

Our approach for other expenditure items was be based on analytical review procedures, which consider actual versus budget and prior year results, together with understanding the controls operated by the school to ensure that expenditure is appropriately controlled and authorised and that the required cut-off has been correctly applied at the year end.

We also selected a sample of expenditure transactions from the nominal ledger for agreement to underlying records, to ensure that transactions are being accurately processed in the accounting system and authorised by an appropriate individual within the organisation.

We also sought to review management's reconciliation of results presented in the year end management accounts to those prepared in the financial statements to ensure key reconciling items are appropriate.

Finally, we reviewed transactional history of repairs and maintenance nominal ledger codes for evidence of capital expenditure which has been incorrectly expensed in the period.

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Crowe Response

We are pleased to note that no issues were identified in this audit area.

3.4 Fixed Assets and Capital Expenditure

Tangible fixed assets represent a large portion of the school's total assets with the net book value being primarily composed of freehold land and buildings.

Where material, we agreed a sample of new additions and disposals in the year to supporting documentation and confirm these have been accurately recognised in the financial statements.

We also reviewed relevant expenditure nominal ledger activity to confirm capital items have not been expensed in error and physically verified a sample of properties held in the name of the School.

Fixed assets at the School are capitalised and depreciated over their estimated useful lives on a straight-line basis. This requires judgement to select an appropriate accounting policy and Governors should be satisfied with assumptions selected by management. We understand there have been no changes to the policy in 2024 and we considered if this remains appropriate during our audit.

Crowe Response

We identified the below errors which management have adjusted for within the draft financial statements:

Overstatement of the LED finance lease right of use asset and lease liability.

Understatement of land and buildings depreciation.

More details surrounding these adjustments can be found within Appendix 1.

3.5 Funds

Cheadle Hulme School operates a number of different funds subject to various restrictions and designations. You must ensure that all movements on funds are correctly identified and accounted for. This requires careful consideration of the various terms and conditions which may be applied to income.

We:

- Traced restricted contributions, legacies and grants found in our income testing to the relevant fund account.
- Reviewed a sample of expenses allocated to restricted funds to ensure that the expenditure was spent in accordance with the objects of the fund.
- Reviewed the analysis of net assets to ensure that it has been correctly allocated across the funds.
- Reviewed the processes in place to ensure that restricted transactions are completely and accurately captured and reported within the organisation and review year end balances to ensure that they appropriately reflect the restrictions that should be in force.

Crowe Response

We are pleased to note that we did not identify any issues within this area.

3.6 Related parties

In line with the ISAs which direct our audit work (ISA (UK) 550) we are obliged to ensure that any related parties are identified and that any transactions involving these parties and the group are appropriately authorised and correctly disclosed in the financial statements. The definition of a "related party" as defined in FRS 102 encompasses, in addition to the Board of Trustees and the directors of the subsidiaries, any members of management who can directly influence management decisions and close family members of both; the latter being of relevance if individual Trustees, Directors and members of management are perceived to be in a position to influence the management decisions of family members or can be influenced by them. It also includes the subsidiary and associate entities within the Cheadle Hulme School group.

We therefore reviewed Cheadle Hulme School's procedures for identifying potential related parties and ensuring all transactions are complete, including any annual declaration of interests completed by Trustees, the directors of the subsidiaries and Senior Management.

Crowe Response

We are pleased to announce that we did not identify any issues within this audit area.

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3.7 Investments

The principal risks associated with investments are:

- ownership (can we verify title to the assets held?);
- valuation (are the assets being disclosed at their correct carrying value at the balance sheet date?).

Investments are held within the Cheadle Hulme School 150th Anniversary Bursary Trust.

Our main area of focus was on reviewing the controls being operated by investment managers overseeing the funds. This included a request for the AAF01/20 controls / assurance report from investment managers. As some reports are not coterminous with the school's financial year end, we also additionally asked for confirmation that there have been no changes in their controls or procedures between the date of their report and the School's accounting date which may affect the conclusions given in their assurance report.

We also requested a valuation report from investment managers to gain audit assurance over the year end valuation and existence of the investments. This was agreed to any records independently maintained by Cheadle Hulme School to confirm ownership and to identify potential anomalies or significant movements in the year (particularly in relation to purchases and disposals).

We also performed analytical procedures to gain assurance over the completeness of investment income generated from the portfolio.

Crowe Response

We are pleased to note that we did not identify any audit issues within this area.

3.8 Other Balance Sheet Items

In addition to our focus on the areas detailed above we will carry out our standard audit procedures on the other material balance sheet amounts. Our work included:

- testing of key control accounts reconciliations;
- testing of bank reconciliations;
- review of post year end transactions where these help to confirm the year end position; and
- confirmation of assets held (e.g., cash at bank) to third party confirmations.

Crowe Response

We did note an adjustment in respect to the allocation of debit/credit balances between debtors and creditors. More details on this can be found within Appendix 1.

Other than this we did not identify any further issues within this area.

3.9 Going Concern and Our Audit Reporting

In preparing the financial statements to comply with Financial Reporting Standard 102 the Governors are required to assess the School's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, the Governors are required to consider all available information about the future of the School in the period of at least, but not limited to, twelve months from the date when the financial statements are approved and authorised for issue.

In line with the updated requirements of ISA (UK) 570 we will this year include a specific conclusion in our audit report that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. This change will emphasise the responsibility of the Governors for their assessment on going concern and we will be paying particular attention to this assessment and to the Governors' conclusions on the going concern basis being appropriate for the financial statements of the School.

We have discussed with management and explained that as part of our work on going concern for the year ending 31 August 2024 we will:

- Review the period used by the Governors to assess the ability of the School to continue as a going concern.
- Examine detailed budgets and forecasts prepared by management covering the period of the going concern assessment which adequately take account of the potential impacts of the current cost of living crisis on the School to ensure these appropriately support the Governors' conclusion.

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- Review the accuracy of past budgets and forecasts by comparing the budget for the current year against actual results for the year.
- Review any other documentation which the Governors use in assessing the going concern status and make any necessary enquiries of management.
- Review the sensitivity analysis and scenario planning provided by management to assess whether the forecasts are robust to severe but plausible developments.
- assess the impact of the Labour Government introducing VAT on independent school fees from January 2025 onwards.

We have requested that management prepare a detailed paper setting out their assessment of the School's and its subsidiary's to continue as a going concern for consideration alongside the draft financial statements by the Governors/Directors. We have received an initial forecast view for the period but are awaiting the detailed calculations behind this.

Crowe Response

Whilst we have completed a preliminary review of the initial forecasts provided by management. We are awaiting a detailed forecast including the impact of VAT on school fees and any changes to national insurance post-budget before we conclude on this area of work.

3.10 Estimates and judgements

As noted in Section 2, management have made a number of necessary accounting estimates and judgements which impact the financial statements.

We identified the following non-significant estimates and judgements for specific audit review:

- the assessment of impairment of assets;
- the assessment of the remaining useful life of assets;
- the assumptions adopted by management and used in the calculation of the pension deficit liability;
- the assumptions relating to income recognition for grant income and legacy income;
- the level of the fee debtors provision

It is important that you are satisfied that the assumptions used by management are appropriate and we will ask you to provide a written representation to us to confirm this.

Crowe Response

As noted previously, we identified one error in relation to the level of fee debtors which is explored in Appendix 1. Further to this, we identified one error in relation to the pension deficit liability. This is also detailed further within Appendix 1.

Other than the above, we are pleased to note that we did not identify any further audit issues within these areas.

3.11 Report and Financial Statements

As noted in the Statement of Governors' Responsibilities, the Governors are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

3.12 Compliance, fraud matters and significant audit difficulties

Auditing standards require us to comment if any of the following have been issues during the audit:

- Significant delays in management providing required information.
- An unnecessarily brief time within which to complete the audit.
- Extensive unexpected effort required to obtain sufficient appropriate audit evidence.
- Issues with the completion of and / or attendance at the year-end stock-take.
- The unavailability of expected information.
- Restrictions imposed on the auditor by management.
- Management's unwillingness to make or extend its assessment of the entity's ability to continue as a going concern when requested.
- Any occasion where management unreasonably refuse permission to obtain a confirmation request from a third party or where no other alternative audit evidence is available.

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- Any breaches of laws and regulations.
- instances where the group engagement team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

We are pleased to note that we did not identify any of these issues during our audit.

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4. Fraud and irregularities and our audit reporting

Audit reporting on detecting irregularities, including fraud

In line with ISA (UK) 700 our audit report includes an additional comment to explain to what extent the audit was considered capable of detecting irregularities, including fraud.

Irregularities are acts of omission or commission which are contrary to the prevailing laws or regulations. Fraud includes both fraudulent financial reporting and misstatements resulting from misappropriation of assets.

Our responsibility is to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The additional reporting requirements this year placed increased emphasis on our understanding of the risks to Cheadle Hulme School from fraud and irregularities. Our audit included discussions with management and those charged with governance to obtain their assessment of the risk that fraud may cause a significant account balance to be materially misstated as well as other procedures to obtain sufficient appropriate audit evidence.

We obtained an understanding of the legal and regulatory frameworks within which the School 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 Charities Act 2011 and The Companies Act 2006 together with the Charities SORP (FRS102). 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 School'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 School and the group for fraud.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within 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, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records including any material misstatements resulting from fraud, error or non-compliance with law or regulations.

However, owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected even though the audit is properly planned and performed in accordance with the ISAs (UK). No internal control structure, no matter how effective, can eliminate the possibility that errors or irregularities may occur and remain undetected. In addition, because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly, our audit should not be relied upon to disclose all such misstatements or frauds, errors or instances of non-compliance as may exist.

We have also included in Appendix 6 some fraud risks that Governors and management should be aware of.

Governors responsibilities

The primary responsibility for safeguarding the School's assets and for the prevention and detection of both irregularities and fraud rests with the Governors and management of the organisation. It is important that management, with oversight of those charged with governance, place a strong emphasis on fraud prevention and fraud deterrence. This involves a commitment to creating a culture of honest and ethical behaviours which can be reinforced by an active oversight by those charged with governance.

As in past years, the following statements will be included in the letters of representation which we require from the Governors when the financial statements are approved.

- The Governors acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and errors, and the Governors believe they have fulfilled those responsibilities.

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- The Governors have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
- The Governors are not aware of any fraud or suspected fraud affecting the School involving management, those charged with governance or employees who have a significant role in internal control or who could have a material effect on the financial statements.
- The Governors are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, affecting the School's financial statements.

We draw your attention to bullet point 2 above which presupposes that an assessment has been made. We have not been made aware of any actual or potential frauds which could affect the 2024 financial statements, or in the period since the previous year end.

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5. Sector update

Independent schools continue to form an intrinsic part of the education system in the UK, providing education and wider opportunities for pupils and their connected communities.

The sector has shown remarkable resilience through what remains a challenging period. Schools continue to show they are adaptable and resourceful in the face of a challenging environment characterised by rising costs and political uncertainty. Schools are meeting these challenges head on as they prepare for the introduction of VAT on school fees, loss of Business rates relief and an uncertain economic environment.

Pupil numbers

Political change and challenging economic conditions have started to show an impact on pupil recruitment and retention in 2024. The Independent Schools Council reported a 2.7% decrease in new pupil recruitment as parents reflect on long-term affordability. This has led to the total proportion of children educated in independent schools falling from 7% to 6% in 2024.

Whilst the overall trend shows a decline across the year, there is wide regional variation in this fall with the South West, East Midlands, Scotland and Wales seeing between 0.9% and 2.1% declines in 2024. This was offset by rising pupil numbers in the North East, London, West Midlands and South Central regions which showed between 0.1% and 0.6% growth in the period. Pupil growth in the South East remained flat with 0% growth in pupil numbers reported.

2024 has also seen an 8% increase in the number of independent school children receiving SEND support which equates to 1 in 5 of all pupils.

Fee increases, affordability and knowing your market

Governing bodies have the unenviable task of setting an appropriate fee increase at the same as many families having already had to make significant sacrifices due to wider economic pressure on disposable incomes throughout the cost-of-living crisis.

It is imperative that schools make sure they are covering costs through an appropriate fee. Missed fee increases cannot be caught up through subsequent rises, and resulting deficits on operating activities are not sustainable in the long-term for most schools.

Operational costs across the sector, and indeed the cost of living for parents, remain high. Whilst current inflation has now moved closer to the Bank of England target rate, costs remain high and real incomes for parents have yet to catch up.

Whilst there is an element of expectation from parents that fees in the year ahead will be higher to accommodate the introduction of VAT, Governors and senior management continue to face a difficult balancing act. They must consider how much of the increased costs can be passed on, particularly as many schools are already operating within a tight budget. Nevertheless, schools are ensuring that fees are being set at a level to sufficiently address the current challenges and to continue investing in the future.

March/April 2023 was around the time when many schools settled on fee increases for the following year. During this period CPI inflation was at 8.7% and interest rates, at 4.25%, were continuing to rise. At this time the there was also uncertainty around the final increase expected for those in the Teachers' Pension Scheme. This had a direct impact on costs for schools. In response, schools continued to work hard to control fee increases. The Independent Schools Council reported that the annual average fee increase in 2024, was 8% which is similar to underlying wage inflation reported by the Government for the same period (7.8%), suggesting a small increase in real terms. This compares to a 5.6% increase in in fees during 2023 and 3% increase in 2022.

These increases reflect the harsh realities at many schools who continue to offer a full curriculum and extra-curricular activities in a challenging macro environment.

Looking ahead, much larger increases are likely as schools look to pass on VAT and other costs which they cannot absorb within their operating models.

Affordability remains central to any decision on fee increases and schools have continued to extend the level of assistance offered to pupils, to minimise the financial burden for those who require additional financial support.

Total fee assistance provided by independent schools increased by 10.2% in 2024 (2023: 5.9%). This includes increasing the value of the average means-tested bursary by 9.3% (2023: 8.9%) across the period.

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Settling on a sustainable assistance programme continues to be a critical success factor for many independent schools, as they consider the financial cost of maintaining expensive concessions against the risk of pricing parents out of the market without an effective bursary and scholarships programme.

Many schools are also increasing the level of activities which deliver other forms of public benefit which adds additional cost to operations, so Governors are continuing to revisit concessions policies to ensure they remain sustainable.

In response to increased costs both now and on the horizon, parents are increasingly re-considering entry points for independent education, many waiting until year 7 and taking a cheaper option of tutoring their children for entrance exams through state junior education. This is creating several pressures on both prep schools and other entry points within schools.

Knowing your local market is therefore critical to getting the strategic planning right for your school. Some essential questions for the Board and senior leadership team to consider:

- Where is the local competition?
- What is everyone else charging?,

What are others offering in terms of education and extras? Whilst these circumstances are challenging schools are taking the opportunity to examine catchment areas, local demographics and even bus routes to ensure offers to pupils continue to appeal within a changing marketplace.

Public benefit

Delivering wider public benefit continues to be an important mechanism for independent schools to build community engagement and share knowledge, facilities, and other assets with the state sector.

The Independent Schools Council saw a 5.2% increase in the number of reported partnerships with the state sector in 2024, covering a diverse range of activities from sharing facilities to seconding staff.

It is important that examples of public benefit are articulated effectively in the financial statements. Consideration is needed around the messaging and how this is presented. Where a school is particularly active in its public benefit provision, the use of a Chairman's Statement or infographics at the start of the Trustees Report may help to highlight key achievements. In times where a school is involved in longer term collaborations and provisions, they may also wish to look at impact reporting to evidence the longer-term outcomes that their involvement has helped to achieve.

Political risks and taxation

The recent change in Government has crystalised political risks surrounding the introduction of VAT from January 2025 and removal of Business rates relief from April 2025.

No one can predict with certainty how this will play out and until consultations are over and final legislation is in place, it is impossible to understand the full impact on individual schools.

Schools are now working through the financial implications of these changes and are evaluating the risks to business and parents which might follow.

Ensuring good fiscal discipline around budgets and costs centres or developing new income streams will help cushion the residual pain.

VAT

Following the election of the Labour Party, the Government has begun the process of removing the VAT exemption from independent schools.

With no draft legislation the picture remains unclear, however there are a number of actions that schools can take to plan ahead.

Below we share some considerations that we have been discussing with schools over the past year. These actions and considerations will help independent schools to prepare should the changes be introduced in 2025.

Will independent schools need to register for VAT?

Many independent schools are not currently registered for VAT. The limit for VAT registration is £90,000 of taxable supplies over a rolling 12-month period, therefore it is highly likely schools will need to register for VAT shortly after the changes in legislation become effective.

The application process is online and should be straight forward, but we already experience delays in processing with HMRC and sometimes questions asked are not entirely clear. HMRC do apply penalties for taxpayers that notify them belatedly, so the key message is to ensure you are prepared and the application is sent promptly.

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How / when do I account for VAT on income received?

For taxable supplies VAT generally falls due on the earlier of:

1. the issue of a VAT invoice; or
2. payment for the service.

Consequently, if a VAT invoice is raised and payment is not made promptly, the school may have to pay HMRC the VAT before it is received from the parents. This could potentially cause a cashflow issue, so it is important that schools manage this risk carefully.

(Please note that currently invoicing does not create a tax-point as the supplies are VAT exempt).

How do I recover VAT on costs?

Currently, even VAT-registered schools face heavy restrictions on the amounts of VAT that can be recovered on costs because supplies of education are exempt. Therefore, it is likely many VAT-registered schools often do not record VAT on purchases. In a world with VAT on school fees, these systems must be changed to ensure VAT is identified on costs that bear the tax, so this can be offset against the VAT due on the VAT return. It is equally important that invoices are retained to support the recovery of VAT on those costs.

Can I recover VAT on costs retrospectively?

The only opportunity for schools to retrospectively recover VAT is on 'capital items' that fall under the 'Capital Goods Scheme'. For schools, these are usually VAT-bearing building projects that cost in excess of £300,000 (inclusive of VAT).

VAT can be recovered for such items that have been used in the past 10 years. However, please note that for each year of use under current rules, one-tenth of the VAT claim is lost. For more information on how the Capital Goods Scheme works, you can watch our webinar here. We would recommend that schools begin identifying any Capital Goods Scheme assets and retain invoices to support their claims.

The rules for newly VAT-registered businesses usually allow for recovery of VAT on goods 'on hand' going back four years, with services being recoverable six months prior to the effective date of VAT registration. However, in most instances, this will not be the case for schools, as the goods and services will have already been used to make exempt supplies.

How do I submit a VAT return?

VAT returns are usually submitted to HMRC on a quarterly basis, with returns falling due one month and seven days after the end of a particular quarter (e.g. the March VAT return would be due by submission by 7 May). Under 'Making Tax Digital' (MTD), VAT returns must be submitted electronically using MTD compliant software to share the figures with HMRC. Independent schools need to ensure that systems are updated where necessary to accommodate this extra compliance task.

It is important to note that whilst your current system may be able to submit a VAT return under MTD, it might not be able to make the adjustments required (e.g. partial exemption and non-business restrictions). Therefore, other solutions may need to be looked into; there are many excel based offerings that offer a low cost and functional solution. Our latest thinking on VAT and schools can be viewed through the link below:

VAT on school fees update | Crowe UK

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Appendix 1 - Reporting audit adjustments

Adjusted misstatements

The following misstatements, which have been corrected by management, were also identified during our audit work and up to the date of this report. No further adjustments to the financial statements are required for these items and this information is provided to assist you in understanding the financial statements completion process and to fulfil your governance responsibilities.

Adjustment description	Debit/credit net income £k	Debit/(credit) net assets £k	Debit/(credit) opening reserves £k
During the course of our audit, we identified that the bad debt provision within the accounts had not been updated since the prior period. We identified that from this balance, 110k of debtors previously provided for had been received. Therefore, we recommended that these be removed from the bad debt provision.	(110)	110	-
During the course of our audit, we identified that there were significant credit balances held within the debtors. We suggested an adjustment with which management agreed to reclassify these balances to the correct location. The total reclassification was a 107k debit to debtors and 107k credit to creditors. Overall, these net out and so there is no overall impact to net assets.	-	-	-
During the course of our audit we identified that the accounting treatment of the LED finance lease was incorrect. We suggested an adjustment to correct the right-of-use asset and lease liability in regards to this lease. This also impacted the depreciation on the right-of-use asset. The adjustment comprises of a decrease in the lease liability of 88k and reduction in the value of the right of use asset by 84k	(4)	4	-
We identified a discrepancy between the level of depreciation against land and buildings and our expectation for this figure. Management have agreed to adjust for the difference.	35	(35)	-
During the course of our audit, we performed a recalculation of the pension deficit liability. We found a discrepancy between our recalculation and the figure held in the accounts. Management have agreed to adjust for this figure.	50	(50)	-

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Appendix 2 - Systems and controls

We have set out below certain potential improvements to the group's processes and controls which we noted during our audit work and which we believe merit being reported to you.

Our evaluation of the systems of control at Cheadle Hulme School was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of your business processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

In order to provide you with a clearer picture of the significance of issues raised, we have graded the issues raised by significance/priority before any corrective actions are taken: We have also included below a brief update on the matters we raised last year.

High	These findings are significant and require urgent action.	(No comments in this category)
Medium	These findings are of a less urgent nature, but still require reasonably prompt action.	(One comments in this category)
Low	These findings merit attention within an agreed timescale.	(No comments in this category)

Audit finding and recommendation	Priority	Management response
1. CHSE Invoice Authorisation During our audit fieldwork, we identified that Cheadle Hulme School Enterprises does not incorporate that same procedure for invoice authorisation as the School. As a result, our invoice sample could not be traced through to proof of authorisation for CHSE. We recommend in future that an invoice authorisation procedure is brought in for CHSE to homogenise the process with that of the School. This will help to reduce the risk of fraud in regards to unauthorised purchases.	Medium	

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We have set out below the systems and control issues on which we reported after our audit last year together with an update on how the points raised have been addressed including information on the progress made at the time of the audit of the 2024 financial statements.

Status		Priority
Recommendation fully implemented or no longer relevant		These findings merit attention within an agreed timescale.
Recommendation partially implemented		These findings are of a less urgent nature, but still require reasonably prompt action.
These findings merit attention within an agreed timescale.		These findings are significant and require urgent action.

Observations and recommendations in 2023	Priority	Status	Update 2024
1. Journals Review and Controls As part of our testing of management override of controls, we obtained an understanding of the systems and controls in place surrounding journal postings. Additionally, it was found that any user of Sage can post journals and no access limits are in place to limit the risk of inappropriate entries. We suggest that a formal review process is implemented whereby journal postings are signed off and evidence of the review is retained. Additionally, we suggest access restrictions are implemented to ensure only appropriate persons can make journal entries. Our review highlighted that no formal review is documented for journal postings.	Low	Resolved	New Finance system (AccountsIQ) now allows us to control who has access to post journals. There is a real time record of all journals that have been posted which is reviewed by the Senior Finance Manager
2. Bank Reconciliations During our audit testing of year end bank reconciliations, it was noted that no evidence of bank reconciliations being reviewed existed. We suggest that as part of month end procedures, a formal review should be documented, and evidence of such reviews retained.	Low	Resolved	This is now in place and evidence of all bank reconciliations are kept on file. AccountsIQ also shows all completed and in progress reconciliations.

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Appendix 3 - Materiality

Materiality and identified misstatements

As we explained in our Audit Planning Report, we do not seek to certify that the financial statements are 100% correct; rather we use the concept of “materiality” to plan our sample sizes and also to decide whether any errors or misstatements discovered during the audit (by you or us) require adjustment. The assessment of materiality is a matter of professional judgement but overall a matter is material if its omission or misstatement would reasonably influence the economic decisions of a user of the financial statements.

Our overall audit materiality for the financial statements as a whole took account of the level of activity by Cheadle Hulme School and was set at approximately 2% of income.

We reassessed materiality based on the draft financial statements, and the following is a summary of the overall materiality levels we applied to the separate entities within the group.

Entity	Materiality calculation	Planning Materiality £’000	Final Materiality £’000	Reporting threshold £’000
Cheadle Hulme School	2% of income	400	400	20
Cheadle Hulme School Enterprises	4% of income	9	9	1
CH 150th	2% of net assets	100	100	5

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Appendix 4 - Responsibilities and ethical standards

Audit purpose and approach

Our audit work has been undertaken for the purposes of forming our audit opinions on the financial statements of the Cheadle Hulme School and its subsidiary entities prepared by management with the oversight of the Governors /Directors and has been carried out in accordance with International Standards on Auditing (UK) ('ISAs').

Our work combined substantive procedures (involving the direct verification of transactions and balances on a test basis and including obtaining confirmations from third parties where we considered this to be necessary) with a review of certain of your financial systems and controls where we considered that these were relevant to our audit.

Financial statements

The Governors of Cheadle Hulme School are responsible for the preparation of the consolidated financial statements on a going concern basis (unless this basis is inappropriate). The Governors are also responsible for ensuring that the financial statements give a true and fair view, that the process your management go through to arrive at the necessary estimates or judgements is appropriate, and that any disclosure on going concern is clear, balanced and proportionate.

Legal and regulatory disclosure requirements

In undertaking our audit work we considered compliance with the following legal and regulatory disclosure requirements, where relevant.

- Companies Act 2006
- Charities Act 2011
- The Charities (Accounts and Reports) Regulations 2008 (or updated Regulations if enacted before completion of the financial statements)
- Financial Reporting Standard 102 (FRS 102)
- The Charities SORP (FRS 102)

Directors' responsibilities

Under the provisions of the Companies Act, the Directors' Report is required to include a statement confirming for each director who was a director at the time of the approval of the financial statements that:

- they have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information; and
- so far as they are aware there is no relevant audit information of which the company's auditor is unaware.

Ethical Standard

We are required by the Ethical Standard for auditors issued by the Financial Reporting Council ('FRC') to inform you of all significant facts and matters that may bear upon the integrity, objectivity and independence of our firm.

Crowe U.K. LLP has procedures in place to ensure that its partners and professional staff comply with both the relevant Ethical Standard for auditors and the Code of Ethics adopted by The Institute of Chartered Accountants in England and Wales.

As explained in our audit planning report, in our professional judgement there are no relationships between Crowe U.K. LLP and Cheadle Hulme School or other matters that would compromise the integrity, objectivity and independence of our firm or of the audit partner and audit staff. We are not aware of any further developments which should be brought to your attention.

Independence

International Standards on Auditing (UK) require that we keep you informed of our assessment of our independence.

We confirm that we have carried non-audit services as detailed below. We have not identified any other issues with regards to integrity, objectivity and independence and, accordingly, we remain independent for audit purposes.

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In communicating with those charged with governance of the parent School and group we consider those charged with governance of the subsidiary entities to be informed about matters relevant to them.

The matters in this report are as understood by us as at 14th January 2025. We will advise you of any changes in our understanding, if any, during our meeting prior to the financial statements being approved.

Non-audit services

We have considered the non-audit services we have provided in the period and have concluded that there are no facts or matters that bear upon the integrity, objectivity and independence of our firm or of the audit partner and audit staff related to the provision of such services which we should bring to your attention. Our fees for non-audit services in the year have been as follows.

Preparation of draft accounts for all three entities and iXBRL tagging

VAT advice

Use of this report

This report has been provided to the Finance Committee to consider and ratify on behalf of the Board of Governors, in line with your governance structure. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

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Appendix 5 - Fraud risks

As part of our audit procedures we make enquiries of management to obtain their assessment of the risk that fraud may cause a significant account balance to contain a material misstatement. However, we emphasise that the responsibility to make and consider your own assessment rests with yourselves and that the Governors, Finance Committee and management should ensure that these matters are considered and reviewed on a regular basis.

Usually fraud in the School sector is not carried out by falsifying the financial statements. Falsifying statutory financial statements usually provides little financial benefit, as compared to say a plc where showing a higher profit could lead to artificial share prices or unearned bonuses. However, falsifying financial statements can be used to permit a fraud or to avoid detection. As a generality, charities represented by its management and its Governors do not actively try to falsify financial statements as there are not the same incentives to do so. In the School world fraud is usually carried out through misappropriation or theft.

The Governors should be aware that the Charity Commission provides guidance (updated in September 2022) on how to protect your School from fraud including information about fraud, how to spot it and what you can do to protect against it.

The Charity Commission's first guiding principle recognises that fraud will always happen. It is therefore important that, as part of setting their overall risk appetite, the Governors consider fraud within their tolerance for the risks associated with the management of the organisation's (and group's) funds. The development and continued assurance of a robust counter fraud control framework should then contribute to the organisation matching the risk appetite and tolerance agreed by the Governors.

A copy of our guidance and a framework on conducting fraud risk assessments can be obtained from our website here: https://www.crowe.com/uk/insights/fraud-risk-assessment-non-profit.

A fraud risk assessment is an objective review of the fraud risks facing an organisation to ensure they are fully identified and understood. This includes ensuring:

- fit for purpose counter fraud controls are in place to prevent and deter fraud and minimise opportunity, and
- action plans are in place to deliver an effective and proportionate response when suspected fraud occurs including the recovery of losses and lessons learnt.

Good practice suggests that to be most effective the risk assessment should be undertaken at a number of levels within the organisation:

- Organisational – to assess the key policy, awareness raising and behavioural (including leadership commitment) requirements that need to be in place to build organisational resilience to counter fraud.
- Operational – a detailed analysis of the fraud risk and counter fraud control framework at the operational level – by function (activity) or individual business unit (including programmes and projects).

Any fraud risk assessment should not be seen as a standalone exercise but rather an ongoing process that is refreshed on a regular basis. Carrying out the fraud risk assessment may reveal instances of actual or suspected fraud. Should this happen next steps will be determined on circumstances, the existing control framework (including any response plan(s)), and in consultation with the key members of the organisation's management team.

Considering risks of fraud

There is evidence that during times of economic instability there is an increased risk of fraud. This may be because resource constraints can reduce internal controls and over sight and also because individuals facing hardship may be more likely to consider fraudulent practices.

The following provides further information on the three kinds of fraud that charities such as Cheadle Hulme School should consider.

a) Frauds of extraction

This is where funds or assets in possession of the School are misappropriated. Such frauds can involve own staff, intermediaries or partner organisations since they require assets that are already in the possession of

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the entity being extracted fraudulently. This could be by false invoices, overcharging or making unauthorised grant payments.

Essentially such frauds are carried out due to weaknesses in physical controls over assets and system weaknesses in the purchases, creditors and payments cycle. The cycle can be evaluated by considering questions such as who authorises incurring a liability and making a payment. On what evidence? Who records liabilities and payments? Who pays them and who checks them?

The close monitoring of management accounts, ledger entries and strict budgetary controls are also generally seen as an effective way of detecting and deterring frauds in this area.

Staff should be made aware of the increasing use of mandate fraud. This is where when the fraudster gets the organisation to change a direct debit, standing order or bank transfer mandate by purporting to be a supplier or organisation to which the School makes regular payments.

Insufficient due diligence around requests to amend supplier or payroll details has led to payments to unauthorised individuals so sufficient checks in these areas is of increasing importance. All employees should exercise real scepticism and not make any payments which are not properly supported and / or outside the normal payment mechanisms.

The Fraud Advisory Panel latest research shows the following as the fraud risks on the horizon:

- *Staff fraud. As people feel the effects of the cost-of-living crisis on their finances.*
- *Ransomware, particularly targeting network-attached storage. There has been a recent increase in these types of attack.*
- *E-commerce / online shopping fraud. In the lead-up to Black Friday (25 November), Cyber Monday (28 November), and the busy Christmas shopping period.*
- *Supply chain fraud. As some businesses and individuals find themselves in financial difficulty. To boost resilience, government is looking to create standard templates for supply chain contracts.*

A new survey has found that 12% of charities had experienced cybercrime in the previous 12 months, prompting the Charity Commission to highlighting this issue to charities recently and warning them against the risk of online fraud. Furthermore, the survey also pointed to a potential lack of awareness of the risks facing charities online and note that just over 24% have a formal policy in place to manage the risk and only around 55% of charities reported that cyber security was a fairly or very high priority in their organisation. The Commission's discussion of this can be found here: https://www.gov.uk/government/news/charities-at-risk-of-underestimating-online-fraud-as-one-in-eight-experienced-cybercrime-last-year

b) Backhanders and inducements

There is also an inherent risk that individuals who are able to authorise expenditure or influence the selection of suppliers can receive inducements to select one supplier over the other. This risk can be mitigated by robust supplier selection and tendering procedures.

c) Frauds of diversion

This is where income or other assets due to Cheadle Hulme School are diverted before they are entered into the accounting records or control data. Essentially, it is easy to check what is there but very difficult to establish that it is all there. Therefore, ensuring the completeness of income provided to a School becomes difficult.

It is important to consider the different income streams and when and how they are received. So income received directly into the School's bank account will be a lower risk than income being received by home based fundraisers.

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Appendix 6 - External developments

We have summarised below some of the developments and changes in the charity sector over the recent period which we believe may be of interest and relevant to you. Please note that this information is provided as a summary only and that you should seek further advice if you believe that you have any specific related issues or intend to take or not take action based on any of the comments below.

We believe it is important to keep our clients up to date on the issues that affect them and, as a part of our ongoing communication, we regularly hold webinars and therefore encourage you to visit our website (https://www.crowe.com/uk/croweuk/industries/webinars).or register to our mailing list (nonprofits@crowe.co.uk) to stay updated on these. Any webinars which you have missed remain available on demand on our website.

Governance

State of the Sector

The Charity Commission has released its latest annual report on public trust in charities. The findings indicate that trust levels have remained stable since 2020, largely driven by the perception of a charity's aim to do good.

There is a persistent belief that smaller, local charities are more trustworthy than national charities. This is despite the fact that larger charities are subject to more stringent transparency requirements, which are a key factor in building trust. Respondents highlighted that their trust is influenced by how charities ensure that monies reach their intended causes and by visibly demonstrating their charitable activities.

The report, which includes interviews with a diverse range of the public, reveals that only one in 5 individuals are well-acquainted with the Charity Commission, with increased familiarity with the Commission associated with higher levels of trust. For more details, see the full report here.

Smee & Ford legacy trends 2024 reported record legacy income of £3.5 billion in 2023, marking a 3.2% increase. Charitable estates have also risen to £22.6 billion, a 5.6% increase and 2023 had the highest record of unique charitable legacies for the past decade. The report highlights that there is further growth anticipated from Baby Boomer bequests with an increase in annual deaths expected to rise to over 730k by 2035 translating to 47,000 charitable cases per annum in the years to come.

Additionally, the CAF UK Giving Report 2024 revealed that donations reached £13.9 billion in 2023, up from £12.7 billion in 2022. However, there was a decrease of £800 million in funds directed towards overseas causes. Furthermore, average monthly donation was £65; 40% higher than 2019 but using the median method, donations remained at £20 per month, unchanged for 7 years – using statistics from Pro-Bono Economics, with inflation it should have been £25.

An analysis of the VCSE Barometer carried out by Pro-Bono Economics found that one-third (33%) of charities reported a decline in their finances in the quarter-ended July 2024. This is attributed to ongoing workplace challenges and rising demand for services across charities of all sizes.

For further information on the treatment for the charity sector's unhealthy status quo, please visit: https://www.probonoeconomics.com/

Budget 2024: Key implications for charities

The 2024 budget, released 30 October, outlines new government's tax, welfare, and spending priorities up to March 2026, with a framework extending beyond April 2026. It also previews the spring spending review, which will allocate funding for central government departments through to March 2029.

Key announcements for Charities:

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- Local government funding. A 3.2% rise in core local government spending, at least £600 million funding for social care.
- Support for individuals and carers. Reduced Universal Credit deductions increased Carer's Allowance earnings limit.
- VAT and business rates relief for private schools. VAT relief is removed. Business rate relief is for those providing full time education to pupils with education, health, and care plans.
- SEND Support. £1 billion to support children with special educational needs and disabilities (SEND).
- Hardship support. £1 billion next year to extend the Household Support Fund and hardship payments.
- Educational funding. An additional £30 million for free breakfast clubs, £300 million for further education and £40 million for the Growth and Skills Levy for training.
- Holocaust education. An additional £2 million to support Holocaust education charities.
- Research and development and inheritance tax reliefs maintained.

Further positive announcements include increased budget for the Charities Commission, additional support for central government departments and public services, and more funding for 'trailblazer' programmes and mental health crisis centres.

However, the 6.7% rise in the national living wage and the increase in employer National Insurance contributions (NICs) to 15%, both effective from April 2025, will impose financial pressures for charities. Additionally, the NIC threshold has dropped from £9,100 to £5,000.

From April 2025, many charities that employ staff will see their costs increase, with the average employer expected to incur an extra £26,000 in annual costs (approximately £800 per employee). However, the Employer's Allowance is set to increase from £5,000 to £10,500 and the threshold for claiming this allowance will be removed, potentially allowing more charities to benefit.

Holistically, commentators believe that the budget signals a shift in government's approach to funding local public services. It aims to simplify local government funding and commits to moving towards multi-year settlements, which will help local authorities and voluntary sector partners to plan more effectively.

The Future Charity Chair

Crowe are pleased to have been involved in a research project looking at the essential attributes that Charity Chairs of the future will need to embrace. This research explored the topic through roundtable discussions and in-depth interviews, with the final thought leadership report published in June 2024.

The research aimed to:

- Contribute ideas that will help to shape the future development and recruitment of charity Chairs.
- Enhance the future sustainability of the charity sector by highlighting longer term considerations for Board discussion.
- Provide fresh thinking to positively influence regulation and best practice guidance for the sector.
- Emphasise the value of good charity governance and the need for it to continually evolve to remain relevant.

The research highlighted a number of key findings, including challenges from a lack of diversity within charities (including trustees, staff and volunteers), and the need to recruit individuals who represent the charity's beneficiaries.

Recommendations raised within the report include developing a leadership development programme for current Chairs, succession planning and a need to promote the role as one of ambition and aspiration.

The full report can be found here.

Building Resilience: Responsive strategies in uncertain times

It is now accepted thinking that the uncertainty of the past few years is here to stay due to global economic uncertainties, geopolitical instability and as a result of rapid technological change.

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These continuing challenges signal a new normal which requires all organisations to adapt to survive and thrive. Whilst there have been uncertainties in the past, the level and number has increased as has the speed with which these will impact an organisation.

For non profit organisations, the ever-present challenge is how they can deliver their mission in times of growing demand amid a squeeze on income and rising costs. It becomes even more imperative for boards and the leadership teams to continue to focus on organisational purpose, impact and culture. Juggling competing priorities often results in a lack of focus on matters related to climate risks or EDI and ESG. It is key that organisations focus on strategy at different time horizons to avoid falling behind the curve.

Further information can be found on our Insights page here.

Charity Commission: New commission guidelines CC48 and CC27

CC48: Charity Meetings

The CC48 guidance from the Charity Commission, updated July 2024, provides essential rules for charity meetings that must be adhered to. The guidance emphasises the necessity for charities to adhere to their Governing Document rules on planning, running and recording meetings.

The Governing Document must be amended where rules are outdated to ensure decisions made in meetings are valid. For example. CC48 provides specific guidance on updating the Governing Document to allow for virtual and hybrid meetings. It also covers different types of meetings, such as trustee meetings and Annual General Meetings (AGMs), each with their own rules that must be followed.

CC48 can be found here.

CC27: Decision Making for Trustees

The CC27 guidance from the Charity Commission outlines seven principles and best practices for trustees on decision making.

The seven decision-making principles are:

1. Trustees must act within their powers
2. Trustees must act in good faith
3. Trustees must be sufficiently informed
4. Trustees must take account of all relevant factors
5. Trustees must identify and disregard irrelevant factors
6. Trustees must manage conflicts of interest
7. Trustees must ensure their decision is within the range of decisions that a reasonable trustee body could make

This guidance provides detail on each principle but particularly when making significant or strategic decisions and how to record the decisions made.

Whilst CC27 applies specifically to all trustees of all charities in England and Wales -whether registered, unregistered or exempt, including corporate charity trustees – the guidance can be useful for other members of the charity to be aware of in considering in their decision making.

CC27 can be found here.

The Charities Act 2022: Implementation

The Charities Act 2022 (the Act) received Royal Assent on 24 February 2022 and brings into force a number of key changes to the Charities Act 2011, aimed at simplifying a number of processes.

The Charity Commission are currently working through implementing the various changes brought about by the legislation, and set out an indicative timetable here. Most of the provisions have now come into force.

Provisions of the Act in force that came into force on 31 October 2022

- Section 5: Orders under section 73 of the Charities Act 2011
- Section 8: Power of the court and the Commission to make schemes
- Section 32: Trustee of charitable trust: status as trust corporation
- Section 36: Costs incurred in relation to Tribunal proceedings etc
- Part of Section 37: Public notice as regards Commission orders etc.

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- Part of Section 40 and Schedule 2: Minor and consequential amendments

Provisions of the Act that came into force on 14 June 2023

- Sections 9-14 and 35a: Permanent endowment
- Sections 17, 19-22: Charity land
- Sections 25-28: Charity names
- Section 38 and 39: Connected persons
- Part of Section 40 and Schedule 2: Minor and consequential amendments

Provisions of the Act that came into force on 7 March 2024

- Section 1-3: Charity constitutions
- Sections 18* and 23: Charity land
- Section 24 and Schedule 1: Amendments of the Universities and College Estates Act 1925**
- Section 29: Powers relating to appointments of trustees
- Section 31: Remuneration etc of charity trustees etc
- Sections 33, 34 and 35(b): Charity mergers
- Section 37: For remaining purposes
- Section 40 and Schedule 2: For remaining purposes

* Section 18(1) (in part), (2)(a), (2)(c) and (3)(a) will come into force on 7 March 2024. Due to the provisions being linked to section 24 and Schedule 1, section 18(1) (for remaining purposes), (2)(b) and (3)(b) will come into force on 19 May 2025.

** Section 24 and Schedule 1 will come into force on 19 May 2025.

Provisions of the Act expected to come into force later in 2024

- Sections 15 and 16: Ex gratia payments

The key provisions of the Act that have been implemented to date are set out below, and further information can be found here.

Making changes to governing documents

The Act introduces a new statutory power to allows trusts and unincorporated associations to make changes to their governing documents.

Charities will still however need to get the Commission's authority to make certain 'regulated alterations' in the same way as companies and Charitable Incorporated Organisations (CIO).

