HAMPSHIRE CHRISTIAN EDUCATION TRUST

England & Wales · Charity number 1106136

Details

Other names	HCET, KINGS SCHOOL PRIMARY, KINGS SCHOOL SENIOR
Status	Registered
Legal form	Charitable company
Company number	05212585
Registered	2004-10-01
Register	View on the Charity Commission register

Contact

Address	The Kings School Lakesmere House Allington Lane Fair Oak Eastleigh SO50 7DB
Phone	02380600986
Email	office@thekingsschool.org.uk
Website	www.thekingsschool.org.uk

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Activities

Objects: A) THE ADVANCEMENT OF EDUCATION ON THE BASIS OF CHRISTIAN PRINCIPLES IN THE COUNTRY OF HAMPSHIRE AND ELSEWHERE INCLUDING (BUT NOT BY WAY OF LIMITATION) THE PROVISION OF SUCH EDUCATION IN ANY EDUCATIONAL ESTABLISHMENT AND THE PROVISION OF SUCH EDUCATION IN ANY EDUCATIONAL ESTABLISHMENT AND THE PROVISION OF ONE OR MORE EDUCATION ESTABLISHMENTS FOR THE GENERAL EDUCATION OF CHILDREN OR ADULTS ON THE BASIS OF SUCH CHRISTIAN PRINCIPLES AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT;B) THE ADVANCEMENT OF THE CHRISTIAN FAITH IN ACCORDANCE WITH THE DOCTRINES SET OUT IN THE SCHEDULE TO THE ARTICLES HERETO AND THE WORSHIP OF GOD IN THE COUNTY OF HAMPSHIRE AND ELSEWHERE AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT INCLUDING (BUT NOT BY WAY OF LIMITATION) THE PREACHING AND PROCLAMATION OF THE CHRISTIAN GOSPEL AND THE TEACHING OF CHRISTIAN DOCTRINE AND PRINCIPLES AND OTHER SUCH PURPOSES WHICH ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAW OF ENGLAND AND WALES AND ARE CONNECTED WITH THE CHARITABLE WORK OF THE CHARITY.C) THE RELIEF OF PERSONS WHO ARE IN CONDITIONS OF HARDSHIP OR DISTRESS OR WHO ARE AGED OR SICK IN THE COUNTY OF HAMPSHIRE AND ELSEWHERE AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT.

Activities: The King's School provides benefit to the public within Hampshire byproviding an excellent education based on Christian principles for childrenaged 5 to 16. The school treasures childhood and enables its pupils todevelop strong relationships with God that equip them with the knowledge,skills, personal qualities and qualifications to achieve success and fulfillmentat school and beyond.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** HAMPSHIRE
- Hampshire

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£1,887,663	£2,013,051	£2,770,770	61
2024-08-31	£1,765,932	£1,798,917	£2,433,714	62
2023-08-31	£1,727,007	£1,632,704	£2,466,699	63
2022-08-31	£1,727,007	£1,559,679	£2,495,963	70
2021-08-31	£1,865,637	£1,399,490	£2,328,635	67
2020-08-31	£1,644,704	£1,378,644	£1,862,488	63

Trustees

Name	Role	Appointed
Andrew Johnston		2022-03-01
James Hatcher		2024-09-01
Steve Froud		2022-05-16

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HAMPSHIRE CHRISTIAN EDUCATION TRUST

England & Wales - Charity number 1106136

Accounts

REGISTERED COMPANY NUMBER: 05212585 (England and Wales)
REGISTERED CHARITY NUMBER: 1106136

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

FOR

HAMPSHIRE CHRISTIAN EDUCATION TRUST

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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HAMPSHIRE CHRISTIAN EDUCATION TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2025. The trustees have adopted the provisions of 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

Objectives and aims

A) The advancement of education on the basis of Christian principles in the county of Hampshire and elsewhere including (but not by way of limitation) the provision of such education in any educational establishment for the general education of children or adults on the basis of such Christian principles as the trustees may from time to time think fit;

B) The advancement of the Christian faith in accordance with the doctrines set out in the schedule to the articles and the worship of God in the county of Hampshire and elsewhere as the trustees may from time to time think fit including (but not by way of limitation) the preaching and proclamation of the Christian gospel and the teaching of Christian doctrine and principles and other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the charity.

C) The relief of persons who are in conditions of hardship or distress or who are aged or sick in the county of Hampshire and elsewhere as the trustees may from time to time think fit.

Significant activities

The Trust runs The King's School which has a primary department and senior department located on one site. The school currently has 234 pupils, 72 at primary and 162 at senior.

Public benefit

The King's School provides benefit to the public within Hampshire by providing an excellent education based on Christian principles for children aged 4 to 16. Fees are intended to be affordable for families on average incomes and are deliberately kept below the normal rates for similar independent schools. In addition, the school offers bursary assistance to families on low income (to the value of £125k in the year ending 31 August 2025).

Children are drawn from families across the full range of Christian denominations as well as a proportion from families with no church connections. There are no academic selection criteria and whenever possible the school will accommodate pupils with learning difficulties and physical disabilities. There has been an increase in educational support for children with additional needs and improvements to the site for disabled access.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

Volunteers

The school has voluntary help from parents and others in a wide range of activities, including governorship, support with events and the general maintenance of facilities.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

In February 2023, King's School underwent its first full inspection by the Independent Schools Inspectorate (ISI), comprising both a Focused Compliance and Educational Quality Inspection. The school met all regulatory requirements, with ISI awarding a judgement of Good for pupils' achievement, including academic development, and Excellent for pupils' personal development.

