

Charity registration number 1091089

Company registration number 4301828 (England and Wales)

EGERTON ROTHESAY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

EGERTON ROTHESAY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J C Cooke (Chairman) Sir J L Cooke Mr S J East
Secretary	Ms S J Vest
Charity number	1091089
Company number	4301828
Registered office	Egerton Rothesay School Durrants Lane Berkhamsted Hertfordshire United Kingdom HP4 3UJ
Auditor	Azets Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire United Kingdom PE1 2SP
Bankers	Barclays Bank The Dacorum Group 11 Bank Court Hemel Hempstead Herts HP1 1BX
Investment managers	JM Finn & Co 25 Copthall Ave London EC2R 5TA

EGERTON ROTHESAY

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EGERTON ROTHESAY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "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)".

Objectives and activities

The objects for which Egerton Rothesay is established are:-

- (i) To further the education of children attending Egerton Rothesay School.
- (ii) The advancement of education in the United Kingdom and elsewhere (including social and physical training) of persons and children attending schools, colleges or other places of education in which religious instruction in accordance with the doctrines and principles of the Protestant and evangelical faith is given.

The Charity does not undertake fundraising.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Egerton-Rothesay School Limited

Egerton-Rothesay School Limited is a wholly owned subsidiary of the Charity. It is managed by a Board of Directors which includes Mr Stephen East who represents the Charity.

Review of Development, Activities and Achievements

The School continues to carry into effect the charitable objectives of the Trust.

The School having consolidated its operations on to one site continues to build on its proven ability to provide and educational environment where pupils who need additional support can achieve their potential.

The School's focus is being build around the following key strands of activity:

- Providing an exciting, relevant and supported educational experience.
- For students who have found, or might find, it difficult to make progress and succeed within another school where there is inadequate provision for their specific needs.
- To make a unique and excellent contribution into the life of each child ensuring that they can be supported in the way that they personally need to maximise their individual learning potential.
- Provide an environment offering exceptional pastoral care and spiritual development based on and informed by the School's Christian ethos.

With this focus we continue to draw children from a wide area - made possible by our 8-route bus service and to also act as specialist education provider to 17 Local Authorities who pay full fees for 131, part fees for 3 and no part of the fees for 9 children with EHCP's so they can attend Egerton Rothesay School.

As we are now well established in the SEN market both on the open market with private fee paying parents and local authorities, the need for Open days has reduced amounting to one possible two per year.

The average number of pupils for the year was 162.

The school has continued to develop its links to the local Christian community as part of its own ministry. We intend to build further network links with both ministers and youth activities in the area both for the benefit of our own children and to enable them to make a contribution for others.

EGERTON ROTHESAY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2022**

Future developments

The Trustees are keeping the current activities and objectives under review and are looking at opportunities to further the objects of the Charity, in particular in relation to the School, but will also generally examine opportunities as and when they arise.

Financial review

The main activities of the Charity are conducted through its subsidiary Egerton-Rothesay School Limited and these are reviewed in further detail overleaf. The School continued to implement the conclusions from a review of how its activities should be focused going forward. The Trustees continue to support the changes to the School's operations. Continued plans are in place to ensure that the School has sufficient resources available to finance its operations through the period of change.

The School made a profit after tax before donations to the charity of £94,384, which is lower than the profit in the previous year of £404,197.

During the year the Charity received a distribution from its subsidiary of £212,705 (2021: £350,000) and donations from parents including gift aid of £9,404 (2021 - £54,559).

At the year end date the funds of the Charity consisted of unrestricted funds of £2,214,838 (2021 - £2,078,977) and restricted funds of £3,710 (2021 - £3,710) giving total funds of £2,218,548 (2021 - £2,082,687).

At the year end date the funds of the Group consisted of unrestricted funds of £2,999,406 (2021 - £2,981,864) and restricted funds of £3,710 (2021 - £3,710) giving total funds of £3,003,116 (2021 - £2,985,574).

It is the policy of Egerton Rothesay to hold reserves in unrestricted funds that have not yet been committed or designated for any particular purpose. The Trustees have retained these reserves in order to provide a sound financial base for the charity as part of a policy of good financial management practice.

Having considered the medium term requirements of the Charity £350,000 was invested in a portfolio of investments created for the Charity by J M Finn & Co Limited in previous years. A further amount of £150,000 was invested in the portfolio during the year. The remainder of the Charity's funds are retained on deposit. The Trustees continue to keep the needs and objectives of the Charity under regular review.