Other related changes include:

- how unincorporated charities must pass trustee and (where they have members) member resolutions when using the new power
- that the Commission will apply the same legal test when deciding whether to give authority to charitable companies, CIOs, and unincorporated charities changing their charitable purposes
- a power for the Commission to give public notice to, or to direct charities to give notice to, regulated alterations they make

The Commission have updated CC36 to reflect these changes, which can be found here.

Selling, leasing or otherwise disposing of charity land

The following provisions are now in force:

- provisions relating to disposals by liquidators, provisional liquidators, receivers, mortgagees or administrators
- provisions relating to the taking out of mortgages by liquidators, provisional liquidators, receivers, mortgagees or administrators
- changes about what must be included in statements and certificates for both disposals and mortgages

Charities must comply with certain legal requirements before they dispose of charity land. Disposal can include selling, transferring or leasing charity land. The Act simplifies some of these legal requirements. The changes include:

- widening the category of designated advisers who can provide charities with advice on certain disposals

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- confirming that a trustee, officer or employee can provide advice on a disposal if they meet the relevant requirements
- giving trustees discretion to decide how to advertise a proposed disposal of charity land
- removing the requirement for charities to get Commission authority to grant a residential lease to a charity employee for a short periodic or fixed term tenancy

The Commission have updated CC28 to reflect these changes, which can be found here.

Charity mergers

For certain mergers, new rules are now in force that will allow most gifts to charities that merge to take effect as gifts to the charity they have merged with.

Updated guidance on charity mergers can be found here.

Failed appeals

The Act introduces new rules granting the power for trustees to apply cy-près, allowing charities more flexibility in response to a charity appeal that has failed, allowing *donations* to be applied for another charitable purposes rather than having to be returned to donors under certain conditions:

i) The donation is a single gift of £120 or less; and the Trustees reasonably believe that during the financial year the total amount received from the donor for the specific charitable purpose is £120 or less (unless the donor states in writing that the gift must be returned if the charitable purposes fail); or
ii) The donor, after all agreed actions have been taken, cannot be identified or found; or
iii) The donor cannot be identified (for example cash collections)

The Charity Commission published guidance in relation to failed appeals on 31 October 2022, which can be found here.

The Charity Commission has also updated its guidance CC20 'Charity fundraising: a guide to trustee duties' to reflect these changes.

The Fundraising Regulator has also published guidance, further details of which are provided below.

Payments to Trustees for providing goods to the charity

The Charities Act 2011 provided a statutory power for charities, in certain circumstances, to pay trustees for providing a service to a charity beyond usual trustee duties.

The Act extends this power to allow, in certain circumstances for payments to trustees for providing goods to the charity.

Updated guidance can be found here.

The Charity Commission has also updated its guidance CC29 'Conflicts of interest: a guide for charity trustees' and CC11 'Trustee expenses and payments' to reflect these changes.

Power to amend Royal Charters

Royal Charter charities are able to use a new statutory power to change sections in their Royal Charter which they cannot currently change, if that change is approved by the Privy Council.

Updated guidance can be found here.

Using permanent endowment

The Act introduces new statutory powers to enable:

- charities to spend, in certain circumstances, from a 'smaller value' permanent endowment fund of £25,000 or less without Commission authority
- certain charities to borrow up to 25% of the value of their permanent endowment fund without Commission authority

Charities that cannot use the statutory powers will require Charity Commission authority.

In addition, a new statutory power enables charities that have opted into a total return approach to investment to use permanent endowment to make social investments with a negative or uncertain financial return, provided any losses are offset by other gains.

Updated guidance can be found here and here for total return investment.

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Investing Charity Money

CC14 was updated in August 2023, it is now called Investing Charity Money and takes account of the High Court Judgement on the Butler Sloss case.

CC14 states that all charities should have a written investment policy if their governing document requires they have one or if the charity is a trust, and where it gives an investment manager powers to make decisions on its behalf. It includes:

- Examples of various issues which may be relevant for trustees to consider when making investment decisions, such as the potential for an investment to conflict with the purposes of the charity, or the reputational impact of an investment decision.
- Steps trustees 'must' take to be compliant with the law and those trustees 'should' do as best practice but not legally required.
- Explanations on acting in the best interests of a charity, ensuring that above all else any decision furthers its purposes.
- Guidance on social investment and no longer uses terminology that could get in the way of trustees' understanding, such as 'ethical investment', 'mixed motive investment' and 'programme related investment'. It should be noted that whilst the guidance has simplified the terminology, this distinction is still important from a financial reporting perspective, as the Charity SORP requires different accounting treatment for mixed motive and programme related investments.

It also provides example approaches to financial returns including avoiding those investments which can reduce support for a charity and harm its reputation, and is more specific on ESG factors:

- aiming only for the best financial return you can achieve, within the level of risk that you have decided is acceptable for your charity
- alongside the financial return you are aiming for, avoiding investments that conflict with your charity's purposes.
- alongside the financial return you are aiming for, avoiding investments that could reduce support for your charity or harm its reputation, particularly amongst its supporters or beneficiaries.
- alongside the financial return you are aiming for, avoiding or making investments in companies because of their practice on environmental, social and governance (ESG) factors
- alongside the financial return you are aiming for, using your shareholder vote, or other opportunities that come with your investment, to influence practice at companies that your charity is invested in.

The revised guidance can be found here.

Defined Benefit Funding Code of Practice

The Department for Work and Pensions published its revised DB Funding and Investment Strategy Regulations in January 2024 and applies to actuarial valuations of defined benefit pension schemes from 22 September 2024. The Regulations are closely tied to the Pensions Regulator's new DB Funding Code of Practice.

The Pensions Regulator (TPR) is analysing responses to its second consultation on the new Defined Benefit (DB) funding code of practice. The new Code includes a requirement for a 'funding and investment strategy' (FIS) where trustees will be required to articulate their approach and decisions on funding and investments. Trustees must prepare a written statement of strategy which records the FIS and supplementary details, is signed on the trustees' behalf by their chairperson, and submitted to TPR with each triennial valuation.

Under the proposals, TPR sets out a "twin-track" model where trustees will be able to choose either a prescriptive "Fast Track" option or a more flexible "Bespoke" approach to completing and submitting an actuarial valuation for TPRs assessment. The proposed requirements for the fast track route include a number of areas such as suitable long-term objectives for schemes to achieve low dependency by the time a scheme is significantly mature (measured as 12-year duration) and discount rates of gilts plus 0.5% p.a. The fast track does not explicitly take account of covenant strength. TPR plans to consult separately on proposed changes to covenant guidance.

The revised Code was published in July 2024 and can be found here.

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Charity Commission: Charities and Artificial Intelligence

On 2 April 2024 the Charity Commission published a blog explaining that charities may need to consider having an internal artificial intelligence (AI) policy, and that Trustees should be aware of the risks and opportunities arising from AI whether they are currently using AI or planning to do so.

The Commission is not anticipating issuing specific guidance but encourages trustees to apply existing guidance to new technologies as they emerge.

The key consideration is that AI should be used responsibly in a way that furthers the charity's purposes. Before utilising AI, consider the advantages and risks – and how these will be managed – in the context of the trustee's duties and charity's objectives.

That could involve looking at what gaps can be filled, or insights generated by an AI tool, what skills are needed to use these tools to the charity's advantage and if people within the charity's trustees, staff or volunteers have those skills. This could also consider how staff or volunteers may already be using AI.

As the use of AI develops and more applications become available, the Commission recommends charities consider whether having an internal AI policy would be beneficial so it is clear how and when it can be used in governance, by employees in their work, or in delivering services to beneficiaries.

However, Trustees remain responsible for decision making and it is vital processes are not delegated to AI alone as there are risks inherent to the way AI is built, operates, and continues to learn. Trustees and others in charities must ensure that human oversight is in place to prevent material errors, and a human touch is key to the way many charities operate and interact with their beneficiaries.

Trustees should consider external risks and reputational damage arising from the misuse and recircularization of AI, such as fake news or deep fakes.

Whilst this evolving technology may seem daunting to many, there are more opportunities for charities to engage with the technology now it is more widely available.

The full blog can be obtained here.

Scottish Charities

Changes to Scottish charity law

The Scottish Parliament have laid legislation impacting the Charities (Regulation and Administration) (Scotland) Act 2023, taking effect from 1 April 2024.

The Act is intended to strengthen and update current law by increasing the powers available to the Office of the Scottish Charity Regulator ('OSCR') and provide consistency with certain elements of charity regulation in England, Wales and Ireland.

The key changes include:

- OSCR will refuse an application to be registered as a charity from organisations that have no or a negligible connection to Scotland
- a widening of OSCR's inquiry powers, including:
    - power to direct charities to particular actions
    - power to appoint interim trustees
    - power to inquire former charities and former trustees
    - changes to OSCR's powers to require charities and others to provide information
- OSCR will have the power to remove charities from the Register that have failed to submit timely accounts and failed to engage with OSCR about putting this breach of trustee duties right
- A register of all individuals barred from acting as trustees is being maintained and can be searched on the OSCR website

The remaining parts of the Act are expected to come into force in mid 2025, including the publication of annual reports and accounts, trustee names and a record of charity mergers. Further details on the changes can be found on the OSCR website here.

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Legislation for land and property in Scotland

The Register of persons with a controlled interest in land (RCI) is a new public register managed by the Registers of Scotland (ROS) and aims to improve transparency of land ownership in Scotland.

If a charity is an unincorporated association or trust and land or property is held on its behalf by the committee or trustees, the charity may be required to register its land or property on the RCI.

For guidance on whether registration on land held for Trusts or Unincorporated Associations is required follow OSCR guidance available here.

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Compliance

Employment Rights BillDuty on employers to prevent sexual harassment at work

The Worker Protection (Amendment of Equality Act 2010) Act 2023 received Royal Assent on 26 October 2023, and came into force on 27 October 2023, and introduces a new duty on employers to take reasonable steps to prevent sexual harassment of their employees in the course of their employment. 'In the course of their employment' covers activities outside of the workplace, for example work social events.

The new duty to prevent sexual harassment will be enforceable by an employment tribunal, where the tribunal has first upheld a claim for sexual harassment. A tribunal will have the discretion to award a 'compensation uplift' by increasing any compensation it awards for sexual harassment by up to 25% where there has been a breach of the employer's duty in sexual harassment cases.

The Equality and Human Rights Commission's guidance on sexual harassment and harassment at work contains steps employers should consider taking in order to prevent and deal with harassment at work. These steps include having an effective and well communicated anti-harassment policy in place and maintaining a reporting register of complaints for all forms of harassment.

A copy of the guidance can be found here.

Fundraising Regulator:

In November 2023 the Fundraising Regulator published its latest Annual Complaints Report which covers the period 1 April 2022 to 31 March 2023. The report analyses complaints received by the Fundraising Regulator and complaints reported to 58 of the UK's largest fundraising charities.

The number of complaints to the sample charities rose proportionally for most methods in line with increased fundraising activity – with 13 of the 23 fundraising methods having increased complaint numbers in 2021/22 compared to 2020/21. The overall number of complaints had increased since 2021/22 which is reflective of increases in fundraising activity since the pandemic.

Over the same period, complaints about fundraising methods including door to door fundraising (60), charity bags (57) and addressed mail (51) accounted for the majority of the 270 complaints within the Fundraising Regulator's scope. A common theme was that of misleading information, highlighting the importance of clarity in fundraising materials.

You can see the full report here.

In August 2024, the fundraising regular produced guidance on charitable institutions working with commercial participators and with professional fundraisers. Both pieces of guidance define professional fundraisers and commercial participators and in both cases explain that charities should carry out due diligence, have in place a written agreement and carry out monitoring.

Gender pay reporting

Any employer with 250 or more employees on a specific date each year (the 'snapshot date') must report their gender pay gap data. For most entities the snapshot date is the 5 April of each year.

You must report and publish your gender pay gap information within a year of your snapshot date. You must do this for every year that you have 250 or more employees on your snapshot date.

Guidance on what and how to report can be found here.

The Economic Crime and Corporate Transparency Act 2023

A new failure to prevent fraud offence has been introduced by the Economic Crime and Transparency Act 2023. It will apply to all large corporate entities, including charitable companies, Royal Charters and CIOs.

When considering the size criteria it is worth noting that the legislation references the financial year of the entity that precedes the year of the fraud offence.

An offence is committed where an employee or agent commits fraud. The penalty is an unlimited fine for the organisation, and no personal liability will be introduced for trustees or management failure to prevent fraud.

The legislation is far reaching, and where an organisation operates or is based overseas, if an employee commits fraud under UK law or affecting UK victims, the company can be prosecuted.

There is a defence to the failure to prevent economic crimes if the organisation can prove that it had reasonable prevention measures in place,

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or that it was not reasonable in all the circumstances to expect it to have had any procedures in place.

The guidance for the new corporate criminal offence of "failure to prevent fraud" has been published by the UK government. The Act aims to hold large organisations accountable if they benefit, or there is an intention to benefit, from fraudulent activities conducted by their employees, agents, subsidiaries, or other associated persons. Organisations have to put in place proactive measures and reasonable procedures to provide a defence to criminal liability for failing to prevent fraud and other economic crimes by associated persons.

The offence sits alongside existing law; for example, the person who committed the fraud may be prosecuted individually for that fraud, while the organisation may be prosecuted for failing to prevent it.

The offence, which will come into effect on 1 September 2025, applies to all large incorporated bodies, subsidiaries, partnerships, and large not-for-profit organisations such as charities if they are incorporated and Royal Charter. Whilst unincorporated charitable trusts may not be included, this guidance is considered as being best practice. It is important to note that the size criteria is considered in the year preceding the fraud offence. An organisation will be criminally liable if an associated person commits fraud intending to benefit the organisation such as through dishonest sales or commercial practices, hiding important information from consumers or investors, or dishonest practices in financial markets.

The guidance sets out six principles that should inform fraud prevention frameworks put in place by organisations in order to comply with the law - top level commitment, risk assessment, proportionate risk-based prevention procedures, due diligence, communication (including training), and ongoing monitoring and reviews.

Risk assessments must fully consider the potential for relevant economic crimes to be committed. These include but are not limited to fraud. Onboarding of employees and 'associates' must be reviewed and mitigation measures put in place. Sufficiency of training which is properly tailored to the particular employees involved is increasingly an area of regulatory focus and must also be part of the policies and procedures put in place here.

Full details of the guidance can be found here.

Another aspect of the Act is to improve the accuracy and quality of data filed with the Registrar of Companies, helping to tackle economic crime and boost confidence in the UK economy.

From a company secretarial point of view, the most significant change introduced by the Act is the reform of Companies House.

Key changes

Registered office address to be 'appropriate'

All companies must now have an 'appropriate address' as their registered office. This means that documents sent to the registered office address will reach someone acting on behalf of the company and that delivery can be acknowledged. Companies are not allowed to use a PO Box address. In the event of non-compliance, Companies House will change the registered office address to a default address.

Registered email address

Both existing and new companies must provide Companies House with a registered email address for communication purposes. This information must be included when filing the next confirmation statement with a statement date of 5 March 2024 onwards or at the time of incorporation. A new company cannot be incorporated without this information, and existing companies will not be able to file a confirmation statement without it.

Statement of lawful purpose

After 4 March 2024, new companies must confirm that they are being incorporated for a lawful purpose. Existing companies will need to confirm annually in the confirmation statement that their intended future activities will be lawful.

Broadening of Registrar's powers

The Registrar will have enhanced powers to question information filed at Companies House and request additional information to ensure that documents are timely, accurate, and not misleading. Companies House will have greater authority to scrutinise, query, and reject information that is filed or is in the process of being filed.

Authorised Corporate Service Provider (ACSP)

Under new identity verification measures, most documents filed at Companies House must be delivered by an ACSP. This includes incorporations, officer appointments (directors, secretary, members of LLP, partner of LP) and PSC

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appointment. This means if you are filing these documents with Companies House then you will need professional corporate service providers to do this for you or you will have to follow the additional identity verification steps to be introduced by Companies House.

Changes to be introduced to Company Accounts

Companies House is currently working on mandating digital filing and full tagging of financial information in an iXBRL format. The number of times a company can shorten its Accounting Reference Period will be reduced. Small companies will be required to file a profit and loss account and a directors' report, while micro-entities will need to file a profit and loss account. The option to file abridged accounts will be removed, and companies claiming an audit exemption will need to provide an additional eligibility statement.

Restrictions on the use of corporate directors

All directors (or director equivalents) of the entity that have been appointed as a corporate director must be natural persons, and those natural person directors must have undergone an appropriate identity verification process. Historically, any corporate entity could be appointed as a corporate director of a UK company. However, moving forward, only UK-registered entities will be eligible for appointment as corporate directors, and all directors (or director equivalents) of such entities must be natural persons. Companies with existing corporate directors will be given 12 months to comply; within that time, they must either ensure their corporate director is compliant with the principles or resign them.

Considering the recent changes introduced by the Act, boards of directors will need to review their current processes for filing at Companies House, adopt new systems for verifying filings, monitor identity verification requirements, introduce new policies on director changes, and review the appropriateness of the company's registered office address.

New free digital service from National Cyber Security Centre

The National Cyber Security Centre has launched a new free digital service, MyNCSC, which aims to enhance charities' cyber security approach.

MyNCSC combines Active Cyber Deference (ACD) digital services, offering a unified experience tailored to each user's needs, including content, vulnerabilities, and alerts.

The MyNCSC platform is a free service for UK registered charities, enabling organisations to access various ACD services, such as:

- early warning
- mail check, assessing email security compliance
- web check, finding and fixing common security vulnerabilities in the charity's website

There are plans to gradually increase the number of ACD services integrated with MyNCSC.

MyNCSC offers a unified user interface for accessing multiple services promoting collaboration within organisations when managing digital assets and viewing findings.

Further information and guidance on how MyNCSC works can be found here.

Virgin Media pension case

Until it was abolished in April 2016, defined benefit pension schemes could contract out of the State schemes. In return for lower employer and employee National Insurance contributions, a scheme was required to meet certain minimum requirements in relation to the benefits provided through the scheme. Before 6 April 1997 a contracted-out salary-related scheme was required to provide each member with a Guaranteed Minimum Pension. The 1995 Pensions Act ended that regime and with effect from 6 April 1997 contracted-out schemes had to satisfy the Reference Scheme Test, which had to be assessed and certified by the scheme actuary that the minimum level of benefits under the reference scheme test would continue to be satisfied after the amendment was made.

On 25 July 2024, the Court of Appeal upheld the High Court's decision in relation to Virgin Media v NTL Pension Trustees II Limited that the statutory actuarial confirmation was required, and without this, alterations are void. This decision could potentially have a significant impact for other schemes where changes have been made without actuarial confirmation.

The question appealed was whether a confirmation was required for changes to future service benefits or just past service benefits. The Court of Appeal

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upheld the High Court's decision that confirmation was required for amendments to future accruals, before legislation changes in 2013. Legislation does allow the Government to make retrospective regulations to validate amendments that are void due to the absence of such written confirmation. Therefore, depending upon the outcome of any subsequent appeal to the Supreme Court, there is the possibility that DWP may take action to validate scheme rule amendments which would otherwise be invalidated by the principle in the Virgin Media case.

On 29 July 2024 a joint statement was issued a working group formed by the Association of Consulting Actuaries, the Association of Pension Lawyers and the Society of Pension Professionals proposing that the Secretary of State for Work and Pensions make regulations to validate retrospectively any scheme rule amendment affecting reference scheme test benefits, that is held to be invalid solely because a written actuarial confirmation was not received before that amendment was made. If such regulations were to be made, this would provide a fallback position for DB schemes and their sponsoring employers if issues of invalidity of scheme rule amendments were to be raised based on the Virgin Media case. Other industry bodies have also begun lobbying government to make these changes.

In the meantime, scheme actuaries may need to consider whether they need to take account of matters raised through the Virgin Media case and take into account the impact on funding updates and triennial actuarial valuations. To date actuaries have not been explicitly referred to this matter in their actuarial valuations.

From a pension scheme accounting perspective, unless the possibility of settling the contingent liability is remote or it is not material disclosure should be made in the notes to the financial statements of the estimated financial effect and an indication of the uncertainties relating to the amount or timing. Trustees of pension schemes should assess whether disclosure is required in their accounts.

Employers will also need to consider the impact of the case on their accounts, and this will include retrospective and future liabilities and therefore will be a larger amount. If the amount is not included in actuarial valuations due to lack of information, there will need to be an assessment as to whether a disclosure is required.

Holiday Entitlement – where are we now?

In March 2023 the government opened a consultation exercise to review the legislation governing holiday entitlement and holiday pay, which had over time become complex, and in some cases, difficult for employers to follow.

The consultation exercise ended on 7 July 2023, and the government's response was published on 8 November 2023. The response indicates that the following actions will be taken:

- *Introduce an accrual method for calculating holiday*

  Entitlement will be calculated as 12.07% of hours worked in a pay period for irregular hours and part year workers. All other workers will accrue leave at 1/12th of their entitlement on the first day of each month during their first year of employment.

- *Sanction rolled-up holiday pay (RHP)*

  Legislation will be introduced to allow RHP for irregular hours workers and part-year workers only.

- *Introduce a definition of irregular hour workers & part-year workers*

  Legislation will be updated to define what is meant by irregular hours workers and part-year workers.

The Government has laid out revisions in respect of the above as part of The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023, effective from 1 January 2024.

Irregular hours and part-year workers

To the relief of many employers the revised Working Time Regulations ('WTR') will include provisions aimed squarely at addressing the flaws laid bare in the Harper Trust v Brazel case in which it was held part year workers on permanent contracts were entitled to a full year's holiday entitlement, regardless of the number of weeks worked.

For holiday years from 1 April 2024 individuals who work irregular hours or part-year (such as term time or casual workers) will accrue holiday on the last day of each pay period at a rate of 12.07% of the number of hours worked during the pay period. This will ensure that their entitlement will remain in proportion to the hours that have been worked and differs from other employees who receive their full entitlement at the start of a holiday year. It is open to employers

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to allow the employee to take more holiday than they have accrued – in such cases its essential that employment contracts reserve the right for the employer to deduct over usage from final salaries.

For the same group of workers the revised WTR sees a welcome return of rolled-up holiday pay. Rolled-up holiday pay is where the accrual in a pay period is paid to the employee with their basic salary rather than when they actually take their holiday. The practice was outlawed because in the opinion of the European Court of Justice it discouraged workers from taking time off. However, for many casual work arrangements rolled up holiday pay is the only logical approach and many employers have continued to apply it.

From 1 April 2024 rolled up holiday pay will be permitted on condition that:

- the individual is a part-year or irregular hours worker
- the holiday pay is calculated using 12.07% of all pay for work done
- the holiday pay (12.07%) is paid at the same time as the pay for work done
- the holiday pay is separately itemised on the payslip.

It's worth noting that the 12.07% formula does not account for the different holiday pots that we covered at the start of this article and therefore in some cases it could result in higher rates of holiday pay.

It is also the case that an employer has a legal duty to ensure that an individual takes their 5.6 weeks of holiday per year and this duty applies even when they are paid using rolled-up holiday pay and not when they actually take their holiday – which could make it difficult to monitor.

Record Keeping

Following a 2019 decision by the European Court of Justice employers have been required to record the daily hours worked by their employees.

Under the revised WTR employers will be required to keep records that evidence compliance with the 48-hour week, opt-out agreements, length of night work and health assessments for night workers, and therefore an employer is not required to record daily hours if they can evidence compliance by other means.

Key Takeways

The revisions to the WTR should be welcome news for most employers, although in some areas they lack detail – such as a lack of definition around normal earnings for the calculation of holiday pay.

Employers of irregular and part year workers will be eager to adapt their processes to accommodate 'accrue as you go' and rolled up holiday pay.

For some employers it will be the much-needed spur to start and correctly calculate holiday pay and for others a need to evaluate the true status of their self-employed contractors.

However, for almost all employers there will be a need to look at policies and procedures to ensure that they align with the new rules on holiday carry over and ensure that 'use it or lose it' prompts are timetabled before the end of the holiday year.

The full article can be obtained here.

Financial and other reporting

FRC Amendments to FRS 102

The Financial Reporting Council (FRC) issued amendments to financial reporting standards on 27 March 2024, the changes are mostly effective for accounting periods beginning or after 1 January 2026. This follows the consultation impact assessment during 2023.

The amendments include:

- a new model of revenue recognition in FRS 102 and FRS 105 based on the IFRS 15 five-step model for revenue recognition with appropriate simplifications
- a new model of lease accounting in FRS 102 based on IFRS 16 on-balance sheet model (again with appropriate simplifications)
- various other incremental improvements and clarifications

The FRC intends to publish new editions of the standards and updated staff factsheets with guidance during 2024.

The SORP committee are reflecting on these amendments and exploring how they will impact the remaining stages of the SORP development process with updates to follow.

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The full amendment documents can be obtained here.

Dispelling common myths about charities

ICAEW, with input from Crowe, has published guidance exploring ten myths surrounding charities and their operations, with a view to encourage transparent communication in areas where these misconceptions are prevalent. The ten myths considered are:

- Charities spend too much on fundraising.
- They should not make a surplus or build up cash reserves.
- Too much is spent on highly paid executives.
- They should not undertake commercial activities.
- Charities should be run and staffed [for free] by volunteers.
- Too much is spent on overheads.
- Charities don't pay taxes, so need less money.
- Professional qualifications are needed to become a charity trustee.
- Charities are less vulnerable to fraud than other organisations.
- Charities should not engage in campaigning and political activity.

The guidance includes access to a webinar discussing some of the key myths with voices from the sector.

The Guidance can be found here.

Charity Digital Skills report

The Charity Digital Skills annual report, now in its eighth year, continues to serve as an essential measure of the charity sectors' digital proficiency, attitudes, and behaviour. As charities face ongoing challenges from the cost-of-living crisis and adapt to a rapidly changing digital landscape, this report aims to highlight how charities are increasingly leveraging digital tools and identifying key trends.

The report highlights that:

- Half of charities have a digital strategy and 45% say this is a priority for this year, with 76% making progress this year.
- 1 in 4 charities say data is a high priority, with 48% use data to improve services or operations.
- 68% are struggling to process digitally due to finances, capacity or headspace.
- 56% are to engaging with emerging tech trends with 40% saying that they have poor skills & capacity.
- Over half (62%) of charities say trustees' digital skills are low or could improve.

Whilst many gaps identified in previous years persist, particularly in funding and leadership, there have been positive developments. Notably, there is a significant shift towards charities creating their own digital strategies. These strategies are crucial for ensuring that charities do not fall behind, especially with the rise of AI.

The report can be found here.

NCSC publishes "Cyber Threat Report: UK Charity Sector"

The National Cyber Security Centre has published its annual report, outlining cyber threats currently facing charities of all sizes.

The 2024 DCMS Cyber Security Breaches Survey measures the policies and processes organisations have for cyber security; highlights the commonly perpetrated breaches and attacks and their impacts; and provides a number of recommendations and links to guidance to assist charities strengthen their defences.

The report revealed that 32% of UK Charities identified a cyber-attack in the last 12 months, an increase from the reported 24% in 2023, with phishing breaches being the most common. This increase has driven an increase in the deployment of various controls are procedures in businesses, such as:

- using up-to-date malware protection,
- restricting admin rights,
- network firewalls, and
- agreed processes for phishing emails.

The report notes that the charity sector is particularly vulnerable as they often hold significant amounts of sensitive or valuable data, making them attractive targets for cyber-attacks. Therefore, charities should consider adapting to the increasingly technical environment. This need for adaption is exemplified by cybersecurity being deemed high priority for 63% of charities, with 30% of

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Boards having explicit responsibility for cyber security, and 47% of high-income charities having formal cyber strategies in place.

A copy of the report can be obtained here.

Charity Commission: Guidance on accepting donations

In March 2024, the Charity Commission published new guidance to help charities when deciding whether to accept, refuse or return a donation.

The guidance explains when donations must be refused or returned and when these might likely need to be refused or returned. The guidance makes clear that trustees should start from a position of accepting donations, but from time to time a charity may face a difficult decision as whether to refuse or return a donation. The guidance sets out an approach for trustees to take on these occasions, advising they:

- consider the risks involved in refusing or returning the donation, and how likely and serious these are. These include negative financial impact, ability to deliver services and ability to attract donations in future
- consider the risks involved in accepting or keeping the donation, and how likely and serious these are. These include the likelihood of reduced support or reputational harm, particularly among supporters or beneficiaries
- determine how any decision aligns with their charity's purposes
- determine what steps they can take to mitigate the risks. These include negotiating the terms of a conditional donation with the donor or developing a public explanation for a decision

It explains that if a charity is considering refusing or returning a donation, the charity must have the legal power to refuse or return a donation. In some situations, there are additional legal rules to consider e.g. disposal or land or properties of a special trust.

The charity should also consider whether it needs to make a SIR when it refuses or returns a donation.

Ultimately, as the guidance states: "Deciding whether to accept, refuse or return a donation is likely to involve a careful balancing exercise. There may be no right or wrong answer, but your decision must be rational and reasonable, and supported by clear evidence."

The full guidance can be obtained here.

Taxation

Charities tax compliance

As part of the Autumn Budget 2024, the government published a response to their consultation on charities tax compliance. The original consultation, published in April 2023, received responses from 33 stakeholders in the charity sector including Crowe UK.

The consultation addressed four key areas of tax compliance for charities. A summary of these areas and the proposed changes to tax legislation, all of which will take effect from April 2026, are outlined below.

Preventing donors from obtaining a financial benefit from their donation

The issue: Existing legislation on Tainted Charity Donations does not have a wide enough scope to capture all possible arrangements between charities and donors that could be used to exploit tax reliefs on charitable donations for financial advantage.

The change: The legislation will be amended to lower the bar for challenging transactions, and the current motive test will be replaced with an outcome test. This is expected to allow HMRC to consider a series of transactions in the round and allow for a more objective assessment of the interactions between a donor and a charity.

Issues to consider: Ahead of the drafting of the new legislation, charities may wish to assess any long term arrangements they have with donors in order to be ready to assess whether any changes will need to be made to these arrangements to minimise the risk of falling into the tighter scope of the new rules.

Preventing abuse of the charitable investment rules

The issue: Under current legislation, certain types of investment qualify automatically as approved charitable investments, irrespective of how the investment is actually used.

The change: Legislation will be amended so that all investments (as opposed to only 'Type 12' investments under current legislation) must be demonstrably for the benefit of the charity and not for the avoidance of tax. Investments which do not meet this test will not be approved charitable investments and may lead to a tax exposure.

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Issues to consider: Charities may wish to review their investment policies for all types of investment to ensure that sufficient evidence will be available in the event of an enquiry to demonstrate that all investments are made for the financial or charitable benefit of the charity. Further guidance on approved charitable investments is available here.

Closing a gap in non-charitable expenditure rules

The issue: The non-charitable expenditure rules under current legislation do not account for legacy income as a type of 'attributable income'. This provides scope for charities to use legacy income for non-charitable purposes without incurring a tax charge.

The change: Legislation will be amended so that income which is relievable in either the charity's hands or the donor's hands will be included within the 'attributable income' definition.

Issues to consider: Charities should assess their proposed expenditure from legacy funding to ensure that this will not fall within the tax law definition of non-charitable expenditure. Further guidance on non-charitable expenditure is available here.

Sanctioning charities that do not meet their filing and payment obligations

The issue: Some charities are persistently failing to meet their tax compliance obligations whilst also taking advantage of reliefs and exemptions available to them as charities.

The change: The Fit and Proper Persons test will be amended so that a manager of a charity who persistently fails to comply with the charity's tax obligations will fail the management condition. This may ultimately lead to the loss of recognition as a charity for tax purposes and to the loss of charitable reliefs and exemptions.

Issues to consider: Charities may consider appointing a suitable official to be responsible for ensuring compliance with the charity's tax compliance obligations, including the filing of tax returns which are in many cases requested on a rotational basis from charities.

The full published response to the consultation is available here.

Private schools and rates relief

As confirmed at the Autumn Budget 2024, charitable rate relief will be removed from private schools with effect from April 2025. There will be an exception for private schools that are "wholly or mainly" concerned with providing full-time education to pupils for whom an education, health and care plan (EHCP) is maintained.

Creative industry tax reliefs

All claims for Theatre Tax Relief (TTR), Orchestra Tax Relief (OTR) and Museums and Galleries Exhibition Tax Relief (MGETR) made on or after 1 April 2024 must be accompanied by an additional information form. The form must be submitted online and must be filed before or on the same day as the company tax return in which the relevant claim is made. Claims submitted without having filed the additional information form beforehand will invalid and must be re-submitted.

The Autumn Budget 2024 has confirmed the new permanent rates of 40% and 45% which were introduced in the Spring Budget 2024. The new rates will take effect from 1 April 2025.

Stamp Duty Land Tax

HMRC guidance has been updated to confirm that in circumstances where it is necessary to determine the market value of a land transaction for SDLT purposes, it is not necessary to obtain a formal valuation. This is a useful clarification particularly for charities receiving a transfer of land under an incorporation or merger, where the market value may be reportable even where no SDLT is payable due to charitable reliefs.

Autumn Budget 2024

On 30 October, the Chancellor of the Exchequer Rachel Reeves delivered her Autumn 2024 Budget, unveiling a series of significant changes set to impact businesses across various sectors, including most of our audit clients.

In her address, the Chancellor emphasised the government's commitment to restoring economic stability and fostering sustainable growth. She highlighted the need to tackle fiscal challenges inherited from previous administrations, make tough decisions on tax, welfare, and spending, increase support for public services, and boost capital investment.

Headlines from the budget include:

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- From April 2025, the National Living Wage will rise by 6.7% - increasing to £12.21 per hour for adults over 21 – and employer National Insurance Contributions (NICs) will increase to 15%, with the threshold for NICs dropping from £9,100 to £5,000.
- The NICs Employment Allowance will increase from £5,000 to £10,500 starting April 2025 and the previous threshold for eligibility removed, enabling more businesses to benefit from this relief.
- Corporation Tax will continue to be capped at 25% for the duration of the current parliament, with the Small Profits Rate and Marginal Relief to remain at their current rates and thresholds.
- The budget includes several measures to increase funding for charities and not-for-profits. The government has committed an additional £1.3 billion in new grant funding for local authorities, alongside funding for education and hardship support.
- 20% VAT on private school fees from 1 January 2025, and the removal of charitable rates relief for private schools (further details below).
- For those charities with retail, hospitality or leisure activities, an additional 40% relief on business rates for these sectors up to 2025/2026, capped at £110,000 per business.

Full details of the changes introduced in the budget can be found here.

New rates for creative industry tax reliefs

New permanent rates announced in the Spring Budget 2024 will apply from 1 April 2025 for Theatre Tax Relief, Orchestra Tax Relief and Museums and Galleries Exhibition Tax Relief.

The new rates will be 40% for non-touring productions and 45% for touring productions and all orchestra productions. Previously, the rates were due to taper back to their original levels of 25% and 20% by 2026.

Additionally, Museums and Galleries Tax Relief – which was previously due to expire in 2026 – will have its sunset clause removed so that it is now a permanent relief.

Administrative changes to creative industry tax reliefs

All claims for Theatre Tax Relief, Orchestra Tax Relief and Museums and Galleries Exhibition Tax Relief made on or after 1 April 2024 must be accompanied by an online information form. The form must be submitted before or on the same day as the submission of the company tax return in which the claim is made. The form is available here.

A number of other administrative changes have been made to the creative industry reliefs which include a requirement to disclose connected party transactions with a potential restriction on connected party costs where these have not taken place on an arm's length basis.

Further details of the administrative changes are available in the policy paper here.

Independent schools – VAT on fees

In July 2024, draft legislation and accompanying papers were released by the Treasury on the introduction of VAT on independent school fees, with the Finance Bill 2024-25 currently progressing through Parliament. The main points are listed below.

1. *When will VAT will be introduced on private school fees?*

   The new law would be effective from 1 January 2025.

   Schools that are not VAT registered would need to register for VAT on or before that date. Schools that are not VAT registered but have VAT registered trading subsidiaries, need to consider whether to register as a VAT Group or have separate VAT registrations.

2. *How will the anti avoidance/anti forestalling legislation apply?*

   Any school fees paid in advance which were received on or after 29 July 2024, would not qualify for the education exemption.

3. *Where would VAT be applied?*

   VAT would be applied to education, boarding and accommodation, as well as any extracurricular lessons such as music, drama or sports tuition. However, we have noted that the sport exemption in the VAT Act 1994 Group 10, may still apply to letting of sport facilities to individuals.

4. *What would not be subject to VAT?*

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Supplies deemed to be ‘closely related’ to education such as the supply of transport, catering, books and stationery would continue to be exempt from VAT.

The documents do mention that ‘value shifting’ on these individual supplies would be challenged if they do not believe the supplies are made at a market value.

5. Will nursery school fees up to reception be subject to VAT?

The supply of nursery school education would remain exempt, however once fees are charged for children of compulsory school age (referred to as the reception class in the UK), VAT will be applied.

6. What about before and after school childcare?

This would remain exempt as a supply of welfare where the supply qualifies as childcare and does not form part of further education (see 3 above).

7. What about fees paid in advance (FiA) where payment has been made before 29 July?

Any private school fees paid after 29 July 2024 for tuition and boarding fees covering a period on or after 1 January 2025 will be subject to 20% VAT.

Any fees pre-paid before 29 July 2024 for tuition and boarding from 1 January 2025 may also be subject to 20% VAT depending on the arrangements that the pre-payment scheme made.

8. What about schools who have pupils with Special Education Needs (SEN)?

The government would seek to ensure that pupils with the most acute SEN are not impacted by these changes. It appears that there would be two exceptions:

(i) the pupil's condition is covered by an Education, Health and Care Plan; and

(ii) the state system cannot accommodate pupils' needs.

9. What will happen now?

Schools must now prepare for VAT to be introduced from 1 January 2025. As well as registering for VAT by this date, schools should be

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Appendix 7 - Going concern

The Charity Commission guidance "Managing financial difficulties & insolvency in charities" (CC12) stresses the importance for "a trustee body to have a good knowledge and understanding of the charity and its finances so that, as far as possible, the continued viability of the charity and its charitable activities can be assured.".

This is a theme that runs through the Charity Commission's updates and alerts including its guidance on whether charities can use reserves and restricted funds to help the charity through the crisis.

The Charity Commission guidance highlights a number of factors the trustees need to consider.

- Trustees should review what are their short, medium and longer-term priorities, including whether or not certain projects, spends or activities can be stopped or delayed.
- The guidance recognises that reserves can be used to help cope with unexpected events like those unfolding at present.
- If the trustees have previously decided to earmark certain funds for a particular purpose they may be able to re-prioritise these.
- Restricted funds which cannot be spent at the trustees' discretion may only be used for a particular and defined purpose. In some instances, there may be ways to amend these restrictions, but accessing or releasing restricted funds should only be considered if other options such as reserves are not possible.
- All decisions on such financial matters should normally be taken collectively, and significant decisions and action points noted in writing.

d) Liquidity and resilience

The Charity Commission guidance goes on to explain that "*The overall responsibility for effective governance and the implementation of proper financial management rests with the trustees, but may well involve all staff members whether paid or volunteers*."

As well as the level of available reserves the trustees will also need to understand and consider the charity's liquidity.

- Proper consideration needs to be given to cash flow forecasts and debt and project management based on realistic assumptions set. There should be a budget including cash projections and business plans produced at least annually and monthly monitoring against the plans.
- There is a need to extend cash flow forecasts to evaluate issues that may arise after the end of the period covered by existing cash flow forecasts.
- There should be processes in place to ensure that appropriate procedures and controls have been applied to models used to generate cash flow and valuation information, including the choice and consistent use of key assumptions.
- Appropriate sensitivity analysis needs to be applied to address the potential impact of reasonably possible events. Sources of income and expenditure should be analysed with consideration of uncertainties around grant funding, voluntary or earned income.
- The sensitivity analysis should properly flex assumptions to identify how robust the model outputs are in practice and that the assumptions are free from bias.

In December 2022 the Charity Commission published additional guidance "Manage financial difficulties in your charity arising from cost of living pressures", recognising that many charities are facing difficult circumstances as a result of rapidly increasing costs. At the same time, some charities are also experiencing an increase in demand, in particular those charities providing services to people in need, further compounded by donors also suffering from the similar issues thereby leading to reduced income for some charities.

The guidance reminds trustees of their responsibilities in providing effective financial stewardship and ensuring that any decisions made are in the best interest of the charity. Key is the evaluation of the charity's financial position, and robust and regular reviews of the cashflow forecasts, to ensure the charity

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is able to continue to carry out its charitable activities, identifying any potential shortfalls and enabling actions to be taken in a timely manner.

CC25: "Charity finances: trustee essentials" emphasises the need for charities to be resilient. This is a key theme for much of the Commission's guidance is also discussed in the updated CC19 guidance entitled "Charity reserves: building resilience".

In the section on 'managing financial difficulties and insolvency', CC25 explains that if charities face financial difficulties then the trustees must:

- "*have the appropriate skills and time to ensure the proper running of the charity and lead or manage it through difficulties,*
- *ensure that they regularly receive and consider robust and up-to-date financial management information to enable them to recognise at an early stage when the charity is facing financial difficulties,*
- *find out which charity funds are restricted in their use by their donors and which can be used for any of its aims - this is crucial to the proper understanding of the charity's overall financial position,*
- *take prompt action when they think insolvency is a possibility – professional advice in writing should be taken at an early stage because any corrective action needs to be carefully planned,*
- *consider changing, cutting or restricting the charity's activities, reviewing funding sources and commitments or refinancing,*
- *think about merging or collaborating with another charity,*
- *have an understanding of (and if necessary take advice about) insolvency law and how it applies to charitable companies, and what voluntary options there are for other types of charity,*
- *recognise that once the charity has reached the stage of liquidation or winding up their primary duty is to pay the charity's debts, and*
- *tell the Commission if the charity closes or is no longer active so that it can be removed from the register of charities (legal requirement).*"

e) Insolvency

There are normally two tests of insolvency – the balance sheet test (positive net assets) and the cashflow test. The key issue is, can the organisation pay its debts as they fall due? The cash flow test is of particular importance and a charity can be insolvent even if it has positive net assets. Careful consideration is required of many factors, such as what values can be realised in time to meet debts and what assets can be used to meet liabilities. Understanding is needed of the implications of the different restricted and endowed funds held by the charity. The position for trustees of an unincorporated charity is different and the risks are usually higher.