Academic outcomes continue to be strong. For the year ended 31 August 2025, 80% of pupils achieved five or more standard pass grades at GCSE, including English and Mathematics. Additionally, 35.6% of all grades awarded were at Grades 7-9, a particularly impressive outcome given the national decline in top grades and the school's non-selective admissions policy. These results reflect the school's commitment to academic excellence and inclusive support across a broad ability range.

Charitable Engagement

King's School is actively involved in charitable giving at both local and international levels. The school community supports several charities through regular fundraising initiatives. Pupils play a central role in these efforts, participating in events and campaigns to raise funds and awareness—fostering values of compassion, service, and global citizenship.

FINANCIAL REVIEW

Financial Review

The trust's income in the year ending 31 August 2025 was £1.88 million in comparison to £1.76 million the previous year. The majority of the income was from school fees and extracurricular activities, and the remainder was from fundraising activities, donations and the gift aid claimed on these.

Total expenditure for the year ending 31 August 2025 was £2.013 million, compared with the £1.798 million the previous year. This resulted in a shortfall of £125k.

The majority of expenditure was on the costs of charitable activities which are divided between:

a) The salaries of all of our staff which amount to £1,151k a £46K increase (over half of which was NI and Pensions due to changes in levels and thresholds)

b) The direct costs of education amounted to £498K, a £47k increase from the previous year (mainly due to planned and urgent build works).

c) The Ski trip cost £51K - most of the money for this trip was received in the same year.

d) Support costs (e.g. insurance, cleaning, general overheads) decreased to £324k (from £332k) despite a £32k increase in Business Rates. The savings are from reduced utility bills (increased efficiency of the site), reductions in IT support costs and a refund of VAT due to the Capital Goods scheme.

A number of Key Performance Indicators are being used to plan and improve financial performance. One of these is the ratio of staff costs to net fee income for which the target is 60-65%. The ratio in the year ending August 2025 was 76% (the increase was almost wholly due to the increase in Employers National Insurance contributions).

During the year the advance fees balance decreased to £418k and the deposits balance decreased to £184k.

Deposits have decreased due to a change in the Assisted Places policy.

Advance fees are not positively sought from parents as the school does not wish to be reliant on them. Historically, some parents who have the money to pay in advance are then able to have peace of mind that their child's fees are paid for a defined period. To enable more parents to have stability with their fees, the Trust has introduced multi-year agreements which fix the costs for a longer term.

FINANCIAL REVIEW

Principal funding sources

Operational costs are met primarily from school fees which are set at an affordable rate for the target market. Additional funding comes from donations.

The capital projects are now funded from cash reserves which are backed by a bank mortgage and advance fee payments.

Reserves policy

The Trust has most of its reserves in the buildings (Lakesmere House and the Homelodge building) which were valued at £2.1m in February 2020. A new valuation is due by the end of financial year 2025-26.

It is the aim of the Trustees to build up reserves to a level equal to three month's regular expenditure (monthly expenditure is currently around £165k). This aim has been met this year as current assets plus bank loan payments due within one year and deposits stand at £626k (August 2025).

The school plans to replace the existing temporary buildings with a permanent structure within the next two years. The school has planning permission and a preferred builder, is fundraising and is in discussions regarding finance. The Trustees will review the policy in light of project needs.

FUTURE PLANS

The focus for the future will be to continue to strive for excellence in educational provision and to market the school effectively so that all 305 places are taken. Maximum pupil numbers are 15 per year in Reception, Years 1, 2 and 3; and 20 each in Years 4-6 (total primary 120 pupils - currently 72). In senior we can have 35 per year in Years 7-9 and 40 per year in Years 10 & 11 (total senior 185 - currently 1162). Longer term aims include a replacement of some temporary buildings on the school site which is expected to increase primary capacity to 140.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The articles of association allows for the members of the charity to appoint new trustees and to vary the number of trustees (minimum of three). Any person appointed as a trustee must fully accept the doctrines set out in the articles of association.

Recruitment and appointment of new trustees

The articles of association allows for the members of the charity to appoint new trustees and to vary the number of trustees (minimum of three). Any person appointed as a trustee must fully accept the doctrines set out in the articles of association.

Organisational structure

Governance and management of The King's School is undertaken by the Senior Leadership Team and the Governance Board. The Leadership Team is responsible for day to day operations. Their job is to deliver quality Christian education within the necessary legal and regulatory requirements. The Leadership Team is accountable to the Governance Board. The Governance Board comprises both Trustees and Governors and their responsibility is supporting and empowering the Leadership Team to carry our its responsibilities effectively.

Induction and training of new trustees

Induction and training of new trustees is carried out by meetings with other trustees and key people, review of key documents and involvement in the life of the school.

Pay and Remuneration

Salary levels are set annually. Key management personnel are paid less than would be expected within the state sector at rates of between 70 -75% of salaries based on DfE figures. The school has a desire to increase salaries where possible such that all staff are paid more in line with those in the state system. However, this will be a gradual process and not something that can be achieved currently. It is under review for 2025-26.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Wider network

The school is a member of the Independent Schools Association (ISA). It is also a member of the Christian Schools Trust (CST), Independent Schools Bursar Association (ISBA) and Association for Families of Independent Schooling (AFIS).