The Trustees has assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. Risk management in relation to the operation of the School are governed by its own risk management policies and procedures overseen by its Board of Trustees.

Structure, governance and management

The Trustees are selected and appointed in accordance with the Articles of Egerton Rothesay.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr J C Cooke (Chairman)
Sir J L Cooke
Mr S J East

The Trustees each have a long association with Egerton-Rothesay School Limited and interest in its work. They bring a range of skills to their role as Trustees and review the skills necessary for performance if their duties and any training requirements at least annually. They believe they have available to them the skills necessary to enable the Charity to satisfy its objectives.

EGERTON ROTHESAY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2022**

Organisational Structure

Egerton Rothesay is governed by its Trustee Board which is responsible for setting the strategic direction of the organisation and the policy of the charity. The Trustees carry the ultimate responsibility for the conduct of the charitable company and for ensuring that the charity satisfies its legal and contractual obligations.

Trustees meet bi-annually and produce formal minutes of the meeting and delegate day-to-day operation of the organisation to senior management. The Trustee Board is independent from management. The Directors of Egerton-Rothesay School Limited meet quarterly and produce formal minutes of the meeting. During the meetings the budget and school performance is reviewed.

Trustees' Interests

The Charity is a company limited by guarantee, having no share capital, with all the Trustees being members of the company. The liability of the members is limited to £1 each in the event of winding up the company.

Charitable Status

Egerton Rothesay is incorporated as a charitable company limited by guarantee (charity number 1091089, company number 4301828) and is governed by its Memorandum and Articles of Association.

Auditor

In accordance with the company's articles, a resolution proposing that Azets be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report was approved by the Board of Trustees.

Mr S J East

Trustee

Dated: 25 April 2023

EGERTON ROTHESAY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are also the directors of Egerton Rothesay for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

EGERTON ROTHESAY

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EGERTON ROTHESAY

Opinion

We have audited the financial statements of Egerton Rothesay (the 'Charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet 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 incoming resources and application of resources, 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 Charity 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 Trustees' 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 Charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

EGERTON ROTHESAY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EGERTON ROTHESAY

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 Charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://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 design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

EGERTON ROTHESAY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EGERTON ROTHESAY

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets

2 May 2023

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Azets is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

EGERTON ROTHESAY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Group		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
Income from:							
Donations and legacies	3	9,404	-	9,404	24,559	-	24,559
Other trading activities	4	5,106,982	-	5,106,982	5,176,727	-	5,176,727
Investments	5	17,022	-	17,022	22,436	-	22,436
Total income		5,133,408	-	5,133,408	5,223,722	-	5,223,722
Expenditure on:							
Other trading activities	6	4,982,063	-	4,982,063	4,712,132	-	4,712,132
Charitable activities	7	76,677	-	76,677	68,266	-	68,266
Interest payable		18,900	-	18,900	19,254	-	19,254
Tax expense		12,895	-	12,895	55,196	-	55,196
Total resources expended		5,090,535	-	5,090,535	4,854,848	-	4,854,848
Net gains/(losses) on investments	10	(25,331)	-	(25,331)	53,540	-	53,540
Net movement in funds		17,542	-	17,542	422,414	-	422,414
Fund balances at 1 September 2021		2,981,864	3,710	2,985,574	2,559,450	3,710	2,563,160
Fund balances at 31 August 2022		2,999,406	3,710	3,003,116	2,981,864	3,710	2,985,574

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EGERTON ROTHESAY

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11	2,264,938		2,281,424	
Investments	12	528,218		395,237	
		<u>2,793,156</u>		<u>2,676,661</u>	
Current assets					
Debtors	14	55,636		99,369	
Cash at bank and in hand		1,748,761		1,622,795	
		<u>1,804,397</u>		<u>1,722,164</u>	
Creditors: amounts falling due within one year	16	<u>(1,084,989)</u>		<u>(831,684)</u>	
Net current assets			719,408		890,480
Total assets less current liabilities			3,512,564		3,567,141
Creditors: amounts falling due after more than one year	17		(426,250)		(511,264)
Provisions for liabilities			<u>(83,198)</u>		<u>(70,303)</u>
Net assets			<u>3,003,116</u>		<u>2,985,574</u>
Income funds					
Restricted funds	20		3,710		3,710
Unrestricted funds			2,999,406		2,981,864
			<u>3,003,116</u>		<u>2,985,574</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 25 April 2023