Directors and shadow directors can be guilty of wrongful trading if they continue to trade and incur liabilities they knew or ought to have known that there was no reasonable prospect of avoiding insolvent liquidation.

Fraudulent trading is also a risk. Section 213 of the Insolvency Act provides that on the application of the liquidator of a company the Court may order that any persons who were knowingly party to carrying on the business of the company with intent to defraud creditors must make a contribution to the company's assets. For a fraudulent trading action, intent to defraud creditors must be proved and the onus of proof is on the liquidator. There must be evidence of actual dishonesty. For an insolvent charitable company, senior management, and not just the trustees, could also be made liable for fraudulent trading. The charity should avoid entering into preferential transactions which put another party in a better position to the detriment of other creditors. The court will recognise mitigating circumstances. For example, if the directors took proper steps to minimise the potential loss to the company's creditors.

f) Finalising the financial statements

Where boards identify possible events or scenarios, other than those with a remote probability of occurring, that could lead to failure, then these should be disclosed. Boards may take account of potential responses open to them to mitigate such events or scenarios although would need to consider the likely success of any response.

On September 2021 the FRC published a thematic review 'Viability and Going Concern', which provides guidance for companies to improve their disclosures on going concern, following a review of a number of main market and AIM listed companies annual reports. Whilst this guidance refers to "directors" and "companies", a number of the recommendations are relevant to all other entities.

In particular, the review recommends that going concern disclosures:

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- Explain the sensitivity analysis, stress and reverse stress tests carried out to support the assessment and provide details of the inputs (quantitative as well as qualitative detail) and outcomes of any such analysis.
- Highlight the significant judgements made by management in determining whether or not the adoption of the going concern basis is appropriate and whether or not there are material uncertainties in respect of going concern to disclose

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CHEADLE HULME SCHOOL

England & Wales - Charity number 1077017

Accounts

Cheadle Hulme School

Report and Financial Statements

Year ended 31 August 2023

Cheadle Hulme School

Registered Charity No. 1077017

Company No. 03823129

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SECTION A - KEY INFORMATION

DIRECTORS, OFFICERS AND ADVISORS

The Cheadle Hulme School (CHS) Governors are the Charity trustees and Company Directors of the Charity and Company, 'Cheadle Hulme School'. They have served in office throughout the year, except where indicated.

All Directors give their time freely and travel expenses only were paid to one member in the year. No Director or person connected with a Director received any benefit from means-tested bursaries.

During the year, the activities of the Governing Body were carried out through 5 Sub Committees plus Governor involvement in 2 Working Groups (Estates & Environment and Human Resources). The membership of these Sub Committees is shown below.

Name	Appointment /resignation in year	(1)	(2)	(3)	(4)	(5)
Mr S Abraham #						
Mrs J E Birkett				X		X
Mr M Bolingbroke #				X		
Mrs C Boyd~	Resigned 15/01/24	X	X	X		
Mr R Oman #			X			
Mr D N Riley		X			X	X
Mr C Roberts~						
Mrs J Squire*	Resigned 11/12/23					X
Mrs C Thomson #			X	X		X
Mr M G Tyley			X		X	
Ms B Walmsley					X	
Mr G Wright		X				

(1) Education & Pupil Progress Committee
(2) Risk Committee
(3) Finance & Resources Committee
(4) Safeguarding & Pupil Experience Committee
(5) Nominations Committee
Directors who were the parents of a pupil at the School during the year

* Member of the HR Working Group
~ Member of the Estates and Environment Working Group

OFFICERS

Mr N Smith	Head
Mr W James	Chief Operating Officer, Company Secretary and Clerk to the Governors

Solicitors: The School has used a number of specialist legal advisors during the year.

Auditor:	Crowe U.K. LLP Chartered Accountants, member of Crowe Global 3rd floor, The Lexicon Mount Street Manchester M2 5NT
Bankers:	Santander UK plc 4 St Pauls Square Liverpool L3 9SJ Barclays Bank PLC P.O. Box 357 51 Mosley Street Manchester M60 2AU
Website:	www.cheadlehulmeschool.co.uk

REFERENCE AND ADMINISTRATIVE INFORMATION

Cheadle Hulme School is a company limited by guarantee with no share capital and is a registered charity under the auspices of the Charity Commission.

School Address: Claremont Road
Cheadle Hulme
Cheadle
Cheshire
SK8 6EF

Company No: 3823129

Charity No: 1077017

Taxation

As an educational charity, the School is eligible for a corporation tax exemption on its educational activities and investment income, provided these are applied to the School's charitable aims. The School is also entitled to an 80% reduction in business rates on the property occupied for charitable purposes. The School is, however, unable to reclaim VAT input tax on costs, as it is exempt for VAT purposes.

OBJECTIVES, CONSTRUCT AND AIMS

Cheadle Hulme School was founded in 1855. It has been situated on its present site, now occupying about 75 acres of ground, since 1869. The purpose of the School, at its foundation, was to educate, maintain and clothe Orphans and Necessitous Children of Warehousemen and Clerks in the Manchester area (Waconians, or WACs). The founders declared that the School should be established and conducted on the most liberal principles and be open for the reception of children of both sexes. The broad wishes of the founders are maintained to this day and, as a consequence, the School has a distinct, inclusive and friendly atmosphere: **Academic, Active** and **Altruistic**.

Cheadle Hulme School is a co-educational day School for 3 to18 year-olds, that believes in the intellectual, personal and social value of girls and boys learning alongside one another in preparation for the realities of the adult world. The School aims to provide a balanced approach to academic and co-curricular excellence, blended with a pro-active and inclusive pastoral tradition, which leads its pupils to engage in positive roles in their communities and beyond.

The School builds upon its motto of *'in loco parentis'* by providing the highest levels and quality of pastoral care. Teachers and other staff are committed to supporting the wellbeing of every pupil. Leadership, teamwork, personal responsibility and resilience are important elements of the pastoral education the pupils receive.

The School continues to value its heritage by endeavoring to support pupils whose family incomes would otherwise prevent them from accessing and benefitting from the education on offer; the School's Financial Assistance Scheme also supports the School in improving a more diverse social and ethnic mix of pupils.

The School's **Mission**, **Vision** and **Values** are contained at Annex A.

Detailed information about delivery of these objectives can be found in the Cheadle Hulme School Impact Report 2023 with more information about School Performance, School Activity, Pastoral Care, and Environmental Activity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The School is governed by its Articles of Association, updated and approved by the Board of Directors on 27 April 2022 and accepted by both the Charities Commission and Companies House.

Governing Body

The Board of Directors (the Board) is a self-appointing body comprising up to fourteen Directors. The term of office for each Director is renewable by approval of the Board after a specified period, usually of either two or three years.

Recruitment and Training of Directors

An 'as required' Nominations Committee monitors the composition of the Board and makes recommendations to ensure the Board comprises members with a wide range of skills and experience. The Board seeks to ensure that at least two of the Directors are current parents of pupils attending the School. While there is no specific requirement for former pupils (Old Waconians) to be on the Board, there is a long history of this which continues to be the case.

Directors (known as Governors) are recruited based on their skills, experience and competence. They must have a passion for the work of the School and a broad understanding of education in terms of its positive impact on personal growth. Current Board members have experience in the following areas:

- Education
- HR
- Finance/Investment
- Technology
- Senior business/Entrepreneurship
- Property Development
- Medical
- Legal

As a co-educational School, the Board includes an appropriate balance of male and female Directors. New Directors have a bespoke induction organised for them, to include meetings with the Chair, Head, Chief Operating Officer and other key personnel, to develop understanding of how the School functions, its key policies and procedures and their roles and responsibilities.

Ensuring Good Governance

The Board is committed to the principles of good and ethical governance. The Board uses its sub-committee structure, (table on page 3), to objectively scrutinise different elements of the School's progress and performance. The Board carries out periodic skills and effectiveness reviews of its own construct. Board members are aware of their responsibilities to ensure compliance with statutory and other guidance relevant to its status including as a provider of education, a charity, a company, and as an employer.

The School has clear procedures for risk management, anti-fraud, bribery/corruption, procurement, gifting, behaviours, declarations of interest, complaints and whistleblowing. Its policies are subject to dated review, overseen by Board members.

At the start of each academic year, Directors are required to confirm that they understand their safeguarding obligations, key policies and expectations, and sign the:

- Acceptable IT Use Agreement Form
- Code of Conduct and Expectations for Governors
- Declaration of Interests Form
- Declaration of Offences Form
- Fit and Proper Person Declaration Form

Directors are also expected to observe aspects of School life on a periodic basis during normal School days, to include monitoring how policies and procedures are implemented.

Organisational Management

Board members are both Directors and Charity Trustees, and are legally responsible for the overall performance and control of the School (Junior and Senior). The Board meets at least five times per year and holds Away Days with the Senior Leadership Team as appropriate.

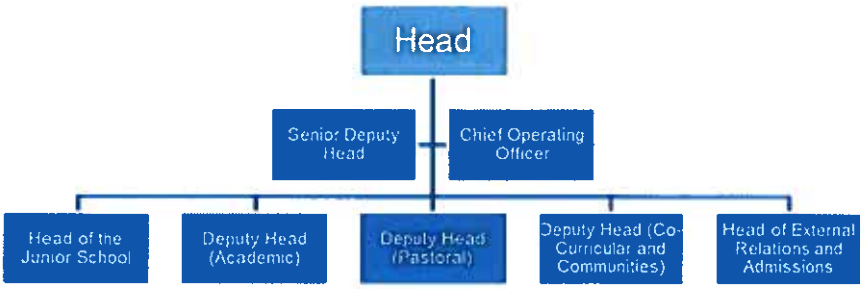
The Head, Head of Junior School, Senior Deputy Head and the Chief Operating Officer attend all Board meetings. Other members of SLT and staff attend by invitation

All Board sub-committees are chaired by a Governor and include a further 1-3 Governors. They typically meet termly, with out-of-committee circulation to maintain pace on pressing

matters. Each sub-committee also includes key senior staff members and other representatives as appropriate. The Governing Board reviews its sub-committees periodically to ensure they are configured to conduct key business and support the School in its strategic aims.

The Head is responsible for overseeing all aspects of the day-to-day running of the School. The Chief Operating Officer and their team manage financial, infrastructure, site operations, information technology, human resources and governance matters. The Head is supported by the Senior Leadership Team (SLT) (image below). The SLT has authority and day-to-day responsibility for planning, directing and controlling the operational and educational activities of the charity.

Senior Leadership Team:



The protocol for setting remuneration for the Senior Leadership Team is:

- The Chair of the Board, together with two other members of the Board, including the Deputy Chair, agree the Head's remuneration.
- The Chair of the Board and the Head agree the remuneration for the Chief Operating Officer.
- The Head, working with the Chair of the Board and Chief Operating Officer, sets the remuneration for the remaining members of SLT.

Group Structure and Relationships

Cheadle Hulme School incorporates both the Junior and Senior School. It has one wholly owned subsidiary, Cheadle Hulme School Enterprises Ltd, established on 14 May 2013, to manage the School's lettings activities. Consolidated Financial Statements have not been prepared on the grounds that the subsidiary is not material.

The School has an ongoing relationship with the Cheadle Hulme School Bursary trust (formerly the Cheadle Hulme School 150th Anniversary Bursary Trust.) The School's External Relations team raises funds for bursaries that are invested and managed by the CHS Bursary Trust using a professional advisor. Total funds within the Trust amount to approximately £4.5m. The Chair of the Trust is also a School Governor. Three other Trustees are also Governors of the School. However, the Trust is an independent charity with its own articles and objectives; to apply the trust funds to pay all or any part of the fees and related costs payable in respect of deserving boys and girls who are being educated

or wish to be educated at Cheadle Hulme School in particular but not exclusively to include school uniforms, school lunches, personal educational equipment, school trips and transport to enable the pupils to attend Cheadle Hulme School.'

Old Waconians. All former pupils and staff are considered to be Old Waconians.

Parents' Association. The CHS Parents' Association is a separate organisation, consisting of volunteer parents who arrange events in coordination with, for and on behalf of the School to raise funds to provide additional experiences, equipment or support for non-core activities.

More detail about the work of the Cheadle Hulme School Bursary Trust and the Parents Association can be found in the 2023 Cheadle Hulme School Impact Report.

PRINCIPAL RISKS

Risk Management

The Board, assisted by the SLT, has examined and documented the major risks that the School faces. The School's Risk Register is compiled in accordance with the Charity Commission's "Charities & Risk Management" framework and is consistent with the Commission's Statement of Recommended Practice (SORP) 2015.

The School actively manages its key risks and has developed systems including a rolling 'deep dive' review, to minimise likelihood of harm to individuals or their families, reduce operational impact, and, reduce financial or reputational impact to the School. The key accumulated risks are: financial shock, compliance, safeguarding, cyber, fire, sports/games injury, travel, trips, lone-working, estate management and compliance. Changes (or predicted changes) to tax, pension cost increases, living wage rise, business rate relief, charitable status, commodity/utility costs, inflation, workforce, the outcome of court rulings, recession, the potential for industrial unrest and environmental obligations are all within sight of the Board.

Directors review the key risks, compliance and mitigating actions on a regular basis via the sub-committees, in direct discussion with key staff and/or via a dedicated Risk Committee.

The School's finances remain under very careful review.

The strategies for managing and mitigating these key risks included:

- Continuing to refine and develop risk assessment and critical incident processes in line with changing context and government guidance.
- Educating and training staff in risk management.
- Continuous horizon scanning to ensure Directors and the SLT are aware of national and local government thinking and policy, and taking action accordingly.
- Understanding the impact of international activities e.g. conflict, recession.
- Being aware of local/national changes in the education sector, considering the impact on the School and taking appropriate action.
- Monitoring and developing the School's admissions process.
- Continuing to prepare and review the annual budget, financial projections and scenario plans, to include changes in fees and remuneration.
- Continuing to ensure that the Risk Committee will focus on risks and compliance across the School, to maintain a full oversight, ensure coherence and promote standardisation of practice.

SECTION B: FINANCIAL

Statement of Financial Activities

The School aims to make an annual surplus on its unrestricted funds, before depreciation, of 10% of income, in line with the latest guidance from the Independent Schools Bursars' Association and from the School's auditors – Crowe LLP. A surplus of this level means the School can generate sufficient cash reserves to ensure it has an appropriate level of resources to maintain and enhance School facilities, and have sufficient working capital. This year, the School has not met the target of 10%, but has achieved a surplus on its unrestricted funds, before depreciation and transfers of £1.77m (2021-22: £1.64m). This represents 9% of income (2021-22: 9%). After accounting for depreciation, the Retained Surplus for the Year on unrestricted funds amounted to £0.8m (2021-22: £0.8m).

Compared to the prior year, the School has maintained its Retained Surplus level, despite continued macro-economic pressures, most notably wage inflation pressures, utility costs, food, transport, maintenance and materials costs affecting all areas of school activity. This has been achieved because of continued strong pupil numbers.

Fees continue to be the main source of funding, representing 91% of total unrestricted income. School catering accounts for approximately 5% and individual donations for financial assistance represent over 1%. Income from lettings to community groups and other third parties i.e., CHSE, is less than 1%. Bank interest was earned in the period, representing less than 1%.

Balance Sheet

The School's Net Assets have increased by £0.82m.

Tangible Fixed Assets are £20.9m net of depreciation (2021-22: £20.9m). The School undertook planned small scale refurbishment projects during the summer months to enhance facilities for students. In addition there was investment in streamlining and improving the robustness of the technology used by teaching staff and the final phase of the LED light installment also took place during the year.

Cash at Bank and in hand has decreased to £4.0m (2021-22: £4.5m) and Creditors falling due within one year have decreased to £3.6m (2021-22: £4.5m), primarily reflecting the change in collection of fees to a 10 month direct debit with payments spread from September to June. (from the previous 12 month direct debit where payments were spread from July to June.). Also the reduction in trade creditors is a result of fewer capital works carried out at School in the summer break in August 2023 compared to August 2022.

Overall, net current assets have increased to £0.90m. (2021-22: £0.35m.)

Creditors: Amounts falling due after more than one year have reduced to £2.7m (2021-22:£3.0m) reflecting the bank loan repayments and repayments of the finance lease for the first phase of the LED lighting upgrade.

The School has bank loans totaling £1.95m.

The School's pension liabilities are summarised in note 22 in the accounts.

Cash Flow Statement

The Net Decrease in Cash for the year was £0.4m (2021-22: positive £0.3m). This reflects the change in direct debit fee collection options resulting in lower fees paid in advance of the balance sheet date.

Reserves

Total reserves amounted to £19.1m at 31 August 2023 (2021-22: £18.2m), of which £80k (2021- 22: £84k) is restricted.

The School has free reserves of £0.2m (2021-22: £0.5m negative free reserves). This is calculated by taking unrestricted reserves of £18.2m deducting Tangible Fixed Assets of £20.9m and adding back Loans of £2.2m.

The School has slowed investment of its reserves in 2022-23 in order to preserve cash at this time.

The School ensures it has sufficient cash balances to cover its day-to-day operations. Bank borrowings are carefully monitored.

Historically, the Directors have aimed to maintain free reserves at around zero, whist the planned estates capital programme was completed. However, due to a rapid and significant change in the cost of capital works at this time, there has been a deliberate slowing of investment.

Investment policy and objectives

The School does not hold any long-term investments. Surplus cash is held in instant access bank accounts with the best interest rate available. Directors periodically review the banks used by the School. However, there are no restrictions on the School's power to invest.

Financial Factors

To ensure the School continues to have financial stability and the resources necessary to provide the high standard of education facility and staff that parents and pupils expect now and in future years, the School prepares and regularly updates 4-year financial projections incorporating scenario and sensitivity analysis.

As fees are the School's primary source of income, the School works with parents to ensure prompt payment of fees. For those parents having difficulties with payment of fees, the School takes action to reach arrangements for ongoing payments. The School does utilise external debt collection agencies.

Directors' Responsibilities

The Board is confident that the Directors have complied with their duties in section 172 (1) of the Companies Act. All key decisions are taken collectively by the Board. Board papers comprise comprehensive information detailing the risks and opportunities facing the School and decisions are taken about promoting the long-term sustainability of the School for its pupils, parents, staff, suppliers and local community. All decisions taken are considered carefully to ensure they are justifiable, appropriate and that they will benefit the School and the environment it operates in.

Section 172 (1) Statement

The Board of Directors have a duty to act in the best interests of the School and also in the best interests of its pupils, staff, parents and other stakeholders, as recognised beneficiaries under charity law. The Directors fulfil this duty by considering the long-term factors affecting the School and their impact on its pupils, staff, parents, partners, suppliers and local community. The School's commitment to providing an excellent education for its pupils is the key driver within its Strategic plan and in its target of continued financial sustainability. The School ensures that engagement with pupils, staff, parents, carers, partners and other stakeholders informs the Board of Directors' decision making. Engagement takes place in a range of ways:

Pupils

Pupil representatives have continued to meet regularly as part of the CHSenate, which meets in the Lower School, Upper School and Sixth Form to discuss key areas for review and improvement. Pupils have been encouraged to give feedback on a range of issues on an informal basis to their Form Tutors whilst more formal pupil surveys have been conducted each term on a year group basis. The pupil surveys covered all aspects of School life and helped identify issues which have arisen or were likely to affect the pupils' experience of School. In addition, pupils in Year 10 have been participating in the #Beewell survey, a longitudinal study of pupil wellbeing across Greater Manchester.

Parents/ carers

The School continued to conduct parent/ carers surveys each term on a year group basis. It also encouraged feedback from parents at parent information evenings and by facilitating direct contact with teaching staff and members of the Senior Leadership Team. The School also held a number of parent forums and parents were given the opportunity to provide feedback on the School's delivery and performance.

Staff

The Employee Involvement section at Annex C details how the School engages its staff.

Communities

The School actively and directly engaged with the community groups who use the School's facilities in the evenings, weekends and holiday periods to ensure suitable risk assessments and training were in place and that the services provided by the

School met their needs. Wider partnership, community outreach and engagement impact is covered in Part 1 of the Annual Directors Report.

Partners & Suppliers

The School relied on its key suppliers and contractors for delivery of goods and services. Appropriate measures were taken to ensure value and price was fairly assessed and that the contracts awarded met the needs of the School. Contracts are evaluated, with termly performance meetings; A tender process is conducted, as appropriate, when significant fixed-term contracts expire. The main suppliers are Sodexo for catering, British Gas for utilities and Premiserve for cleaning.

DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the Directors are required to select suitable accounting policies and applied them consistently:

- Making judgements and estimates that are reasonable and prudent.
- Following applicable accounting standards and the Charities SORP 2015; and state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Preparing the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for at least a further 3 years. Actual performance is monitored at least termly and cash balances are managed daily. The School continued to have strong pupil recruitment and made a positive Income and Expenditure surplus which it uses to reinvest in its facilities. The Directors continue to undertake planning and forecasting including closely monitoring the UK political and economic situation and its possible impact for the School, including workforce availability and wages pressures and the implications of any changes to UK taxation as it applies to independent schools.
The directors also keep under review the short and long-term impact of geopolitical conflict including issues in supply chains, energy costs and other materials costs. Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware:

- there is no relevant audit information of which the company's auditors are unaware, and;
- the Directors have taken all the steps that ought to have been taken as a member in order to be aware of any information needed by the auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The Directors have also taken all reasonable steps to comply with their obligations as set out by the Charity Commission to act in the best interests of the charity and comply with their legal duties under charity law, including their duty of prudence.

Approval

This report was approved by the Board on 17-01-24.

Chris Roberts
Director

ANNEX A: Energy Data

The School has begun using Planet Mark to monitor and report energy use across the School site. Planet Mark is an annual assessment and sustainability certification programme which provides a robust baseline to enable continuous improvement and target setting to reduce the carbon emissions and energy consumption of the School operations and its estate.

In Year 1 of the accreditation, the installation of site-wide LED lighting significantly lowered electricity utilisation, and data reporting quality assurances through Planet Mark has seen an improvement in data capture (which has seen an increase in energy data reported), but through a programme of engagement and communication, the School has been able continue to drive progress across energy saving measures and to drive behavioural change resulting in an overall reduction in energy use and associated greenhouse gas emissions.

More details about the School's commitment to saving energy can be found in the 2023 Impact Report.

	2022-23	2021-22	2020-21
Energy use (kWh)	3,440,266	3,984,556	4,480,298
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	719,950	730,411	847,930
Intensity ratio Emissions per pupil	475	460	575

Associated greenhouse gases have been calculated using the conversion factors from the Department for Business, Energy, and Industrial Standard, and using an average pupil number of 1516. Intensity ratio of emissions per pupil is higher than 2021-22 due to a reduction in pupil numbers.

Annex B: The School's Strategic and Operational Plans

The School is implementing a new Strategy for 2030 and beyond for the coming academic year, following external, Board and SLT development throughout 2021/22:

The School's **Mission** (what we do):

Our Mission is to provide a dynamic, holistic education within an inclusive, values driven environment, consistent with the School's foundation.

The School's **Vision** (what we aspire to become):

Our vision is to develop and foster in all members of the School community a desire to learn, question, persevere in all that they do, and to embody our Waconian Values. We will enable our pupils to flourish in their lives whilst at CHS but also beyond, thus making a positive impact in the world around them.

The School's **Values**: These are our core principles and beliefs:

Our **5 Waconian Values** underpin and guide all aspects of life at CHS, whilst also providing a strong sense of identity, and purpose for the whole School community. These are: **Integrity, Endeavour, Compassion, Resilience and Contribution**

We aim to provide all members of our community with the confidence and courage to thrive at Cheadle Hulme School and beyond. We have established three strands within and across our strategy which reflect our plans and priorities for the whole CHS community and to help us create a sustainable future for the School. These are to:

- Inspire: Inspiring members of our community, we will provide everyone in the School community with the confidence and ambition to discover and fulfil their potential. We will inspire members of our community to:
    - be innovative and embrace new opportunities
    - develop intellectual curiosity, creativity and a love of learning
    - enhance their self-awareness, skills and talents outside of the classroom
    - implement evidence-informed practice in teaching and learning
    - adopt a culture of ongoing professional learning and development
    - encourage our alumni to contribute to the life of the School
- Empower: Empowering members of our community, we will provide everyone in the School community with the means to succeed in their lives at School and beyond. We will empower members of our community to:
    - develop the skills, knowledge and mind-set to approach every stage of their education and life with confidence
    - demonstrate leadership

- make informed decisions how to develop resilience, build relationships and make healthy life choices
- make informed decisions about career and other opportunities beyond CHS
- celebrate and promote equality, diversity, and inclusion within a culture of mutual respect
- make an active and meaningful contribution to society

- Sustain: We will develop attitudes, behaviours and infrastructure to equip the School and its community to meet current and future challenges. We will create a sustainable future for the School by:

    - ensuring we have the financial basis, estate and resources to support the implementation of the School's strategic goals
    - nurturing happy and healthy individuals who can make informed choices about how they might impact on the world
    - minimising the impact of School life on our environment
    - training, recruiting and retaining exceptional staff
    - enabling pupils from all socio-economic backgrounds to access the CHS experience
    - enhancing our links with the School's alumni

The framework of Inspire, Empower and Sustain is used across business and academic development plans and each of the SLT (and their responsible areas) show progress to the Board through termly oversight reporting.

The main influences on the plan include:

- The economic situation in the UK and from global events.
- An expected election in the UK in the next academic year, with some substantial financial risks due to the political stance of one party regarding independent school's status.
- The School is due an ISI inspection in the coming academic year.
- Increased social, financial and regulatory importance of environment-related matters
- Increased emphasis on the skills which employers, OECD etc. believe young people need.
- EDI as a priority for schools.
- Opportunities to codify the current strengths of a CHS education within a changing assessment landscape

The key themes emerging from the plan are:

- Providing an education in its broadest sense should be at the heart of the CHS experience
- Pupil and staff wellbeing, whilst always important, has become a much greater priority
- Assessment of pupils' performance at 16 and 18 must go beyond success in exams
- Ensuring the school experience is as inclusive as possible for all pupils and staff
- Reducing the School's carbon footprint

ANNEX C: Employment, Communication and Professional Development

The School is an equal opportunities employer. It has clear and transparent recruitment procedures that adhere to employment law, best practice and Department for Education guidelines. The School considers all job applicants equally and against predetermined criteria required for the post. The School undertakes to make all reasonable adjustments to ensure that any applicant who fulfils the criteria, can be offered an interview.

The School meets its obligations in relation to safeguarding; it meets safer recruitment standards and undertakes any checks necessary to ensure the suitability of any staff or volunteers working with children.

Development

The School has a clearly defined development cycle for all employees. Different systems are used for teachers and non-teachers, due to the nature of their roles. These systems are designed to encourage regular conversations between employees and their line managers, focussing not only on professional development and growth but also on wellbeing, work satisfaction and longer-term team plans.

The School runs its own development programmes for Recently-Qualified teachers, and aspiring Senior and Middle leaders. The School has an annual budget for CPD activities, accessible to both teaching and non-teaching employees. There are professional learning community meetings for teachers which take place twice a term and weekly breakfast CPD sessions.

Wellbeing

Staff wellbeing is key to the School's appeal and success. School provides staff coaching and mentoring for professional and personal development and operates an Employee Support Scheme: an external organisation is on hand 24/7 to provide a broad range of advice and support (personal and work-related) on a confidential basis to all School staff. All staff have access to the internal HR department who offer support and guidance on wellbeing matters.

Benefits

The School's employment contract also includes various benefits: access to the School's fitness and pool facilities for staff and their families; on-site parking; lunches; access to Private Medical insurance; and partial-fee remission for staff with children in the Senior School. These benefits are regularly reviewed for impact, uptake and perceived value to the staff.

Employees with disabilities

The School undertakes to make all reasonable adjustments to ensure that any candidate applying for a role at the School, and who is deemed appointable, would be able to carry out their duties effectively. Any member of staff with a disability, or who becomes disabled during their employment, will not be disadvantaged in their opportunities for training and development.

Where appropriate, specialist training or resources are made available to allow them to develop their skills and career opportunities.

All employees are expected to treat disabled colleagues, pupils and visitors with the same dignity and respect as their non-disabled counterparts. Any form of harassment of a person with a disability on account of their impairment is unacceptable behaviour and is potentially unlawful under the terms of the Equality Act 2010 and the Protection from Harassment Act 1997.

The School has a rolling programme of improvements within an estate plan to offer improved access and facilities for disabled staff, pupils and visitors, to include gender-neutral and inclusive toilets/washrooms and the facility for the observance of normal religious practices.

Employee Involvement

The School operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. The School actively consults with its employees or their representatives with the aim of taking the views of employees into account where decisions are made that are likely to affect their interests e.g. working practices, pensions, other benefits and curriculum. Within the Senior School, teaching staff meet termly to discuss issues pertaining to their experience and these issues are raised with the Head following each meeting, whilst a whole School staff voice group also meets termly. The School involves employees in discussions regarding the development of the Strategic Plan and informs them on progress at least annually at INSET meetings. Employees are encouraged to present their suggestions and views on all elements of the School.

Communication

The School communicates with employees in a variety of forms e.g. INSET days, weekly staff briefings, all-staff emails, half-termly line managers' meetings, all-Staff meetings, team meetings and Away Days. A comprehensive online Staff Site acts as the primary source of information for all staff and is updated daily. Regular meetings are held between management and employees to enable the free flow of information and ideas.

School-Centred Initial Teacher Training (SCITT)

The School continues to act as a regional hub for both the National Maths and Physics (NMAPS) SCITT and the National Modern Languages (NML) SCITT. Two maths teachers were trained, one, part-time, at CHS and one at Sale Grammar School, with a contrast placement at the Kingsway School. Four NML trainees were spread between CHS, the Co-op Academy North Manchester School, Macclesfield Academy, Sharples School in Bolton and Parrs Wood High School. All trainees to date for both the NMAPS SCITT and the NML SCITT have secured employment in state sector schools.

CHS also provided one placement for the Classics SCITT based at Liverpool College.

Independent Auditor's Report to the Members of Cheadle Hulme School

Opinion

We have audited the financial statements of Cheadle Hulme School ('the charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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 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 28 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 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment legislation and Health & Safety Legislation.

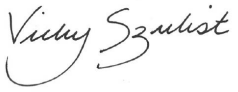
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Resources 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, sample testing of other income 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.



Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date 9th February 2024

STATEMENT OF FINANCIAL ACTIVITIES (Including an income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
INCOME		**£'000**	**£'000**	**£'000**	**£'000**
Income from:					
Donations and legacies	6	246	-	246	211
Investments	5	155	-	155	21
Ancillary trading income	4	1,284	-	1,284	1,147
Charitable activities	3	17,920	-	17,920	16,857
Total Income		19,605	-	19,605	18,236
EXPENDITURE					
Charitable activities		18,778	4	18,782	17,400
Total Expenditure	7	18,778	4	18,782	17,400
Net School Income for the year before transfers		827	(4)	823	836
Transfers between funds	19	-	-	-	-
Net movement in funds		827	(4)	823	836
Total funds brought forward		18,159	84	18,243	17,407
Total funds carried forward	21	18,986	80	19,066	18,243

The Statement of Financial Activities includes all gains and losses recognised in the year.

All activities are classed as continuing.

The notes on the following pages form part of these financial statements

BALANCE SHEET
Company number: 3823129

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible assets	10		20,852		20,905
Current assets					
Debtors	12	681		558	
Cash at bank and in hand		4,025		4,493	
		4,706		5,051	
Creditors: Amounts falling due within one year	13				
Loans		(200)		(200)	
Other		(3,609)		(4,503)	
Net current assets/(liabilities)			897		348
Total assets less current liabilities			21,749		21,253
Creditors: Amounts falling due after more than one year	14		(2,683)		(3,010)
Net assets			19,066		18,243
Funds					
Unrestricted general funds	20		18,986		18,159
Restricted funds	19		80		84
Total charity funds			19,066		18,243

The financial statements were approved by the Board of Directors on 17-01-24 and signed on its behalf by:

C Roberts
Director

The notes on the following pages form part of these financial statements

STATEMENT OF CASH FLOWS

	2023 £'000	2022 £'000
Cash flows from operating activities:		
Net movement in funds	823	836
Adjusted for:		
Depreciation	950	790
Interest payable	83	69
Interest receivable	(155)	(21)
Loss on disposal of fixed assets	7	-
(Increase)/decrease in trade and other receivables	(123)	(9)
Increase/(decrease) in trade and other payables	(926)	1,093
(Decrease) in pension debt provision	(94)	(55)
Net cash inflow from operating activities	565	2,703
Cash flows from investing activities		
Purchase of tangible fixed assets	(835)	(2,134)
Interest received	155	21
Net cash outflows from investing activities	(680)	(2,113)
Cash flows from financing activities		
Repayments of amounts borrowed	(200)	(200)
Repayments of finance lease	(71)	(13)
Interest paid	(83)	(69)
Net cash outflows from financing activities	(354)	(282)
Net increase in cash & cash equivalents	(468)	308
Opening cash & cash equivalents	4,493	4,185
Closing cash & cash equivalents	4,025	4,493
Movement in cash & cash equivalents	(468)	308

The notes on the following pages form part of these financial statements

RECONCILIATION OF NET DEBT

	At 1 September 2022 £'000	Cash flow £'000	At 31 August 2023 £'000
Cash at bank	4,493	(468)	4,025
Bank loan due in less than one year	(200)	-	(200)
Bank loan due in greater than one year	(1,950)	200	(1,750)
	2,343	(268)	2,075

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information
Cheadle Hulme School is a private company limited by guarantee and is non-profit making. Cheadle Hulme School is incorporated in England and Wales. The registered office is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF.

Basis of accounting
Cheadle Hulme School meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, with the exception of certain buildings which have been included at a valuation made in 1939 and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Companies Act 2006.

Going concern
The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for at least a further 3 years. Actual performance is monitored at least termly and cash balances are managed daily. The School continued to have strong pupil recruitment and made a positive Income and Expenditure surplus which it uses to reinvest in its facilities. The Directors continue to undertake planning and forecasting including closely monitoring the UK political and economic situation and its possible impact for the School, including workforce availability and wages pressures and the implications of any changes to UK taxation as it applies to independent schools.

The directors also keep under review the short and long-term impact of geopolitical conflict including issues in supply chains, energy costs and other materials costs. Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Group accounts
The charity has not prepared consolidated accounts as the subsidiary undertaking may be excluded from consolidation on the basis that it is not material. These financial statements therefore present information about the charity as an individual undertaking rather than as a group.

Income
All income is included in the Statement of Financial Activities when the School is legally entitled to the income and the amounts can be quantified with reasonable accuracy. Income mainly represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Donations and gifts
All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Income (continued)
Donations under Gift Aid, together with associated income tax recoveries, are credited as income when the donations are receivable.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, if the receipt is both probable and measurable. These are included in the Statement of Financial Activities.

Investment income
Investment income, including associated income tax recoveries, is recognised when receivable.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified to the particular activity where the cost relates directly to that activity.

Charitable expenditure
This represents expenditure incurred on activities in furtherance of the charity's objects (which includes support costs).

Governance costs
Costs incurred are those relating to the organisation and running of the charity itself and are included in charitable expenditure.

Fixed assets
Fixed assets are included in the balance sheet at historic cost except for certain buildings noted above. From 1 April 1993 all plant and equipment purchased with a cost of greater than £1K is being capitalised and disclosed within the fixed asset note.

Depreciation is provided evenly on the cost of plant and equipment to write them down to their estimated residual values over their expected useful economic lives of 5-20 years. Information Technology equipment is written down over 4 or 5 years. Fixtures and fittings are written down over 10 years.

Buildings are being depreciated over a life of 50 years. Certain improvements to properties are depreciated over their estimated useful lives, ranging from 5 to 20 years.

Taxation
The School is not liable to taxation on the results of its charitable activities as it is a registered charity.

Pensions
School staff are members of one of two pension schemes. Teachers' Pension Scheme is a defined benefit scheme and Independent Schools' pension scheme is defined contribution. More details of the schemes are given in note 22.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Investments
Investments in subsidiaries are measured at cost less accumulated impairment.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department of Education. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the School in the year.

Independent Schools' Pension Scheme

Non-teaching members of staff are offered membership of the Independent Schools' Pension Scheme (ISPS) Defined Contribution section. The contributions paid by the School during the year are charged to the Statement of Financial Activities.

Non-teaching members of staff appointed prior to 1 September 2013 were eligible to be members of the ISPS funded multi-employer Defined Benefit section. The scheme is closed to new employees. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

If the actuarial valuation of the scheme reveals a deficit, the Directors will agree a recovery plan to eliminate the deficit over a specified period. This is held as a liability in the financial statements, as detailed in note 16.

The pension costs for the scheme represent the contributions payable by the School in the year.

Reserves
The School has a number of restricted income funds to account for situations where an income stream requires that the income must be spent on a particular purpose.

All other funds are classified as unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 affects both current and future periods.

Critical accounting judgements
The critical accounting judgements that the Directors have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- Pension deficit provision
  The charity has an obligation to pay deficit funding contributions towards the multi-employer defined benefit pension scheme. This provision is dependent on a number of factors including discount rate, life expectancy and asset valuations. The assumptions reflect historical experience and current trends.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Determining residual values and useful economic lives of property, plant and equipment
  The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by the Directors. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by the Directors when determining the residual values for plant, machinery and equipment. When determining the residual value, the Directors aim to assess the amount that the charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

3. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2023 £'000	2022 £'000
Fees receivable consist of:		
School fees	19,742	18,527
Less: total bursaries and scholarships	(1,822)	(1,670)
	17,920	16,857

Bursaries, scholarships and other awards were paid to 239 pupils (2021-22: 236). Within this means-tested bursaries totaling £1,118k were paid to 97 pupils (2021-22: £1,068k to 100 pupils).

4. CHARITABLE ACTIVITIES – OTHER INCOME

	2023 £'000	2022 £'000
Catering fees	1,007	962
Entrance and registration fees	40	42
After school and other clubs	105	101
Income from CHS Enterprises	117	32
Other income	16	10
	1,284	1,147

5. INVESTMENT INCOME

	Total 2023 £'000	Total 2022 £'000
Bank interest	155	21
	155	21

6. GRANTS AND DONATIONS RECEIVABLE

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2023 £'000**
Grants received for Bursaries from:			
CHS 150th Anniversary Bursary Trust	180	-	180
Oglesby Trust	10	-	10
Individual donor bursary donations	51	-	51
Peter Kershaw income	5	-	5
	246	-	246

	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2022 £'000**
Grants received for Bursaries from:			
CHS 150th Anniversary Bursary Trust	150	-	150
Oglesby Trust	10	-	10
STEM and ART bursary donations	47	-	47
Peter Kershaw income	4	-	4
	211	-	211

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £'000	Other £'000	2023 Total £'000
Charitable expenditure	13,461	5,321	18,782

	Staff Costs £'000	Other £'000	2022 Total £'000
Charitable expenditure	12,823	4,577	17,400

Total expenditure are stated after charging:

	2023 £'000	2022 £'000
Depreciation	950	790
Auditor's remuneration - audit	14	12
- non-audit (other assurance services)	1	2

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

8. STAFF COSTS

	2023 £'000	2022 £'000
Staff costs were as follows:-		
Salaries	10,359	9,919
Social security costs	1,068	1,008
Pension costs	1,968	1,834
Private medical insurance	65	61
	13,461	12,822

Included within wages are termination and voluntary severance payments of £3k (2021-22: 14k).

The average number of employees in the year analysed by function was:-

	2023 No	2022 No
Teachers	174	169
Fund raising and publicity	7	6
Management and administration	142	141
	323	316

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

9. STAFF COSTS (CONTD)

The following analysis shows the number of higher paid staff in the following ranges.

Emoluments include salary, taxable benefits in kind and other payments to employees.

	2023 No	2022 No
£70,000 to £79,999	-	4
£80,000 to £89,999	5	2
£90,000 to £99,999	1	-
£100,000 to £109,999	1	1
£150,000 to £159,999	-	1
£160,000 to £169,999	1	-

Retirement benefits under defined benefit and defined contribution schemes are accruing for the above staff.

No Director received any remuneration during the period.

One (2021-22: One) director received reimbursed expenses and expenses paid directly to third parties of £153 (2021-22: £41) during the period.

The key management personnel of the charity comprise the Directors, the Head, three Deputy Heads, the Chief Operating Officer, the Senior Deputy Head, the Head of Junior School and the Development Director. The total employee benefits of the key management personnel of the Trust were £901k (2021-22: £937k).

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

10. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Cost or valuation			
At 31 August 2022	27,716	2,120	29,836
Additions	595	310	905
Disposals	-	(28)	(28)
At 31 August 2023	28,311	2,402	30,713
Depreciation			
At 31 August 2022	7,968	963	8,931
Charged in year	665	285	950
Disposals	-	(20)	(20)
At 31 August 2023	8,633	1,228	9,861
Net book value			
At 31 August 2023	19,678	1,174	20,852
At 31 August 2022	19,748	1,157	20,905

Fixed assets are included in the balance sheet at the following values:-

Land	- at historic cost
Buildings	- at 1939 valuation with subsequent additions at cost
Equipment	- at cost

As records are not available back to 1939 and as a result of the passage of time, the 1939 valuation used for buildings is deemed to be cost for the purpose of FRS 102.

All the tangible fixed assets are used for direct charitable purposes.

As at 31 August 2023, the School had capital commitments of £316k in relation to the installation of a solar panel system, with installation expected to commence during the 23/24 financial period.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

11. INVESTMENTS

	£
Historic cost as at 31 August 2022 and 2023	1

The above investment represents 100% of the issued ordinary share capital of Cheadle Hulme School Enterprises Limited. The registered office of Cheadle Hulme School Enterprises Limited is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF. The principal activity being the lettings of the school premises. As at 31 August 2023, its reserves stood at £137,491 (2021-22 - £116,949) and its profit for the year was £137,490 (2021-22 - £116,948).