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The main risks identified by the Trustees are set out below. These are not all new risks to the trust and have been successfully managed in previous years by exercising care in budgeting and decision-making.

The main risks at present are connected with the external economy.

1) Pupil numbers have remained relatively static with the year ending with 234 pupils on role (September 2025). Current pupil numbers are 244 (April 2026). Improving marketing continues to be a priority to draw new pupils to the school. The majority of new pupils come from within the larger church community and by word of mouth.
2) The proportion of pupils requiring bursaries has reduced with improved processes for awarding and reviewing bursaries. However, this still represents a risk to the school's income.
3) External factors have increased the risk of existing parents defaulting on fee payments. This risk has been managed by continuing to ensure that a member of staff is given time to keep abreast with credit control, however the engagement of a Debt Management company may be required in a small number of cases.
4) The deterioration of the primary accommodation is a serious cause of concern. The school is actively pursuing replacement accommodation to resolve this.
5) Future rises in interest payments on the trust's borrowing are also a potential risk.
6) All of the above give rise to a risk of cash flow problems. Alongside prudent budgeting and regular monitoring, we have the ability to improve cash flow through moving parents to Direct Debit plans and the adoption of multi-year agreements.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05212585 (England and Wales)

Registered Charity number

1106136

Registered office

The King's School Senior
Lakesmere House
Allington Lane, Fair Oak
Eastleigh
Hampshire
SO50 7DB

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025

Trustees
S F Kinchin
A Johnston
S Froud
J Hatcher (appointed 1 September 2024)
C Caws (resigned March 2025)
M Parker (resigned 31 August 2024)
C Dendy (resigned June 2025)

Secretary
A Scurr

Auditors
MC Audit Limited
Statutory Auditors
Lake House
2 Port Way
Port Solent
Portsmouth
Hampshire
PO6 4TY

Bankers
Barclays Bank
Portsmouth City Branch
Portsdown Group
PO Box 6
Portsmouth
Hampshire
PO6 7DB

COMMENCEMENT OF ACTIVITIES
The charity which has been trading since 1995, was incorporated as a Company limited by guarantee, in August 2004. Dormant company accounts were prepared for the year to 31 August 2005 and the running of the school transferred to the new charitable company on 1 September 2005.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Hampshire Christian Education Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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. 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 trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, MC Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 29 April 2026 and signed on its behalf by:

.....
S F Kinchin - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Opinion
We have audited the financial statements of Hampshire Christian Education Trust (the 'charitable company') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 2025 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 Auditors' 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 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 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Matters on which we are required to report by exception
In the 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 Report of the Trustees.

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

- adequate accounting records have not been kept 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

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 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 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.

M. J. Southern

Martin Southern BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Statutory Auditors
Lake House
2 Port Way
Port Solent
Portsmouth
Hampshire
PO6 4TY

Date: 22/5/26

HAMPSHIRE CHRISTIAN EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	64,206	-	64,206	51,562
Charitable activities	5				
Advancement of education		1,808,283	-	1,808,283	1,613,306
Other trading activities	3	2,225	-	2,225	808
Investment income	4	12,949	-	12,949	100,256
Total		1,887,663	-	1,887,663	1,765,932
EXPENDITURE ON					
Raising funds	6	16,000	-	16,000	24,582
Charitable activities	7				
Advancement of education		1,997,051	-	1,997,051	1,774,335
Total		2,013,051	-	2,013,051	1,798,917
NET INCOME/(EXPENDITURE)		(125,388)	-	(125,388)	(32,985)
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		462,444	-	462,444	-
Net movement in funds		337,056	-	337,056	(32,985)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,433,714	-	2,433,714	2,466,699
TOTAL FUNDS CARRIED FORWARD		2,770,770	-	2,770,770	2,433,714

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Intangible assets	14	500	-
Tangible assets	15	2,764,327	2,409,793
		2,764,827	2,409,793
CURRENT ASSETS			
Debtors	16	236,915	1,190,474
Cash at bank		860,309	974,224
		1,097,224	2,164,698
CREDITORS			
Amounts falling due within one year	17	(783,275)	(1,632,860)
NET CURRENT ASSETS		313,949	531,838
TOTAL ASSETS LESS CURRENT LIABILITIES		3,078,776	2,941,631
CREDITORS			
Amounts falling due after more than one year	18	(308,006)	(507,917)
NET ASSETS		2,770,770	2,433,714
FUNDS	23		
Unrestricted funds		2,770,770	2,433,714
TOTAL FUNDS		2,770,770	2,433,714

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

The financial statements were approved by the Board of Trustees and authorised for issue on 29 April 2026 and were signed on its behalf by:

.....
S F Kinchin - Trustee

The notes form part of these financial statements

HAMPSHIRE CHRISTIAN EDUCATION TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	(100,296)	265,962
Interest paid		(34,316)	(2,582)
Finance costs paid		16,000	(12,135)
Net cash (used in)/provided by operating activities		(118,612)	251,245
Cash flows from investing activities			
Purchase of intangible fixed assets		(625)	-
Purchase of tangible fixed assets		(7,627)	(11,888)
Interest received		12,949	6,059
Finance interest income		-	94,197
Net cash provided by investing activities		4,697	88,368
Change in cash and cash equivalents in the reporting period		(113,915)	339,613
Cash and cash equivalents at the beginning of the reporting period		974,224	634,611
Cash and cash equivalents at the end of the reporting period		860,309	974,224