Mr S J East
Trustee

Company Registration No. 4301828

EGERTON ROTHESAY

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	12		1,276,059		1,143,078
Current assets					
Debtors	14	11,859		11,330	
Cash at bank and in hand		965,730		963,139	
		<u>977,589</u>		<u>974,469</u>	
Creditors: amounts falling due within one year	16	<u>(35,100)</u>		<u>(34,860)</u>	
Net current assets			942,489		939,609
Total assets less current liabilities			<u>2,218,548</u>		<u>2,082,687</u>
Income funds					
Restricted funds	20	3,710		3,710	
Unrestricted funds		2,214,838		2,078,977	
		<u>2,218,548</u>		<u>2,082,687</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 25 April 2023

Mr S J East
Trustee

Company Registration No. 4301828

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Egerton Rothesay is a private company limited by guarantee incorporated in England and Wales. The registered office is Egerton Rothesay School, Durrants Lane, Berkhamsted, Hertfordshire, HP4 3UJ, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements. Further, forecasts and business plans have been prepared which provide comfort that the Group and Charity will continue to trade in the foreseeable future.

1.3 Charitable funds

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity.

Restricted funds represent funds which have been donated to the Group for a specific purpose.

1.4 Income

Voluntary income represents donations received by the charity, and are accounted for when received.

Investment income represents bank interest receivable.

Other trading activities represents amounts receivable for school fees and similar income plus other operating income of the subsidiary Egerton-Rothesay School Limited. Revenue from school fees and similar income is recognised in the term in which the services are provided and when:

- the amount of revenue can be measured reliably; and
- it is probable that the company will receive the consideration due.

Revenue is deferred where received in advance of the service.

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised on an accruals basis and when there is a legal or constructive obligation to do so.

Charitable activities represents the legal, professional and other costs of running the charity.

Other trading activities are those costs incurred by the trading activity of the subsidiary Egerton-Rothesay School Limited.

1.6 Tangible fixed assets

All assets costing £500 or more are capitalised and depreciated.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and equipment	3 to 8 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Investments for the charity are stated at market value. Realised and unrealised gains and losses on investments are recognised in the Statement of Financial Activities.

1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

Egerton Rothesay is a charitable company and does not carry out activity that would be subject to corporation tax.

Egerton-Rothesay School Limited, a subsidiary of Egerton Rothesay, is subject to corporation tax.

1.12 Retirement benefits

The Company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.13 Distributions

Distributions to the charity from the subsidiary are recognised when they are paid. Distributions are eliminated on consolidation.

2 Critical accounting estimates and judgements

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

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

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and legacies

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Donations from parents including gift aid	9,404	24,559	9,404	24,559
Distributions from subsidiary	212,705	350,000	-	-
	<u>222,109</u>	<u>374,559</u>	<u>9,404</u>	<u>24,559</u>

4 Other trading activities

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
School fees and similar income	-	-	5,106,982	5,176,727
	<u>-</u>	<u>-</u>	<u>5,106,982</u>	<u>5,176,727</u>

5 Investments

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Interest receivable	15,761	8,384	17,022	22,436
	<u>15,761</u>	<u>8,384</u>	<u>17,022</u>	<u>22,436</u>

6 Raising funds

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
<u>Trading costs</u>				
School expenditure	-	-	4,982,063	4,712,132
	<u>-</u>	<u>-</u>	<u>4,982,063</u>	<u>4,712,132</u>

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Legal and professional fees	69,230	63,249	69,230	63,249
Investment management fees	7,447	5,017	7,447	5,017
	<u>76,677</u>	<u>68,266</u>	<u>76,677</u>	<u>68,266</u>

Included in legal and professional fees is £60,000 (2021 - £60,000) which relates to services purchased from Marshall Lucas for the year. They have been disclosed as a related party transaction in note 22.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

9 Employees

The average monthly number of employees during the year was:

	Charity 2022	Charity 2021	Group 2022	Group 2021
Average number of Trustees	3	3	3	3
Average number of employees	-	-	151	151
	<u>3</u>	<u>3</u>	<u>154</u>	<u>154</u>

	Charity 2022	Charity 2021	Group 2022	Group 2021
Wages and salaries	-	-	2,995,395	2,888,340
Social security costs	-	-	258,560	241,556
Other pension costs	-	-	546,488	536,016
	<u>-</u>	<u>-</u>	<u>3,800,443</u>	<u>3,665,912</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
	<u>-</u>	<u>1</u>

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

9 Employees

(Continued)

The key management personnel of the Group are deemed by the Trustees to be the members of the 'Management and Leadership Team'. During the year there were 12 members (2021 - 10 members) and their total remuneration was £649,679 (2021 - £521,681). This includes pension contributions of £94,189 (2021 - £80,217).