12. DEBTORS

	2023 £'000	2022 £'000
School debtors	59	59
Prepayments and accrued income	517	442
Amounts owed by associated undertakings	55	2
Other debtors	51	55
	681	558

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Bank loans (note 15)	200	200
	200	200
Trade creditors	648	936
School fees in advance (note 17)	1,355	2,136
Other taxation and Social Security	249	249
Other creditors	478	379
Accruals	451	430
Sundry School pupils' accounts	69	46
Cheadle Hulme School 150th Anniversary Bursary Trust Fund	175	160
Pension deficit provision (note 16)	107	104
Obligations under finance leases	77	63
	3,609	4,503

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £'000	2022 £'000
Bank loans – secured (note 15)	1,750	1,950
School fees paid in advance (note 17)	2	17
Pension deficit provision (note 16)	708	804
Obligations under finance leases	223	239
	2,683	3,010

There are two loans, one is a variable loan of £1M payable at 1.7% above SONIA and the second is £2M at a fixed rate of 3.51%. Both loans are repayable quarterly in equal instalments until 2026 and then a lump sum payment of £1.45M.

All loans are secured by a charge over the land and buildings of the School.

15. CREDITORS: LOANS

Loans are repayable as follows;

	2023 £'000	2022 £'000
In one year or less	200	200
Between one and two years	200	200
Between two and five years	1,550	1,750
In five years or more	-	-
	1,950	2,150

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

16. CREDITORS: PENSION DEFICIT PROVISION

Included within Creditors due within one year and more than one year is a multi-employer defined benefit pension scheme deficit and the estimated employer debt. Following the valuation of the scheme as at 30 September 2017, the contributions payable by the employer have been communicated relating to recovery of the deficit over the 13 years to 31 August 2029. As of the balance sheet date the estimated discounted employer deficit is detailed below.

	2023 £'000	2022 £'000
Pension deficit provision as at 1 September 2022	907	963
Deficit contributions paid	(104)	(111)
Remeasurement of defined benefit pension	12	55
Pension deficit provision as at 31 August 2023	815	907
Less: amount due within one year	(107)	(104)
	708	803

17. CREDITORS: DEFERRED INCOME

	2023 £'000
At 1 September 2022	2,153
Received during the year	1,317
Discounts given during the year	-
Released to income for the year	(2,113)
At 31 August 2023	1,357

Deferred income represents school fees paid in advance and fee deposits repayable upon pupils leaving the School.

18. FINANCIAL INSTRUMENTS

	2023 £000	2022 £000
Financial assets measured at amortised cost (a)	4,084	4,552
Financial liabilities measured at amortised cost (b)	2,781	3,752

(a) Financial assets include cash, trade and fee debtors and other debtors
(b) Financial liabilities include deposits, trade creditors, other creditors and obligations under finance leases.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

19. RESTRICTED FUNDS

	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2023 £'000
Hardship fund	69	-	-	-	69
Music and Languages Fund	10	-	-	-	10
Specific student funds	5	-	(4)	-	1
	84		(4)		80

These restricted funds relate to funds received by the School for use for the purposes stipulated by the donor.

Hardship fund was created to provide financial support to families struggling due to the Coronavirus pandemic.
Specific Student funds were donations made by individual donors for specific students.

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2022 £'000
Hardship fund	69	-	-	-	69
Music and languages fund	18	-	(8)	-	10
Specific student funds	9	-	(4)	-	5
	96	-	(12)	-	84

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

20. UNRESTRICTED FUNDS

	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2023 £'000
General	18,159	19,605	(18,778)	-	18,986
	18,159	19,605	(18,778)	-	18,986

There has been no transfers between unrestricted and restricted funds in the period.

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2022 £'000
General	17,311	18,236	(17,388)	-	18,159
	17,311	18,236	(17,388)	-	18,159

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2023 Total £'000
Restricted Funds	-	80	-	80
Unrestricted Funds	20,852	817	(2,683)	18,986
	20,852	897	(2,683)	19,066

2022	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2022 Total £'000
Restricted Funds	-	84	-	84
Unrestricted Funds	20,905	264	(3,010)	18,159
	20,905	348	(3,010)	18,243

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22. PENSIONS

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 £1,683k (2021-22: £1,546k) and at the year-end £196k (2021-22: £182k) 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 was published in October 2023.

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%.

Independent Schools' Pension Scheme

Cheadle Hulme School participates in The Independent Schools' Pension Scheme ('the Scheme') which has a multi-employer defined benefit scheme section and a defined contribution section. The Scheme is contracted-out of the State scheme. With effect from 1 November 2016 all members of the Independent School' Pension Scheme moved from the Defined Benefit section to the Defined Contribution section.

As at the balance sheet date there were no active members of the Defined Benefit Scheme employed by Cheadle Hulme School (2021-22: no active members). There were 127 (2021-22: 115) members of the Defined Contribution Scheme.

During the accounting period ended 31 August 2023 Cheadle Hulme School paid employers contributions of 10% and 0.6% for life cover in respect of the Defined Contribution Scheme.

The scheme is a multi-employer scheme which provides benefits to some 61 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions	
From 1 September 2022 to 30 June 2032:	£2,687,000 per annum (payable monthly and increasing by 3% on each 1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 September 2019 to 31 April 2030:	£2,387,357 per annum (payable monthly and increasing by 3% on each 1st September)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The Growth Plan

Cheadle Hulme School also participates in The Growth Plan which is a multi-employer scheme.

The scheme is a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions		
From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions		
From 1 April 2019 to 30 September 2025:	£11,243,000 per annum increasing by 3% each on 1st April)	(payable monthly and

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

23. RELATED PARTY TRANSACTIONS

Included within creditors within one year is an amount of £175,360 (2021-22: £160,093) held by Cheadle Hulme School on behalf of Cheadle Hulme School Bursary Trust (formerly known as the 150th Anniversary Bursary Trust). Dr D N Riley, Mrs C Boyd and Ms B Walmsley are trustees of Cheadle Hulme School Bursary Trust. During the year, Cheadle Hulme School Bursary Trust granted bursary money to Cheadle Hulme School amounting to £180,000 (2021-22: £150,000).

Included within debtors within one year is an amount of £54,619 (2021-22: £2,177) held by Cheadle Hulme School Enterprises Ltd on behalf of Cheadle Hulme School. During the year, Cheadle Hulme School Enterprises Ltd paid management charges to Cheadle Hulme School amounting to £2,400 (2021-22: £2,400).

A number of directors at the School have children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

24. OPERATING LEASE COMMITMENTS

At 31 August 2023 the School had annual commitments under non-cancellable operating issues:

	Land and buildings	
	2023 £'000	2022 £'000
Operating leases which expire:		
Within one year	-	60
Within two to five years	-	-
	-	60

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

25. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2022
INCOME	**£'000**	**£'000**	**£'000**
Income from:			
Donations and legacies	211	-	211
Investments	21	-	21
Ancillary trading income	1,147	-	1,147
Charitable activities	16,857	-	16,857
Total Income	18,236	-	18,236
EXPENDITURE			
Charitable activities	17,388	12	17,400
Total Expenditure	17,388	12	17,400
Net School Income for the year before transfers	848	(12)	836
Transfers between funds	-	-	-
Net movement in funds	848	(12)	836
Total funds brought forward	17,311	96	17,407
Total funds carried forward	18,159	84	18,243

CHEADLE HULME SCHOOL

England & Wales - Charity number 1077017

Accounts

Cheadle Hulme School

Report and Financial Statements

Year ended 31 August 2022

Cheadle Hulme School

Registered Charity No. 1077017

Company No. 03823129

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SECTION A - KEY INFORMATION

DIRECTORS, OFFICERS AND ADVISORS

The Cheadle Hulme School (CHS) Governors are the Charity trustees and Company Directors of the Charity and Company, 'Cheadle Hulme School'. They have served in office throughout the year, except where indicated.

All Directors give their time freely and travel expenses only were paid to one member in the year. No Director or person connected with a Director received any benefit from means-tested bursaries.

During the year, the activities of the Governing Body were carried out through 5 Sub Committees plus Governor involvement in 2 Working Groups (Estates & Environment and Human Resources). The membership of these Sub Committees is shown below.

Name	Appointment /resignation in year	(1)	(2)	(3)	(4)	(5)
Mr S Abraham #						
Mrs J E Birkett				X		X
Mr M Bolingbroke #				X		
Mrs C Boyd~		X	X	X		
Mr R Oman #			X			
Mr D N Riley		X			X	X
Mr C Roberts#~						
Mrs J Squire*						X
Mrs C Thomson #			X	X		X
Mr M G Tyley			X		X	
Ms B Walmsley					X	
Mr G Wright		X				

(1) Education & Pupil Progress Committee
(2) Risk Committee
(3) Finance & Resources Committee
(4) Safeguarding & Pupil Experience Committee
(5) Nominations Committee
Directors who were the parents of a pupil at the School during the year

* Member of the HR Working Group
~ Member of the Estates and Environment Working Group

OFFICERS

Mr N Smith	Head
Mr W James	Chief Operating Officer, Company Secretary and Clerk to the Governors

Solicitors: The School has used a number of specialist legal advisors during the year.

Auditor:	Crowe U.K. LLP Chartered Accountants, member of Crowe Global 3rd floor, The Lexicon Mount Street Manchester M2 5NT
Bankers:	Santander UK plc 4 St Pauls Square Liverpool L3 9SJ Barclays Bank PLC P.O. Box 357 51 Mosley Street Manchester M60 2AU
Website:	www.cheadlehulmeschool.co.uk

REFERENCE AND ADMINISTRATIVE INFORMATION

Cheadle Hulme School is a company limited by guarantee with no share capital and is a registered charity under the auspices of the Charity Commission.

School Address: Claremont Road
Cheadle Hulme
Cheadle
Cheshire
SK8 6EF

Company No: 3823129

Charity No: 1077017

Taxation

As an educational charity, the School is eligible for a corporation tax exemption on its educational activities and investment income, provided these are applied to the School's charitable aims. The School is also entitled to an 80% reduction in business rates on the property occupied for charitable purposes. The School is, however, unable to reclaim VAT input tax on costs, as it is exempt for VAT purposes.

OBJECTIVES, CONSTRUCT AND AIMS

Cheadle Hulme School was founded in 1855. It has been situated on its present site, now occupying about 75 acres of ground, since 1869. The purpose of the School, at its foundation, was to educate, maintain and clothe Orphans and Necessitous Children of Warehousemen and Clerks in the Manchester area (Waconians, or WACs). The founders declared that the School should be established and conducted on the most liberal principles and be open for the reception of children of both sexes. The broad wishes of the founders are maintained to this day and, as a consequence, the School has a distinct, inclusive and friendly atmosphere: **Academic, Active** and **Altruistic**.

Cheadle Hulme School is a co-educational day School for 3 to18 year-olds, that believes in the intellectual, personal and social value of girls and boys learning alongside one another in preparation for the realities of the adult world. The School aims to provide a balanced approach to academic and co-curricular excellence, blended with a pro-active and inclusive pastoral tradition, which leads its pupils to engage in positive roles in their communities and beyond.

The School builds upon its motto of *'in loco parentis'* by providing the highest levels and quality of pastoral care. Teachers and other staff are committed to supporting the wellbeing of every pupil. Leadership, teamwork, personal responsibility and resilience are important elements of the pastoral education the pupils receive.

The School continues to value its heritage by endeavoring to support pupils whose family incomes would otherwise prevent them from accessing and benefitting from the education on offer; the School's Financial Assistance Scheme also supports the School in improving a more diverse social and ethnic mix of pupils.

The School's **Mission**, **Vision** and **Values** are contained at Annex A.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The School is governed by its Articles of Association, updated and approved by the Board of Directors on 27 April 2022 and accepted by both the Charities Commission and Companies House.

Governing Body

The Board of Directors (the Board) is a self-appointing body comprising up to fourteen Directors. The term of office for each Director is renewable by approval of the Board after a specified period, usually of either two or three years.

Recruitment and Training of Directors

An 'as required' Nominations Committee monitors the composition of the Board and makes recommendations to ensure the Board comprises members with a wide range of skills and experience. The Board seeks to ensure that at least two of the Directors are current parents of pupils attending the School. While there is no specific requirement for former pupils (Old Waconians) to be on the Board, there is a long history of this which continues to be the case.

Directors (known as Governors) are recruited based on their skills, experience and competence. They must have a passion for the work of the School and a broad understanding of education in terms of its positive impact on personal growth. Current Board members have experience in the following areas:

- Education
- HR
- Finance/Investment
- Technology
- Senior business/Entrepreneurship
- Property Development
- Medical
- Legal

As a co-educational School, the Board includes an appropriate balance of male and female Directors. New Directors have a bespoke induction organised for them, to include meetings with the Chair, Head, Chief Operating Officer and other key personnel, to develop understanding of how the School functions, its key policies and procedures and their roles and responsibilities.

Ensuring Good Governance

The Board is committed to the principles of good and ethical governance. The Board uses its sub-committee structure, (table on page 3), to objectively scrutinise different elements of the School's progress and performance. The Board carries out periodic skills and effectiveness reviews of its own construct. Board members are aware of their responsibilities to ensure compliance with statutory and other guidance relevant to its status including as a provider of education, a charity, a company, and as an employer.

The School has clear procedures for risk management, anti-fraud, bribery/corruption, procurement, gifting, behaviours, declarations of interest, complaints and whistleblowing. Its policies are subject to dated review, overseen by Board members.

At the start of each academic year, Directors are required to confirm that they understand their safeguarding obligations, key policies and expectations, and sign the:

- Acceptable IT Use Agreement Form
- Code of Conduct and Expectations for Governors
- Declaration of Interests Form
- Declaration of Offences Form
- Fit and Proper Person Declaration Form

Directors are also expected to observe aspects of School life on a periodic basis during normal School days, to include monitoring how policies and procedures are implemented.

Organisational Management

Board members are both Directors and Charity Trustees, and are legally responsible for the overall performance and control of the School (Junior and Senior). The Board meets at least five times per year and holds Away Days with the Senior Leadership Team as appropriate.

The Head, Head of Junior School, Senior Deputy Head and the Chief Operating Officer attend all Board meetings. Other members of SLT and staff attend by invitation

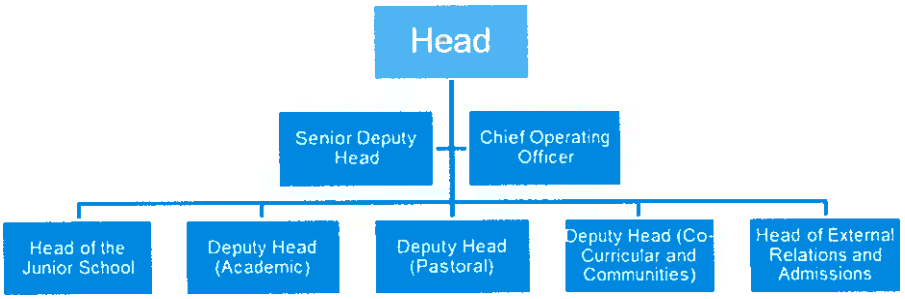
The persistence of some Covid 19 restrictions at the start of the period meant a continuation of regular on-line Board meetings to keep the Board abreast of the impact of the pandemic on the School and to discuss and approve the necessary action plans presented by SLT

members. One-to-one meetings, hybrid meetings, a revised committee and working group structure, and out-of-committee write-rounds, enabled continuity of business and engagement throughout this reporting period. The Board accesses a common cloud-based IT platform (Google) used by the school to enable secure data sharing and communication.

All Board sub-committees are chaired by a Governor and include a further 1-3 Governors. They typically meet termly, with out-of-committee circulation to maintain pace on pressing matters. Each sub-committee also includes key senior staff members and other representatives as appropriate. The Governing Board reviews its sub-committees periodically to ensure they are configured to conduct key business and support the School in its strategic aims; the current sub-committee structure was adopted from 1 January 2022.

The Head is responsible for overseeing all aspects of the day-to-day running of the School. The Chief Operating Officer and their team manage financial, infrastructure, site operations, information technology, human resources and governance matters. The Head is supported by the Senior Leadership Team (SLT) (image below). The SLT has authority and day-to-day responsibility for planning, directing and controlling the operational and educational activities of the charity.

Senior Leadership Team:



The protocol for setting remuneration for the Senior Leadership Team is:

- The Chair of the Board, together with two other members of the Board, including the Deputy Chair, agree the Head's remuneration.
- The Chair of the Board and the Head agree the remuneration for the Chief Operating Officer.
- The Head, working with the Chair of the Board and Chief Operating Officer, sets the remuneration for the remaining members of SLT.

Group Structure and Relationships

Cheadle Hulme School incorporates both the Junior and Senior School. It has one wholly owned subsidiary, Cheadle Hulme School Enterprises Ltd, established on 14 May 2013, to manage the School's lettings activities. Consolidated Financial Statements have not been prepared on the grounds that the subsidiary is not material.

The School has an ongoing relationship with the Cheadle Hulme School 150th Anniversary

Bursary Trust Fund. The School's External Relations team raises funds for bursaries that are invested and managed by the 150th Anniversary Bursary Trust using a professional advisor. Total funds within the Trust amount to approximately £4.5m. The Chair of the Trust changed at the end of this period to a new Chair who is also a School Governor. Three other Trustees are also Govenors of the School. However, the Trust is an independent charity with its own articles and objectives; 'to enhance education at the School through the provision of several bursaries or hardship awards for pupils from a broad range of backgrounds who could not otherwise afford the fees'.

The School also had an ongoing relationship with the Cheadle Hulme School Development Trust (the Trustees of which include two Directors). An inactive Trust, for which the decision was taken to close, by its Trustees during the latter half of 2022.

Old Waconians. All former pupils and staff are considered to be Old Waconians. Old Waconian (alumni) engagement and involvement is an area of expansion for the School and is depicted below for 2021/22.



Parents' Association. The CHS Parents' Association is a separate organisation, consisting of volunteer parents who arrange events in coordination with, for and on behalf of the School to raise funds to provide additional experiences, equipment or support for non-core activities. Their impact is detailed in Part 1 of this report.

PRINCIPAL RISKS

Risk Management

The Board, assisted by the SLT, has examined and documented the major risks that the School faces. The School's Risk Register is compiled in accordance with the Charity Commission's "Charities & Risk Management" framework and is consistent with the Commission's Statement of Recommended Practice (SORP) 2015.

The School actively manages its key risks and has developed systems to treat, tolerate, transfer or terminate them, to minimise likelihood of harm to individuals or their families, reduce operational impact, and, reduce financial or reputational impact to the School. The key accumulated risks are: Safeguarding, sports/games injury, travel, trips, lone-working, financial shock, cyber, fire, estate management and compliance. Changes (or predicted changes) to NI Tax, the living wage, business rate relief, charitable status, commodity/utility costs, inflation, workforce, pensions, the outcome of court rulings, recession, the potential for industrial unrest and environmental obligations are all within sight of the Board.

Directors review the key risks, compliance and mitigating actions on a regular basis via the sub-committees, in direct discussion with key staff and/or via a dedicated Risk Committee, established as part of the review of governance structures this past year.

Although Covid continued to have an impact on pupils and, particularly, staff in the autumn term, the School maintained its educational provision throughout the year, with an increasingly full co-curricular offering for all year groups. Remote and hybrid learning remained enabled for 'at risk' sections of the community.

The School's digital network and systems underwent an independent cyber risk audit this year and close monitoring of the School's finances aimed to ensure long-term viability.

The strategies for managing and mitigating these key risks included:

- Continuing to refine and develop risk assessment and critical incident processes in line with changing context and government guidance.
- Educating and training staff in risk management.
- Continuous horizon scanning to ensure Directors and the SLT are aware of national and local government thinking and policy, and taking action accordingly.
- Understanding the impact of international activities e.g. conflict, recession.
- Being aware of local/national changes in the education sector, considering the impact on the School and taking appropriate action.
- Monitoring and reviewing the School's admissions process.
- Continuing to prepare and review the annual budget, financial projections and scenario plans, to include changes in fees and remuneration.
- Activating the new Board-led Risk Committee to focus on risks and compliance across the School, to maintain a focussed oversight, ensure coherence and promote standardisation of practice.

SECTION B: FINANCIAL

Statement of Financial Activities

The School aims to make an annual surplus on its unrestricted funds, before depreciation, of c8% of income. This is in line with the sector benchmark and means the School can generate sufficient cash reserves to ensure it has an appropriate level of working capital to meet its commitment to operate the School for the entire educational life of its pupils as well as fund critical investment in pupil and staff facilities. This year, despite the continuing impact of the pandemic, the School was still able to achieve this target with a surplus on its unrestricted funds, before depreciation and transfers of £1.64m (2020-21: £1.96m). This represents 9% of income (2020-21: 11.4%). After accounting for depreciation, the Retained Surplus for the Year on unrestricted funds amounted to £0.8m (2020-21: £1.2m).

The School has met its surplus target of 8% whilst navigating macro-economic pressures and specific changes in legislation that directly impacted expenditure. These included a Supreme Court ruling over the calculation of pay rates for part-year workers; creating a liability of £125,000 for 2 year's back pay for affected staff as well as increasing salary. The School has elected to pay this as soon as possible, despite the impact, to support its staff. The extraordinary rise in the cost of utilities, equipment, maintenance and parts of the job market had a major impact, particularly in the second half of the year. This has been offset, to some extent by continuing success in recruiting and retaining higher pupil numbers than planned and the recovery of £50,000 in overpaid water rates following a rates review. Total unrestricted expenditure (including depreciation) increased with additional salary, premises and catering costs alongside other increases reflecting the resumption of activities not possible during Covid.

Fees continue to be the main source of funding, representing 93% of total unrestricted income. School catering accounts for approximately 5% and income from lettings to community groups and other third parties i.e., CHSE and donations, is less than 1%.

Balance Sheet

The School's Net Assets have increased by £0.84m, which represents the surplus for the year across restricted and unrestricted funds.

This year, Tangible Assets have increased to £20.9m net of depreciation (2020-21: £19.2m). The School undertook a planned large-scale capital project 'the Underpass' which enhanced alternative dining options and both social and event space for our pupils, staff and parents. A significant number of refurbishment and repair works were also conducted this year to ensure that the upkeep, condition and suitability of facilities for pupils and staff remained relevant for the immediate future.

Net current assets have decreased to £0.35m. Cash at Bank and in hand has increased to £4.5m (2020-21: £4.2m). Reserve levels will continue to be reviewed in light of the national economic context in the coming year, with decisions on facilities and longer-term sustainability measures in hand to ensure sustainability.

Creditors: Amounts falling due within one year have increased to £4.5m (2020-21: £3.3m), reflecting the large scale capital projects completed in the summer months.

Creditors: Amounts falling due after more than one year have stayed flat at £3.0m reflecting the bank loan repayments offset by a finance lease arrangement for the LED lighting.

The School has bank loans totalling £2.15m.

The School's pension liabilities are summarised in note 22 in the accounts.

Cash Flow Statement

The Net Increase in Cash for the year was £0.3m (2020-21: £1.1m). This reflects the large scale investment in capital projects carried out in the summer months.

Reserves

Total reserves amounted to £18.2m at 31 August 2022 (2020-21: £17.4m), of which £84k (2020- 21: £96k) is restricted.

The School has negative free reserves of £0.5m (2021: £0.4m positive free reserves). This is calculated by taking unrestricted reserves of £18.2m deducting Tangible Fixed Assets of £20.9m and adding back Loans of £2.2m.

The School continued to invest its reserves back into maintaining its estate, funding a pre-planned major building, plus infrastructure and IT projects that are essential for providing an excellent pupil experience and working environment for staff.

The School ensures it has sufficient cash balances to cover its day-to-day operations. Critical additional funds are raised through the activities of the External Relations Development Office. Bank borrowings are carefully monitored.

Historically, the Directors have aimed to maintain free reserves at around zero, with a view to building moderate reserves once the planned 5 year estates capital programme was completed. However, a rapid and significant change during this period, in the cost of capital works, utilities and services, has resulted in a strategic review of the estate and environment plan, through both an educational and fiscal lens. Moving forward, the School will aim to build moderate reserves in the near term, and revisit this on an annual basis, albeit this will be balanced with contribution to bursary support and improving sustainability through de-carbonisation initiatives, in keeping with the School's purpose and values.

Investment policy and objectives

The School does not hold any long-term investments. Surplus cash is held in instant access bank accounts with the best interest rate available. Directors periodically review the banks used by the School. However, there are no restrictions on the School's power to invest.

Financial Factors

To ensure the School continues to have financial stability and the resources necessary to provide the high standard of education facility and staff that parents and pupils expect now and in future years, the School prepares and regularly updates 4-year financial projections incorporating scenario and sensitivity analysis.

As fees are the School's primary source of income, the School works with parents to ensure prompt payment of fees. For those parents having difficulties with payment of fees, the School takes action to contact them and reach arrangements for ongoing payments.

Directors' Responsibilities

The Board is confident that the Directors have complied with their duties in section 172 (1) of the Companies Act. All key decisions are taken collectively by the Board. Board papers comprise comprehensive information detailing the risks and opportunities facing the School

and decisions are taken about promoting the long-term sustainability of the School for its pupils, parents, staff, suppliers and local community. All decisions taken are considered carefully to ensure they are justifiable, appropriate and that they will benefit the School and the environment it operates in.

Section 172 (1) Statement

The Board of Directors have a duty to act in the best interests of the School and also in the best interests of its pupils, staff, parents and other stakeholders, as recognised beneficiaries under charity law. The Directors fulfil this duty by considering the long-term factors affecting the School and their impact on its pupils, staff, parents, partners, suppliers and local community. The School's commitment to providing an excellent education for its pupils is the key driver within its Strategic plan and in its target of continued financial sustainability. The School ensures that engagement with pupils, staff, parents, partners and other stakeholders informs the Board of Directors' decision making. Engagement takes place in a range of ways:

Pupils

Pupil representatives have continued to meet regularly as part of the Pupil Voice School Council to discuss key areas for review and improvement. Pupils have been encouraged to give feedback on a range of issues on an informal basis to their form tutors whilst more formal pupil surveys have been conducted each term on a year group basis. The pupil surveys covered all aspects of School life and helped identify issues which have arisen or were likely to affect the pupils' experience of School.

Parents

The School conducted parent surveys each term on a year group basis. It also encouraged feedback from parents at parent information evenings and by encouraging direct contact with teaching staff and members of the Senior Leadership Team. The School also held a number of parent forums and parents were given the opportunity to provide feedback on the School's delivery and performance.

Staff

The Employee Involvement section at Annex C details how the School engages its staff.

Communities

The School actively and directly engaged with the community groups who use the School's facilities in the evenings, weekends and holiday periods to ensure suitable risk assessments and training were in place and that the services provided by the School met their needs. Wider community outreach and engagement impact is covered in Part 1 of the Annual Directors Report.

Partners & Suppliers

The School relied on its key suppliers and contractors for delivery of goods and services. Appropriate measures were taken to ensure value and price was fairly assessed and that the contracts awarded met the needs of the School. Contracts are evaluated, with termly performance meetings held at SLT level; competitions are conducted, as appropriate, as fixed-terms arise. Annual signature and agreement is recorded as well as pay/invoice schedules. The main contracts are for

catering (Sodexo - where an external independent validation exercise was conducted during the year), cleaning (PremiServe), clothing (Monkhouse) and Transport (Elite). Redbridge were the prime contractor for a major estates project at the end of the year (coordinated by Beaumont Lord, Pozzoni (architects) and P4 planning). EEnergy (ELight) installed latest generation LED lighting across the estate during the year. British Gas provide gas (on a 4-year fixed term) and NPower provided electricity until a switch to British Gas at the end of August 2022.

DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the Directors are required to select suitable accounting policies and applied them consistently:

- Making judgements and estimates that are reasonable and prudent.
- Following applicable accounting standards and the Charities SORP 2015; and state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Preparing the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for at least a further 3 years. Actual performance is monitored at least termly, and cash balances are managed daily. The School continued to have very strong pupil recruitment and made a healthy Income and

Expenditure surplus which it uses to reinvest in its facilities, as well as being able to invest in a significant range of infrastructure upgrades. The Directors have undertaken planning and forecasting and continue to closely monitor the short and long-term effects of external risks to the school and its supply chains, prudently adjusting for rising energy costs and workforce shortages. The Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware:

- there is no relevant audit information of which the company's auditors are unaware, and;
- the Directors have taken all the steps that ought to have been taken as a member in order to be aware of any information needed by the auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The Directors have also taken all reasonable steps to comply with their obligations as set out by the Charity Commission to act in the best interests of the charity and comply with their legal duties under charity law, including their duty of prudence.

Approval

This report was approved by the Board on 25 January 2023

Catherine Boyd
Chair of the Board

ANNEX A: Energy Data

The School's energy data tracks gas and electricity usage across all School buildings. Associated greenhouse gases have been calculated using the conversion factors from the Department for Business, Energy, and Industrial Standard.

	2021-22	2020-21 (restated)	2019-20
Energy use (kWh)	3,984,556	4,480,298	3,935,631
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	730,411	847,930	770,588
Intensity ratio Emissions per pupil	460	575	517

The installation of site-wide LED lighting during April 2022 has significantly lowered electricity utilisation. Alongside other energy monitoring tools (including sub-metering) and energy saving measures (including replacement boilers, replacing inefficient hand dryers and new room controls) there has been a revitalised programme of behavioural change to raise awareness of energy consumption (including closing windows, new timers being added to equipment, and "Switch It Off" initiatives). It is also noted that the emissions per pupil is much lower than in previous years - which is due to an increase in pupil numbers not directly causing an increased energy use.

Annex B: The School's Strategic and Operational Plans

The School is implementing a new Strategy for 2030 and beyond for the coming academic year, following external, Board and SLT development throughout 2021/22:

The School's **Mission** (what we do):

> We provide a dynamic academic, altruistic and active education within an inclusive, values-driven environment. Through diverse opportunities we empower and inspire all members of our community, whilst creating the sustainability to meet the challenges which are likely to exist between now and 2030, and instill in our community a sense of responsibility to others and the world around them.

The School's **Vision** (what we aspire to become):

> We aspire to foster in all members of the School community a desire to learn, question and persevere in all that they do, and to embody our Waconian Values. By doing so, we will enable our pupils to both flourish in their lives at and beyond CHS, whilst making a positive impact on the communities of which they are a part. Our staff will feel proud to be members of the CHS community and both motivate and be motivated by those around them.

The School's **Values**: These are our core principles and beliefs:

> Our **5 Waconian Values** underpin and guide all aspects of life at CHS, whilst also providing a strong sense of identity, and purpose for the whole School community. These are: **Integrity, Endeavour, Compassion, Resilience and Contribution**

We aim to provide all members of our community with the confidence and courage to thrive at Cheadle Hulme School and beyond. We have established three strands within and across our strategy which reflect our plans and priorities for the whole CHS community and to help us create a sustainable future for the School. These are to:

- Inspire: Inspiring members of our community, we will provide everyone in the School community with the confidence and ambition to discover and fulfil their potential. We will inspire members of our community to:
  - be innovative and embrace new opportunities
  - develop intellectual curiosity, creativity and a love of learning
  - enhance their self-awareness, skills and talents outside of the classroom
  - implement evidence-informed practice in teaching and learning
  - adopt a culture of ongoing professional learning and development
  - encourage our alumni to contribute to the life of the School
- Empower: Empowering members of our community, we will provide everyone in the School community with the means to succeed in their lives at School and beyond. We will empower members of our community to:
  - develop the skills, knowledge and mindset to approach every stage of their education and life with confidence
  - demonstrate leadership
  - make informed decisions how to develop resilience, build relationships and make healthy life choices
  - make informed decisions about career and other opportunities beyond CHS

  - celebrate and promote equality, diversity, and inclusion within a culture of mutual respect
  - make an active and meaningful contribution to society

- Sustain: We will develop attitudes, behaviours and infrastructure to equip the School and its community to meet current and future challenges. We will create a sustainable future for the School by:

  - ensuring we have the financial basis, estate and resources to support the implementation of the School's strategic goals
  - nurturing happy and healthy individuals who can make informed choices about how they might impact on the world
  - minimising the impact of School life on our environment
  - training, recruiting and retaining exceptional staff
  - enabling pupils from all socio-economic backgrounds to access the CHS experience
  - enhancing our links with the School's alumni

There are several areas for which work has already commenced during this academic year. For example, development of a Junior Waconian plan, evolution of the Waconian (Lower School) diploma, creation of a working group to review the Upper School experience, and development of a Green Plan.

We are also developing new Teaching & Learning and People strategies which will help articulate how specific elements of the plan will be achieved and monitored.

The main influences on the plan include:

- The strategic impact of COVID-19 on the School and members of its community
- Increased social, financial and regulatory importance of environment-related matters
- Increased emphasis on the skills which employers, OECD etc believe young people need
- EDI as a priority for schools
- Anticipated financial and political pressures on the School
- Opportunities to codify the current strengths of a CHS education within a changing assessment landscape
- Details of the proposed new ISI inspection framework, which will be introduced at the start of the next inspection cycle in September 2023.

The key themes emerging out of the plan are:

- Providing an education in its broadest sense should be at the heart of the CHS experience
- Pupil and staff wellbeing, whilst always important, has become a much greater priority
- Assessment of pupils' performance at 16 and 18 must go beyond success in exams
- Ensuring the school experience is as inclusive as possible for all pupils and staff
- Reducing our carbon footprint is a necessity

ANNEX C: Employment, Communication and Professional Development

The School is an equal opportunities employer. It has clear and transparent recruitment procedures that adhere to employment law, best practice and DfE guidelines. The School considers all job applicants equally and against predetermined criteria required for the post. The School undertakes to make all reasonable adjustments to ensure that any applicant who fulfills the criteria, can be offered an interview.

The School meets its obligations in relation to safeguarding; it meets safer recruitment standards and undertakes any checks necessary to ensure the suitability of any staff or volunteers working with children. The School's successful completion of a short-notice Independent Schools Inspectorate (ISI) Material Change Visit (MCV) was confirmed at the start of this period; this reviewed school procedures and practices and was conducted on behalf of OFSTED and the DfE as a result of a request to grow school pupil number capability from a notional maximum of 1510 to 1570.

Development

The School has a clearly defined development cycle for all employees. Different systems are used for teachers and non-teachers, due to the nature of their roles. These systems are designed to encourage regular conversations between employees and their line managers, focussing not only on professional development and growth but also on wellbeing, work satisfaction and longer-term team plans.

The School runs its own development programmes for senior and middle leaders and, this year, launched a similar programme for first line managers. The School has an annual budget for CPD activities, accessible to both teaching and non-teaching employees. There are professional learning community activities for teachers twice a term and weekly breakfast CPD sessions.

Wellbeing

Staff wellbeing is key to the School's appeal and success. It provides staff coaching and mentoring for professional and personal development and operates an Employee Support Scheme; an external organisation is on hand 24/7 to provide a broad range of advice and support (personal and work related) on a confidential basis to all School staff. All staff have access to the internal HR department who offer support and guidance on wellbeing matters.

Benefits

The School's employment contract also includes various 'benefits': Access to the School's fitness and pool facilities for staff and their families; on-site parking; lunches; access to Private Medical insurance; part-fee remission for staff with children in the senior School, and, School contribution to pensions that meet or exceed industry standards. These benefits are regularly reviewed for impact, uptake and perceived value to the staff.

Employees with disabilities

The School undertakes to make all reasonable adjustments to ensure that any candidate applying for a role at the School, and who is deemed appointable, would be able to carry out their duties effectively. Any member of staff with a disability, or who becomes disabled during their employment, will not be disadvantaged in their opportunities for training and development.

Where appropriate, specialist training or resources are made available to allow them to develop their skills and career opportunities.

All employees are expected to treat disabled colleagues, pupils and visitors with the same dignity and respect as their non-disabled counterparts. Any form of harassment of a person with a disability on account of their impairment is unacceptable behaviour and is potentially unlawful under the terms of the Equality Act 2010 and the Protection from Harassment Act 1997.

The School has a rolling programme of improvements within an estate plan to offer improved access and facilities for disabled staff, pupils and visitors, to include gender-neutral and inclusive toilets/washrooms and the facility for the observance of normal religious practices.

Employee Involvement

The School operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. The School actively consults with its employees or their representatives with the aim of taking the views of employees into account where decisions are made that are likely to affect their interests e.g. working practices, pensions, other benefits and curriculum. The School involves employees in discussions regarding the development of the Strategic Plan and informs them on progress at least annually at INSET meetings. Employees are encouraged to present their suggestions and views on all elements of the School.

Communication

The School communicates with employees in a variety of forms e.g. INSET days, weekly staff briefings, all-staff emails, half-termly line managers' meetings, all-Staff meetings, team meetings and Away Days. A comprehensive online Staff Site acts as the primary source of information for all staff and is updated daily. Regular meetings are held between management and employees to enable the free flow of information and ideas. The teaching staff have their own Common Room Committee and they hold a termly meeting that submits feedback to the Head, for his response. A Staff Voice group, containing representatives from across the workforce, also meets termly to discuss welfare issues and gather feedback on school plans. There is a also a Pupil Voice, through a Pupil Council, with input informing a range of issues from wellbing to curriculum, environment to facilities.

School-Centered Initial Teacher Training (SCITT)

The School conducted its second year as a regional hub for the National Maths and Physics (NMAPS) SCITT. We trained 34 Maths teachers, 12 at CHS and 2 at Kingsway and used Sale Grammar for contrast placement this year. In a first year of Modern Languages for SCITT, the 4 trainees are spread between CHS, the Coop North Manchester, Macclesfield Academy and Sharples School, with contrast placements at Parrs Wood High School and Smithills School. CHS provided 1 placement for the classics SCITT from Liverpool College.

Middle Leaders Programme

A new, internally designed, Middle Leaders programme was made available to all CHS staff. Of the 17 colleagues who started the course at the beginning of the academic year, there were 15 female and 2 male members, of which 15 were senior school staff, 1 junior school and 1 professional services. 15 staff members completed the course (1 withdrew and 1 left the School).

Face-to-face sessions, with external speaker support, saw delegates complete development tasks using a subscription to the Leadership Matters website and their resources.

Delegates also had to read 4 texts during the course and complete a leadership project, presented to peers and the SLT at the end of the course. Each was assigned a coach, for a number of sessions from December to May. Constructive and positive feedback will lead to further iterations of the course.

Preparing for Senior Leadership Programme

An internally provided Preparing for Senior Leadership Programme has both continued for the 2020/21 cohort and been instigated for a new cohort during the year. This is intended to prepare individuals for higher roles within the School, the sector or future careers. With 3 on each cohort, chosen by application and interview, the programme provides each member with a senior mentor, access to external support, leadership interventions, insight to SLT (and equivalent) decision making and governance and the opportunity to address a school development issue; this final piece is a project that runs into the Autumn Term of the following academic year, where the individual presents an evidence-based costed options recommendation to the SLT to consider for implementation.

Independent Auditor's Report to the Members of Cheadle Hulme School

Opinion

We have audited the financial statements of Cheadle Hulme School ('the charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 charitable company's affairs as at 31 August 2022 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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 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 28 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 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment legislation and Health & Safety Legislation.

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 other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Resources 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, sample testing of other income 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.

Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date 2nd February 2023

STATEMENT OF FINANCIAL ACTIVITIES (Including an income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
INCOME		**£'000**	**£'000**	**£'000**	**£'000**
Income from:					
Donations and legacies	6	211	-	211	237
Investments	5	21	-	21	3
Ancillary trading income	4	1,147	-	1,147	908
Charitable activities	3	16,857	-	16,857	15,455
Total Income		18,236	-	18,236	16,603
EXPENDITURE					
Charitable activities		17,388	12	17,400	15,460
Total Expenditure	7	17,388	12	17,400	15,460
Net School Income for the year before transfers		848	(12)	836	1,143
Transfers between funds	19	-	-	-	-
Net movement in funds		848	(12)	836	1,143
Total funds brought forward		17,311	96	17,407	16,264
Total funds carried forward	21	18,159	84	18,243	17,407

The Statement of Financial Activities includes all gains and losses recognised in the year.

All activities are classed as continuing.

The notes on the following pages form part of these financial statements

BALANCE SHEET
Company number: 3823129

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	10		20,905		19,246
Current assets					
Debtors	12	558		548	
Cash at bank and in hand		4,493		4,185	
		5,051		4,733	
Creditors: Amounts falling due within one year	13				
Loans		(200)		(200)	
Other		(4,503)		(3,330)	
Net current assets/(liabilities)			348		1,203
Total assets less current liabilities			21,253		20,449
Creditors: Amounts falling due after more than one year	14		(3,010)		(3,042)
Net assets			18,243		17,407
Funds					
Unrestricted general funds	20		18,159		17,311
Restricted funds	19		84		96
Total charity funds			18,243		17,407

The financial statements were approved by the Board of Directors on 25 January 2023 and signed on its behalf by:

C Boyd
Director

The notes on the following pages form part of these financial statements

STATEMENT OF CASH FLOWS

	2022 £'000	2021 £'000
Cash flows from operating activities:		
Net movement in funds	836	1,143
Adjusted for:		
Depreciation	790	770
Interest payable	69	74
Interest receivable	(21)	(3)
(Increase)/decrease in trade and other receivables	(9)	(101)
Increase/(decrease) in trade and other payables	1,093	9
(Decrease) in pension debt provision	(55)	(116)
Net cash inflow from operating activities	2,703	1,776
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,134)	(251)
Interest received	21	3
Net cash outflows from investing activities	(2,113)	(248)
Cash flows from financing activities		
Repayments of amounts borrowed	(200)	(348)
Repayments of finance lease	(13)	-
Interest paid	(69)	(74)
Net cash outflows from financing activities	(282)	(422)
Net increase in cash & cash equivalents	308	1,106
Opening cash & cash equivalents	4,185	3,079
Closing cash & cash equivalents	4,493	4,185
Movement in cash & cash equivalents	308	1,106

The notes on the following pages form part of these financial statements

RECONCILIATION OF NET DEBT

	At 1 September 2021 £'000	Cash flow £'000	At 31 August 2022 £'000
Cash at bank	4,185	308	4,493
Bank loan due in less than one year	(200)	-	(200)
Bank loan due in greater than one year	(2,150)	200	(1,950)
	1,835	508	2,343

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information
Cheadle Hulme School is a private company limited by guarantee and is non-profit making. Cheadle Hulme School is incorporated in England and Wales. The registered office is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF.