The notes form part of these financial statements

HAMPSHIRE CHRISTIAN EDUCATION TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(125,388)	(32,985)
Adjustments for:		
Depreciation charges	115,661	110,650
Interest received	(12,949)	(6,059)
Interest paid	34,316	2,582
Finance costs	(16,000)	12,135
Amortisation charges	125	-
Finance interest income	-	(94,197)
Revaluation surplus	(462,444)	-
Decrease/(increase) in debtors	953,559	(1,039,738)
(Decrease)/increase in creditors	(587,176)	1,313,574
Net cash (used in)/provided by operations	(100,296)	265,962

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.24 £	Cash flow £	At 31.8.25 £
Net cash			
Cash at bank	974,224	(113,915)	860,309
	974,224	(113,915)	860,309
Debt			
Debts falling due within 1 year	(36,376)	(4,594)	(40,970)
Debts falling due after 1 year	(261,428)	37,170	(224,258)
	(297,804)	32,576	(265,228)
Total	676,420	(81,339)	595,081

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on cost and 2% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are reviewed for indicators of impairment at each reporting date. If an asset's carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Income..

Individual fixed assets costing £500 or more are capitalised at cost, with the exception of computer equipment which is capitalised if the individual cost is £250 or more.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

continued...

1. ACCOUNTING POLICIES - continued

Fund accounting
Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

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

Cash at bank & in hand
Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	64,206	51,562

3. OTHER TRADING ACTIVITIES

	2025	2024
	£	£
Fundraising events	2,225	808

continued...

4. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	12,949	6,558
Unwinding the discount on fees received in advance	-	93,698
	12,949	100,256

All investment income is derived from assets held in the United Kingdom.

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025	2024
		£	£
School fees and bursaries	Advancement of education	1,524,164	1,386,431
School trips and sales	Advancement of education	111,434	70,704
Rental income	Advancement of education	4,232	3,808
Sundry income	Advancement of education	168,453	152,363
		1,808,283	1,613,306

6. RAISING FUNDS

Raising donations and legacies

	2025	2024
	£	£
Finance cost	16,000	24,582

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Advancement of education	1,124,168	872,883	1,997,051

continued...

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2025	2024
	£	£
Staff costs	947,956	931,464
Educational resources	31,368	33,341
Trips, camps and events	93,370	24,999
Training	3,441	8,945
DBS and licences	12,764	6,802
Fundraising costs	35,269	18,325
	1,124,168	1,023,876

9. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Advancement of education	868,238	125	4,520	872,883

Support costs, included in the above, are as follows:

Management

	2025 Advancement of education	2024 Total activities
	£	£
Wages	203,182	173,958
Hire of plant and machinery	1,825	36,150
Rates and water	3,505	4,395
Insurance	25,724	23,154
Light and heat	52,419	57,958
Minibus and car park expenses	10,239	10,384
Legal and professional fees	10,844	21,960
Repairs and maintenance	328,756	198,944
Stationery, postage and phone	33,874	34,152
Sundry expenses	47,971	71,751
Donations	47	30
Depreciation of tangible assets	115,536	110,651
Bank interest	1,843	2,582
Unwinding the discount on fees received in advance	32,473	-
	868,238	746,069

continued...

9. SUPPORT COSTS - continued

Finance

	2025 Advancement of education £	2024 Total activities £
Amortisation of intangible fixed assets	125	-

Governance costs

	2025 Advancement of education £	2024 Total activities £
Auditors' remuneration	4,520	4,390

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025 £	2024 £
Auditors' remuneration	4,520	4,390
Depreciation - owned assets	115,537	110,650
Hire of plant and machinery	1,825	36,150
Website amortisation	125	-

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2025 nor for the year ended 31 August 2024.

Trustees' expenses

During the year no trustees (2024: none) were reimbursed for out of pocket expenses.

12. STAFF COSTS

	2025 £	2024 £
Wages and salaries	1,053,118	1,022,592
Social security costs	80,058	64,807
Other pension costs	17,962	18,023
	1,151,138	1,105,422

continued...

12. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2025	2024
Advancement of Education	52	53
Support staff	9	9
	61	62

No employees received emoluments in excess of £60,000.

Key management personnel
The key management personnel of the charitable company comprise, the Head Teacher, the Deputy Head Teacher, the Business Development Manager, the Head of Options and the Head of English. The total employee benefits of the key management personnel of the charitable company were £203,182 (2024: £195,953). This does not include remuneration for trustees, all of which is reported as per note 11.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	51,562	-	51,562
Charitable activities			
Advancement of education	1,613,306	-	1,613,306
Other trading activities	808	-	808
Investment income	100,256	-	100,256
Total	1,765,932	-	1,765,932
EXPENDITURE ON			
Raising funds	24,582	-	24,582
Charitable activities			
Advancement of education	1,774,335	-	1,774,335
Total	1,798,917	-	1,798,917
NET INCOME/(EXPENDITURE)	(32,985)	-	(32,985)
RECONCILIATION OF FUNDS			
Total funds brought forward	2,466,699	-	2,466,699
TOTAL FUNDS CARRIED FORWARD	2,433,714	-	2,433,714

continued...

14. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 September 2024	4,500
Additions	625
At 31 August 2025	5,125
AMORTISATION	
At 1 September 2024	4,500
Charge for year	125
At 31 August 2025	4,625
NET BOOK VALUE	
At 31 August 2025	500
At 31 August 2024	-

15. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 September 2024	2,142,333	450,482	24,195
Additions	-	6,038	-
Revaluations	287,667	-	-
At 31 August 2025	2,430,000	456,520	24,195
DEPRECIATION			
At 1 September 2024	131,930	77,786	21,766
Charge for year	42,847	45,652	2,429
Revaluation adjustments	(174,777)	-	-
At 31 August 2025	-	123,438	24,195
NET BOOK VALUE			
At 31 August 2025	2,430,000	333,082	-
At 31 August 2024	2,010,403	372,696	2,429

continued...

15. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 September 2024	109,160	14,700	91,238	2,832,108
Additions	642	-	947	7,627
Revaluations	-	-	-	287,667
At 31 August 2025	109,802	14,700	92,185	3,127,402
DEPRECIATION				
At 1 September 2024	94,237	14,700	81,896	422,315
Charge for year	15,565	-	9,044	115,537
Revaluation adjustments	-	-	-	(174,777)
At 31 August 2025	109,802	14,700	90,940	363,075
NET BOOK VALUE				
At 31 August 2025	-	-	1,245	2,764,327
At 31 August 2024	14,923	-	9,342	2,409,793

Cost or valuation at 31 August 2025 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2025	287,667	-	-
Cost	2,142,333	456,520	24,195
	2,430,000	456,520	24,195

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2025	-	-	-	287,667
Cost	109,802	14,700	92,185	2,839,735
	109,802	14,700	92,185	3,127,402

Cost or valuation of freehold property at 31 August 2025 is represented by:

	£
Valuation in 2010	1,627,715
Valuation in 2015	272,285
Valuation in 2020	200,000
Additions	42,333
Valuation in 2025	287,667

continued...

15. TANGIBLE FIXED ASSETS - continued

	2,430,000

The Trust's other tangible fixed assets are included at cost.

If freehold property had not been revalued it would have been included at the following historical cost:

	2025	2024
	£	£
Cost	2,049,402	2,049,402
Aggregate depreciation	949,973	908,985

Freehold property was revalued on an open market basis in 2025 by Vail Williams LLP.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade debtors	160,502	1,143,605
Other debtors	23,516	21,176
Prepayments	52,897	25,693
	236,915	1,190,474

In the prior financial year, invoices were raised in June 2024 due to changes in VAT legislation affecting private schools. As a result, trade debtors were higher in the prior year.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Bank loans and overdrafts (see note 19)	40,970	36,376
Fees in advance	334,602	1,375,800
Trade creditors	92,339	24,105
Social security and other taxes	19,762	13,516
VAT	96,887	-
Other creditors	8,950	4,643
Deposits	183,596	170,769
Accruals and deferred income	6,169	7,651
	783,275	1,632,860

Fees in advance represents school fees received in advance for future academic years.

	2025	2024
	£	£
Brought forward	1,622,289	209,687
Amount released to incoming resources	(1,438,104)	(43,699)
Amount deferred in year	234,165	1,456,303
Carried forward	418,350	1,622,289

continued...

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Fees received in advance are lower because the school raised more invoices in June 2024.

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

	2025	2024
	£	£
Bank loans (see note 19)	224,258	261,428
Fees in advance	83,748	246,489
	308,006	507,917

19. LOANS

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due within one year on demand:		
Bank loans	40,970	36,376
Amounts falling due between two and five years:		
Bank loans	116,451	113,962
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	107,807	147,466

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025	2024
	£	£
Within one year	15,161	9,414
Between one and five years	46,654	-
	61,815	9,414

continued...

21. SECURED DEBTS

The following secured debts are included within creditors:

	2025	2024
	£	£
Bank loans	265,228	297,804

The bank loan was secured by a legal charge over the freehold property at Lakesmere House, Allington Lane, Fair Oak, Eastleigh.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2025 Total funds	2024 Total funds
	£	£	£	£
Fixed assets	2,764,827	-	2,764,827	2,409,793
Current assets	1,097,224	-	1,097,224	2,164,698
Current liabilities	(783,275)	-	(783,275)	(1,632,860)
Long term liabilities	(308,006)	-	(308,006)	(507,917)
	2,770,770	-	2,770,770	2,433,714

23. MOVEMENT IN FUNDS

	At 1.9.24	Net movement in funds	At 31.8.25
	£	£	£
Unrestricted funds			
General fund	2,383,116	(138,521)	2,244,595
Revaluation reserve	50,598	462,444	513,042
IM Assisted Places	-	12,633	12,633
IM Building Fund	-	500	500
	2,433,714	337,056	2,770,770
TOTAL FUNDS	2,433,714	337,056	2,770,770

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	1,874,530	(2,013,051)	-	(138,521)
Revaluation reserve	-	-	462,444	462,444
IM Assisted Places	12,633	-	-	12,633
IM Building Fund	500	-	-	500
	1,887,663	(2,013,051)	462,444	337,056
TOTAL FUNDS	1,887,663	(2,013,051)	462,444	337,056

continued...