10 Net gains/(losses) on investments

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Realised gain/(loss) on investment	708	(134)	708	(134)
Unrealised gain/(loss) on investment	(26,039)	53,674	(26,039)	53,674
	<u>(25,331)</u>	<u>53,540</u>	<u>(25,331)</u>	<u>53,540</u>

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Total £
Group only			
Cost			
At 1 September 2021	2,586,792	1,091,962	3,678,754
Additions	77,328	17,757	95,085
	<u>2,664,120</u>	<u>1,109,719</u>	<u>3,773,839</u>
At 31 August 2022			
Depreciation and impairment			
At 1 September 2021	680,511	716,819	1,397,330
Depreciation charged in the year	53,428	58,143	111,571
	<u>733,939</u>	<u>774,962</u>	<u>1,508,901</u>
At 31 August 2022			
Carrying amount			
At 31 August 2022	<u>1,930,181</u>	<u>334,757</u>	<u>2,264,938</u>
At 31 August 2021	<u>1,906,281</u>	<u>375,143</u>	<u>2,281,424</u>

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

12 Fixed asset investments

Charity and Group	Listed investments £	
Cost or valuation		
At 1 September 2021	395,237	
Additions	182,388	
Valuation changes	(41,669)	
Disposals	(7,738)	
	<hr/>	
At 31 August 2022	528,218	
	<hr/>	
Carrying amount		
At 31 August 2022	528,218	
	<hr/> <hr/>	
At 31 August 2021	395,237	
	<hr/> <hr/>	
Subsidiary undertaking	Charity £	Group £
Cost		
At 31 August 2021 and 31 August 2022	747,841	-

In the opinion of the Trustees, the aggregate value of the Charity's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Company	Company number	Shares held Class	%
Egerton-Rothsay School Limited	02226604	Ordinary	100

The main activities of the Charity are conducted through its subsidiary Egerton-Rothsay School Limited. The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Income £	Expenditure £	Profit for the year £
Egerton-Rothsay School Limited	1,532,408	5,108,242	5,013,858	94,384
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The registered office of the subsidiary is the same as for the Charity.

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Financial instruments

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Carrying amount of financial assets				
Listed investments	528,218	395,237	528,218	395,237
Cash and cash equivalents	965,730	963,139	1,748,761	1,622,795
	<u>1,493,948</u>	<u>1,358,376</u>	<u>2,276,979</u>	<u>2,018,032</u>
Carrying amount of financial liabilities				
Trade creditors	-	-	133,048	92,716
Other creditors	-	-	44,805	46,399
Accruals	5,100	4,860	34,070	143,320
Borrowings	-	-	515,637	599,870
	<u>5,100</u>	<u>4,860</u>	<u>727,560</u>	<u>882,305</u>

14 Debtors

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Amounts falling due within one year:				
Trade debtors	-	-	4,855	45,126
Other debtors	11,859	11,330	22,232	21,634
Prepayments and accrued income	-	-	28,549	32,609
	<u>11,859</u>	<u>11,330</u>	<u>55,636</u>	<u>99,369</u>

15 Loans and overdrafts

	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Bank loans	-	-	365,549	431,516
Other loans	-	-	150,088	168,354
	<u>-</u>	<u>-</u>	<u>515,637</u>	<u>599,870</u>
Payable within one year	-	-	89,387	88,606
Payable after one year	-	-	426,250	511,264

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

16 Creditors: amounts falling due within one year

	Notes	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Bank loans	15	-	-	70,391	70,340
Other borrowings		-	-	18,996	18,266
Taxation and social security		-	-	60,584	69,657
Payments received on account		-	-	723,095	390,986
Trade creditors		-	-	133,048	92,716
Amounts owed to subsidiary		30,000	30,000	-	-
Other creditors		-	-	44,805	46,399
Accruals and deferred income		5,100	4,860	34,070	143,320
		<u>35,100</u>	<u>34,860</u>	<u>1,084,989</u>	<u>831,684</u>

Included in group other creditors is pension contributions payable of £44,805 (2021 - £46,398).