Basis of accounting
Cheadle Hulme School meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, with the exception of certain buildings which have been included at a valuation made in 1939 and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Companies Act 2006.

Going concern
The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for at least a further 3 years. Actual performance is monitored at least termly and cash balances are managed daily. The School continued to have very strong pupil recruitment and made a healthy Income and Expenditure surplus which it uses to reinvest in its facilities. The Directors have undertaken planning and forecasting and continue to closely monitor the short and long-term effects of the pandemic as well as Ukraine conflict impacts including issues in supply chains, rising energy costs and with workforce shortages. Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Group accounts
The charity has not prepared consolidated accounts as the subsidiary undertaking may be excluded from consolidation on the basis that it is not material. These financial statements therefore present information about the charity as an individual undertaking rather than as a group.

Income
All income is included in the Statement of Financial Activities when the School is legally entitled to the income and the amounts can be quantified with reasonable accuracy. Income mainly represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Donations and gifts
All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Income (continued)
Donations under Gift Aid, together with associated income tax recoveries, are credited as income when the donations are receivable.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, if the receipt is both probable and measurable. These are included in the Statement of Financial Activities.

Investment income
Investment income, including associated income tax recoveries, is recognised when receivable.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified to the particular activity where the cost relates directly to that activity.

Charitable expenditure
This represents expenditure incurred on activities in furtherance of the charity's objects (which includes support costs).

Governance costs
Costs incurred are those relating to the organisation and running of the charity itself and are included in charitable expenditure.

Fixed assets
Fixed assets are included in the balance sheet at historic cost except for certain buildings noted above. From 1 April 1993 all plant and equipment purchased with a cost of greater than £1K is being capitalised and disclosed within the fixed asset note.

Depreciation is provided evenly on the cost of plant and equipment to write them down to their estimated residual values over their expected useful economic lives of 5-20 years. Information Technology equipment is written down over 4 or 5 years. Fixtures and fittings are written down over 10 years.

Buildings are being depreciated over a life of 50 years. Certain improvements to properties are depreciated over their estimated useful lives, ranging from 5 to 20 years.

Taxation
The School is not liable to taxation on the results of its charitable activities as it is a registered charity.

Pensions
School staff are members of one of two pension schemes. Teachers' Pension Scheme is a defined benefit scheme and Independent Schools' pension scheme is defined contribution. More details of the schemes are given in note 22.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Investments
Investments in subsidiaries are measured at cost less accumulated impairment.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department of Education. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the School in the year.

Independent Schools' Pension Scheme

Non-teaching members of staff are offered membership of the Independent Schools' Pension Scheme (ISPS) Defined Contribution section. The contributions paid by the School during the year are charged to the Statement of Financial Activities.

Non-teaching members of staff appointed prior to 1 September 2013 were eligible to be members of the ISPS funded multi-employer Defined Benefit section. The scheme is closed to new employees. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

If the actuarial valuation of the scheme reveals a deficit, the Directors will agree a recovery plan to eliminate the deficit over a specified period. This is held as a liability in the financial statements, as detailed in note 16.

The pension costs for the scheme represent the contributions payable by the School in the year.

Reserves
The School has a number of restricted income funds to account for situations where an income stream requires that the income must be spent on a particular purpose.

All other funds are classified as unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 affects both current and future periods.

Critical accounting judgements
The critical accounting judgements that the Directors have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- Pension deficit provision
  The charity has an obligation to pay deficit funding contributions towards the multi-employer defined benefit pension scheme. This provision is dependent on a number of factors including discount rate, life expectancy and asset valuations. The assumptions reflect historical experience and current trends.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Determining residual values and useful economic lives of property, plant and equipment
  The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by the Directors. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by the Directors when determining the residual values for plant, machinery and equipment. When determining the residual value, the Directors aim to assess the amount that the charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

3. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2022 £'000	*2021 £'000*
Fees receivable consist of:		
School fees	18,527	17,242
Less: total bursaries, scholarships and Covid19 fees rebate	(1,670)	(1,787)
	16,857	15,455
Add back: Bursaries and other awards paid for by restricted funds	-	-
	16,857	15,455

Bursaries, scholarships and other awards were paid to 236 pupils (*2021: 234*). Within this means-tested bursaries totalling £1,068k were paid to 100 pupils (*2021: £1,069k to 106 pupils*).

4. CHARITABLE ACTIVITIES – OTHER INCOME

	2022 £'000	*2021 £'000*
Catering fees	962	646
Entrance and registration fees	42	36
After school and other clubs	101	68
Income from CHS Enterprises	32	68
CJRS income	0	70
Other income	10	19
	1,147	907

5. INVESTMENT INCOME

	Total 2022 £'000	*Total 2021 £'000*
Bank interest	21	3
	21	3

6. GRANTS AND DONATIONS RECEIVABLE

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Total 2022 £'000**
Grants received for Bursaries from:				
CHS 150th Anniversary Bursary Trust	150	-	-	150
Oglesby Trust	10	-	-	10
STEM and ART bursary donations	47	-	-	47
Peter Kershaw income	4	-	-	4
	211	-	-	211

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Total 2021 £'000**
Grants received for Bursaries from:				
CHS 150th Anniversary Bursary Trust	150	-	-	150
Specific students	10	-	-	10
Oglesby Trust	71	-	-	71
STEM and ART bursary donations	5	-	-	5
Peter Kershaw income	-	1	-	1
	236	1	-	237

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £'000	Other £'000	2022 Total £'000
Charitable expenditure	12,823	4,577	17,400

	Staff Costs £'000	Other £'000	2021 Total £'000
Charitable expenditure	11,667	3,793	15,460

Total expenditure are stated after charging:

	2022 £'000	2021 £'000
Depreciation	790	770
Auditor's remuneration - audit	12	11
- non-audit (other assurance services)	2	2

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

8. STAFF COSTS

	2022 £'000	2021 £'000
Staff costs were as follows:-		
Salaries	9,919	9,043
Social security costs	1,008	903
Pension costs	1,834	1,673
Private medical insurance	61	48
	12,822	11,667

Included within wages are termination and voluntary severance payments of £14k (2021: £nil).

The average number of employees in the year analysed by function was:-

	2022 No	2021 No
Teachers	169	159
Fund raising and publicity	6	5
Management and administration	141	144
	316	308

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

9. STAFF COSTS (CONTD)

The following analysis shows the number of higher paid staff in the following ranges.

Emoluments include salary, taxable benefits in kind and other payments to employees.

	2022 No	2021 No
£70,000 to £79,999	4	4
£80,000 to £89,999	2	1
£90,000 to £99,999	-	1
£100,000 to £109,999	1	-
£110,000 to £119,999	-	-
£130,000 to £139,999	-	1
£150,000 to £159,999	1	-

Retirement benefits under defined benefit and defined contribution schemes are accruing for the above staff.

No Director received any remuneration during the period.

One (2021 – no) director received reimbursed expenses and expenses paid directly to third parties of £41 (2021 – £nil) during the period.

The key management personnel of the charity comprise the Directors, the Head, three Deputy Heads, the Chief Operating Officer, the Second Master and the Development Director. The total employee benefits of the key management personnel of the Trust were £937k (2020-21 £802k).

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

10. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Cost or valuation			
At 31 August 2021	25,869	1,518	27,387
Additions	1,847	602	2,449
At 31 August 2022	27,716	2,120	29,836
Depreciation			
At 31 August 2021	7,373	768	8,141
Charged in year	595	195	790
At 31 August 2022	7,968	963	8,931
Net book value			
At 31 August 2022	19,748	1,157	20,905
At 31 August 2021	18,496	750	19,246

Fixed assets are included in the balance sheet at the following values:-

Land	- at historic cost
Buildings	- at 1939 valuation with subsequent additions at cost
Equipment	- at cost

As records are not available back to 1939 and as a result of the passage of time, the 1939 valuation used for buildings is deemed to be cost for the purpose of FRS 102.

All the tangible fixed assets are used for direct charitable purposes.

As at 31 August 2022, the School had no capital commitments.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

11. INVESTMENTS

	£
Historic cost as at 31 August 2021 and 2022	1

The above investment represents 100% of the issued ordinary share capital of Cheadle Hulme School Enterprises Limited. The registered office of Cheadle Hulme School Enterprises Limited is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF. It's principal activity is the lettings of the school premises. As at 31 August 2022, its reserves stood at £116,949 (2021 - £31,626) and its profit for the year was £116,948 (2021 - £31,625).

12. DEBTORS

	2022 £'000	2021 £'000
School debtors	59	7
Prepayments and accrued income	442	459
Amounts owed by associated undertakings	2	33
Other debtors	55	50
	558	549

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Bank loans (note 15)	200	200
	200	200
Trade creditors	936	398
School fees in advance (note 17)	2,136	2,120
Other taxation and Social Security	249	228
Other creditors	379	292
Accruals	430	119
Sundry School pupils' accounts	46	24
Cheadle Hulme School 150th Anniversary Bursary Trust Fund	160	30
Pension deficit provision (note 16)	104	119
Obligations under finance leases	63	-
	4,503	3,330

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £'000	2021 £'000
Bank loans – secured (note 15)	1,950	2,150
School fees paid in advance (note 17)	17	47
Pension deficit provision (note 16)	804	844
Obligations under finance leases	239	-
	3,010	3,041

There are two loans, one is a variable loan of £1M payable at 1.7% above SONIA and the second is £2M at a fixed rate of 3.51%. Both loans are repayable quarterly in equal instalments until 2026 and then a lump sum payment of £1.45M.

All loans are secured by a charge over the land and buildings of the School.

15. CREDITORS: LOANS

Loans are repayable as follows;

	2022 £'000	2021 £'000
In one year or less	200	200
Between one and two years	200	200
Between two and five years	1,750	1,950
In five years or more	-	-
	2,150	2,350

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

16. CREDITORS: PENSION DEFICIT PROVISION

Included within Creditors due within one year and more than one year is a multi-employer defined benefit pension scheme deficit and the estimated employer debt. Following the valuation of the scheme as at 30 September 2017, the contributions payable by the employer have been communicated relating to recovery of the deficit over the 13 years to 31 August 2029. As of the balance sheet date the estimated discounted employer deficit is detailed below.

	2022 £'000	2021 £'000
Pension deficit provision as at 1 September 2021	963	1,079
Deficit contributions paid	(111)	(117)
Remeasurement of defined benefit pension	55	1
Pension deficit provision as at 31 August 2022	907	963
Less: amount due within one year	(104)	(119)
	803	844

17. CREDITORS: DEFERRED INCOME

	2022 £'000
At 1 September 2021	2,167
Received during the year	1,679
Discounts given during the year	2
Released to income for the year	(1,695)
At 31 August 2022	2,153

Deferred income represents school fees paid in advance and fee deposits repayable upon pupils leaving the School.

18. FINANCIAL INSTRUMENTS

	2022 £000	2021 £000
Financial assets measured at amortised cost (a)	4,552	4,192
Financial liabilities measured at amortised cost (b)	3,752	2,810

(a) Financial assets include cash, trade and fee debtors and other debtors
(b) Financial liabilities include deposits, trade creditors, other creditors and obligations under finance leases.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

19. RESTRICTED FUNDS

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2022 £'000
Hardship fund	69	-	-	-	69
Music and Languages Fund	18	-	(8)	-	10
Specific student funds	9	-	(4)	-	5
	96	-	(12)	-	84

These restricted funds relate to funds received by the School for use for the purposes stipulated by the donor.

Hardship fund was created to provide financial support to families struggling due to the Coronavirus pandemic.
Specific Student funds were donations made by individual donors for specific students.

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2021 £'000
Hardship fund	101	1	(33)	-	69
Music and languages fund	18	-	-	-	18
Specific student funds	26	-	(17)	-	9
	145	1	(50)	-	96

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

20. UNRESTRICTED FUNDS

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2022 £'000
General	17,311	18,236	(17,388)	-	18,159
	17,311	18,236	(17,388)	-	18,159

There has been no transfers between unrestricted and restricted funds in the period.

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2021 £'000
General	16,119	16,602	(15,410)	-	17,311
	16,119	16,602	(15,410)	-	17,311

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2022	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2022 Total £'000
Restricted Funds	-	84	-	84
Unrestricted Funds	20,905	264	(3,010)	18,159
	20,905	348	(3,010)	18,243

2021	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2021 Total £'000
Restricted Funds	-	96	-	96
Unrestricted Funds	19,246	1,107	(3,042)	17,311
	19,246	1,203	(3,042)	17,407

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22. PENSIONS

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 £1,546k (2021: £1,476k) and at the year-end £182k (2021 - £175k) 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%.

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/Sergeant 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/Sergeant 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.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

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.

Independent Schools' Pension Scheme

Cheadle Hulme School participates in The Independent Schools' Pension Scheme ('the Scheme') which has multi-employer defined benefit scheme section and a defined contribution section. The Scheme is contracted-out of the State scheme. With effect from 1 November 2016 all members of the Independent School' Pension Scheme moved from the Defined Benefit section to the Defined Contribution section.

As at the balance sheet date there were no active members of the Defined Benefit Scheme employed by Cheadle Hulme School (2021: no active members). There were 115 (2021: 109) members of the Defined Contribution Scheme.

During the accounting period ended 31 August 2022 Cheadle Hulme School paid employers contributions of 9% and 0.6% for life cover in respect of the Defined Contribution Scheme.

The scheme is a multi-employer scheme which provides benefits to some 61 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions	
From 1 September 2022 to 30 June 2032:	£2,687,000 per annum (payable monthly and increasing by 3% on each 1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 September 2019 to 31 April 2030:	£2,387,357 per annum (payable monthly and increasing by 3% on each 1st September)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The Growth Plan

Cheadle Hulme School also participates in The Growth Plan which is a multi-employer scheme.

The scheme is a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions		
From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions		
From 1 April 2019 to 30 September 2025:	£11,243,000 per annum increasing by 3% each on 1st April	(payable monthly and

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

23. RELATED PARTY TRANSACTIONS

Included within creditors within one year is an amount of £160,093 (2021: £29,660) held by Cheadle Hulme School on behalf of Cheadle Hulme School 150th Anniversary Bursary Trust. Dr D N Riley, Mrs C Boyd and Ms B Walmsley are trustees of Cheadle Hulme School 150th Anniversary Trust. During the year, Cheadle Hulme School 150th Anniversary Trust granted bursary money to Cheadle Hulme School amounting to £150,000 (2021: £150,000).

Included within debtors within one year is an amount of £2,177 (2021: £32,961) held by Cheadle Hulme School Enterprises Ltd on behalf of Cheadle Hulme School. During the year, Cheadle Hulme School Enterprises Ltd paid management charges to Cheadle Hulme School amounting to £2,400 (2021: £2,400).

A number of directors at the School have children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

24. OPERATING LEASE COMMITMENTS

At 31 August 2022 the School had annual commitments under non-cancellable operating issues:

	Land and buildings	
	2022 £'000	2021 £'000
Operating leases which expire:		
Within one year	60	61
Within two to five years	-	60
	60	121

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

25. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds	Restricted Funds	Total 2021
INCOME		**£'000**	**£'000**	**£'000**
Income from:				
Donations and legacies	6	236	1	237
Investments	5	3	-	3
Ancillary trading income	4	908	-	908
Charitable activities	3	15,455	-	15,455
Total Income		16,602	1	16,603
EXPENDITURE				
Charitable activities		15,410	50	15,460
Total Expenditure	7	15,410	50	15,460
Net School Income for the year before transfers		1,192	(49)	1,143
Transfers between funds	19	-	-	-
Net movement in funds		1,192	(49)	1,143
Total funds brought forward		16,119	145	16,264
Total funds carried forward	21	17,311	96	17,407

CHEADLE HULME SCHOOL

England & Wales - Charity number 1077017

Accounts

Cheadle Hulme School

Report and Financial Statements

Year ended 31 August 2021

Cheadle Hulme School

Registered Charity No. 1077017

Company No. 03823129

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DIRECTORS, OFFICERS AND ADVISORS

The Cheadle Hulme School (CHS) Governors are the Charity trustees and Company Directors of the Charity and Company, 'Cheadle Hulme School'. They have served in office throughout the year, except where indicated. All Directors give their time freely and no remuneration was paid in the year. No Director or person connected with a Director received any benefit from means-tested bursaries.

During the year, the activities of the Governing Body were carried out through 6 Sub Committees. The membership of these Sub Committees is shown below for each Director.

Name	Appointment/resignation in year	(1)	(2)	(3)	(4)	(5)	(6)
Mrs C Boyd	Appointed as Chair 10/12/2020	X	X	X	X		X
Mr P Johnson	Resigned 10/12/2020		X	X			X
Mr M Birchall	Resigned 10/12/2020	X					X
Mrs J E Birkett				X		X	
Mr M Bolingbroke #							X
Mr P Driver	Resigned 10/12/2020						
Mr D N Riley		X			X	X	
Mr C Roberts			X				
Mrs J Squire				X		X	
Mrs C Thomson #	Appointed 12/10/2020			X		X	
Mr M G Tyley			X				
Mr S Abraham #							X
Mr G Wright	Appointed 8/2/2021	X					
Mr R Oman *#	Appointed 13/10/2021	X					
Ms B Walmsley *	Appointed 15/2/2022				X		

(1) Education & Pupil Progress
(2) Operations & Infrastructure
(3) Finance & Resources
(4) Safeguarding, Compliance & Pupil Welfare
(5) Nominations
(6) Strategy
Directors who were the parents of a pupil at the School during the year
*Directors joining the Board post the reporting dates but prior to account sign-off

OFFICERS

Mr N Smith	Head
Mrs S Kershaw To 30 June 2021 Mr W James From 1 July 2021	Chief Operating Officer, Company Secretary and Clerk to the Governors.
Solicitors:	The School has used a number of specialist legal advisors during the year.
Auditor:	Crowe U.K. LLP Chartered Accountants and member of Crowe Global 3rd floor, The Lexicon Mount Street Manchester M2 5NT
Bankers	Santander UK plc 4 St Pauls Square Liverpool L3 9SJ Barclays Bank PLC P.O. Box 357 51 Mosley Street Manchester M60 2AU
Website:	www.cheadlehulmeschool.co.uk

ANNUAL REPORT OF THE DIRECTORS

The Directors of Cheadle Hulme School present their Annual Report for the year ended 31 August 2021 under the Charities Act 2011, including the Directors' and Strategic Reports under the Companies Act 2006, together with the audited Financial Statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Cheadle Hulme School is a company limited by guarantee with no share capital and is a registered charity under the auspices of the Charity Commission.

School Address: Claremont Road
Cheadle Hulme
Cheadle
Cheshire SK8 6EF

Company No: 3823129

Charity No: 1077017

Taxation

As an educational charity, the School is eligible for a corporation tax exemption on its educational activities and investment income, provided these are applied to the School's charitable aims. The School is also entitled to an 80% reduction in business rates on the property occupied for charitable purposes. The School is, however, unable to reclaim VAT input tax on costs, as it is exempt for VAT purposes

OBJECTIVES, AIMS AND ACTIVITIES

Cheadle Hulme School was founded in 1855 and has been situated on its present site, now occupying about 75 acres of ground, since 1869. The purpose of the School, at its foundation, was to educate, maintain and clothe Orphans and Necessitous Children of Warehousemen and Clerks in the Manchester area (where Waconians, also known as the WACs, comes from). The founders declared that the School should be established and conducted on the most liberal principles and be open for the reception of children of both sexes. The broad wishes of the founders are maintained to this day and, as a consequence, the School has a distinct, inclusive and friendly atmosphere: **Academic, Active** and **Altruistic**.

Today, Cheadle Hulme School is a co-educational day School for 3–18 year-olds, that believes in the intellectual, personal and social value of girls and boys learning alongside one another in preparation for the realities of the adult world. The School aims to provide a balanced approach to academic and co-curricular excellence, blended with a pro-active pastoral tradition, which leads its pupils to engage in positive roles in their communities and across the wider world.

The School builds upon its motto of *'in loco parentis'* by providing the highest levels and quality of pastoral care. Teachers and other staff are committed to supporting the wellbeing of every pupil. Leadership, teamwork, personal responsibility and resilience are important elements of the pastoral education the pupils receive.

The School continues to value its heritage by endeavouring to support pupils whose family incomes would otherwise prevent them from accessing and benefitting from the education on offer. The School's Financial Assistance Scheme helps it to fulfil its aspiration of achieving a diverse social and ethnic mix of pupils.

The School's vision is that each student:

- experiences a challenging, dynamic and relevant education which enables them to reach their full academic potential and flourish in a rapidly changing world;
- develops a love of learning that extends beyond the confines of examination courses, and is able to work effectively in a variety of settings;
- develops a strong set of personal values and learns to value themselves and others, appreciating difference and individuality and supporting those in need or less fortunate than themselves;
- discovers and develops a broad and relevant set of skills and aptitudes which enable them to undertake useful and effective roles in their communities.

The School aims to achieve these through:

- an approach to education which fosters and encourages the core Waconian Values of **Integrity, Endeavour, Resilience, Compassion and Contribution,**
- a co-educational environment which enables boys and girls to learn, work and develop together, enabling each to inspire the other,
- a strong pastoral care system centred upon the principles of well-being,
- a commitment to social inclusivity and outreach, building upon the School's founding philanthropic values,
- a range of learning environments which develop flexible and independent learning and the ability to respond to and thrive in a technologically sophisticated world,
- a varied, inclusive and stimulating range of co-curricular opportunities, which complement and extend the curriculum.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The School is governed by its Articles of Association which were last amended on 15 April 2015. These will be reviewed in the coming year.

Governing Body

The Board of Directors is a self-appointing body comprising up to fourteen Directors. The term of office of each Director is renewable by approval of the Board after a specified period, usually of either two or three years.

Recruitment and Training of Directors

A Nominations Committee monitors the composition of the Board and makes recommendations to ensure the Board comprises members with a wide range of skills and experience. The Board seeks to ensure that at least two of the Directors are current parents of pupils attending the School.

New Directors (known as Governors) are recruited based on their professional skills, experience and personal competence. In addition, they must have a passion for the work of the School and an understanding of education in terms of its positive impact on personal growth. Current Board members have experience in the following areas:

- Education
- HR
- Finance/Investment
- Technology
- Senior Managerial/Business/Entrepreneurship
- Property Development
- Medical
- Legal

As a co-educational School, the Board includes an appropriate balance of male and female Directors. New Directors have an induction that is specially organised for them and includes meetings with the Chair, Head, Chief Operating Officer and other key personnel, to develop understanding of how the School operates, its key policies and procedures and their roles and responsibilities.

Directors are encouraged to participate in external training and are provided with regular updates on matters relevant to their role. Directors are required to update and sign to confirm their understanding of safeguarding matters and the following key policies, annually:

- Acceptable IT Use Agreement Form
- Code of Conduct and Expectations for Governors
- Declaration of Interests Form
- Declaration of Offences Form
- Fit and Proper Person Declaration Form

In-house training is arranged as required and Directors are encouraged to observe aspects of School life on a periodic basis during normal School days. This includes monitoring how policies and procedures are implemented.

Ensuring Good Governance

The Board of Directors are committed to the principles of good and ethical governance. The Board uses its sub-committee structure, (table on page 3 and outlined below), to objectively scrutinise different elements of the School's progress and performance. The Board carries out periodic skills and effectiveness reviews and ensures that governors undertake appropriate training. The School has clear procedures for risk management, anti-fraud, bribery/corruption, procurement, gifting, behaviours, declarations of interest and whistleblowing. Its policies are subject to named and dated review, with these key ones overseen by Board members. Board members are also aware of their responsibilities to ensure compliance with statutory and other guidance relevant to its status including as a provider of education, a charity, a company, and as an employer; Board members must sign an annual declaration for all pertinent policies and responsibilities as do the Senior Leadership Team (SLT) overseen by the Clerk to the Governors/COO.

Organisational management

The Directors are members of the Governing Board and, as the Charity Trustees, are legally responsible for the overall performance and control of the School (Junior and Senior). The Board meets at least five times per year and holds Away Days with the Senior Leadership Team as appropriate.

The Head, Senior Deputy Head, Head of Junior School and the Chief Operating Officer attend all Board meetings and other members of staff attend by invitation. A new Chief Operating Officer (also Clerk to the Board of Governors) was recruited via remote engagement by the Board, and site visits, during this reporting period.

The persistence of Covid 19 restrictions meant a continuation of regular on-line Board meetings to keep the Board abreast of the impact of the pandemic on the School and to discuss and approve the necessary action plans presented by SLT members. One-to-one meetings have been enabled on specific subject areas, including face-to-face as restrictions eased during this reporting period. The Board accesses a common (Google) cloud-based IT platform used by the school to enable secure data sharing and communication.

All Board Sub-Committees are chaired by a Governor and typically meet termly, with out of committee circulation to maintain pace on more pressing matters. The membership of each Sub-Committee includes between 2 and 4 Governors, key senior members of staff and other staff representatives as appropriate.

The Governing Board reviews its Sub-Committees periodically to ensure they are configured to conduct key business and support the School in its strategic aims. The current Sub-Committee structure was adopted from 1 September 2017 and is being reviewed for changes to commence in January 2022.

The Head is responsible for overseeing all aspects of the day-to-day running of the School. The Chief Operating Officer and their team manage Financial, Estates, Operations, Information Technology, Human Resources and Governance matters. The Head is supported by the SLT, which comprises the Senior Deputy Head, Deputy Head (Academic), Deputy Head (Pupil Welfare), the Head of the Junior School, the Chief Operating Officer and the Director of Development, Admissions & External Relations. A Deputy Head (Co-Curriculum and Community) was added at the end of this reporting period for the following year, following their return from a one-year sabbatical. The SLT has authority and responsibility for planning, directing and controlling the operational and educational activities of the charity.

The protocol for setting remuneration for the Senior Leadership Team is:

- The Chair of the Board together with two other members of the Board, including the Deputy Chair, agree the Head's remuneration.
- The Chair of the Board and the Head agree the remuneration for the Chief Operating Officer.
- The Head, working with the Chair of the Board and Chief Operating Officer, sets the remuneration for the remaining members of SLT.

Group structure and relationships

Cheadle Hulme School incorporates a Junior and Senior School. It has one wholly owned subsidiary, Cheadle Hulme School Enterprises Ltd, which was established on 14 May 2013 to manage the School's lettings activities which had previously been accounted for through the School's financial systems. Consolidated Financial Statements have not been prepared on the grounds that the subsidiary is not material.

The School has an ongoing relationship with the Cheadle Hulme School 150th Anniversary Bursary Trust Fund. The School's External Relations team raises funds for bursaries that are invested and managed by the 150th Anniversary Bursary Trust using a professional advisor. Total funds within the Trust amount to approximately £4.8m. The Chairman of the Trust is independent; but two of the Trustees are also Directors of the School. The objectives of this Trust are to enhance education at the School through the provision of several bursaries for pupils from a broad range of backgrounds who could not otherwise afford the fees.

The School also has an ongoing relationship with the Cheadle Hulme School Development Trust (the Trustees of which include two Directors). This manages any funds raised by the School's External Relations Team for large long-term capital projects. The objectives of this Trust are to apply Trust income for the provision, improvement, construction, maintenance and development of the School property, buildings and infrastructure.

Fundraising

The Amazing Campaign was a new initiative introduced in January 2020 to raise funds for the School's Bursary Fund. After being postponed due to Covid 19, a first Giving Day was held for Old Waconians in October 2020, alongside a telephone campaign which resulted in over £30,000 of gifts over 5 years and an increase in new regular donors. Following this, a 10-day appeal to our parents was held in June 2021 and the same students took part in another telephone campaign to help spread awareness and raise funds. The appeal resulted in gifts totalling over £40,000.

CHS employs professional fundraisers to carry out activities for fundraising purposes. All fundraisers are bound by the regulations set out by the Fundraising Regulator, of which the School is a member. This means all fundraising activity is carried out in line with the advice and regulations provided by this scheme to ensure fundraising is carried out to a professional standard and adheres to best practice. Information about how the School uses personal data for fundraising purposes is explained within the External Relations Privacy Policy.

Old Waconians and the Cheadle Hulme School Parents' Association

Events for former pupils continued to take place virtually during the academic year, including the Annual General Meeting. Regular communications, sent to Old Waconians, including updates from the Head about how the school was adapting to new covid rules, were well received. Old Waconians provided online careers talks for current Sixth Form students.

Parents' Association

The focus for the PA has been transitioning from being focused solely on the Junior School to becoming a group for the whole school; with a strong representation from the Junior School, diversifying across the school remains a focus for next year. The PA meets regularly with members of the SLT and, last year, worked closely with members of the Sixth Form Council to collect food and gifts to support families from neighbouring partner primary schools.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The Board, assisted by the SLT, has examined and documented the major risks that the School faces. The School's Risk Register is compiled in accordance with the Charity Commission's "Charities & Risk Management" framework and is consistent with the Commission's Statement of Recommended Practice (SORP) 2015.

The School actively manages its key risks and has developed systems to monitor and control them to: Minimise likelihood of harm to individuals or their families, reduce operational impact, and, reduce financial or reputational impact to the School. A review commenced at the end of this period, looking to: Better articulate accumulated risk, ensure risk transfer and ownership is better understood across the School, and, ensure that measures to reduce a materialized risk from worsening are robust. The key accumulated risks are: Safeguarding, sport injury, travel, lone working, trips, estate management, fire, cyber and financial shock. Changes (or predicted changes) to NI Tax, the living wage, business rate relief, charitable status, commodity/utility costs, workforce, pensions and the environment are all within sight of the Board.

Directors review the key risks and mitigating action on a regular basis and this year, through the pandemic crisis, the School reviewed Covid 19 related risks on a daily basis, applying additional Covid 19 risk considerations to most other potential activities.

Site closures and the move to remote learning was dealt with following the School's critical incident procedures. The key risk areas were: Ensuring remote learning and co-curricular provision was effective, accessible and that pupils continued to engage; that the School provided additional academic/pastoral/wellbeing support to pupils and staff as required during the period of remote learning; that parents impacted financially by Covid 19 were supported appropriately; and, that the return to site plan kept abreast of rapidly evolving government guidelines and prepared adequately for pupil and staff safety.

Other areas of focus during the year included ensuring the School's digital network and systems were secure (cyber risk), that General Data Protection Regulation was adhered to, that the School kept abreast of and responded to Government thinking on education policy, charitable status, pensions and business rates, while ensuring that the School's finances were adequate to ensure long-term viability, recognizing the constraints on parental affordability.

The strategies for managing and mitigating these key risks included:

- Regular review of risks, opportunities and implementation of required action throughout periods of remote learning.
- Maintaining communication to pupils, parents and staff.
- Continuing to refine and develop risk assessment and critical incident processes in line with changing context and government guidance.

- Continuous horizon scanning to ensure Directors and SLT are aware of latest central and local government thinking and policy, and taking action accordingly.
- Being aware of local changes in the education sector, considering the impact on the School and taking appropriate action.
- Monitoring and reviewing the School's admissions process.
- Continuing to prepare and review the annual budget, financial projections and scenario plans.

A new Board-led Risk Committee will become effective in the next period, to focus on risks across the School and ensure coherence/standardisation of procedures.

The School's Strategic and Operational Plans

The School implemented a new 5 Year Plan in September 2019, and continued to make progress towards achieving the main goals of the plan:

- Embed and communicate the distinctive, holistic CHS education.
- Ensure that The Waconian Values are embedded in the practice of the School.
- Develop an inspiring and challenging curriculum which prepares CHS pupils for the future.
- Ensure outstanding teaching and learning, informed by an evidence-based approach.
- Ensure the suitability of the estate to meet the future needs of the School.
- Ensure the financial sustainability of CHS.
- Expand the bursary fund to support expansion of bursary places.
- Develop sustainable community partnerships.

From March 2020, when the School moved to remote learning during the Covid 19 pandemic, work on a number of target areas was paused as the School focussed on the short-term challenges of successfully navigating the crisis. Throughout the pandemic, the SLT met regularly to discuss 'lessons learned' and any potential opportunities arising from Covid 19.

A Strategy Group, consisting of Board and SLT members, met during the year to evaluate the information being learned to review and refine the Strategic Plan. This review of lessons learned has continued into the new academic year. An additional Board/SLT group met several times during the year to consider the School's approach to Diversity and Inclusion, producing a draft report at the end of the academic year, with a route towards a bespoke anti-racism policy to sit alongside broader inclusion.

The key areas of focus for the 2021-2022 year will be:

- **Academic**. Raising CHS standards to maximise pupil progress. Given the impact of the Covid 19 pandemic, academic departments will be tasked with ensuring they are raising standards in the areas they feel were impacted by the last 18 months. In addition, the new Lower School Curriculum will be assessed, with the support of a new Lower School Curriculum Co-ordinator. At the same time, work will begin on reforming the Upper School Curriculum ready for September 2023. A team of Heads of Department and Heads of Year will also review the current Reporting and Assessment systems, with reform to be introduced in September 2022. Further work on ensuring teaching and learning is outstanding, and informed by an evidenced based approach, will include: Further developing Professional Learning Communities for teaching staff; further developing a teachers' website, where information on expectations and best practice can be shared; application of the four pillars of effective assessment; and, ensuring that remote learning remains of a high quality. A key priority for the Junior School is to review the content and resources used for the English and Humanities curriculums, and to review provision made for pupils with specific learning needs.

- **Pastoral.** Ensuring that all pupils receive the highest, and consistent, levels of care, collaborating, as appropriate, with external agencies and partner Schools. The School will continue to offer additional support for those pupils who have found the pandemic particularly difficult. The focus this year will be on widening participation of pupils across all ages in the School's co-curricular programme. Work on embedding the Waconian Values across the School will also continue.

- **Admissions and Partnership** will work to maintain the quality and numbers of pupils at the School through: Expanding the Bursary fund to support the expansion of Bursary places; continuing to develop the School Centred Initial Teacher Training (SCITT) to include Modern Foreign Languages as well as Maths; and, extending the network of sustainable partnerships with local primary and secondary schools, Higher Education and community groups. The School will also continue to develop connections with and between Old Waconians.

- **Finance and Infrastructure**. Maintaining financial sustainability and resilience after accounting for key external challenges. The School will continue to develop dynamic, creative spaces which are fit for purpose and maintained to high standards as well as managing School business through innovative technical solutions while embracing new ways of delivering education.

- **Staff Development and Wellbeing.** To continue to attract and retain the best staff, CHS will provide an aspirational, supportive and forward-looking environment in which to work. After a pilot programme in 2020-21, the School will launch an in-house Preparing for Senior Leadership programme as well as working on ways to broaden the diversity of CHS staff.

Future Plans

The School's long term Strategic Plan is updated at the start of each academic year. Each year the SLT sets targets at whole School, departmental and individual levels and reviews progress over the course of the year through the School's online performance management system. Oversight by the Board is achieved through the Head's regular updates, through the work of the Committees and an annual report.

At the end of this period work began on developing a revised Board-led strategy for the period to 2030. The Board is also working with the SLT on improved visualisation, data analysis and milestone monitoring by the Board and its sub-committees, to hold the Head, COO and SLT to account for performance.

Employment policies

The School is an equal opportunity employer. It has clear and transparent recruitment procedures that adhere to employment law, best practice and DfE guidelines. The School considers all job applicants equally and against predetermined criteria required for the post. The School undertakes to make all reasonable adjustments to ensure that any applicant who fulfils the criteria, can be offered an interview.

The School also meets its obligations in relation to safeguarding; meeting safer recruitment standards and undertaking any checks necessary to ensure the suitability of any staff or volunteers working with pupils. Of note, the School passed a short-notice Independent Schools Inspectorate (ISI) material change visit at the end of this period. This reviewed school procedures and practices and was conducted on behalf of OFSTED and the DfE as a result of a request to grow school pupil numbers from a notional maximum of 1510 to 1570. At the start of the Autumn Term 2021, 1546 pupils were enrolled.

All teaching staff are appraised annually, and the School provides a range of internal and external training and development opportunities. The Professional Service Staff have a regular Personal Development Plan discussion with their line managers.

Wellbeing

Staff wellbeing is very important to the School. It provides staff coaching and mentoring for professional and personal development and operates an Employee Support Scheme; an external organisation is on hand 24/7 to provide a broad range of advice and support (personal and work related) on a confidential basis to all School staff. The School held a variety of staff wellbeing events and activities throughout the year.

Benefits

The School's employment contract also includes various 'benefits': Pension contribution; access to the School's fitness and pool facilities for staff and their families; on-site parking; lunches; access to a Private Health Care Plan; part-fee remission for staff with children in the senior School and, School contribution to pensions that meet or exceed industry standards. These benefits are regularly reviewed for impact, uptake and perceived value to the staff as part of the CHS employment offer.

Employees with disabilities

The School undertakes to make all reasonable adjustments to ensure that any candidate applying for a role at the School and who is deemed appointable, would be able to carry out their duties effectively.

Any members of staff with a disability will not be disadvantaged in their opportunities for training and development. Where appropriate, specialist training or resources are made available to allow them to develop their skills and career opportunities.

All reasonable steps will be taken to accommodate the needs of any employee who becomes disabled during their employment. This can include making adjustments to their existing employment, or through appropriate retraining and redeployment, enabling them to remain in employment with the School whenever possible.

All employees are expected to treat disabled colleagues, pupils and visitors with the same dignity and respect as their non-disabled counterparts. Any form of harassment of a person with a disability on account of their impairment is unacceptable behaviour and is potentially unlawful under the terms of the Equality Act 2010 and the Protection from Harassment Act 1997.

The School has a rolling programme of improvements within an Estates Masterplan designed to offer better access and facilities for disabled staff, pupils and visitors. This includes alterations to improve physical access and facilities for disabled pupils, staff and visitors, as well as providing gender-neutral and inclusive toilets/washrooms and facility for the observance of normal religious practices for staff and pupils.

Employee Involvement

The School operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. The School actively consults with its employees or their representatives with the aim of taking the views of employees into account where decisions are made that are likely to affect their interests e.g., working practices, pensions, other benefits and curricular. The School involves employees in discussions regarding the development of the Strategic Plan and informs them on progress at least annually at INSET meetings. Employees are encouraged to present their suggestions and views on all elements of the School.

Communication

The School communicates with employees in a variety of forms e.g., INSET days, weekly staff briefings, all staff emails, half-termly line managers' meetings, all-Staff meetings, team meetings and Away Days. A comprehensive online Staff Site acts as the primary source of information for all staff and is updated daily. Regular meetings are held between management and employees to enable the free flow of information and ideas. The teaching staff have their own Common Room Committee and they hold a termly meeting that submit feedback to the Head, for his response. A Staff Voice group, containing representatives from across the workforce, also meets termly to discuss welfare issues and gather feedback on school plans.

Throughout the Covid 19 pandemic, the School used Google Meet to hold meetings and on a one-to-one basis to check on staff wellbeing. SLT undertook a staff survey and implemented several additional measures to ensure staff continued to feel involved, listened to, had appropriate equipment and understood what was expected of them on return to site or when they were self-isolating. A blend of virtual and small staff meetings continued to be the norm.

PUBLIC BENEFIT

The Directors have carefully considered the Charity Commission's guidance on public benefit, and in particular the supplementary public benefit guidance on advancing education and on fee-charging. The Directors are confident the School is meeting its public benefit requirement.

The School's commitment to fulfilling its public benefit obligations is reflected within the School's ethos, its aims and objectives in the Strategic Plan. Examples of the School's commitment are its Financial Assistance Scheme, to widen access, its expanding partnership and community activities, its leadership of SCITT training, its charity and fundraising activities and its environmental impact:

Financial Assistance

The School has provided financial assistance through bursaries for many years. The School's main Financial Assistance Scheme is derived from current fee income and is supplemented by income from the 150th Anniversary Bursary Trust Fund and other generous donors, including the Zochonis Charitable Trust.

Financial assistance is awarded to pupils on application and following an assessment of parental means with awards ranging from 5% to 100% remission of fees. Financial assistance is also provided to help with the costs of educational School trips, transport, uniform and equipment, where a substantial award has already been made.

This year the value of all bursaries, scholarships, other awards and the Covid 19 fees rebate totalled £1.786m (2019-20: £2.039m) and represented 10.4% of gross fees (2019-20: 11.8%). This decrease reflects the lower Covid rebate given in 2020-21 £100 per pupil (2019-20 - £300 per pupil.) Within this total, the value of means-tested bursaries totalled £1.069m (2019-20: £1.027m) and represented 6.2% of gross fees (2019-20: 5.9%). This provided assistance to 99 pupils (2019-20: 97) of which 37 (2019-20: 37) benefitted from a full remission of fees.

In addition, the School's Foundation Scheme provides financial support to existing pupils who experience the death of a parent and whose families find themselves in extreme financial difficulty. This year the School has 2 Foundation pupils.

Further, and throughout the pandemic the School offered deferred payment terms and payment holidays to families who had been severely affected by the crisis and who were struggling to continue to pay fees. Assistance was given to 6 pupils (2019-20: 3) under the CHS Hardship Scheme which provides short-term support to families who are not eligible for financial assistance from the School's Bursary Fund. The School has historically had limited funds available for this, but several parents and donors generously donated to help support families who continued to suffer severe and prolonged financial difficulties due to Covid 19. These measures have led to no pupils needing to leave the school because of Covid-related financial hardship.

Partnerships and the Community

The School both maintained and continued to build its strong links with local state schools, businesses and community groups to ensure members of the local community benefited from, participated in, and contributed to, wider School life. This commitment is a key part of the School's strategy and has given staff and pupils the chance to gain new experiences, see different perspectives and enrich their teaching and learning.

Many of the School's staff share their educational expertise by sitting on the Boards of Governors for local secondary and primary schools as well as other local charitable organisations.

The School works with several local state primary schools offering curricular and co-curricular support in Modern Languages, Science, Music and Sport. Sixth Form pupils on the Modern Languages pathway visit North Cheshire Jewish Primary School, when able, and deliver language sessions. During 2020-21, CHS continued to develop their partnership with Cheadle Heath Primary School, Cale Green Primary School, Adswood Primary School and Lumhead Primary School and formed the Stockport State-Independent School Partnership. Despite the pandemic restrictions, partnership activities between these schools continued during the last academic year including the organisation of collections to support those most affected by Covid 19.