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Unrestricted funds				
General fund	2,316,580	(32,985)	99,521	2,383,116
Revaluation reserve	50,598	-	-	50,598
Enrichment fund	99,521	-	(99,521)	-
	2,466,699	(32,985)	-	2,433,714
TOTAL FUNDS	2,466,699	(32,985)	-	2,433,714

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,765,932	(1,798,917)	(32,985)
TOTAL FUNDS	1,765,932	(1,798,917)	(32,985)

Enrichment Fund
This fund is a fund designated by the trustee directors to be a physical account where fundraising events and school trips could be accounted for to ensure that all monies raised in this way could be spent on enhancements to the school rather then lost in the day to day running of the school.

IM Assisted Places
This fund is designated to support families who apply for a reduction in school fees.

IM Building Fund
This fund is designated for a new primary classroom block.

Revaluation reserve
The reserve relates to the revaluation surplus of the freehold property which is revalued every 5 years.

continued...

24. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution scheme which is administered independently. The costs to the charitable company for the year was £17,962 (2024: £18,201).There was £5,353 due to the pension scheme administrator at the year end (2024: £3,634).

25. RELATED PARTY DISCLOSURES

Purchases of £nil (2024: £22,092) have been paid to a company who has a common director to Hampshire Christian Education Trust.

During the year 2 (2024: 3) trustees had a total of 4 (2024: 5) children attending the school. The total fees paid relating to these school places was £26,742 (2024: £16,202).

26. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

27. LEGAL STATUS

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

England & Wales - Charity number 1106136

Accounts

REGISTERED COMPANY NUMBER: 05212585 (England and Wales)
REGISTERED CHARITY NUMBER: 1106136

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

FOR

HAMPSHIRE CHRISTIAN EDUCATION TRUST

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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FOR THE YEAR ENDED 31 AUGUST 2024

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HAMPSHIRE CHRISTIAN EDUCATION TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2024. The trustees have adopted the provisions of 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

Objectives and aims

A)	The advancement of education on the basis of Christian principles in the county of Hampshire and elsewhere including (but not by way of limitation) the provision of such education in any educational establishment for the general education of children or adults on the basis of such Christian principles as the trustees may from time to time think fit;

B)	The advancement of the Christian faith in accordance with the doctrines set out in the schedule to the articles and the worship of God in the county of Hampshire and elsewhere as the trustees may from time to time think fit including (but not by way of limitation) the preaching and proclamation of the Christian gospel and the teaching of Christian doctrine and principles and other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the charity.

C)	The relief of persons who are in conditions of hardship or distress or who are aged or sick in the county of Hampshire and elsewhere as the trustees may from time to time think fit.

Significant activities

The Trust runs The King's School which has a primary department and senior department located on one site. The school currently has 230 pupils, 72 at primary and 158 at senior.

Public benefit

The King's School provides benefit to the public within Hampshire by providing an excellent education based on Christian principles for children aged 4 to 16. Fees are intended to be affordable for families on average incomes and are deliberately kept below the normal rates for similar independent schools. In addition, the school offers bursary assistance to families on low income (to the value of £125k in the year ending 31 August 2024).

Children are drawn from families across the full range of Christian denominations as well as a proportion from families with no church connections. There are no academic selection criteria and whenever possible the school will accommodate pupils with learning difficulties and physical disabilities. There has been an increase in educational support for children with additional needs and improvements to the site for disabled access.

Volunteers

The school has voluntary help from parents and others in a wide range of activities, including governorship, support with events and the general maintenance of facilities.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In February 2023, King's School underwent its first full inspection by the Independent Schools Inspectorate (ISI), comprising both a Focused Compliance and Educational Quality Inspection. The school met all regulatory requirements, with ISI awarding a judgement of Good for pupils' achievement, including academic development, and Excellent for pupils' personal development.

Academic outcomes continue to be strong. For the year ended 31 August 2024, 97% of pupils achieved five or more standard pass grades at GCSE, including English and Mathematics. Additionally, 37% of all grades awarded were at Grades 7-9, a particularly impressive outcome given the national decline in top grades and the school's non-selective admissions policy. These results reflect the school's commitment to academic excellence and inclusive support across a broad ability range.

Charitable Engagement

King's School is actively involved in charitable giving at both local and international levels. The school community supports several charities through regular fundraising initiatives. Pupils play a central role in these efforts, participating in events and campaigns to raise funds and awareness—fostering values of compassion, service, and global citizenship.

FINANCIAL REVIEW

Financial Review

The trust's income in the year ending 31 August 2024 was £1.76 million in comparison to £1.60 million the previous year. The majority of the income was from school fees and extracurricular activities, and the remainder was from fundraising activities, donations and the gift aid claimed on these.

Total expenditure for the year ending 31 August 2024 was £1.77 million, compared with the £1.62 million the previous year. This resulted in a shortfall of £33k.

The majority of expenditure was on the costs of charitable activities which are divided between:

(A)	The direct costs of education (e.g. staffing, resources, activities) which amounted to £1,023k, a £151k reduction from the previous year. The largest component was staff costs of £931k which was £4k les than the previous year. The overall decline was due to less bursaries not being paid in 2024 with a decline of £125k

(B)	Support costs (e.g. support staff wages, general overheads) increased to £745k (from £440k).

A number of Key Performance Indicators are being used to plan and improve financial performance. One of these is the ratio of staff costs to net fee income for which the target is 60-65%. The ratio in the year ending August 2024 was 75%.

During the year the advance fees balance increased to £1,622k and the deposits balance decreased to £170k. Advance fees are not positively sought from parents as the school does not wish to be reliant on them, however, some parents who have the money to pay in advance are then able to have peace of mind that their child's fees are paid for a defined period.