17 Creditors: amounts falling due after more than one year

	Notes	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
Bank loans	15	-	-	295,158	361,176
Other borrowings		-	-	131,092	150,088
		<u>-</u>	<u>-</u>	<u>426,250</u>	<u>511,264</u>

Amounts falling due after more than 5 years

£24,053 (2021 - £94,444) of the bank loan and £43,276 (2021 - £62,272) of the other loan is due after more than five years from the balance sheet date.

Secured loans

Banking facilities are secured by the first legal charge over the site at Durrants Lane, Berkhamsted, Herts, HP4 3UJ.

Interest on bank loans is paid at 2.25% above the base rate.

In 2017 a secured loan facility was taken out for £300,000 in order to acquire the Woods Building which was previously rented. The year end balance is shown above within other borrowings and is secured by way of a second legal charge over the Durrants Lane site.

Interest on other loans is paid at 4%.

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Provisions for deferred taxation

	Notes	Charity 2022 £	Charity 2021 £	Group 2022 £	Group 2021 £
At beginning of the year	18	-	-	70,303	15,524
Charge for the year	19	-	-	12,895	54,779
		<u>-</u>	<u>-</u>	<u>83,198</u>	<u>70,303</u>

19 Retirement benefit schemes

Defined contribution schemes

The group operates a defined contribution pension scheme for all qualifying employees, NEST pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension cost charge represents contributions payable by the group to the fund and amounted to £109,398 (2021 - £98,363) in relation to NEST.

In addition, contributions are made to personal pension schemes. The pension cost charge represents contributions payable by the group into the schemes and amounted to £625 (2021 - £625).

Defined benefit schemes

The group contributes to a defined benefit multi-employer pension scheme, the Teachers Pension Scheme (TPS). This is an aggregate of the pre 2015 scheme and the 2015 scheme. Contributions to the scheme were determined on the basis of quadrennial actuarial valuations carried out by the Government Actuary. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. This sets out the contribution rates for the implementation period (1 April 2019 to 31 March 2023).

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The contributions during the year totalled £436,465 (2021 - £437,028).

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

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The group has recognised contributions to the scheme as if it were a defined contribution scheme.

Contributions totalling £44,805 (2021 - £46,398) were payable in respect of pensions at the year end and are included in other creditors.

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

20 Restricted funds

Charity and Group

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds						
	Balance at 1 September 2020	Incoming resources	Resources expended	Balance at 1 September 2021	Incoming resources	Resources expended	Balance at 31 August 2022
	£	£	£	£	£	£	£
Restricted funds	3,710	-	-	3,710	-	-	3,710

Restricted funds are in respect of a donation received for specific expenditure within the School.

21 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	2,264,938	-	2,264,938	2,281,424	-	2,281,424
Investments	528,218	-	528,218	395,237	-	395,237
Current assets/(liabilities)	715,698	3,710	719,408	886,770	3,710	890,480
Long term liabilities	(426,250)	-	(426,250)	(511,264)	-	(511,264)
Provisions	(83,198)	-	(83,198)	(70,303)	-	(70,303)
	2,999,406	3,710	3,003,116	2,981,864	3,710	2,985,574

22 Related party transactions

The Group has taken advantage of the exemption permitted by FRS 102 Section 33 "Related Party Disclosures" not to provide disclosures of transactions entered into with other wholly owned members of the Group.

The loan taken out to purchase the previously rented Woods building is provided by Pact Holdings Limited as trustee of God Save Britain Crusade (registered charity number 262703). Mr J C Cooke and Mr S J East are directors of Pact Holdings Limited. The loan was for £300,000.

David Vesey, Director of Egerton-Rothsay School Limited, operates as Marshall Lucas. During the year, the charity purchased services in the ordinary course of business from Marshall Lucas amounting to £60,000 (2021 - £60,000).

EGERTON ROTHESAY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

23 Analysis of changes in net funds

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,622,795	125,966	1,748,761
Loans falling due within one year	(88,606)	(781)	(89,387)
Loans falling due after more than one year	(511,264)	85,014	(426,250)
	<u>1,022,925</u>	<u>210,199</u>	<u>1,233,124</u>