The Science Outreach Programme funded by The Oglesby Charitable Trust since 2007 was reactivated at the end of the academic year as Covid 19 restrictions allowed the recommencement of some outreach activity with our partner schools; unused allocation will be rolled forward into academic year 2021/22.

Exciting work during the pandemic involved the development of an innovative programme - the World of Languages (WoLLoW) programme, which was developed in collaboration with Norwich School and the former Headteacher of King Edward School, Birmingham. The programme is gaining significant traction among HMC schools and was delivered across our partner schools and in our own Junior School.

In addition to this, a group of schools began to collaborate remotely during the pandemic led by CHS and Schools Crossing Borders, developing an international dimension to our partnership work.(https://schoolscrossingborders.com/).

When Covid 19 restrictions were relaxed, the School resumed letting of the swimming pool, gym and outdoor artificial pitches to a variety of local clubs and organisations. The lettings of facilities, when they were not required by the School, also provided income to CHS Enterprises.

Wherever possible, pupils and staff have continued to participate in a variety of service and outreach activities – such as working with local primary and secondary schools and fundraising for charitable organisations. Although Covid 19 restrictions hampered a great deal of activity, the planning is in place to recover to 'norms' in the coming year.

School-Centred Initial Teacher Training (SCITT)

The School has become a regional hub for the National Maths and Physics (NMAPS) SCITT, recruiting 4 trainee Maths teachers in its first year. In addition, the hub also involves CHS working in partnership with Kingsway School, which provided a year-long placement for a further 2 of their Maths trainees. CHS also hosted a one-year long placement Modern Language trainee for the Bolton School Hub of the National Modern Languages SCITT. The SCITT will continue to be developed in 2021-2022.

Charity

From its foundation, the School has had philanthropy at its core. Today, pupils and staff remain committed to making a difference and each year they undertake a range of events to raise vital funds for charities, both in the vicinity of Cheadle Hulme and further afield.

As well as supporting nominated School and House charities, pupils are encouraged to create their own events to raise funds for causes that mean something to them personally. Senior School pupils continued to support the East Cheshire Hospice, Beechwood, and 42nd Street and Make a Wish Foundations.

The Parents' Association, working with the Sixth Form Council, organised a whole school collection to support local foodbanks, including those at 3 of our partner primary schools, at Christmas 2020 and Easter 2021.

Some of the other charitable initiatives which took place last year were the 50th Annual Charity Hike to raise funds for the School in The Gambia, a Year 7 collection for Cash4Kids and a Rucksack Challenge for The Wellspring.

The Junior School fundraised for the Woodlands Trust and Shelter. During a remote Charity Day, they developed community links with pupils supporting a local Barnardo's Covid 19 appeal, while World Book Day saw impressive collaboration from staff and children working across year groups to enjoy books and embrace reading for pleasure.

ACHIEVEMENTS AND PERFORMANCE

Pupil and Staff Numbers

The School has had a successful year with pupil numbers (pre-School to Year 13, 3-18 year-olds) at 1474 (2019-20: 1491). During the second Lockdown, CHS recorded attendance at over 90% for remote form-time/assemblies and lessons.

There were 308 members of staff (2019-20 - restated: 306) including 159 teaching staff (2019-20: 157) and 149 administrative staff (2019-20: 150).

Academic Results

As in 2020, no public examinations took place in summer 2021. CHS pupils, like those across the country, were awarded results which were derived from assessments undertaken by the School, including a set of formal assessments in May. The high standards our pupils performed at in their studies was reflected in the final results.

At GCSE, 79.5% of grades were awarded at 7-9, and at A-level, Pre-U and BTEC, 92.7% of grades were awarded at A*-B or equivalent. These results enabled our pupils to progress to their destination of choice, with 91 pupils going onto their first-choice university. Our wide-ranging curriculum at Sixth Form has also equipped pupils with the skills to succeed in a range of environments, with students also being successful in progressing both to degree apprenticeships and directly into the workplace.

A-level, Pre-U & BTEC	%	Cumulative %
A*	41.7	41.7
A	32.3	74.6
B	18	92.7
C	4.5	97.2
D	2.5	99.7
E	0.3	100
U	0	100

GCSE	%	Cumulative %
9	35	35
8	25.8	60.8
7	18.7	79.5
6	12.4	91.9
5	4.6	96.5
4	2.5	99
3	0.8	99.9
2	0.1	100
1	0	100

Senior School

The whole-school academic focus in 2020-21 was to 'maximise the effectiveness of remote learning provision for all pupils and embed the lessons learned into teaching and learning'.

Across the academic year, the School continued to develop remote learning provision. Hybrid learning became embedded, with classes often featuring some pupils attending in-person, and some attending via Google Meet. Procedures and best practice continued to develop through the year, including remote assessments for some pupils in October and February. Teachers developed new and effective approaches to setting work, designing schemes of work and assessing pupils.

Professional Learning Communities (PLCs) for teachers, and use of a school-designed Teaching and Learning website dedicated to sharing best practice, supported various aspects of remote learning, such as using video instruction, developing collaboration in the remote classroom or Google Educator qualifications. This was complemented with sites for pupils designed to help with study habits and metacognition, as well as to stretch and challenge pupils.

The CHS Thinking Skills Curriculum continued to be developed, with all pupils in Years 7 and 8 undertaking independent research projects. In addition, a successful Higher Project Qualification (HPQ) pilot in the Upper School and continued success of the Extended Project Qualification (EPQ) in the Sixth Form reflect the efforts to focus on the independent learning skills of CHS pupils. The Sixth Form curriculum evolved further, with the first pupils achieving the Arts Award. The options beyond the three subjects in Sixth Form are now wide-ranging, including the EPQ, Core Maths, the Arts Award and a range of activities in our Pathways programme covering the arts, elite sport, enterprise and finance, medical sciences, modern languages and STEM.

A team of teachers completed the reform of the Lower School Curriculum, to be introduced in September 2021. The curriculum focuses explicitly on the competencies developed by each academic subject, as well as allowing pupils to explore a range of interdisciplinary themes with contemporary relevance in 'The Big Questions'. An additional team of staff also worked to design a new Lower School Diploma, to be introduced in September 2021, to capture pupil achievement across the School in our academic, altruistic and active pillars.

Junior School

For extended periods of this academic year the Junior School provided in-school, remote and hybrid learning opportunities for children affected by Covid 19. Pre-School remained open throughout the year, even as the School moved online for the Spring Term following a national lockdown. CHS remained open to support Critical Workers and Vulnerable children in Reception to Year 6.

The School identified ways to improve the delivery of all three methods of learning, based upon previous experiences and collaboratively created a procedural document, which set clear and realistic expectations of staff for children in Pre-School to Year 6. This was followed, throughout the year, with good practice shared in regular 'Remote Learning' staff meetings, with relevant resources purchased to support children and parents. The use of Google Meet with pupils, at least daily, allowed staff to provide continued pastoral support to all children at home, through dedicated form times or more targeted support for those that required it.

The standard of teaching and learning remained impressive, and parents made clear, through written and verbal feedback, that they were extremely pleased by the structure and blend of the learning offer. An online reading platform was purchased to ensure that children had regular access to online reading materials, while a verbal-feedback 'chrome extension' proved extremely popular with teachers, parents and children at a difficult time.

With all children back on-site for the summer term, the end-of-year assessments demonstrated reasonable progress in mathematics throughout the school with children broadly meeting national age-related expectations. Although there was also progress in Reading and Writing, attainment was down on previous years, in-line with local and national data. A curriculum review will result in increased time being given to support Reading within the timetable for academic year 21/22, alongside a commitment to improve the quality and breadth of teaching within Humanities, where a Subject Leader was appointed, and an improvement plan created.

An increase in sports fixtures in the Summer Term meant that every child in KS2 represented CHS competitively, while a celebratory, final fortnight saw every child in the school enjoy an educational visit off-site and an on-site fun activities fayre for their efforts throughout a challenging year.

Co-curricular activities

Both the Senior and Junior Schools offer wide ranging co-curricular activities which remain a strength of the CHS experience. The majority of pupils from the Junior School through to the Sixth Form engage in a diverse range of clubs, competitions and quizzes: A wide variety of sports, music, drama, clubs, Model United Nations (MUN), trips, visits, experiences, talks, visitors and career opportunities all create a rich tapestry of choice and opportunity for learners to develop skills and character beyond the formal academic classroom.

CHS pupils perform to a high standard in the Arts. In **Music**, Junior School pupils are entered for external examinations offered by LAMDA and in Music.

CHS pupils achieve very high musical standards as individuals and in ensembles. Individually, pupils can be examined on their instrument through the ABRSM or Trinity and Guildhall exam boards. Visiting Music Teachers offer lessons on all instruments and voice, including lessons as a DJ and in Rock music. Co-curricular ensembles and choirs continued to rehearse during the pandemic by ensuring Covid 19 safety procedures were followed, allowing for a full and rich provision. Ensembles include Concert Band, Big Band, Orchestra, numerous choirs and a range of smaller instrumental ensembles and choral groups. Several pupils were selected for national orchestras and choirs.

In co-curricular **Drama** both small and large-scale productions continue to be prepared, with drama clubs available for younger pupils. Several pupils have been accepted onto highly prestigious and extremely competitive courses.

Art is a real strength of the school with a huge range of diverse materials and media employed. The School has an Art2Buy scheme, an initiative that allows Old Waconians to donate a digital image of their artwork. Funds raised from the sale of these are used to pay for artist workshops so that current pupils might benefit from the legacy of their peers. Although Covid 19 halted the sale of these items, the initiative is still in place to relaunch once it is safe to do so. The School continued to be the only school involved in the Manchester Art Fair and is expecting to exhibit and enable pupils to sell their art as the new term begins.

The full range of the **Duke of Edinburgh Awards** has continued to be an extremely popular and successful activity with approximately 200 CHS pupils participating across the three levels. Expeditions in the Autumn, Spring and Summer terms took place as scheduled, despite some Covid postponements and re-shuffling.

Pupils from all year groups in the Senior School and some from Year 6 have been involved in the **Model United Nations**. Each year, a core group of Sixth Formers form the Organising Committee for the School's conference, Model United Nations Cheadle Hulme, or MUNCH, which is one of the biggest and most prestigious MUN conferences in the country. The MUN programme also includes approximately ten conferences per year held at schools in various parts of the country, as well as MUN events in school for Years 7-9, organised by the older students and known as MiniMUNCH. Despite the impact of Covid 19, which meant continuing curtailment of inter-school face-to-face conferences, MUN has continued to offer opportunities for pupils from different schools to meet remotely. The maintenance of activity in this area will see a seamless return to physical events at the start of the coming academic period.

MUN continued to raise money for Small Steps, a charity which supports nursery age children in Uganda with special needs, founded by Cat Dunlop, a former pupil of CHS. Over £20,000 has been raised to date.

Academic competitions are also popular at CHS. This year approximately 440 students took part in the national Maths Challenge. In Modern Languages students in the Lower School competed in the Mother Tongue, Other Tongue competition for poetry. In the Upper School and Sixth Form, many students enter the UK Linguistics Olympiad, the Stephen Spender Prize and the ISMLA Creative Writing Competition. Each year CHS hosts the Modern Languages Debating Competition for Sixth Form linguists. Pupils also had the opportunity to be part of the editorial teams for the **school magazine**, "The Waconian", the biannual Modern Languages magazine, "The Cultured Linguist", "Expressions", the Humanities magazine and "Sciclopedia", the Science magazine.

PASTORAL CARE

The School places considerable emphasis on its pastoral provision and endeavours to provide a safe and welcoming environment, free from any form of discrimination, where everyone is valued and treated with mutual respect and equal worth. Pastoral care is designed to support the progress and development of each pupil and to build resilience in pupils to deal positively with the challenges they face.

Work has continued this year to embed the systems used to track and assess pupil physical and mental health and wellbeing, with the introduction of Student Mentoring Plans. The School has put in place a range of interventions tailored to meet individual pupils' needs.

The Deputy Head (Pupil Welfare) is the Designated Safeguarding Lead. All staff, governors and those working directly with pupils are trained to the appropriate level in safeguarding and child protection issues to ensure that all children receive effective support and protection. Staff also undertake areas for specific training. All staff and governors undertook Prevent Training to raise awareness around early intervention around radicalisation. Staff also receive regular update training regarding the School's policies, which are based on DfE guidance.

Through Covid 19, CHS continued to provide group and one-to-one support for any pupils who were struggling with a sense of disengagement or anxiety. Year 11 were provided with a Digital Innovations Challenge and their Induction to Year 12 included courses in team building, all of which was live and interactive. For Year 13, the Beyond CHS programme provided academic challenge, careers and further education advice as well as one-to-one sessions for pupils whose plans changed.

First Aid and Counselling Service

The School Nurse offered an increased drop-in service and support for pupils with health conditions such as eating disorders and mental health in this period. First Aid also supported growing numbers of pupils in managing their medical conditions and encouraging confidence to live normal lives on their own terms. The School Counsellor supported pupils by producing additional resources to combat anxiety and increase resilience.

First Aid staff contributed to the educational programme informing all pupils about the importance of diet/hydration and managing allergies, as well as supporting the community immunisation nurses with standard age-related vaccine programmes. The First Aid Team, with the support of volunteers, also set up Covid 19 Test Centres.

Peer Mentoring

All Lower School pupils have a 6th Form Peer Mentor who supports them once a week during afternoon Form time. They support the work of the pastoral team by discussing topical issues and looking at the Waconian values. The mentor programme was delivered remotely for the Spring Term but subsequently recovered to face-to-face events.

The Peer Mentor Coordinator (PMC) has also developed an individual peer mentoring scheme, to support pupils who are struggling with friendship issues and low-level mental health concerns. The PMC has qualified as a Well Being Champion (through Worth-it) and is now able to deliver this training to Lead Peer Mentors; it is the Lead Peer Mentors who carry out 1-2-1 mentoring. In addition, all the Year 12 pupils took part in a 'Worth-it' course in order to become 'well-being ambassadors', focussing on mental health and support strategies to help young people.

Communication between mentor and mentee is facilitated and monitored through Google Classroom. We had six Year 8 pupils engaging with 1-2-1 mentoring, three of whom have chosen to carry on with their mentor from Year 7. Tutors are also engaging in 1-2-1 catch ups with pupils on a termly basis.

Lower School

The Lower School pastoral provision was mapped across Year 7 and Year 8 to complement The Waconian Programme, to incorporate Spiritual, Moral, Social & Cultural (SMSC) strands and embed Waconian Values. Each half-term was themed on a key value. For example, Autumn 2020's theme was Compassion with different weekly foci including: Stress awareness, remembrance, anti-bullying and cultural diversity, all of which correlated with key national events. Assemblies were linked to key themes and tutors support pupils in the planning and preparation of these assemblies, with guidance provided from the Head of Year, and support from 6th Form societies and mentors where appropriate.

Upper School

The pastoral programme in the Upper School complemented the Waconian programme and helped embed the Waconian Values. Key national and international events e.g. Anti-Bullying Week (November); Remembrance Day (November); Holocaust Memorial Day (January) were also incorporated into the programme. Where appropriate, topics relevant to a particular year group were also addressed e.g., revision skills (prior to trial or end of year exams) or stress management (Year 11). Resources were provided to allow assembly themes to be followed up in individual forms, enabling students to engage more fully with a given topic, encouraging discussion and debate. External speakers were brought in to discuss topics in greater depth e.g., Youth Produced Sexual Imagery and Online Safety. Termly 'learning walks' ensured consistency of pastoral care across the Upper School, identifying and sharing better practice. A positive experience, enabling feedback to all Form Tutors to provide clarity of expectation in their role. Furthermore, these sessions identified opportunities for development, particularly around how to challenge students effectively and constructively on the rare occasions they may display or express inappropriate views. This supported the School's focus on issues of diversity and equality which included an external survey completed by members of the School community.

Sixth Form

A select group of Year 12 pupils who are Peer Mentoring leads were trained as Wellbeing Ambassadors in order to better support the Peer Mentoring programme. They in turn delivered this training to their peers which will enable the Year 12s to keep supporting the programme in 2021-22 as Year 7 move into Year 8. Training was also delivered by Year 12s to Year 11s in the summer term in advance of them coming into Sixth Form and taking on the role of Peer Mentors.

Year 13 had a cycle of lectures which exposed them to a range of speakers covering topics such as careers, mental health, global affairs and pastoral wellbeing. Delivered remotely for much of the year, a full programme was offered nonetheless. Year 12 had a weekly focus on a range of topics as well as on careers in the Spring/Summer Terms:

- Mental health and personal wellbeing - a big focus during remote learning.
- Public Sexual Harassment, in response to the Sarah Everard murder, led to Year 12 putting together an awareness project 'In Her Shoes' (outlined below).
- Random Acts of Kindness.

From September 2021, the Sixth Form pastoral structure will be ordered into three Halls: Chadderton Hall, Shaw Hall and Park Place Hall, each with a Head of Hall as the pastoral lead to enhance levels of care, support and challenge.

The Waconian Programme

The Waconian Programme is bespoke to Cheadle Hulme School and was introduced to pupils in Years 7 to 11 in September 2019. It covers material addressed in PSHE/PHE lessons in other schools; the programme's five main topic areas are: health (physical and mental), study skills, citizenship, relationships and future self. Issues covered are always related back to the Waconian Values (Resilience, Endeavour, Compassion, Integrity and Contribution) and how they can help with positive decision-making in life. Junior School pupils have a similar programme called Learning for Life.

The Waconian Programme lessons were adjusted to make them accessible remotely as well as relevant to the situation that our pupils found themselves dealing with. In addition, there was an increased programme of external speakers both in lessons and form time. Some of these events were also extended to parents in both the Senior and Junior schools during this year:

- 'Kooth' did presentations to all pupils from Years 8 - 12 to inform them about the online counselling they offered and their self-help forum.
- The Prime Agency spoke to the Year 8 pupils about cyberbullying and the effects of social media
- DC Claire Leonard, who is the Cyber Choices (Prevent) Officer for Greater Manchester Police and has 25 years' experience in policing, spoke to the Year 9 and CHS parents about Cyber Crime and Online Safety. Parents were invited to attend an evening meeting.
- Sharon Girling OBE, who initiated the prospect of policing child abuse on the internet in the United Kingdom and developed the concept for the national unit, the Child Exploitation and Online Protection Centre (CEOP), spoke about Online Safety to Lower School. She also did a live stream session to parents in both Senior and Junior schools. Parents were invited to attend an evening meeting with Sharon resulting in excellent attendance.
- Chris Hemmings, journalist and author of 'Be A Man - How macho culture damages us and how to escape it' spoke to our Year 10, 11 and 13 about how certain aspects of masculine expectations can be damaging to society.

- Rt Hon Lord Bradley PC held a Digital Surgery with Year 10 Citizenship students in the Waconian Programme lesson and topics that are of interest to them both locally and nationally were discussed.
- The RAP Project spoke to Year 8 about Body Image in their talk Altered, Airbrushed and Unrealistic and to Year 11 about Social Skills for Life.
- There have also been numerous speakers to help pupils with career choices.
- Through The Waconian Programme, pupils were encouraged to contribute to the largest ever survey of the views of young people in England, in The Big Ask.

The Waconian Diploma

The planning for the Waconian Diploma began in September 2020. A small team of Senior School teachers met on a weekly basis to work through the process. All stakeholders - staff, parents and pupils - were consulted to ensure that it would be a positive addition to the School offer. There were also a number of meetings with schools around the country who have a similar award.

The aim of the Waconian Diploma is to recognise, incentivise and reward our Lower School pupils in all the activities that they undertake, both in School and at home. Each pupil will log their various activities and link them to the three pillars of the School (Academic, Active & Altruistic), alongside highlighting which Waconian Value they feel they have exhibited in the activity, with self-reflection around this value. The Diploma will be completed by the end of Year 8. It will be rolled out to each Year 7 group as they join the School.

Leadership and Anti-bullying

15 students from Year 5-11 all took part in the Diana Award Anti-bullying training in April. We now have a range of pupils across both the Junior and Senior School who are all Anti-Bullying Ambassadors. This means they have been trained to be 'upstanders' in the community; identifying bullying behaviour and knowing how to challenge it. Pupils who attended were invited to a follow-up meeting to discuss next steps in the programme; they took the lead in planning and preparing a whole-School programme for anti-bullying week in November 2021.

Reaction to concerns (beyond CHS) regarding misogyny, consent, sexism and abuse

In response to wider external movements, the School:

- Reviewed its provision for education of young people regarding preventative educational programme.
- Helped reinforce a sense of personal conscience in terms of behaviour.
- Ensured that it could identify and support any pupils who might require it.
- Reinforced the pathways to report concerns and reassurance that pupils will be heard.
- Investigated and acted upon any report of gender-based abuse.

In addition, a specific project, 'In her Shoes', was undertaken by a group of twelve Year 12 students, in response to the public debate about Public Sexual Harassment (PSH).

To raise awareness, they delivered an assembly to their peers and asked students to share experiences of their own (with specific safeguarding controls) which was turned into a display in the Sixth Form Centre. The display includes statistics on PSH and advice as to where individuals can access help and support, resulting in a positive response with students of all genders and improved understanding regarding the concepts of consent and challenge.

CHS Pastoral Conference 2021: Compassion

A Pastoral Conference was held in May 2021, attended remotely by members of the School community and those from other schools. The speakers were renowned authorities and provided insight and guidance on key topics around compassion and helped colleagues and parents navigate the changing landscape of society, technology and well-being. The conference also celebrated the work of, and sought to motivate, pastoral leaders and provide some space for them to reflect on their work and achievements during some of the most challenging months of their career.

Environmental Sustainability

The School's environmental sustainability plan aims to raise awareness of environmental responsibilities and the impact on the world. It focuses on reducing the amount of waste produced in School, sourcing equipment and supplies from environmentally responsible sources and maximising the value of our waste materials with a Landfill Diversion via a Materials Recycling Facility.

Through its actions and ambitions, the School hopes to influence the behaviour and expectations of pupils as future global citizens and leaders and help them make a positive impact on society. This is a programme that will grow in coming years.

Despite the disrupted year, the Junior School were awarded an Eco-School Green Flag for actively engaging with environmental issues and improving the local environment. To celebrate, a dedicated eco-garden was created at the foot of the Green Flag by the Junior School.

This year the School continued with the following energy efficient programmes:

- Completion of the Broomefield House refurbishment with double glazed windows and LED lighting.
- Preservation of heritage assets through roof repair and internal upgrade with LED lighting.
- Boiler upgrades and replacements.
- Continuation of the phased roll-out of replacing inefficient lighting with LED.
- Banning the use of plastic straws and stirrers and replacing single-use plastic bags and polystyrene foam items with compostable cups, lids and food containers.
- Continuing to support the CHS Parents Association with clothing collections and second-hand uniform sales.
- Promoting to pupils the use of a reusable water bottle in school and filling this up at water dispensers throughout the school estate.

The School's energy data is as follows:

	2020-21	**2019-20 (restated)**
UK Energy use (kWh)	4,501,307	4,054,975
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	853,715	794,146
Intensity ratio Emissions per pupil	579	533

UK energy use covers gas, electricity and diesel use across all School buildings and vehicles. It also includes the cost of reimbursing staff for travel. Associated greenhouse gases have been calculated using the conversion factors from the Department for Business, Energy, and Industrial Standard. The increased energy use in 2020-21 reflects the site closure period due to the Covid 19 pandemic in 2019-20. Strict ventilation requirements also increased gas use for heating.

FINANCIAL

Statement of Financial Activities

The School aims to make a minimum annual surplus on its unrestricted funds, before depreciation, of between 8-10% of income. This is in line with the sector benchmark and means the School can generate sufficient cash reserves to ensure it has an appropriate level of working capital to meet its commitment to operate the School for the entire educational life of its pupils as well as fund critical investment in pupil facilities. This year, despite the continuing impact of the pandemic, the School was still able to achieve this target with a surplus on its unrestricted funds, before depreciation and transfers of £1.96m (2019-20: £2.0m). This represents 11.4% of income (2019-20: 11.6%). After accounting for depreciation, the Retained Surplus for the Year on unrestricted funds amounted to £1.2m (2019-20: £1.1m).

The key reason the School met its minimum Income and Expenditure target was its success in recruiting and retaining higher pupil numbers than planned.

Total unrestricted expenditure (including depreciation) stayed flat with increased cleaning and other Covid 19 specific costs, offset by careful budget management in other areas.

Fees continue to be the main source of funding, representing 93% of total unrestricted income. School catering accounts for approximately 5% and income from lettings to community groups and other third parties i.e., CHSE and donations, is less than 1%.

Balance Sheet

The School's Net Assets have increased by £1.1m, which represents the surplus for the year across restricted and unrestricted funds.

This year, Tangible Assets have decreased to £19.2m net of depreciation (2019-20: £19.8m). The School had not planned to undertake any large-scale capital projects this year and considering Covid 19 it limited maintenance spend to the absolute minimum.

Net current assets have increased to £1.2m. Cash at Bank and in hand has increased to £4.2m (2019-20: £3.0m). Funds will be used in future years to ensure individual pupil facilities are maintained even though pupil numbers continue to rise and investment will continue in priority projects within the School's Estates Masterplan.

Creditors: Amounts falling due within one year have stayed flat at £3.3m (2019-20: £3.3m).

Creditors: Amounts falling due after more than one year has decreased by £342k which primarily reflects the bank loan repayments made during the year.

The School has bank loans totalling £2.4m.

The School's pension liabilities are summarised in note 22 in the accounts.

Cash Flow Statement

The Net Cash Inflow from Operating Activities for the year was £1.1m (2019-20: £1.2m). There were no key areas of spend within 'Purchase of tangible fixed assets' and this year there was a positive movement in cash and cash equivalents.

Policy

Total reserves amounted to £17.4m at 31 August 2021 (2019-20: £16.3m), of which £96k (2019-20: £145k) is restricted.

The School has free reserves of £0.4m which is calculated by taking unrestricted reserves of £17.3m deducting Tangible Fixed Assets of £19.2m and adding back Loans of £2.4m.

The School continued to invest its reserves back into maintaining its estate and in building up reserves to fund pre-planned major building, infrastructure and IT projects that are essential for providing an excellent pupil experience and working environment for staff.

The School ensures it has sufficient cash balances to cover its day-to-day operations. Critical additional funds are raised through the activities of the External Relations Development Office. Bank borrowings are carefully monitored.

The Directors monitor and review the level of reserves required in line with the School's strategic development plan on a regular basis. The Directors aim to achieve an equitable balance between ensuring that current pupils benefit whilst, at the same time ensuring a sound infrastructure and financial base are preserved for the next generation of pupils, just as current pupils benefit today from the investment made in the past.

Historically, the Directors have aimed to maintain free reserves at around zero. In the next 5 years, the School development plans include capital works to enclose a large area to improve dining and social space and, later, improvements to and expansion of 'A Block', to enhance music, science and religious studies facilities. Once these developments are complete, the School will revisit its free reserves policy with a view to increasing free reserves in the following 5 years.

Investment policy and objectives

The School does not hold any long-term investments. Surplus cash is held in instant access bank accounts with the best interest rate available. Directors periodically review the banks used by the School. However, there are no restrictions on the School's power to invest and this is being considered for up to 1 year to maximise interest on cash holdings prior to their use for major infrastructure projects.

Financial Factors

To ensure financial stability, the School has continued to work with parents whose income levels have been severely impacted by the pandemic whilst ensuring the School continues to have the resources necessary to provide the high standard of education facility and staff that parents and pupils expect now and in future years.

The School gave a rebate of £100 per pupil to reflect cost savings made during the site closure in the early part of 2021. The government Coronavirus Job Retention Scheme (furlough) was accessed for eligible staff, and where possible, buildings were mothballed for the period albeit more staff accessed the site for providing remote lessons and more pupils were eligible to access the school site as children of Critical Workers.

The Hardship Fund made awards to 6 pupils in 2020/21, based on a fair, equitable and transparent means tested process, and this has enabled these children to remain at CHS. The School will continue to review requests to this fund.

The School continues to prepare and update 4-year financial projections incorporating scenario and sensitivity analysis.

Directors' Responsibilities

The School is confident that the Directors have complied with their duties in section 172 (1) of the Companies Act. All key decisions are taken collectively by the Board. Board papers comprise comprehensive information detailing the risks and opportunities facing the School and decisions are taken about promoting the long-term sustainability of the School for its pupils, parents, staff, suppliers and local community. An impact assessment is considered for all decisions taken to ensure they are justifiable, appropriate and will benefit the School and the environment it operates in.

Section 172 (1) Statement

The Board of Directors have a duty to act in the best interests of the School and also in the best interests of its pupils, staff, parents and other stakeholders, as recognised beneficiaries under charity law. The Directors fulfil this duty by considering the long-term factors affecting the School and their impact on its pupils, staff, parents, partners, suppliers and local community. The School's commitment to providing an excellent education for its pupils is the key driver within its Strategic plan and in its target of continued financial sustainability. The School ensures that engagement with pupils, staff, parents, partners and other stakeholders informs the Board of Directors' decision making. Engagement takes place in a range of ways:

Pupils

Pupil representatives have continued to meet regularly as part of the Pupil Voice School Council to discuss key areas for review and improvement. Pupils have been encouraged to feedback on a range of issues on an informal basis to their form tutors whilst more formal pupil surveys have been conducted each term on a year group basis. The pupil surveys covered all aspects of School life and helped identify issues which have arisen or were likely to affect the pupils' experience of School.

During the period when the School site was closed, pupils were surveyed more frequently to understand their experience of remote learning and provide feedback on how it could be developed; this assisted the School in identifying pupils who may have required additional academic or pastoral support. These surveys also informed longer-term planning, helping the School understand which elements of remote learning were likely to be effective in the future and aiding teacher skill-development using technology to deliver the curriculum. Following the emergence of the Black Lives Matter movement, the School consulted both with members of the current and former pupil communities to better understand their experience of race, diversity and inclusion at CHS; this will inform the School's strategic approach to inclusion and diversity, now and in the future. An external survey was commissioned from 'Flair Impact' to review staff and pupil attitudes towards race; the results will shape an impending, specific, Anti-Racism policy.

Parents

The School conducted parent surveys each term on a year group basis. It also encouraged feedback from parents at parent information evenings and by encouraging direct contact with teaching staff and members of the Senior Leadership Team. The School also held a number of parent forums and surveyed all parents to discuss the move to remote learning, during Covid 19, and their expectations. Parents were given the opportunity to feedback on the School's return to school plans.

Staff

During the pandemic the School carried out staff surveys which enabled it to gain feedback on their wellbeing and enabled the School to identify staff who needed additional support. The Employee Involvement section earlier in this report gives more details on how the School generally engages its staff. A comprehensive Staff Welfare survey was undertaken, and the findings discussed with the Staff Voice group prior to recommendations for improvements being considered by SLT and Governors into the 2021 Autumn & Spring terms.

Partners

The School continued to work collaboratively with its partner schools to develop an appropriate partnership programme. Joint critical evaluation is used to refine and improve delivery.

Communities

The School's Enterprises Manager (the dedicated CHSE resource) actively and directly engaged with the community groups who use the School's facilities in the evenings, weekends and holiday periods to ensure suitable risk assessments and training were in place and that the services provided by the School met their needs.

Suppliers

The School relied on its key suppliers and contractors for delivery of goods and services. Appropriate measures were taken to ensure value and price was fairly assessed and that the contracts awarded met the needs of the School. Contracts are evaluated, with termly performance meetings held at SLT-level; alternative tender competitions are conducted as fixed-terms arise. Annual signature and agreement is recorded as well as pay/invoice schedules. The main contracts are for catering (Sodexo), cleaning (PremiServe), clothing (Monkhouse) and Transport (Elite).

DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the Directors are required to select suitable accounting policies and applied them consistently:

- Making judgements and estimates that are reasonable and prudent.
- Following applicable accounting standards and the Charities SORP 2015; and state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Preparing the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for a further 3 years. Actual performance is monitored monthly and cash balances are managed daily. The School continues to have strong pupil recruitment and continues to make good Income and Expenditure surpluses which it uses to reinvest in its facilities. At the time of approval of the financial statements, the impact of Covid 19 has significantly diminished and most School activities have resumed in full. The Directors have undertaken planning and forecasting and continue to closely monitor the short- and long-term effects of the pandemic including issues in supply chains, rising energy costs and with workforce shortages. Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware:

- there is no relevant audit information of which the company's auditors are unaware, and;
- the Directors have taken all the steps that ought to have been taken as a member in order to be aware of any information needed by the auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The Directors have also taken all reasonable steps to comply with their obligations as set out by the Charity Commission to act in the best interests of the charity and comply with their legal duties under charity law, including their duty of prudence.

Approval

This report was approved by the Board on 15 February 2022

Catherine Boyd
Chair of the Board

Independent Auditor's Report to the Members of Cheadle Hulme School

Opinion

We have audited the financial statements of Cheadle Hulme School ('the charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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 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 28 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 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment legislation and Health & Safety Legislation.

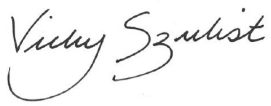
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Resources 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, sample testing of other income 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.



Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT
Date 2nd March 2022

STATEMENT OF FINANCIAL ACTIVITIES (Including an income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
INCOME		**£'000**	**£'000**	**£'000**	**£'000**
Income from:					
Donations and legacies	6	236	1	237	304
Investments	5	3	-	3	14
Ancillary trading income	4	908	-	908	1,012
Charitable activities	3	15,455	-	15,455	15,301
Total Income		16,602	1	16,603	16,631
EXPENDITURE					
Charitable activities		15,410	50	15,460	15,417
Total Expenditure	7	15,410	50	15,460	15,417
Net School Income for the year before transfers		1,192	(49)	1,143	1,214
Transfers between funds	19	-	-	-	-
Net movement in funds		1,192	(49)	1,143	1,214
Total funds brought forward		16,119	145	16,264	15,050
Total funds carried forward	21	17,311	96	17,407	16,264

The Statement of Financial Activities includes all gains and losses recognised in the year.

All activities are classed as continuing.

The notes on the following pages form part of these financial statements

BALANCE SHEET
Company number: 3823129

	Note	2021	2021	2020	2020
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		19,246		19,765
Current assets					
Debtors	12	548		447	
Cash at bank and in hand		4,185		3,079	
		4,733		3,526	
Creditors: Amounts falling due within one year	13				
Loans		(200)		(348)	
Other		(3,330)		(3,295)	
Net current assets/(liabilities)			1,203		(117)
Total assets less current liabilities			20,449		19,648
Creditors: Amounts falling due after more than one year	14		(3,042)		(3,384)
Net assets			17,407		16,264
Funds					
Unrestricted general funds	20		17,311		16,119
Restricted funds	19		96		145
Total charity funds			17,407		16,264

The financial statements were approved by the Board of Directors on 15th February 2022 and signed on its behalf by:

C Boyd
Director

The notes on the following pages form part of these financial statements

STATEMENT OF CASH FLOWS

	2021 £'000	2020 £'000
Cash flows from operating activities:		
Net movement in funds	1,143	1,214
Adjusted for:		
Depreciation	770	877
Interest payable	74	92
Interest receivable	(3)	(14)
(Increase)/decrease in trade and other receivables	(101)	154
Increase/(decrease) in trade and other payables	9	(1,191)
(Decrease) in pension debt provision	(116)	(94)
Net cash inflow from operating activities	1,776	1,038
Cash flows from investing activities		
Purchase of tangible fixed assets	(251)	(227)
Interest received	3	14
Net cash outflows from investing activities	(248)	(213)
Cash flows from financing activities		
Repayments of amounts borrowed	(348)	(398)
Interest paid	(74)	(92)
Net cash outflows from financing activities	(422)	(490)
Net increase in cash & cash equivalents	1,106	340
Opening cash & cash equivalents	3,079	2,739
Closing cash & cash equivalents	4,185	3,079
Movement in cash & cash equivalents	1,106	340

The notes on the following pages form part of these financial statements

RECONCILIATION OF NET DEBT

	At 1 September 2020 £'000	Cash flow £'000	At 31 August 2021 £'000
Cash at bank	3,079	1,106	4,185
Bank loan due in less than one year	(348)	148	(200)
Bank loan due in greater than one year	(2,350)	200	(2,150)
	381	1,454	1,835

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information
Cheadle Hulme School is a private company limited by guarantee and is non-profit making. Cheadle Hulme School is incorporated in England and Wales. The registered office is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF.

Basis of accounting
Cheadle Hulme School meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, with the exception of certain buildings which have been included at a valuation made in 1939 and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and the Companies Act 2006.

Going concern
The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for a further 3 years. Actual performance is monitored monthly and cash balances are managed daily. The School has strong pupil recruitment and continues to make good Income and Expenditure surpluses which it uses to reinvest in its facilities. At the time of approval of the financial statements, the impact of the Covid19 global pandemic has significantly diminished and most School activities have resumed in full. The Directors have undertaken planning and forecasting and continue to closely monitor the short and long term effects of the pandemic including issues in supply chains, rising energy costs and with workforce shortages. Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Group accounts
The charity has not prepared consolidated accounts as the subsidiary undertaking may be excluded from consolidation on the basis that it is not material. These financial statements therefore present information about the charity as an individual undertaking rather than as a group.

Income
All income is included in the Statement of Financial Activities when the School is legally entitled to the income and the amounts can be quantified with reasonable accuracy. Income mainly represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Donations and gifts
All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Income (continued)
Donations under Gift Aid, together with associated income tax recoveries, are credited as income when the donations are receivable.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, if the receipt is both probable and measurable. These are included in the Statement of Financial Activities.

Investment income
Investment income, including associated income tax recoveries, is recognised when receivable.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified to the particular activity where the cost relates directly to that activity.

Charitable expenditure
This represents expenditure incurred on activities in furtherance of the charity's objects (which includes support costs).

Governance costs
Costs incurred are those relating to the organisation and running of the charity itself and are included in charitable expenditure.

Fixed assets
Fixed assets are included in the balance sheet at historic cost except for certain buildings noted above. From 1 April 1993 all plant and equipment purchased with a cost of greater than £1K is being capitalised and disclosed within the fixed asset note.

Depreciation is provided evenly on the cost of plant and equipment to write them down to their estimated residual values over their expected useful economic lives of 5-20 years. Equipment relating to computers is written down over 5 years. Fixtures and fittings are written down over 10 years.

Buildings are being depreciated over a life of 50 years. Certain improvements to properties are depreciated over their estimated useful lives, ranging from 5 to 20 years.

Taxation
The School is not liable to taxation on the results of its charitable activities as it is a registered charity.

Pensions
School staff are members of one of two pension schemes. Teachers' Pension Scheme is a defined benefit scheme and Independent Schools' pension scheme is defined contribution. More details of the schemes are given in note 22.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Investments
Investments in subsidiaries are measured at cost less accumulated impairment.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department of Education. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the School in the year.

Independent Schools' Pension Scheme

Non-teaching members of staff appointed during the year were offered membership of the Independent Schools' Pension Scheme (ISPS) Defined Contribution section. The contributions paid by the School during the year are charged to the Statement of Financial Activities.

Non-teaching members of staff appointed prior to 1 September 2013 were eligible to be members of the ISPS funded multi-employer Defined Benefit section. The scheme is closed to new employees. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

If the actuarial valuation of the scheme reveals a deficit, the Directors will agree a recovery plan to eliminate the deficit over a specified period. This is held as a liability in the financial statements, as detailed in note 16.

The pension costs for the scheme represent the contributions payable by the School in the year.

Reserves
The School has a number of restricted income funds to account for situations where an income stream requires that the income must be spent on a particular purpose.

All other funds are classified as unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 affects both current and future periods.

Critical accounting judgements
The critical accounting judgements that the Directors have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- Pension deficit provision
  The charity has an obligation to pay deficit funding contributions towards the multi-employer defined benefit pension scheme. This provision is dependent on a number of factors including discount rate, life expectancy and asset valuations. The assumptions reflect historical experience and current trends.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Determining residual values and useful economic lives of property, plant and equipment
  The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by the Directors. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by the Directors when determining the residual values for plant, machinery and equipment. When determining the residual value, the Directors aim to assess the amount that the charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

3. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2021 **£'000**	*2020* *£'000*
Fees receivable consist of:		
School fees	17,242	17,340
Less: total bursaries, scholarships and Covid19 fees rebate	(1,787)	(2,039)
	15,455	15,301
Add back: Bursaries and other awards paid for by restricted funds	-	-
	15,455	15,301

Bursaries, scholarships and other awards were paid to 234 pupils (*2020: 231*). Within this means-tested bursaries totalling £1,069K were paid to 106 pupils (*2020: £1,027k to 97 pupils*).

4. CHARITABLE ACTIVITIES – OTHER INCOME

	2021 **£'000**	*2020* *£'000*
Catering fees	646	621
Entrance and registration fees	36	29
After school and other clubs	68	74
Income from CHS Enterprises	68	114
CJRS income	70	163
Other income	19	11
	908	1,012

5. INVESTMENT INCOME

	Total 2021 £'000	*Total 2020 £'000*
Bank interest	3	14
	3	14

6. GRANTS AND DONATIONS RECEIVABLE

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Total 2021 £'000**
Grants received for Bursaries from:				
CHS 150th Anniversary Bursary Trust	150	-	-	150
Oglesby Trust	10	-	-	10
STEM and ART bursary donations	71	-	-	71
Peter Kershaw income	5	-	-	5
Hardship fund	-	1	-	1
	236	1	-	237

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Total 2020 £'000**
Grants received for Bursaries from:				
CHS 150th Anniversary Bursary Trust	100	-	-	100
Specific students	-	14	-	14
Oglesby Trust	10	-	-	10
STEM and ART bursary donations	72	-	-	72
Peter Kershaw income	7	-	-	7
Hardship Fund	-	101	-	101
	189	115	-	304

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £'000	Other £'000	2021 Total £'000
Charitable expenditure	11,667	3,793	15,460

	Staff Costs £'000	Other £'000	2020 Total £'000
Charitable expenditure	11,617	3,800	15,417

Total expenditure are stated after charging:

	2021 £'000	2020 £'000
Depreciation	770	877
Auditor's remuneration - audit	11	11
- non-audit (other assurance services)	2	2

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

8. STAFF COSTS

	2021 £'000	2020 £'000
Staff costs were as follows:-		
Salaries	9,043	8,995
Social security costs	903	899
Pension costs	1,673	1,668
Private medical insurance	48	55
	11,667	11,617

Included within wages are termination and voluntary severance payments of £nil (2020: £1,500).