Reserves policy

The Trust has most of its reserves in the buildings (Lakesmere House and the Homelodge building) which were valued at £2.1m in February 2020.

It is the aim of the Trustees to build up reserves to a level equal to three month's regular expenditure (monthly expenditure is currently around £125k). This aim has been met this year as current assets plus bank loan payments due within one year and deposits stand at £506k (August 2024).

The school plans to replace the existing temporary buildings with a permanent structure within the next two years. The school has planning permission and a preferred builder, is fundraising and is in discussions regarding finance. The Trustees will review the policy in light of project needs.

Principal funding sources

Operational costs are met primarily from school fees which are set at an affordable rate for the target market. Additional funding comes from donations.

The capital projects are now funded from cash reserves which are backed by a bank mortgage and advance fee payments.

Future Plans

The focus for the future will be to continue to strive for excellence in educational provision and to market the school effectively so that all 305 places are taken. Maximum pupil numbers are 15 per year in Reception, Years 1, 2 and 3; and 20 each in Years 4-6 (total primary 120 pupils - currently 76). In senior we can have 35 per year in Years 7-9 and 40 per year in Years 10 & 11 (total senior 185 - currently 157). Longer term aims include a purpose-built primary unit to replace some temporary buildings on the school site which is expected to increase primary capacity to 140.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The articles of association allows for the members of the charity to appoint new trustees and to vary the number of trustees (minimum of three). Any person appointed as a trustee must fully accept the doctrines set out in the articles of association.

Recruitment and appointment of new trustees

The articles of association allows for the members of the charity to appoint new trustees and to vary the number of trustees (minimum of three). Any person appointed as a trustee must fully accept the doctrines set out in the articles of association.

Organisational structure

Governance and management of The King's School is undertaken by the Senior Leadership Team and the Governance Board. The Leadership Team is responsible for day to day operations. Their job is to deliver quality Christian education within the necessary legal and regulatory requirements. The Leadership Team is accountable to the Governance Board. The Governance Board comprises both Trustees and Governors and their responsibility is supporting and empowering the Leadership Team to carry our its responsibilities effectively.

Induction and training of new trustees

Induction and training of new trustees is carried out by meetings with other trustees and key people, review of key documents and involvement in the life of the school.

Pay and Remuneration

Salary levels are set annually. Key management personnel are paid less than would be expected within the state sector at rates of between 70 -75% of salaries based on DfE figures. The school has a desire to increase salaries where possible such that all staff are paid more in line with those in the state system. However, this will be a gradual process and not something that can be achieved currently.

Wider network

The school is a member of the Independent Schools Association (ISA). It is also a member of the Christian Schools Trust (CST).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management
The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The main risks identified by the Trustees are set out below. These are not all new risks to the trust and have been successfully managed in previous years by exercising care in budgeting and decision-making.

The main risks at present are connected with the external economy.

1)		Pupil numbers have remained relatively static with the year ending with 229 pupils on role (September 2023). Current pupil numbers are 230 (March 2024). Improving marketing continues to be a priority to draw new pupils to the school. The majority of new pupils come from within the larger church community and by word of mouth.
2)		The proportion of pupils requiring bursaries has reduced with improved processes for awarding and reviewing bursaries. However, this still represents a risk to the school's income.
3)		External factors have increased the risk of existing parents defaulting on fee payments. This risk has been managed well by continuing to ensure that a member of staff is given time to keep abreast with credit control.
4)		The deterioration of the primary accommodation is a serious cause of concern. The school is actively pursuing replacement accommodation to resolve this.
5)		Future rises in interest payments on the trust's borrowing are also a potential risk.
6)		All of the above give rise to a risk of cash flow problems. Alongside prudent budgeting and regular monitoring, we have the ability to improve cash flow through collecting advance fee payments.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05212585 (England and Wales)

Registered Charity number
1106136

Registered office
The King's School Senior
Lakesmere House
Allington Lane, Fair Oak
Eastleigh
Hampshire
SO50 7DB

Trustees
S F Kinchin- Chair
C Caws
A Johnston
C Dendy
S Froud

Auditors
MC Audit Limited
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers
Barclays Bank
Portsmouth City Branch
Portsdown Group
PO Box 6
Portsmouth
Hampshire
PO6 7DB

COMMENCEMENT OF ACTIVITIES
The charity which has been trading since 1995, was incorporated as a Company limited by guarantee, in August 2004. Dormant company accounts were prepared for the year to 31 August 2005 and the running of the school transferred to the new charitable company on 1 September 2005.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Hampshire Christian Education Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued
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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS
The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 12/5/25 and signed on its behalf by:

S F Kinghin - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Opinion

We have audited the financial statements of Hampshire Christian Education Trust (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 Auditors' 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 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 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Matters on which we are required to report by exception
In the 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 Report of the Trustees.

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

- adequate accounting records have not been kept 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

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 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 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.