The average number of employees in the year analysed by function was:-

	2021 No	2020 Restated No
Teachers	159	157
Fund raising and publicity	5	6
Management and administration	144	144
	308	306

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

9. STAFF COSTS (CONTD)

The following analysis shows the number of higher paid staff in the following ranges.

Emoluments include salary, taxable benefits in kind and other payments to employees.

	2021 No	2020 No
£60,000 to £69,999	-	-
£70,000 to £79,999	4	5
£80,000 to £89,999	1	1
£90,000 to £99,999	1	
£130,000 to £139,999	1	-
£140,000 to £149,999	-	1

Retirement benefits under defined benefit and defined contribution schemes are accruing for the above staff.

No Director received any remuneration during the period.

No (2020 – no) director received reimbursed expenses and expenses paid directly to third parties of £nil (2020 – £nil) during the period.

The key management personnel of the charity comprise the Directors, the Head, three Deputy Heads, the Chief Operating Officer, the Second Master and the Development Director. The total employee benefits of the key management personnel of the Trust were £802k (2019-20 £777k).

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

10. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Cost or valuation			
At 31 August 2020	25,765	1,371	27,136
Additions	104	147	251
At 31 August 2021	25,869	1,518	27,387
Depreciation			
At 31 August 2020	6,786	585	7,371
Charged in year	587	183	770
At 31 August 2021	7,373	768	8,141
Net book value			
At 31 August 2021	18,496	750	19,246
At 31 August 2020	18,979	786	19,765

Fixed assets are included in the balance sheet at the following values:-

Land	- at historic cost
Buildings	- at 1939 valuation with subsequent additions at cost
Equipment	- at cost

As records are not available back to 1939 and as a result of the passage of time, the 1939 valuation used for buildings is deemed to be cost for the purpose of FRS 102.

All the tangible fixed assets are used for direct charitable purposes.

As at 31 August 2021, the School had no capital commitments.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

11. INVESTMENTS

	£
Historic cost as at 31 August 2020 and 2021	1

The above investment represents 100% of the issued ordinary share capital of Cheadle Hulme School Enterprises Limited. The registered office of Cheadle Hulme School Enterprises Limited is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF. It's principal activity is the lettings of the school premises. As at 31 August 2021, its reserves stood at £31,626 (2020 - £68,308) and its profit for the year was £31,625 (2020 - £68,307).

12. DEBTORS

	2021 £'000	2020 £'000
School debtors	7	18
Prepayments and accrued income	459	376
Amounts owed by associated undertakings	33	49
Other debtors	50	4
	549	447

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Bank loans (note 15)	200	348
		348
	200	
Trade creditors	398	272
School fees in advance (note 17)	2,120	1,956
Other taxation and Social Security	228	229
Other creditors	292	506
Accruals	119	142
Sundry School pupils' accounts	24	23
Cheadle Hulme School 150th Anniversary Bursary Trust Fund	30	51
Pension deficit provision (note 16)	119	116
	3,330	3,295

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £'000	2020 £'000
Bank loans – secured (note 15)	2,150	2,350
School fees paid in advance (note 17)	47	71
Pension deficit provision (note 16)	844	963
	3,042	3,384

There are two loans, one is a variable loan of £1M payable at 1.7% above LIBOR and the second is £2M at a fixed rate of 3.51%. Both loans are repayable quarterly in equal instalments until 2026 and then a lump sum payment of £1.45M. At the end of December 2021, the first loan migrated from LIBOR to SONIA.

All loans are secured by a charge over the land and buildings of the School.

15. CREDITORS: LOANS

Loans are repayable as follows;

	2021 £'000	2020 £'000
In one year or less	200	348
Between one and two years	200	200
Between two and five years	1,950	1,117
In five years or more		1,033
	2,350	2,698

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

16. CREDITORS: PENSION DEFICIT PROVISION

Included within Creditors due within one year and more than one year is a multi-employer defined benefit pension scheme deficit and the estimated employer debt. Following the valuation of the scheme as at 31 March 2016, the contributions payable by the employer have been communicated relating to recovery of the deficit over the 13 years to 31 August 2029. As of the balance sheet date the estimated discounted employer deficit is detailed below.

	2021 £'000	**2020 £'000**
Pension deficit provision as at 1 September 2020	1,079	1,169
Deficit contributions paid	(117)	(112)
Remeasurement of defined benefit pension	1	22
Pension deficit provision as at 31 August 2021	963	1,079
Less: amount due within one year	(119)	(116)
	844	963

17. CREDITORS: DEFERRED INCOME

	2021 £'000
At 1 September 2020	2,027
Received during the year	1,678
Discounts given during the year	6
Released to income for the year	(1,544)
At 31 August 2021	2,167

Deferred income represents school fees paid in advance and fee deposits repayable upon pupils leaving the School.

18. FINANCIAL INSTRUMENTS

	2021 £000	2020 £000
Financial assets measured at amortised cost (a)	4,192	3,097
Financial liabilities measured at amortised cost (b)	2,810	2,734

(a) Financial assets include cash, trade and fee debtors and other debtors
(b) Financial liabilities include deposits, trade creditors and other creditors

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

19. RESTRICTED FUNDS

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2021 £'000
Hardship fund	101	1	(33)	-	69
Music and Languages Fund	18	-	-	-	18
Specific student funds	26	-	(17)	-	9
	145	1	(50)	-	96

These restricted funds relate to funds received by the School for use for the purposes stipulated by the donor.

Hardship fund was created to provide financial support to families struggling due to the Coronavirus pandemic.
Specific Student funds were donations made by individual donors for specific students.
Junior School Art room was a donation from the Parents Association for enhancements to the Junior school art room refurbishment.

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2020 £'000
Hardship fund	-	101	-	-	101
Music and languages fund	25	-	(7)	-	18
Specific student funds	30	14	(18)	-	26
Junior School Art Room	10	-	(10)	-	-
	65	115	(35)	-	145

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

20. UNRESTRICTED FUNDS

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2021 £'000
General	16,119	16,602	(15,410)	-	17,311
	16,119	16,602	(15,410)	-	17,311

There has been no transfers between unrestricted and restricted funds in the period.

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2020 £'000
General	14,985	16,516	(15,382)	-	16,119
	14,985	16,516	(15,382)	-	16,119

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2021	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2021 Total £'000
Restricted Funds	-	96	-	96
Unrestricted Funds	19,246	1,107	(3,042)	17,311
	19,246	1,203	(3,042)	17,407

2020	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2020 Total £'000
Restricted Funds	-	145	-	145
Unrestricted Funds	19,765	(262)	(3,384)	16,119
	19,765	(117)	(3,384)	16,264

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22. PENSIONS

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 £1,476k (2020: £1,454k) and at the year-end £175k (2020 - £173k) 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%.

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 the 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.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements

Independent Schools' Pension Scheme

Cheadle Hulme School participates in The Independent Schools' Pension Scheme ('the Scheme') which has multi-employer defined benefit scheme section and a defined contribution section. The Scheme is contracted-out of the State scheme.

There are four benefit structures available, namely: Final salary with a 1/60th accrual rate, Final salary with a 1/80th accrual rate, Career average revalued earnings with an 1/80th accrual rate and Career average revalued earnings with an 1/120th accrual rate.

An employer can elect to operate different benefit structures for different categories of staff.

Cheadle Hulme School operated the final salary with a 1/60th accrual rate benefit structure and the defined contribution structure.

The Trustees commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period ended 31 August 2021 Cheadle Hulme School paid employers contributions of 8% and 0.6% for life cover in respect of the Defined Contribution Scheme.

As at the balance sheet date there were no active members of the Defined Benefit Scheme employed by Cheadle Hulme School (2020: no active members). There were 109 (2020: 107) members of the Defined Contribution Scheme. With effect from 1 November 2016 all members of the Independent School' Pension Scheme moved from the Defined Benefit section to the Defined Contribution section.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi- employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from the total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2017 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £149.4 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £38.2 million, equivalent to a past service funding level of 80%.

The contribution rates that apply from 1 September 2016 have been determined by reference to the Scheme's 30 September 2014 valuation and contribution rates from 1 September 2019 have been determined by reference to the Scheme's 30 September 2017 valuation.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the Scheme's 2017 actuarial valuation it was agreed that the shortfall of £38.2 million would be dealt with by the payment of deficit contributions of £2.387 million per annum from 1 September 2019 to 30 April 2030.

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate).

Employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 302% (prior to 1 September 2016) to reflect the higher costs of a closed arrangement. From 1 September 2016, the additional employer contribution loading will be 1.6%.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into The Independent Schools' Pension Scheme.

New employers joining the Scheme pay contributions at the joint future service contribution rate. This rate is reviewed at each valuation and applies until the second valuation after the date of joining the Scheme, at which point the standard employer contribution rate is payable.

New employers also pay an additional age loading if the average age of their members is higher than the average age of the Scheme membership. This loading applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining, or such earlier date as agreed between The Independent Schools' Pension Scheme Pensions Committee and the Scheme Actuary.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an ongoing funding basis, by 31 August 2029.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Growth Plan

Cheadle Hulme School also participates in The Growth Plan which is a multi-employer scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m.

It has been agreed that this would be dealt with by the payment of deficit contributions of £11.243m per annum from 1 April 2019 to 31 January 2025.

23. RELATED PARTY TRANSACTIONS

Included within creditors within one year is an amount of £29,660 (2020: £51,030) held by Cheadle Hulme School on behalf of Cheadle Hulme School 150th Anniversary Bursary Trust. Mr P Driver and Dr D N Riley are trustees of Cheadle Hulme School 150th Anniversary Trust. During the year, Cheadle Hulme School 150th Anniversary Trust granted bursary money to Cheadle Hulme School amounting to £150,000 (2020: £100,000).

A number of directors at the School have children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

24. OPERATING LEASE COMMITMENTS

At 31 August 2021 the School had annual commitments under non-cancellable operating issues:

	Land and buildings	
	2021 £'000	2020 £'000
Operating leases which expire:		
Within one year	61	-
Within two to five years	60	-
	121	-

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

25. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds	Restricted Funds	Total 2020
INCOME		**£'000**	**£'000**	**£'000**
Income from:				
Donations and legacies	6	189	115	304
Investments	5	14	-	14
Ancillary trading income	4	1,012	-	1,012
Charitable activities	3	15,301	-	15,301
Total Income		16,516	115	16,631
EXPENDITURE				
Charitable activities		15,382	35	15,417
Total Expenditure	7	15,382	35	15,417
Net School Income for the year before transfers		1,134	80	1,214
Transfers between funds	19	-	-	-
Net movement in funds		1,134	80	1,214
Total funds brought forward		14,985	65	15,050
Total funds carried forward	21	16,119	145	16,264

CHEADLE HULME SCHOOL

England & Wales - Charity number 1077017

Accounts

Cheadle Hulme School

Report and Financial Statements

Year ended 31 August 2020

Cheadle Hulme School

Registered Charity No. 1077017

Company No. 03823129

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DIRECTORS, OFFICERS AND ADVISORS

The Cheadle Hulme School Governors are the Charity trustees and Company Directors of the Charity and Company, 'Cheadle Hulme School'. They have served in office throughout the year, except where indicated.

All Directors give their time freely and no remuneration was paid in the year. No Director or person connected with a Director received any benefit from means-tested bursaries.

During the year, the activities of the Governing Body were carried out through 6 Sub Committees. The membership of these Sub Committees is shown below for each Director.

Name	Appointment/resignation in year	(1)	(2)	(3)	(4)	(5)	(6)
Mr P R Johnson	Resigned 10/12/2020		X	X			X
Mrs C Boyd	Appointed as Chair 10/12/2020	X	X	X	X		X
Mr S Abraham	Appointed 3/4/2020						X
Mr M Birchall		X					X
Mrs J E Birkett				X		X	
Mr M Bolingbroke							X
Mr P J Driver	Resigned 10/12/2020	X				X	
Mr D N Riley		X			X	X	
Mr C Roberts			X				
Mrs J Squire				X		X	
Mrs C Thomson	Appointed 12/10/20			X			
Mr M G Tyley			X				

(1) Education & Pupil Progress
(2) Operations & Infrastructure
(3) Finance & Resources
(4) Safeguarding, Compliance & Pupil Welfare
(5) Nominations
(6) Strategy

Directors who were the parents of a pupil at the School during the year

OFFICERS

Mr N Smith	Head
Mrs S Kershaw	Chief Operating Officer, Company Secretary and Clerk to the Governors
Solicitors:	The School has used a number of specialist legal advisors during the year
Auditor:	Crowe UK LLP Chartered Accountants and member of Crowe Global 3rd floor, The Lexicon Mount Street Manchester M2 5NT
Bankers	Santander UK plc 4 St Pauls Square Liverpool L3 9SJ
Website:	www.cheadlehulmeschool.co.uk

ANNUAL REPORT OF THE DIRECTORS

The Directors of Cheadle Hulme School present their Annual Report for the year ended 31 August 2020 under the Charities Act 2011, including the Directors' and Strategic Reports under the Companies Act 2006, together with the audited Financial Statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Cheadle Hulme School is a company limited by guarantee with no share capital, and is a registered charity under the auspices of the Charity Commission.

School Address: Claremont Road
Cheadle Hulme
Cheadle
Cheshire SK8 6EF

Company No: 3823129

Charity No: 1077017

Taxation

As an educational charity, the School is eligible for a corporation tax exemption on its educational activities and investment income, provided these are applied for the School's charitable aims. The School is also entitled to an 80% reduction in business rates on the property occupied for charitable purposes. The School is, however, unable to reclaim VAT input tax on costs, as it is exempt for VAT purposes

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The School is governed by its Articles of Association which were last amended on 15 April 2015.

Governing Body

The Board of Directors is a self-appointing body comprising up to fourteen Directors. The term of office of each Director is renewable by approval of the Board after a specified period, generally of either two or three years.

Recruitment and training of Directors

The Nominations Committee monitors the composition of the Board and makes recommendations to it to ensure the Board comprises members with a wide range of skills and experience. The Board seeks to ensure that at least two of the Directors are current parents of pupils attending the School.

New Directors are recruited based on their professional skills, experience and personal competence. In addition, they must have a passion for the work of the School and an understanding of education in terms of its positive impact on personal growth. Current Board members have experience in the following areas:

- Education
- Senior HR
- Finance
- Senior Technology
- Senior Managerial/Business
- Property/Development
- Medical
- Legal

As a co-educational School, the Board includes an appropriate balance of male and female Directors.

New Directors have an induction that is specially organised for them and includes meetings with the Chair, Head, Chief Operating Officer and other key personnel. The aim is to develop understanding of how the School operates, its key policies and procedures and the roles and responsibilities of Directors.

Directors are encouraged to participate in external training and are provided with regular updates of matters relevant to their role. Directors are required to update their understanding of safeguarding matters annually. In-house training is arranged as required and Directors are encouraged to observe aspects of School life on a periodic basis during normal School days. This includes monitoring how policies and procedures are implemented.

Organisational management

The Directors are members of the Governing Board and, as the Charity Trustees, are legally responsible for the overall performance and control of the School (Junior and Senior). The Board meets at least five times per year and holds Away Days with the Senior Leadership Team (SLT) as appropriate. This year, the Board was unable to hold an Away Day due to Covid 19 restrictions. However, given the exceptional circumstances the pandemic presented, the Board held regular on-line meetings on Saturday mornings, typically every two weeks throughout the period of site closure. This enabled the Board to keep fully abreast of the impact of the pandemic on the School and to discuss and approve the necessary action plans presented by SLT members. Throughout the 2020 summer term lockdown and the more recent 2021 spring term lockdown planned Board meeting and sub-committees took place using an on-line platform. The Head, Second Master, Head of Junior School and the Chief Operating Officer attend all Board meetings and other members of staff attend by invitation.

All Sub-Committees are chaired by a Director and typically meet termly. The membership of each Sub-Committee includes between 2 and 4 Directors, key senior members of staff and other staff representatives as appropriate.

The Governing Board reviews its Sub-Committees periodically to ensure they are configured to conduct key business and support the School in its strategic aims. The current Sub-Committee structure was adopted from 1 September 2017 and is currently under review.

The Head is responsible for overseeing all aspects of the day-to-day running of the School. The Chief Operating Officer and her team manage Financial, Estates, Information Technology and Human Resources matters. The Head is supported by the SLT, which comprises the Second Master, Deputy Head (Teaching and Curriculum), Deputy Head (Pupil Welfare), the Deputy Head (Admissions, Service and Partnerships), the Head of the Junior School, the Chief Operating Officer and the Director of Development & External Relations. The SLT has authority and responsibility for planning, directing and controlling operational and educational activities of the charity.

The protocol for setting remuneration for the Key Management Personnel and Senior Leadership Team is as follows:

- The Chair of the Board together with two other members of the Board, including the Deputy Chair, agree the Head's remuneration.
- The Chair of the Board and the Head agree the remuneration for the Chief Operating Officer.
- The Head, working with the Chair of the Board of Governors, sets the remuneration for the remaining members of SLT.

Group structure and relationships

Cheadle Hulme School incorporates the Junior and Senior Schools. It has one wholly owned subsidiary, Cheadle Hulme School Enterprises Ltd, which was established on 14 May 2013 to manage the School's lettings activities which had previously been accounted for through the School's financial systems. Consolidated Financial Statements have not been prepared on the grounds that the subsidiary is not material.

The School has an ongoing relationship with the Cheadle Hulme School 150th Anniversary Bursary Trust Fund. The School's Development team raises funds for bursaries that are invested and managed by the 150th Anniversary Bursary Trust using a professional advisor. Total funds within the Trust amount to approximately £3.9M. The Chairman of the Trust is independent; but two of the Trustees are also Directors of the School. The objectives of this Trust are to enhance education at the School through the provision of a number of bursaries for pupils from a broad range of backgrounds who could not otherwise afford the fees.

The School also has an ongoing relationship with the Cheadle Hulme School Development Trust (the Trustees of which include two Directors). This manages any funds raised by the School's Development Team for large long term capital projects. The objectives of this Trust are to apply the income for the provision, improvement, construction, maintenance and development of the School property, buildings and infrastructure.

Employment policies

The School is an equal opportunity employer. It has clear and transparent recruitment procedures that adhere to employment law and best practice. The School considers all job applicants equally and against predetermined criteria required for the post. The School undertakes to make all reasonable adjustments to ensure that any applicant who fulfils the criteria, can be offered an interview.

The School also meets its obligations in relation to safeguarding; meeting safer recruitment standards and undertaking any checks necessary to ensure the suitability of any staff or volunteers working with pupils.

All staff are appraised annually, and the School provides a range of internal and external training and development opportunities.

Staff wellbeing is important to the School. It provides staff coaching and mentoring for professional and personal development, operates an Employee Support Scheme; an external organisation is on hand 24/7 to provide a broad range of advice and support (personal and work related) on a confidential basis to Cheadle Hulme School staff. The School holds a number of staff wellbeing events and activities throughout the year.

Employees with disabilities

The School undertakes to make all reasonable adjustments to ensure that any candidate applying for a role at the School and who is deemed appointable, would be able to carry out their duties effectively.

Any members of staff with a disability will not be disadvantaged in their opportunities for training and development. Where appropriate, specialist training or resources are made available in order to allow them to develop their skills and career opportunities.

All reasonable steps will be taken to accommodate the needs of any employee who becomes disabled during the course of their employment. This can include making adjustments to their existing employment, or through appropriate retraining and redeployment, enabling them to remain in employment with the School whenever possible. In light of the Covid 19 pandemic, the in-house fundraising team ran a campaign to generate awareness and funds for local charities, including the School's production of PPE for local NHS workers and healthcare workers. More than £3,000 was raised to help cover the cost of materials and the School produced and delivered over 1000 visors in and around the area, including 13 hospitals and GP surgeries. Pupils also took part in 'Stitch Social' to make laundry bags for medical staff to use in washing their scrubs. The School also supported local charity and foodbank, The Wellspring in support of its efforts to make hot meals for the homeless during the lockdown. Families volunteered to collect donations from doorsteps and deliver them to the foodbank each week. The fundraising team also helped support the EatWell Manchester initiative, a homeless project in central Manchester and StateTalking, a charity which connects local state schools with inspirational and careers speakers. Several CHS parents volunteered their time to give a virtual talk for state school pupils.

All employees are expected to treat disabled colleagues, pupils and visitors with the same dignity and respect as their non-disabled counterparts. Any form of harassment of a person with a disability on account of their impairment is unacceptable behaviour and is potentially unlawful under the terms of the Equality Act 2010 and the Protection from Harassment Act 1997.

The School has a ten-year rolling programme of improvements within the Estates Masterplan designed to offer better access and facilities for disabled staff, pupils and visitors. This includes alterations to improve physical access and facilities for disabled pupils, staff and visitors.

Employee Involvement

The School operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004.

The School actively consults with its employees or their representatives with the aim of taking the views of employees into account where decisions are made that are likely to affect their interests e.g. working practices, pensions and other benefits. The School involves employees in discussions regarding the development of the Strategic Plan and informs them on progress at least annually at INSET meetings. Employees are encouraged to present their suggestions and views on all elements of the School.

Communication with employees is ongoing in a variety of forms e.g. INSET days, weekly staff briefings, all staff emails, half termly line managers' meetings, all Staff meetings, team meetings, Away Days. Regular meetings are held between management and employees to allow a free flow of information and ideas.

Throughout the Coronavirus pandemic, the School has used Google Meet to hold meetings and on a one to one basis to check on staff wellbeing. SLT undertook a short staff survey in the Summer Term and they implemented a number of additional measures to ensure staff continued to feel involved, felt listened to, had appropriate equipment and understood what was expected of them while they were working remotely or on site but with constraints. In the Autumn term, when School returned to site, small staff meetings where social distancing is practiced, were also allowed. In the 2021 spring term, all meetings have reverted to being on-line.

OBJECTIVES, AIMS AND ACTIVITIES

Cheadle Hulme School was founded in 1855 and has been situated on its present site since 1869. The purpose of the School, at its foundation, was to educate, maintain and clothe Orphans and Necessitous Children of Warehousemen and Clerks in the Manchester area. The founders of the School declared that the School should be established and conducted on the most liberal principles and be open for the reception of children of both sexes. The wishes of the founders are maintained to this day and, as a consequence, the School has a distinct, inclusive and friendly atmosphere. This is the product of a balanced approach to academic and extracurricular excellence together with the benefit of a pastoral tradition still reminiscent of the School's heritage.

The School's ethos and aims are reviewed annually.

The School's ethos is to provide a challenging, dynamic and relevant education for all pupils, through which they prepare for and undertake positive roles in their communities and the world. The School is committed to helping every pupil to:

- fulfil their academic potential, allowing them to move successfully on to the next stage of their education
- to discover new skills and interests and develop their aptitudes so that they pursue and sustain a lifetime of activity

- to understand and engage with their altruistic responsibility
- supporting others less fortunate than themselves.

As a co-educational School, Cheadle Hulme School believes in the intellectual, personal and social value of boys and girls learning alongside one another, enhancing as it does their educational experience and preparing them most effectively for the realities of the adult world.

The School continues to value its heritage by endeavouring to support pupils whose family incomes would otherwise prevent them from accessing and benefitting from the education we offer. The School's Financial Assistance Scheme helps it to fulfil its aspiration of achieving a diverse social and ethnic mix of pupils.

The School builds upon its motto of 'in loco parentis' by providing the highest levels and quality of pastoral care. Teachers and other staff are committed to supporting the wellbeing of every pupil. Leadership, teamwork, personal responsibility and resilience are important elements of the pastoral education the pupils receive.

The School's broad and stimulating range of co-curricular activities and trips support the intellectual, physical and personal development of our pupils. All planned trips took place up until March 2020. However, during the Covid 19 pandemic, trips have had to be postponed or cancelled.

Our vision and aims are that each student:

- experiences a challenging, dynamic and relevant education which enables them to reach their full academic potential and flourish in a rapidly changing world;
- develops a love of learning that extends beyond the confines of examination courses, and is able to work effectively in a variety of settings;
- develops a strong set of personal values and learns to value themselves and others, appreciating difference and individuality and supporting those in need or less fortunate than themselves;
- discovers and develops a broad and relevant set of skills and aptitudes which enable them to undertake useful and effective roles in their communities.

We aim to achieve these through:

- an approach to education which fosters and encourages the core Waconian Values of Integrity, Endeavour, Resilience, Compassion and Contribution;
- a co-educational environment which enables boys and girls to learn, work and develop together, enabling each to inspire the other;
- a strong pastoral care system centred upon the principles of well-being;
- a commitment to social inclusivity and outreach, building upon the School's founding philanthropic values;
- a range of learning environments which develop flexible and independent learning and the ability to respond to and thrive in a technologically-sophisticated world;
- a varied, inclusive and stimulating range of co-curricular opportunities, which complement and extend the curriculum.

The School's Strategic Plan

SLT held two Away Days during the early part of the year to refine the School's new Strategic Plan for 2019-2024, develop detailed action plans and review progress. The key objectives for 2019-20 were to:

- embed and communicate the distinctive, holistic CHS education
- ensure that The Waconian Values are embedded in the practice of the School
- develop an inspiring and challenging curriculum which prepares CHS pupils for the future
- ensure outstanding teaching and learning, informed by evidence-based approach
- ensure the suitability of the Estates to meet the future needs of the School
- ensure the financial sustainability of CHS
- expand the bursary fund to support expansion of bursary places
- develop sustainable community partnerships

From March 2020 when the School moved to remote learning during the Coronavirus pandemic, work on a number of target areas was paused as the School focussed on the short term challenges of successfully navigating through the crisis. Throughout the pandemic, SLT has met regularly to discuss 'lessons learnt' and potential opportunities arising from the impact of Covid 19. SLT met in August 2020 to evaluate the information gleaned at that point to review and refine the Strategic Plan. These new opportunities are reflected in the section headed Plans for the Future later in this report. The review of lessons learnt has continued into the new academic year.

PUBLIC BENEFIT

The Directors have carefully considered the Charity Commission's general guidance on public benefit, and in particular the supplementary public benefit guidance on advancing education and on fee-charging. The Directors are confident the School is meeting its public benefit requirement.

The School's commitment to fulfilling its public benefit obligations is reflected within the School's ethos, its aims and objectives in the Strategic Plan. Particular examples of the School's commitment are its Financial Assistance Scheme to widen access and in its expanding partnership and community activities.

Financial Assistance

The School has provided financial assistance through bursaries for many years. The School's founders believed in welcoming young people from all backgrounds and we strive to remain true to that ideal today. Central to our ethos is a vibrant and diverse community of pupils, for whom financial circumstances do not stand in the way of ability and potential.

The School's main Financial Assistance Scheme is derived from current fee income. It is supplemented by income from the 150th Anniversary Bursary Trust Fund and other generous donors.

Financial assistance is awarded to pupils on application and following an assessment of parental means with awards ranging from 5% to 100% remission of fees. Financial assistance is also given to help with the costs of educational School trips, transport, uniform and equipment, in cases where a substantial award has already been made.

This year the value of all bursaries, scholarships, other awards and the Covid 19 fees rebate totalled £2.039M (2018-19: £1.446M) and represented 11.8% of gross fees (2018-19: 8.8%). Within this total, the value of means-tested bursaries totalled £1,027K (2018-19: £905K) and represented 5.9% of gross fees (2018-19: 5.6%). They provided assistance to 97 pupils (2018-19: 96) of which 37 (2018-19: 33) benefitted from a full remission of fees.

The School's Foundation Scheme provides financial support to existing pupils who experience the death of a parent and whose families find themselves in extreme financial difficulty. Typically, the School supports one or two pupils in this way each year. This year the School has 2 Foundation pupils.

The Hardship Scheme provides short-term support to families who are not eligible for financial assistance from the School's Bursary Fund. The School has historically had limited funds available for this fund. Throughout the pandemic the School offered deferred payment terms and payment holidays to families who had been severely affected by the crisis and who were struggling to continue to pay fees. It has also set aside School funding as well as putting in motion plans to raise donations to establish a more significant hardship fund that can be utilised from 2020-21 onwards for families who continued to suffer severe and prolonged financial difficulties as a result of Covid 19. The School is extremely grateful to parents who have donated to this fund and a number of families have been provided with assistance in the new academic year.

As part of the School's emphasis on attracting and retaining high calibre staff and diversifying the pupil population, a discount scheme is offered to staff members who choose to educate their children at Cheadle Hulme School.

Partnerships and the Community

The School has continued to build its strong links with local state schools, businesses and community groups to ensure members of the local community can benefit from, participate in and contribute to School life which also gives staff and pupils the chance to gain new experiences, see different perspectives and enrich their teaching and learning. This commitment started in 2008 and remains a key part of the School's strategy going forward.

Many of the School's staff share their educational expertise by sitting on the Boards of Governors for local secondary and primary schools as well as other local charitable organisations.

The five partner primary schools are Cheadle Heath Primary School, Cale Green Primary School, Lumhead Primary School, Adswood Primary and North Cheshire Jewish Primary School and our offering to these schools focuses on Modern Languages, Science, Music and Sport. During 2019, CHS partnered with Cheadle Heath Primary School, Cale Green Primary School, Lumhead Primary School, to form the Stockport State-Independent Partnership.

The Science Outreach Programme funded by The Oglesby Charitable Trust since 2007 continued for the first half of the academic year with three of our partner schools.

As well as opening up the School's buildings and grounds to schools, charities and community groups that do not have facilities of their own. Local residents are invited to a range of events, including where they are entertained by pupils and they are given opportunities to understand more about the School and its history. Local swimmers, Scouts, cricketers and chess players are among the many community groups that make regular use of the facilities at Cheadle Hulme School. The School's annual Heritage Day is part of the national Heritage Open Days event to celebrate the nation's vibrant culture and history.

The School has become a regional hub for the National Maths and Physics SCITT (School-Centred Initial Teacher Training), recruiting 5 trainee teachers in its first year. The hub also involves CHS working in partnership with Kingsway School to provide a range of experiences for the trainees. From its earliest days, Cheadle Hulme School has had philanthropy and benevolence at its heart. Today, pupils and staff remain committed to making a difference and each year they undertake a range of events to raise vital funds for charities, both in Cheadle Hulme and further afield.

As well as supporting nominated School and House charities, pupils are encouraged to create their own events to raise funds for causes that mean something to them personally. Senior School pupils continued to support House charities last year. These were East Cheshire Hospice, Beechwood, and 42nd Street and Make a Wish Foundation. The Junior School fundraised for Woodlands Trust and Shelter.

Some of the other charitable initiatives which took place last year were the 50th Annual Charity Hike to raise funds for the School in The Gambia, the Cheadle Channel Challenge for Sports Relief, and Year 7 collection for Cash 4 Kids and the Rucksack Challenge for The Wellspring.

In light of the Covid 19 pandemic, the in-house fundraising team ran a campaign to generate awareness and funds for local charities, including the School's production of PPE for local NHS workers and healthcare workers. More than £3,000 was raised to help cover the cost of materials and the School produced and delivered over 1000 visors in and around the area, including 13 hospitals and GP surgeries. Pupils also took part in 'Stitch Social' to make laundry bags for medical staff to use in washing their scrubs. The School also supported local charity and foodbank, The Wellspring in support of its efforts to make hot meals for the homeless during the lockdown. Families volunteered to collect donations from doorsteps and deliver them to the foodbank each week. The fundraising team also helped support the EatWell Manchester initiative, a homeless project in central Manchester and StateTalking, a charity which connects local state schools with inspirational and careers speakers. Several CHS parents volunteered their time to give a virtual talk for state school pupils

CHS has a responsibility to set a good example to its pupils and the wider community by promoting social equality, minimising its impact on the environment and striving to keep public benefit at the heart of everything it does.

The School's Travel Plan promotes safer, healthier, greener travel and encourages pupils to walk, cycle or use public transport to get to School to reduce the impact on the local community and the environment. As part of this commitment, the School encourages use of a 'Park and Stride' scheme to reduce traffic congestion around school and get parents and pupils walking a few more steps every day.

During the pandemic lockdown the School made provision for vulnerable pupils or those who are children of critical workers to attend School. The School also allowed pupils of a local School, who were unable to offer this provision, to use CHS facilities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The School has had a successful year with pupil numbers increasing to 1491 (2018-19: 1457).

There were 323 members of staff (2018-19: 305) including 157 teaching staff (2018-19: 158) and 166 administrative staff (2018-19: 147).

The School's Senior Leadership Team is responsible for managing the School's performance and its progress against the key strategic priorities set. The key achievements during the academic year 2019-20 are as follows:

Academic

Junior School

The Junior School pupils performed well with most children meeting or exceeding age-appropriate expectations in Maths, Writing and Reading. The Junior School focused on becoming an Eco-School and developed an eco-code, created a committee and a display in the hall celebrating the school's efforts. A music themed Charity Day developed community links and our contribution beyond the School, while a Lego collaboration day saw students work across key stages to develop engineering skills as well as teamwork. An increase in sport fixtures meant that every child in KS2 represented CHS competitively and the schools focus on coed sport has seen an increase in participation.

From March 2020 the Junior School entered a period of remote learning and efforts were made to share textbooks and resources to minimise disruption to learning. Staff then went on to develop their use of technology rapidly, using suitable platforms to deliver the remote learning and teach classes remotely to the best of their ability during an unusual time for education. Following the initial lockdown period, the Junior School followed government advice and welcomed back Junior School pupils in stages. The Junior School has continued to develop and enhance its remote learning provision during the 2021 spring lockdown.

Senior School

The whole-school academic focus in 2019-20 was in refining and embedding excellence in feedback and assessment. This was aided by the launch of a series of Professional Learning Communities for teachers and the launch of a Teachers' website dedicated to outstanding teaching and learning. This was supported by sites for pupils designed to help study habits and metacognition, as well as to stretch and challenge pupils.

The CHS Thinking Skills continued to be developed, with pupils in Years 7 and 8 undertaking independent research projects. In addition, a successful Higher Project Qualification (HPQ) pilot in the Upper School and continued success of the Extended Project Qualification in the Sixth Form reflect the efforts to focus on the independent learning skills of CHS pupils. The Sixth Form curriculum evolved further, with the addition of the option of the Arts Award, and the first pupils to complete their BTEC in Sport. The options beyond the three subjects in Sixth Form are now wide-ranging, including the EPQ, Core Maths, the Arts Award and range of activities in our Pathways programme covering the arts, elite sport, enterprise and finance, medical sciences, modern languages and STEM.

A team of teachers have also been redesigning a new curriculum at Key Stage 3. This was originally planned for launch with Year 7 pupils in September 2020, but the disruption caused by the pandemic has resulted in a delay until September 2021. The curriculum aims to focus explicitly on the competencies developed by each academic subject, as well as allowing pupils to explore a range of interdisciplinary themes with contemporary relevance. An additional team of staff has also been working to design a new Lower School Diploma, whose introduction has also been postponed until September 2021.

After school sites closed across the country in March, the focus switched to remote learning, and CHS adapted very quickly to the challenges of educating pupils remotely. Departments shifted their resources to Google Classroom and delivered lessons online, using both Google Meet and a whole variety of strategies to continue to educate pupils. Pupils remained engaged by the teaching and continued to receive feedback on their work across every academic subject. In addition, those Year 11 and 13 pupils who would usually enter Study Leave from May were provided for by the creation of brand new courses to help them transition to Sixth Form and university respectively. In addition to full remote learning in the summer term, pupils in Years 10 and 12 were also provided with clear guides to keep up to speed in their studies over the summer, as well as a consolidation week before the start of the Autumn Term, to ensure no child was left behind. The School has continued to develop its remote learning provision during the 2021 spring lockdown.

The huge strides made in the use of technology in the Summer Term and this latest lockdown will play a key role in informing the academic life of the School in 2020-21 and beyond.

No public examinations took place in the Summer and CHS pupils like those across the country, were awarded results which were derived from assessments undertaken by the School. The high standards our pupils performed at in their studies was reflected by the final results. At GCSE, 76% of grades were awarded at 7-9, and at A-level, Pre-U and BTEC, 89.4% of grades were awarded at A*-B or equivalent. These results enabled our pupils to progress to their destination of choice, with 96 pupils going onto their first choice university, and 97 to the most competitive Russell Group universities. That said, our wide-ranging curriculum at Sixth Form aims to equip students with the skills to succeed in a range of environments, with students in recent years also successfully applying for degree apprenticeships.

Co-curricular activities

The School has a wide ranging Co-Curricular programme, which remains a strength of the educational experience provided. The majority of pupils from the Junior School through to the Sixth Form engage in a diverse range of clubs, competitions and quizzes. During the Autumn and Spring terms, the Co-Curricular Programme ran to its full provision. However, from 20 March 2020 due to school closure, in line with the national lockdown, the School moved to a remote programme of activities, trying to copy the normal timetable as much as possible and thus, supporting pupils to structure their school day. Activities such as netball, rugby and football training sessions, MUN, Chess Club, Poetry Club were included in this timetable, either by video or via google classroom, the platform the school uses for remote learning.

CHS sport has continued to grow and work towards its vision of being the number one sport programme in the North of England, by providing excellent opportunities for all pupils to enjoy and progress in sport. Before the national lockdown, CHS Sport was continuing with its upward trajectory of providing excellent provision for all members of the community and was on track to play more than 1000 fixtures.

Teaching and Learning continued to be a real attribute to the sporting community with several colleagues gaining Level 3 and Level 4 qualifications, whilst others continued with their progression towards gaining their Masters' qualifications. This acquired knowledge benefited our students directly with the quality of teaching which was reflected in both the high level of participation and progress that students demonstrated. This was particularly evident in a range of excellent sporting results which we obtained regionally and nationally.

The impact of CHS Sport in the community continues with relationships being extended to local sport clubs, primary schools and National Governing Bodies. Unfortunately the majority of these projects are planned in the Summer Term which was disrupted by the national lockdown. However, CHS Sport has begun to develop links with universities, including Salford University, Staffordshire University and UCLAN, to investigate how we can bridge the gap between academic research and practical application.

CHS pupils also perform to a high standard in the Arts. In Music, Junior School pupils are entered for external examinations offered by LAMDA and in Music.

CHS pupils achieve very high musical standards as individuals and in ensembles. Individually pupils have the opportunity to be examined on their instrument through the ABRSM or Trinity and Guildhall exam boards. Visiting Music Teachers offer lessons on all instruments and voice, including lessons as a DJ. Co-Curricular ensembles and choirs continue to rehearse during the pandemic by ensuring Covid 19 safety procedures are followed, allowing for a full and rich provision for our young musicians. Ensembles include Concert Band, Big Band, Orchestra, numerous choirs and a range of smaller instrumental ensembles and choral groups. A number of pupils were selected for national orchestras and choirs.

In Co-Curricular Drama there were two large scale productions last year, but a planned outdoor production in the summer term had to be cancelled due to school closure for Covid 19. Approximately 70 pupils were involved in the productions that went ahead. Drama clubs were available for younger pupils. Individual pupils also achieved distinction in this field, such as in local Drama competitions. Several pupils have been accepted onto highly prestigious and extremely competitive courses.

The School has an Art2Buy scheme, an initiative that allows Old Waconians to donate a digital image of their artwork. Funds raised from the sale of these are used to pay for artist workshops so that current pupils might benefit from the legacy of their peers. Although Covid 19 has halted the sale of these items the initiative is still in place to launch once it is safe to do so. The School continues to be the only school involved in Manchester Art Fair and in 2019 pupils painted live over the course of the weekend and hosted artist workshops for the children of Cheadle Heath Primary School, allowing our pupils and our partner pupils an insight into the life of a professional working artist. In 2019 Cheadle Hulme School also hosted the HMC annual art conference.

The Duke of Edinburgh Award has continued to be a very popular and successful activity with approximately 200 CHS pupils participating in the Award across the three levels. Expeditions in the Autumn and Spring term took place as scheduled, however some expeditions had to be postponed due to Covid 19. The School hopes to be able to run these at some point this year.

Pupils from all year groups in the Senior School and some from Year 6 are involved in the Model United Nations. Each year there is a core group of Sixth Formers who form the Organising Committee for the School's conference, Model United Nations Cheadle Hulme, or MUNCH, which is one of the biggest and most prestigious MUN conferences in the country. The MUN programme also includes approximately ten conferences per year held at schools in various parts of the country, as well as MUN events in school for Years 7 - 9, organised by the older students and known as MiniMUNCH. Despite the impact of the Covid 19 pandemic, which has meant that all inter-school face to face conferences have been put on hold from March 2020, MUN has continued to offer opportunities for pupils from different schools to meet remotely.

For the last ten years MUN has raised money for Small Steps, a charity which supports nursery age children in Uganda with special needs founded by Cat Dunlop, a former pupil of CHS. Over £20,000 has been raised to date.

Academic competitions are also popular at CHS. Approximately 440 students take part in the national Maths Challenge on an annual basis. In Modern Languages students in the Lower School compete in the Mother Tongue, Other Tongue Competition for poetry. In the Upper School and Sixth Form, many students enter the UK Linguistics Olympiad, the Stephen Spender Prize and the ISMLA Creative Writing Competition. Each year CHS hosts the Modern Languages Debating Competition for Sixth Form linguists.

Pupils also get the opportunity to be part of the editorial team for the school magazine, "The Waconian" and the biannual Modern Languages magazine, "The Cultured Linguist".

Pastoral Care

The School places considerable emphasis on its pastoral provision and endeavours to provide a safe and welcoming environment that is free from any form of discrimination, where everyone is valued and treated with mutual respect and equal worth. Pastoral care is designed to support the progress and development of each pupil and to build resilience in pupils to deal positively with the challenges they face.

Work has continued this year to embed the systems used to track and assess pupil physical and mental health and wellbeing, with the introduction of Student Mentoring Plans. The School puts in place a range of interventions tailored to meet individual pupils' needs.

The Deputy Head (Pupil Welfare) is the Designated Safeguarding Lead. All staff, governors and those working directly with pupils are trained to the appropriate level in safeguarding and child protection issues to ensure that all children receive effective support and protection. Staff also undertake areas for specific training. Most recently, all staff and governors undertook Prevent Training to raise awareness around early intervention around radicalisation. All Staff also receive regular update training in regard to the School's policies. For example, a recent INSET session included a quiz to test not just staff knowledge, but understanding of our statutory safeguarding responsibilities.

The Waconian Values of integrity, endeavour, resilience, compassion and contribution continue to underpin the pastoral curriculum and make explicit the skills that all Waconians should develop on their journey through CHS. The School has a House system with the aim of establishing a team identity and encouraging more pupils to get involved in the wide variety of competitions available.

The Waconian Programme was introduced to pupils in Years 7 to 11 this year. The programme's five main topic areas are: Health (physical and mental), Study skills, citizenship, relationships and Future Self. The course is designed to promote the Waconian Values and help to show how embracing them will help our young people to thrive now and in the future, in all sorts of contexts. Junior School pupils have a similar programme called Learning for Life.

Members of the Peer Mentoring Scheme, with a team of 50 Sixth Form pupils, visit Years 7 and 8 Forms weekly, offering support and guidance to the younger pupils in a range of topics.

All Year 7 pupils participated in a team building residential at the start of the year to develop positive relationships between peers and with Form Tutors and pastoral leaders.

The School makes use of distinguished external speakers to support its efforts to safeguard its young people. For example, Elizabeth Burton Phillips spoke to our young people about the tragic impact of substance abuse. Following the tragic death of a local teenger, the Youth Offending Service and Professor Ernima Bell, MBE spoke to pupils about the dangers of knives and the importance of harmony in our communities. In addition Sharon Girling, OBE, spoke to pupils and parents about online safety

This year the School was proud to host The Independent School Nurse Study Day, attended by over 40 nurses from leading Independent schools in the UK.

In support of diversity and following the loss of George Floyd, the School held a number of focus group meetings with Old Wacs and current pupils; their insights shaped a number of recommendations put forward to School to ensure CHS is an inclusive and accessible School for all.

CHS responded to Covid 19 proactively, providing group and one to one support for any pupils who were struggling with a sense of disengagement or anxiety. Year 11 were provided with a Digital Innovations Challenge and their Induction to Year 12 included courses in team building, all of which was live and interactive. For Year 13, the Beyond CHS programme provided academic challenge, careers and further education advice as well as one to one sessions for pupils whose plans changed.

Sustainability

The School's environmental and sustainability plan aims to raise awareness of environmental responsibilities and the impact on the world. It focuses on reducing the amount of waste produced in School, sourcing equipment and supplies from environmentally responsible sources and minimising the amount of waste sent to landfill or not recycled.

Through its actions and ambitions the School hopes to influence the behaviour and expectations of pupils as future global citizens and leaders and help them make a positive impact on society.

This year the School continued with the following energy efficient programmes:

- Boiler upgrades
- LED lighting

The School's energy data is as follows:

	2019-20	**2018-19**
UK Energy use (kWh)	3,914,902	4,136,519
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	789,730	841,005
Intensity ratio Emissions per pupil	515	577

UK energy use covers Gas, Electricity and Diesel use across all School buildings and vehicles. It also includes the cost of reimbursing staff for travel. Associated Greenhouse gases have been calculated using the conversion factors from the Department for Business, Energy and Industrial Standard.

Fundraising

Plans to build on the initiatives we introduced last year, particularly around partnerships and fundraising for the School's Bursary Fund were heavily impacted by the Covid 19 pandemic.

The Amazing Campaign was a new initiative introduced in January 2020 to raise funds for the School's Bursary Fund. A parent appeal was mailed before lockdown and resulted in gifts totalling £13,000. The telephone campaign which was due to follow the mailing was unfortunately cancelled and will be revisited in the Autumn Term 2020 for Old Waconians only. A team of Sixth Form student callers has been recruited and matched funding has been secured to encourage first time donors to make a gift.

CHS employs professional fundraisers to carry out activities for fundraising purposes. All fundraisers are bound by the regulations set out by the Fundraising Regulator, of which the School is a member. This means all fundraising activity is carried out in line with the advice and regulations provided by this scheme to ensure all fundraising is carried out to a professional standard and adheres to best practice. Information about how the School uses personal data for fundraising purposes is explained within the External Relations Privacy Policy.

Old Waconians and the Cheadle Hulme Parents' Association

Several events took place in the first half of the academic year including the Annual Old Waconians' Dinner held in School for over 140 former pupils. In March, President of the OWs, Katie Derham, Class of 1988 hosted an event in London for over 200 OWs. She interviewed fellow OW and broadcaster Nick Robinson, Class of 1980. The event was sponsored by Mark Whelan, Class of 1986 at the Havas Offices in Kings Cross and all proceeds from ticket sales were donated to the Bursary Fund.

During lockdown and the summer term, our alumni relations programme was adapted and took place online. This included numerous career talks from OWs for current Sixth Form students. A 'Call to Connect' campaign also took place which aimed to support OWs, particularly those aged over 70 and were shielding. A small group of OWs volunteered their time to call alumni during the lockdown period and share stories of their time at school. The team put together a virtual Graduation film for the Class of 2020 to celebrate their transition from student to Old Waconian.

Parents' Association

The focus for the PA has been transitioning from being focused solely on the Junior School to becoming a group for the whole school. Discussions will continue during Autumn term 2020, overseen by the new Head of the Junior School and the Director of External Relations.

FINANCIAL

Results for the Year

The School's priority this year has been to maintain financial stability during the Covid 19 crisis. The School needed to strike a balance between supporting parents whose income levels had been severely impacted by the pandemic but ensuring the School continued to have the resources necessary to provide the high standard of education that parents and pupils expect now and in future years.

On 20 March 2020, as instructed by the UK Government in response to the Covid 19 pandemic, the School closed its site to all pupils, except for vulnerable children and those of parents who are Key Workers. The School immediately mothballed the majority of its buildings to reduce running costs and only authorised essential operating spend. It accessed the Coronavirus Job Retention Scheme and furloughed 72 members of staff, primarily site based professional services staff and some of the PE team.

The School charged full fees for the summer term, except for the Pre School where it offered a 25% reduction on the amount due for the period of closure. However, once it was able to review its financial position and quantify the savings made, these were passed back to parents by way of a £300 rebate to all pupils in other year groups. In line with Government guidance, as part of a phased plan, Junior School pupils returned to the School site after half term and Senior School exam year students also had some onsite contact. The School offered all Junior School pupils 3 free days in the holiday club which ran for 6 weeks during the summer break.

As part of its financial planning, the School prepared a set of 4 year projections, incorporating scenario and sensitivity analysis, and, in light of this, it made a commitment to parents to hold fees at the current level for the 2020-21 academic year at a cost of approximately £300k to the School.

To help those parents impacted financially by the pandemic, the School offered payment holidays and deferred payment plans through the lockdown period extended as required into the 2020-21 academic year. The impact of deferred payment plans to the School's cash flow was around £400k as at 31 August 2020.

The School did not offer any discounts to parents during the pandemic. It has established a small hardship fund using its own funds together with pupil rebates which were kindly waived by some families. This fund can be accessed by existing families who continue to struggle financially in 2020-21. All requests and applications for hardship funding must be made formally and are assessed using a fair and equitable predetermined process by a group comprising senior staff and governors. The group has already made some allocations in the new academic year and will continue to review requests.

The School liaised with travel companies, its insurance brokers and parents to ensure trip refunds were maximised and returned to parents as quickly as possible.

During the latest 2021 spring term lockdown, the School has again put plans in place to make savings by using the furlough scheme and by minimising onsite spend. At this stage, it is anticipated that the savings made will be less than in the 2020 summer term as the provision for children of Critical Workers and vulnerable children has expanded and government guidance allows staff to work on site to deliver their remote lessons, limiting the numbers of buildings that can be mothballed.

Statement of Financial Activities

The School aims to make a minimum annual surplus on its unrestricted funds, before depreciation, of between 8 - 10% of income, which is in line with the sector benchmark and means the School is able to generate sufficient cash reserves to ensure it has an appropriate level of working capital to meet its commitment to operate the School for the entire educational life of its pupils as well as fund critical investment in pupil facilities. This year, despite the impact of the pandemic, the School was still able to achieve this target with a surplus on its unrestricted funds, before depreciation and transfers of £2M (2018-19: £1.8M). This represents 12% of income (2018-19: 11.1%). After accounting for depreciation the Retained Surplus for the Year on unrestricted funds amounted to £1.1M (2018-19: £871K).

The key reason why the School met its minimum Income and Expenditure target was its success in recruiting significantly higher pupil numbers than planned and managing to retain virtually all of its pupils throughout the pandemic. This meant total unrestricted income for the year, increased by 2% compared to 2018-19.

It should be noted that the increase in pupil numbers will require greater investment in facilities in future years.

Total unrestricted expenditure (including depreciation) increased by 1.1%. Pension costs for staff increased significantly following new imposed employer contribution rates for the Teachers' Pension Scheme. This increase was offset by managing expenditure in all other key areas very carefully.

The School has been taking steps to reduce expenditure and this resulted in savings prior to lockdown. The School also took a proactive approach to minimising costs during the pandemic and the additional savings were passed back to parents. The same approach is planned for the 2021 spring lockdown.

Fees continue to be the main source of funding, representing over 90% of total unrestricted income. School catering accounts for a further 5% and income from lettings to community groups and other third parties is less than 1%.

Balance Sheet

The School's Net Assets have increased by £1.2M, which represents the surplus for the year across restricted and unrestricted funds.

This year Tangible Assets have decreased to £19.8M net of depreciation (2018-19: £20.4M). The School was not planning to undertake any large scale capital projects this year and in light of Covid 19 it limited maintenance spend to the absolute minimum.

Net current liabilities have decreased to £117K. Cash at Bank and in hand has increased slightly to £3M (2018-19: £2.7M). Funds will be used in future years to ensure individual pupil facilities are maintained even though pupil numbers continue to rise and investment will continue in priority projects within the School's new Estates Masterplan.

Creditors: Amounts falling due within one year have reduced significantly to £3.3M (2018-19: £4.4M) reflecting lower fees in advance and lower trade creditors and accruals.

Creditors: Amounts falling due after more than one year has decreased by £500K which primarily reflects the loan repayments made during the year.

The School has bank loans totalling £2.7M. The School's pension liabilities are summarised in note 22 in the accounts.

Cash Flow Statement

The Net Cash Inflow from Operating Activities for the year was £1.2M (2018-19: £1M). Unlike the previous year, there were no key areas of spend within 'Purchase of tangible fixed assets and this year there was a positive movement in cash and cash equivalents.

Reserves Policy

Total reserves amounted to £16.3M as at 31 August 2020 (2018-19: £15M), of which £145K (2018-19: £65k) is restricted.

The School has negative free reserves of £1M which is calculated by taking unrestricted reserves of £16.1M deducting Tangible Fixed Assets of £19.8M and adding back Loans of £2.7M. However, the School has £2M of School fees received in advance to offset this (as families must give a term's notice to withdraw, in reality these will not be repaid).

The School invests its reserves in maintaining its estate and in funding major building and infrastructure projects that are essential to provide an excellent pupil experience. Pupil numbers have remained strong and the School actively manages operating surpluses and cash balances so that it has sufficient funds to cover its day to day operations. Critical additional funds are raised through the activities of the Development Office.

Bank borrowings are carefully monitored and in recent years the School has been building up its cash reserves and using them to fund a number of significant capital projects. The School has a net current liability position, but this is being carefully managed.

The Directors continue to monitor and review the level of reserves required in line with the School's strategic plan on a regular basis. There needs to be an equitable balance between ensuring the current pupils benefit whilst, at the same time ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from the investment made in the past.

The School is confident the Directors have complied with their duties in section 172 (1) of the Companies Act. All key decisions are taken collectively by the Board. Board papers comprise comprehensive information detailing the risks and opportunities facing the School and decisions are taken with regard to promoting the long term sustainability of the School for its pupils, parents, staff, suppliers and local community. An impact assessment is considered for all decisions taken to ensure they are justifiable, appropriate and will benefit the School and the environment it operates in.

Section 172 (1) Statement

The Board of Directors have a duty to act in the best interests of the School and also in the best interests of its pupils, staff, parents and other stakeholders, as recognised beneficiaries under charity law. The Directors fulfil this duty by taking into account the long term factors affecting the School and their impact on its pupils, staff, parents, partners, suppliers and local community. The School's commitment to providing an excellent education for its pupils is the key driver within its Strategic plan and in its target of continued financial sustainability. The School ensures that engagement with pupils, staff, parents, partners and other stakeholders informs the Board of Directors' decision making. Engagement takes place in a range of ways:

Pupils: Pupil representatives meet regularly as part of the Pupil Voice to discuss key areas for review and improvement. Pupils are encouraged to feedback on a range of issues on an informal basis to their form tutors whilst more formal pupil surveys are conducted each term on a year group basis. The pupil surveys cover all aspects of school life and help identify issues which have arisen, or are likely to emerge which affect the pupil experience of school. During the period when the School site was closed pupils were surveyed more frequently in order to understand their experience of remote learning and provide feedback on how it could be developed, and assist the School in identifying pupils who may have required additional academic or pastoral support. These surveys also informed longer term planning in helping the School understand which elements of remote learning were likely to be effective in the future, and help develop teacher skill using technology to deliver the curriculum. Following the emergence of the Black Lives Matter movement, the School consulted both with members of the current and former pupil communities to better understand their experience of race, diversity and inclusion at CHS and which will also help inform the School's strategic approach to inclusion and diversity in the future.

Parents: The School conducts parent surveys each term on a year group basis. It encourages feedback from parents at parent information evenings and by encouraging direct contact with teaching staff and members of the Senior Leadership Team. During the Covid 19 crisis the School held a number of parent forums and surveyed all parents to discuss the move to remote learning and their expectations. Parents were all also given the opportunity to feedback on the School's return to school plans during the Summer Term, and again prior to the start of the Autumn Term.

Staff: During the pandemic the School carried out staff surveys which enabled it to gain feedback on their wellbeing and enabled the School to identify staff who needed additional support. The Employee Involvement section earlier in this report gives more details on how the School generally engages its staff.

Partners: The School works collaboratively with its partner schools to develop an appropriate partnership programme. Joint critical evaluation is used to refine and improve delivery.

Communities: The School's Enterprises Manager actively and directly engages with the community groups who use the School's facilities in the evenings, weekends and holiday periods to ensure they have appropriate risk assessments and training in place and that the services provided by the School meets their needs.

Suppliers: The School relies on its key suppliers for delivery of goods and services. Appropriate measures are in place to ensure value and price is fairly assessed and that contracts awarded meet the needs of the School.

Ensuring Good Governance

The Board of Directors are committed to the principles of good and ethical governance. The Board uses its sub-committee structure outlined earlier to scrutinise objectively different elements of the School's progress and performance. The Board carries out periodic skills and effectiveness reviews and ensures that governors undertake appropriate training. The School has clear procedures for risk management, anti fraud, bribery and corruption, procurement and whistleblowing. Board members are also aware of their responsibilities to ensure compliance with statutory and other guidance relevant to its status including as a provider of education, a charity, a company, and as an employer.

Investment policy and objectives

The School does not hold any long-term investments. Surplus cash is held in instant access bank accounts with the best interest rate available, Directors periodically review the banks used by the School. There are no restrictions on the School's power to invest.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The Board, assisted by the Senior Management Team, has examined and documented the major risks that the School faces. The School's Risk Register is compiled in accordance with the Charity Commission's "Charities & Risk Management" framework and is consistent with the Commission's Statement of Recommended Practice (SORP) 2015.

The School actively manages its key risks and has developed systems to monitor and control them to minimise any reputational, financial or operational impact on the School.

Directors review the key risks and mitigating action on a regular basis and this year, through the pandemic crisis, the School reviewed Covid 19 related risks on a daily basis. The site closure and the move to remote learning was dealt with following the School's critical incident procedures. The key risk areas were ensuring remote learning and co-curricular provision was effective, accessible and that pupils continued to engage; that the School provided additional academic/pastoral/wellbeing support to pupils and staff as required during the period of remote learning; that parents impacted financially by Covid 19 were supported appropriately; and that the return to site plan kept abreast of rapidly evolving government guidelines and prepared adequately for pupil and staff safety.

Other areas of focus during the year included ensuring the School's digital network and systems were secure, that General Data Protection Regulation was adhered to, that the School kept abreast of and responded to Government thinking on education policy, charitable status, pensions and business rates, and ensuring that the School's finances were adequate to ensure long term viability whilst recognised the constraints on parent affordability.

The strategies for managing and mitigating these key risks included:

- Daily review of risks, opportunities and implementation of required action throughout the period of remote learning and during the summer holidays prior to the return to site in September 2020.
- Strengthening communication to pupils and parents
- Continuing to refine and develop risk assessment and critical incident processes
- Continuous horizon scanning to ensure Directors and SLT are aware of latest Central and Local Government thinking and policy, and taking action accordingly
- Being aware of local changes in the education sector, considering the impact on the School and taking appropriate action
- Monitoring and reviewing the School's admissions process
- Continuing to prepare and review the annual budget, financial projections and scenario plans.

PLANS FOR THE FUTURE

The School's Strategic plan identifies key priorities for a five year period. Each year the Senior Leadership Team sets targets at whole School, departmental and individual levels and reviews progress over the course of the year through the School's online performance management system. Oversight by the Board of Directors is achieved through the Head's submission of regular updates, through the work of the Committees and an annual report. This year the Senior Leadership team and the Board have taken the work done on 'lessons learnt' and opportunities during the pandemic period and used this to revise objectives and targets for the current as well as future years.

The key areas of focus for the forthcoming year will be:

- Academic - Ensuring all departments have reviewed and embedded an inspiring and challenging curriculum to prepare CHS pupils for the future, with a particular focus this year on Lower School, including the introduction of the HPQ for Years 9, 7 and 10. Academic departments' progress against their action plans will be monitored throughout the year. Further work on ensuring teaching and learning is outstanding and informed by an evidenced based approach will include developing Professional Learning Communities for teaching staff, developing a teachers website where information on expectations and best practice can be shared, application of the four pillars of effective assessment and ensuring that remote learning is of a high quality. A key priority for the Junior School is to review the content and resources used for the English and Humanities curriculums, and to review provision made for pupils with specific learning needs.

- Pastoral - In addition to ensuring all pupils receive highest levels and consistent levels of care collaborating, as appropriate, with external agencies and partner Schools. The School will continue to offer additional support for those pupils who have found the pandemic particularly difficult. The focus this year will be on widening participation of pupils across all ages in the School's co-curricular programme using all facilities extensively. Work on embedding the Waconian Values will also continue.

- Admissions and Partnership — maintain the quality and numbers of pupils at the School, expand the Bursary fund to support expansion of Bursary places, continue to develop the SCITT to include Modern Foreign Languages as well as Maths and extend the network of sustainable partnerships with local primary and secondary schools, Higher Education and community groups. Continue to develop connections with and between Old Waconians.

- Finance and Infrastructure — maintain financial sustainability after accounting for key external financial challenges, continue to develop dynamic, creative spaces which are fit for purpose and maintained to high standards; manage School business through innovative technical solutions and continue to embrace new ways of delivering education.

- Staff Development and Wellbeing —continue to ensure the School attracts and retains the best staff by being an aspirational place to work.

DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and applied them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards and the Charities SORP 2015; and state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for a further 3 years. Actual performance is monitored monthly and cash balances are managed daily. The School has strong pupil recruitment and continues to make good Income and Expenditure surpluses which it uses to reinvest in its facilities. At the time of approval of the financial statements, the impact of the Covid 19 global pandemic continues and the School's site is once again closed to pupils other than children of Critical Workers and Vulnerable children. The School has moved back to remote learning. Both short term and long term effects of the pandemic are being discussed and reviewed continuously by the Senior Leadership Team and the Board of Directors. Although the impact of the pandemic in the short term has not seriously impacted in the way the School first thought it may, there are still concerns that in there is potential for significant and enduring impact on the School's demand for pupil places, supply chain and workforce availability. The Directors have undertaken planning and forecasting and continue to closely monitor the developing situation. Further details on the School's response and plans for dealing with the Covid 19 virus are documented throughout the Directors Report. Despite the current circumstances the Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the Directors have taken all the steps that ought to have been taken as a member in order to be aware of any information needed by the auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The Directors have also taken all reasonable steps to comply with their obligations as set out by the Charity Commission to act in the best interests of the charity and comply with their legal duties under charity law, including their duty of prudence.

Approval

This report was approved by the Board on 8 February 2021.



Catherine Boyd
Chair of the Board

Independent Auditor's Report to the Members of Cheadle Hulme School

Opinion

We have audited the financial statements of Cheadle Hulme School (the 'charitable company') for the year ended 31 August 2020 which comprise of the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Cheadle Hulme School (cont.)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept,, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Directors

As explained more fully in the directors' responsibilities statement set out on page 25, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Vicky Szulist

Vicky Szulist
(Senior Statutory Auditor)
for and on behalf of Crowe U.K. LLP
Chartered Accountants and Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: 15th March 2021

STATEMENT OF FINANCIAL ACTIVITIES (Including an income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
INCOME		**£'000**	**£'000**	**£'000**	**£'000**
Income from:					
Donations and legacies	6	189	115	304	207
Investments	5	14	-	14	24
Ancillary trading income	4	1,012	-	1,012	1,120
Charitable activities	3	15,301	-	15,301	14,907
Total Income		16,516	115	16,631	16,258
EXPENDITURE					
Charitable activities		15,382	35	15,417	15,216
Total Expenditure	7	15,382	35	15,417	15,216
Net School Income for the year before transfers		1,134	80	1,214	1,042
Transfers between funds	19	-	-	-	-
Net movement in funds		1,134	80	1,214	1,042
Total funds brought forward		14,985	65	15,050	14,008
Total funds carried forward	21	16,119	145	16,264	15,050

The Statement of Financial Activities includes all gains and losses recognised in the year.

All activities are classed as continuing.

The notes on the following pages form part of these financial statements

BALANCE SHEET
Company number: 3823129

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible assets	10		19,765		20,415
Current assets					
Debtors	12	447		601	
Cash at bank and in hand		3,079		2,739	
		3,526		3,340	
Creditors: Amounts falling due within one year	13				
Loans		(348)		(348)	
Other		(3,295)		(4,424)	
Net current (liabilities)			(117)		(1,432)
Total assets less current liabilities			19,648		18,983
Creditors: Amounts falling due after more than one year	14		(3,384)		(3,933)
Net assets			16,264		15,050
Funds					
Unrestricted general funds	20		16,119		14,985
Restricted funds	19		145		65
Total charity funds			16,264		15,050

The financial statements were approved by the Board of Directors on 8 February 2021 and signed on its behalf by:

C Boyd
Director

The notes on the following pages form part of these financial statements

STATEMENT OF CASH FLOWS

	2020 £'000	2019 £'000
Cash flows from operating activities:		
Net movement in funds	1,214	1,042
Adjusted for:		
Depreciation	877	825
Interest payable	92	103
Interest receivable	(14)	(24)
Decrease/(Increase) in trade and other receivables	154	(18)
(Decrease)/Increase in trade and other payables	(1,191)	513
(Decrease) in pension debt provision	(94)	(36)
Net cash inflow from operating activities	1,038	2,405
Cash flows from investing activities		
Purchase of tangible fixed assets	(227)	(2,338)
Interest received	14	24
Net cash outflows from investing activities	(213)	(2,314)
Cash flows from financing activities		
Repayments of amounts borrowed	(398)	(398)
Interest paid	(92)	(103)
Net cash inflows from financing activities	(490)	(501)
Net increase/(decrease) in cash & cash equivalents	340	**(410)**
Opening cash & cash equivalents	2,739	3,149
Closing cash & cash equivalents	3,079	2,739
Movement in cash & cash equivalents	340	**(410)**

The notes on the following pages form part of these financial statements

RECONCILIATION OF NET DEBT

	At 1 September 2019 £'000	Cash flow £'000	At 31 August 2020 £'000
Cash at bank	2,739	340	3,079
Bank loan due in less than one year	(348)	-	(348)
Bank loan due in greater than one year	(2,747)	397	(2,350)
	(356)	737	381

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information
Cheadle Hulme School is a private company limited by guarantee and is non-profit making. Cheadle Hulme School is incorporated in England and Wales. The registered office is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF.

Basis of accounting
Cheadle Hulme School meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, with the exception of certain buildings which have been included at a valuation made in 1939 and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), and the Companies Act 2006.

Going concern
The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for a further 3 years. Actual performance is monitored monthly and cash balances are managed daily. The School has strong pupil recruitment and continues to make good Income and Expenditure surpluses which it uses to reinvest in its facilities. At the time of approval of the financial statements, the impact of the Covid19 global pandemic continues and the School's site is once again closed to pupils other than children of Critical Workers and Vulnerable children. The School has moved back to remote learning. Both short term and long term effects of the pandemic are being discussed and reviewed continuously by the Senior Leadership Team and the Board of Directors. Although the impact of the pandemic in the short term has not seriously impacted in the way the School first thought it may, there are still concerns that in there is potential for significant and enduring impact on the School's demand for pupil places, supply chain and workforce availability. The Directors have undertaken planning and forecasting and continue to closely monitor the developing situation. Further details on the School's response and plans for dealing with the Covid 19 virus are documented throughout the Directors Report. Despite the current circumstances the Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Group accounts
The charity has not prepared consolidated accounts as the subsidiary undertaking may be excluded from consolidation on the basis that it is not material. These financial statements therefore present information about the charity as an individual undertaking rather than as a group.

Income
All income is included in the Statement of Financial Activities when the School is legally entitled to the income and the amounts can be quantified with reasonable accuracy. Income mainly represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Donations and gifts
All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Income (continued)
Donations under Gift Aid, together with associated income tax recoveries, are credited as income when the donations are receivable.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, if the receipt is both probable and measurable. These are included in the Statement of Financial Activities.

Investment income
Investment income, including associated income tax recoveries, is recognised when receivable.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified to the particular activity where the cost relates directly to that activity.

Charitable expenditure
This represents expenditure incurred on activities in furtherance of the charity's objects (which includes support costs).

Governance costs
Costs incurred are those relating to the organisation and running of the charity itself and are included in charitable expenditure.

Fixed assets
Fixed assets are included in the balance sheet at historic cost except for certain buildings noted above. From 1 April 1993 all plant and equipment purchased with a cost of greater than £1K is being capitalised and disclosed within the fixed asset note.

Depreciation is provided evenly on the cost of plant and equipment to write them down to their estimated residual values over their expected useful economic lives of 5-20 years. Equipment relating to computers is written down over 5 years. Fixtures and fittings are written down over 10 years.

Buildings are being depreciated over a life of 50 years. Certain improvements to properties are depreciated over their estimated useful lives, ranging from 5 to 20 years.

Taxation
The School is not liable to taxation on the results of its charitable activities as it is a registered charity.

Pensions
School staff are members of one of two pension schemes. Teachers' Pension Scheme is a defined benefit scheme and Independent Schools' pension scheme is defined contribution. More details of the schemes are given in note 22.

Investments
Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department of Education. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the School in the year.

Independent Schools' Pension Scheme

Non-teaching members of staff appointed during the year were offered membership of the Independent Schools' Pension Scheme (ISPS) Defined Contribution section. The contributions paid by the School during the year are charged to the Statement of Financial Activities.

Non-teaching members of staff appointed prior to 1 September 2013 were eligible to be members of the ISPS funded multi-employer Defined Benefit section. The scheme is closed to new employees. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

If the actuarial valuation of the scheme reveals a deficit, the Directors will agree a recovery plan to eliminate the deficit over a specified period. This is held as a liability in the financial statements, as detailed in note 16.

The pension costs for the scheme represent the contributions payable by the School in the year.

Reserves
The School has a number of restricted income funds to account for situations where an income stream requires that the income must be spent on a particular purpose.

All other funds are classified as unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 affects both current and future periods.

Critical accounting judgements
The critical accounting judgements that the Directors have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- Pension deficit provision
  The charity has an obligation to pay deficit funding contributions towards the multi-employer defined benefit pension scheme. This provision is dependent on a number of factors including discount rate, life expectancy and asset valuations. The assumptions reflect historical experience and current trends.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Determining residual values and useful economic lives of property, plant and equipment
  The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by the Directors. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by the Directors when determining the residual values for plant, machinery and equipment. When determining the residual value, the Directors aim to assess the amount that the charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

3. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2020 **£'000**	*2019* *£'000*
Fees receivable consist of:		
School fees	17,340	16,353
Less: total bursaries, scholarships and Covid19 fees rebate	(2,039)	(1,446)
	15,301	14,907
Add back: Bursaries and other awards paid for by restricted funds	-	-
	15,301	14,907

Bursaries, scholarships and other awards were paid to 231 pupils (*2019: 218*). Within this means-tested bursaries totalling £1,027k were paid to 97 pupils (*2019: £905k to 96 pupils*).

4. CHARITABLE ACTIVITIES – OTHER INCOME

	2020 **£'000**	*2019* *£'000*
Catering fees	621	810
Entrance and registration fees	29	33
After school and other clubs	74	100
Income from CHS Enterprises	114	93
CJRS income	163	-
Other income	11	84
	1,012	1,120

5. INVESTMENT INCOME

	Total 2020 £'000	*Total 2019 £'000*
Bank interest	14	24
	14	24

6. GRANTS AND DONATIONS RECEIVABLE

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Total 2020 £'000**
Grants received for Bursaries from:				
CHS 150th Anniversary Bursary Trust	100	-	-	100
Play and learn	-	-	-	-
Specific students	-	14	-	14
Oglesby Trust	10	-	-	10
STEM and ART bursary donations	72	-	-	72
Peter Kershaw income	7	-	-	7
Hardship fund	-	101	-	101
	189	115	-	304

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Total 2019 £'000**
Grants received for Bursaries from:				
CHS 150th Anniversary Bursary Trust	125	-	-	**125**
Play and learn	-	10	-	**10**
Specific students	-	34	-	**34**
Other restricted funds	-	21	-	**21**
Junior School Art Room	-	10	-	**10**
Hockely Chemistry Scholarship	-	-	-	**-**
Annual fund income	-	-	-	**-**
Peter Kershaw income	7	-	-	**7**
Capital donations	-	-	-	**-**
	132	75	-	**207**

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £'000	Other £'000	2020 Total £'000
Charitable expenditure	11,617	3,800	15,417

	Staff Costs £'000	Other £'000	2019 Total £'000
Charitable expenditure	10,972	4,244	15,216

Total expenditure are stated after charging:

	2020 £'000	2019 £'000
Depreciation	877	825
Auditor's remuneration - audit	11	18
- non-audit (other assurance services)	2	3

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

8. STAFF COSTS

	2020 £'000	2019 £'000
Staff costs were as follows:-		
Salaries	8,995	8,774
Social security costs	899	869
Pension costs	1,668	1,262
Private medical insurance	55	67
	11,617	10,972

Included within wages are termination and voluntary severance payments of £1,500 (2019: £nil).

The average number of employees in the year analysed by function was:-

	2020 No	2019 No
Teachers	157	158
Fund raising and publicity	7	6
Management and administration	159	141
	323	305

The increase in staff numbers in management and administration is the result of continuing to move Supply Staff onto the school payroll. Full time equivalent staff numbers have slightly moved.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

9. STAFF COSTS (CONTD)

The following analysis shows the number of higher paid staff in the following ranges.

Emoluments include salary, taxable benefits in kind and other payments to employees.

	2020 No	2019 No
£60,000 to £69,999	-	1
£70,000 to £79,999	5	4
£80,000 to £89,999	1	1
£130,000 to £139,999	-	1
£140,000 to £149,999	1	-

Retirement benefits under defined benefit and defined contribution schemes are accruing for the above staff.

No Director received any remuneration during the period.

No (2019 – nil) director received reimbursed expenses and expenses paid directly to third parties of £nil (2019 – £nil) during the period.

The key management personnel of the charity comprise the Directors, the Head, three Deputy Heads, the Chief Operating Officer, the Second Master and the Development Director. The total employee benefits of the key management personnel of the Trust were £777k (2018-19 £735k).

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

10. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Cost or valuation			
At 31 August 2019	25,705	2,322	28,027
Additions	60	167	227
Disposals	-	(1,118)	(1,118)
At 31 August 2020	25,765	1,371	27,136
Depreciation			
At 31 August 2019	6,199	1,413	7,612
Charged in year	587	290	877
Disposals	-	(1,118)	(1,118)
At 31 August 2020	6,786	585	7,371
Net book value			
At 31 August 2020	18,979	786	19,765
At 31 August 2019	19,506	909	20,415

Fixed assets are included in the balance sheet at the following values:-

Land	- at historic cost
Buildings	- at 1939 valuation with subsequent additions at cost
Equipment	- at cost

As records are not available back to 1939 and as a result of the passage of time, the 1939 valuation used for buildings is deemed to be cost for the purpose of FRS 102.

All the tangible fixed assets are used for direct charitable purposes.

As at 31 August 2020, the School had no capital commitments.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

11. INVESTMENTS

	£
Historic cost as at 31 August 2019 and 2020	1

The above investment represents 100% of the issued ordinary share capital of Cheadle Hulme School Enterprises Limited. The registered office of Cheadle Hulme School Enterprises Limited is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF. It's principal activity is the lettings of the school premises. As at 31 August 2020, its reserves stood at £68,308 (2019 - £114,453) and its profit for the year was £68,307 (2019 - £114,452).

12. DEBTORS

	2020 £'000	2019 £'000
School debtors	18	30
Prepayments and accrued income	376	426
Amounts owed by associated undertakings	49	145
Other debtors	4	-
	447	601

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Bank loans (note 15)	348	348
	348	348
Trade creditors	272	728
School fees in advance (note 17)	1,956	2,497
Other taxation and Social Security	229	216
Other creditors	506	367
Accruals	142	503
Sundry School pupils' accounts	23	-
Cheadle Hulme School 150th Anniversary Bursary Trust Fund	51	1
Pension deficit provision (note 16)	116	112
	3,295	4,424

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £'000	2019 £'000
Bank loans – secured (note 15)	2,350	2,747
School fees paid in advance (note 17)	71	129
Pension deficit provision (note 16)	963	1,057
	3,384	3,933

The 5 year term loan is repayable quarterly in equal instalments until 2021 at 1.7% above LIBOR.

There are two further loans, one is a variable loan of £1M payable at 1.7% above LIBOR and the second is £2M at a fixed rate of 3.51%. Both loans are repayable quarterly in equal instalments until 2026 and then a lump sum payment of £1.45M.

All loans are secured by a charge over the land and buildings of the School.

15. CREDITORS: LOANS

Loans are repayable as follows;

	2020 £'000	2019 £'000
In one year or less	348	348
Between one and two years	200	398
Between two and five years	1,117	748
In five years or more	1,033	1,602
	2,698	3,096

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

16. CREDITORS: PENSION DEFICIT PROVISION

Included within Creditors due within one year and more than one year is a multi-employer defined benefit pension scheme deficit and the estimated employer debt. Following the valuation of the scheme as at 31 March 2016, the contributions payable by the employer have been communicated relating to recovery of the deficit over the 13 years to 31 August 2029. As of the balance sheet date the estimated discounted employer deficit is detailed below.

	2020 £'000	2019 £'000
Pension deficit provision as at 1 September 2019	1,169	1,205
Deficit contributions paid	(112)	(104)
Remeasurement of defined benefit pension	22	68
Pension deficit provision as at 31 August 2020	1,079	1,169
Less: amount due within one year	(116)	(112)
	963	1,057

17. CREDITORS: DEFERRED INCOME

	2020 £'000
At 1 September 2019	2,625
Received during the year	1,445
Discounts given during the year	2
Released to income for the year	(2,045)
At 31 August 2020	2,027

Deferred income represents school fees paid in advance and fee deposits repayable upon pupils leaving the School.

18. FINANCIAL INSTRUMENTS

	2020 £000	2019 £000
Financial assets measured at amortised cost (a)	3,097	2,769
Financial liabilities measured at amortised cost (b)	2,734	3,592

(a) Financial assets include cash, trade and fee debtors and other debtors
(b) Financial liabilities include deposits, trade creditors and other creditors

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

19. RESTRICTED FUNDS

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2020 £'000
Hardship fund	-	101	-	-	101
Music and Languages Fund	25	-	(7)	-	18
Specific student funds	30	14	(18)	-	26
Junior School Art Room	10	-	(10)	-	-
	65	115	(35)	-	145

These restricted funds relate to funds received by the School for use for the purposes stipulated by the donor.

Hardship fund was created to provide financial support to families struggling due to the Coronavirus pandemic.
Specific Student funds were donations made by individual donors for specific students.
Junior School Art room was a donation from the Parents Association for enhancements to the Junior school art room refurbishment.

	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2019 £'000
Play and Learn	-	10	-	(10)	-
Music and languages legacy	25	21	-	(21)	25
Excursion fund	20	-	-	(20)	-
Annual fund	54	-	-	(54)	-
Specific student funds	-	34	(4)	-	30
Junior School Art Room	-	10	-	-	10
	99	75	(4)	(105)	65

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

20. UNRESTRICTED FUNDS

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2020 £'000
General	14,985	16,516	(15,382)	-	16,119
	14,985	16,516	(15,382)	-	16,119

There has been no transfers between unrestricted and restricted funds in the period.

	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2019 £'000
General	13,909	16,183	(15,212)	105	14,985
	13,909	16,183	(15,212)	105	14,985

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2020 Total £'000
Restricted Funds	-	145	-	145
Unrestricted Funds	19,765	(262)	(3,384)	16,119
	19,765	(117)	(3,384)	16,264

2019	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2019 Total £'000
Restricted Funds	-	65	-	65
Unrestricted Funds	20,415	(1,497)	(3,933)	14,985
	20,415	(1,432)	(3,933)	15,050

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22. PENSIONS

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 £1,454k (2019: £1,002k) and at the year-end £173k (2019 - £135k) 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%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

Until the consultation and the cost cap mechanism review are 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.

Independent Schools' Pension Scheme

Cheadle Hulme School participates in The Independent Schools' Pension Scheme ('the Scheme') which has multi-employer defined benefit scheme section and a defined contribution section. The Scheme is contracted-out of the State scheme.

There are four benefit structures available, namely: Final salary with a 1/60th accrual rate, Final salary with a 1/80th accrual rate, Career average revalued earnings with an 1/80th accrual rate and Career average revalued earnings with an 1/120th accrual rate.

An employer can elect to operate different benefit structures for different categories of staff.

Cheadle Hulme School operated the final salary with a 1/60th accrual rate benefit structure and the defined contribution structure.

The Trustees commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period ended 31 August 2020 Cheadle Hulme School paid employers contributions of 8% and 0.6% for life cover in respect of the Defined Contribution Scheme.

As at the balance sheet date there were no active members of the Defined benefit Scheme employed by Cheadle Hulme School (2019: no active members). There were 107 (2019: 103) members of the Defined Contribution Scheme. With effect from 1 November 2016 all members of the Independent School' Pension Scheme moved from the Defined Benefit section to the Defined Contribution section.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi- employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from the total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2017 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £149.4 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £38.2 million, equivalent to a past service funding level of 80%.

The contribution rates that apply from 1 September 2016 have been determined by reference to the Scheme's 30 September 2014 valuation and contribution rates from 1 September 2019 have been determined by reference to the Scheme's 30 September 2017 valuation.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the Scheme's 2017 actuarial valuation it was agreed that the shortfall of £38.2 million would be dealt with by the payment of deficit contributions of £2.387 million per annum from 1 September 2019 to 30 April 2030.

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate).

Employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 302% (prior to 1 September 2016) to reflect the higher costs of a closed arrangement. From 1 September 2016, the additional employer contribution loading will be 1.6%.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into The Independent Schools' Pension Scheme.

New employers joining the Scheme pay contributions at the joint future service contribution rate. This rate is reviewed at each valuation and applies until the second valuation after the date of joining the Scheme, at which point the standard employer contribution rate is payable.

New employers also pay an additional age loading if the average age of their members is higher than the average age of the Scheme membership. This loading applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining, or such earlier date as agreed between The Independent Schools' Pension Scheme Pensions Committee and the Scheme Actuary.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an ongoing funding basis, by 31 August 2029.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Growth Plan

Cheadle Hulme School also participates in The Growth Plan which is a multi-employer scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m.

It has been agreed that this would be dealt with by the payment of deficit contributions of £11.243m per annum from 1 April 2019 to 31 January 2025.

23. RELATED PARTY TRANSACTIONS

Included within creditors within one year is an amount of £51,030 (2019: Debtor £136,658) held by Cheadle Hulme School on behalf of Cheadle Hulme School 150th Anniversary Bursary Trust. Mr P Driver and Dr D N Riley are trustees of Cheadle Hulme School 150th Anniversary Trust. During the year, Cheadle Hulme School 150th Anniversary Trust granted bursary money to Cheadle Hulme School amounting to £100,000 (2019: £125,000).

Included within debtors due within one year is an amount of £nil (2019: £7,320) owed by Cheadle Hulme School Development Trust in respect of grants towards capital developments. Mr P Driver and Dr D N Riley are trustees of Cheadle Hulme School Development Trust.

During the year, Cheadle Hulme School Development Trust granted £nil (2019: £3,294) to Cheadle Hulme School towards capital developments.

A number of directors at the School have children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

24. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2019
NCOME	**£'000**	**£'000**	**£'000**
Income from:			
Donations and legacies	132	75	207
Investments	24	-	24
Ancillary trading income	1,120	-	1,120
Charitable activities	14,907	-	14,907
Total Income	16,183	75	16,258
EXPENDITURE			
Charitable activities	15,212	4	15,216
Total Expenditure	15,212	4	15,216
Net School Income for the year before transfers	971	71	1,042
Transfers between funds	105	(105)	-
Net movement in funds	1,076	(34)	1,042
Total funds brought forward	13,909	99	14,008
Total funds carried forward	14,985	65	15,050