M.J. Southern

Martin Southern BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 21/5/25

HAMPSHIRE CHRISTIAN EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	51,562	-	51,562	18,580
Charitable activities	5				
Advancement of education		1,613,306	-	1,613,306	1,571,436
Other trading activities	3	808	-	808	1,111
Investment income	4	100,256	-	100,256	12,313
Total		1,765,932	-	1,765,932	1,603,440
EXPENDITURE ON					
Raising funds	6	24,582	-	24,582	11,914
Charitable activities	7				
Advancement of education		1,774,335	-	1,774,335	1,620,790
Total		1,798,917	-	1,798,917	1,632,704
NET INCOME/(EXPENDITURE)		(32,985)	-	(32,985)	(29,264)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,466,699	-	2,466,699	2,495,963
TOTAL FUNDS CARRIED FORWARD		2,433,714	-	2,433,714	2,466,699

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	15	2,409,793	2,508,555
CURRENT ASSETS			
Debtors	16	1,190,474	150,736
Cash at bank		974,224	634,611
		2,164,698	785,347
CREDITORS			
Amounts falling due within one year	17	(1,632,860)	(507,940)
NET CURRENT ASSETS		531,838	277,407
TOTAL ASSETS LESS CURRENT LIABILITIES		2,941,631	2,785,962
CREDITORS			
Amounts falling due after more than one year	18	(507,917)	(319,263)
NET ASSETS		2,433,714	2,466,699
FUNDS	23		
Unrestricted funds		2,433,714	2,466,699
TOTAL FUNDS		2,433,714	2,466,699

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

The financial statements were approved by the Board of Trustees and authorised for issue on 22/5/25 and were signed on its behalf by:

.....
S F Kinchin - Trustee

The notes form part of these financial statements

HAMPSHIRE CHRISTIAN EDUCATION TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	265,962	(201,388)
Interest paid		(2,582)	(18,282)
Finance costs paid		(12,135)	(11,914)
Net cash provided by/(used in) operating activities		251,245	(231,584)
Cash flows from investing activities			
Purchase of tangible fixed assets		(11,888)	(172,899)
Interest received		6,059	3,682
Finance interest income		94,197	8,631
Net cash provided by/(used in) investing activities		88,368	(160,586)
Change in cash and cash equivalents in the reporting period		339,613	(392,170)
Cash and cash equivalents at the beginning of the reporting period		634,611	1,026,781
Cash and cash equivalents at the end of the reporting period		974,224	634,611

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(32,985)	(29,264)
Adjustments for:		
Depreciation charges	110,650	73,468
Interest received	(6,059)	(3,682)
Interest paid	2,582	18,282
Finance costs	12,135	11,914
Finance interest income	(94,197)	(8,631)
Increase in debtors	(1,039,738)	(100,877)
Increase/(decrease) in creditors	1,313,574	(162,598)
Net cash provided by/(used in) operations	265,962	(201,388)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank	634,611	339,613	974,224
	634,611	339,613	974,224
Debt			
Debts falling due within 1 year	(50,703)	14,327	(36,376)
Debts falling due after 1 year	(297,978)	36,550	(261,428)
	(348,681)	50,877	(297,804)
Total	285,930	390,490	676,420

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on cost and 2% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Individual fixed assets costing £500 or more are capitalised at cost, with the exception of computer equipment which is capitalised if the individual cost is £250 or more.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

continued...

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The charitable company contributed £18,032 (2023: £16,387)

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

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

Cash at bank & in hand
Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	51,562	18,580

3. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Fundraising events	808	1,111

4. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	6,558	3,682
Finance interest income	93,698	8,631
	100,256	12,313

All investment income is derived from assets held in the United Kingdom.

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024 £	2023 £
School fees and bursaries	Advancement of education	1,386,431	1,492,539
School trips and sales	Advancement of education	70,704	76,679
Rental income	Advancement of education	3,808	1,268
Sundry income	Advancement of education	152,363	950
		1,613,306	1,571,436

6. RAISING FUNDS

Raising donations and legacies

	2024 £	2023 £
Finance cost	24,582	11,914

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Advancement of education	1,023,876	750,459	1,774,335

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024 £	2023 £
Staff costs	931,464	934,579
Educational resources	33,341	32,131
Trips, camps and events	24,999	55,577
Training	8,945	2,977
DBS and licences	6,802	12,231
Fundraising costs	18,325	13,064
Bursaries	-	124,774
	1,023,876	1,175,333

continued...

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Advancement of education	745,043	5,416	750,459

Support costs, included in the above, are as follows:

Management

	2024 Advancement of education	2023 Total activities
	£	£
Wages	173,958	95,640
Hire of plant and machinery	36,150	17,674
Rates and water	4,395	17,727
Insurance	23,154	22,153
Light and heat	57,958	2,870
Minibus and car park expenses	10,384	10,522
Legal and professional fees	20,934	9,366
Repairs and maintenance	198,944	106,173
Stationery, postage and phone	34,152	29,278
Sundry expenses	71,751	36,616
Donations	30	582
Depreciation of tangible assets	110,651	73,468
Bank interest	2,582	1,561
Mortgage interest	-	16,721
	745,043	440,351

Governance costs

	2024 Advancement of education	2023 Total activities
	£	£
Auditors' remuneration	5,416	5,106

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Auditors' remuneration	5,416	5,106
Depreciation - owned assets	110,650	73,469
Hire of plant and machinery	36,150	17,674

continued...

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2024 nor for the year ended 31 August 2023.

Trustees' expenses

During the year no trustees (2023: none) were reimbursed for out of pocket expenses.

12. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,022,592	951,841
Social security costs	64,807	61,991
Other pension costs	18,023	16,387
	1,105,422	1,030,219

The average monthly number of employees during the year was as follows:

	2024	2023
Advancement of Education	53	54
Support staff	9	9
	62	63

No employees received emoluments in excess of £60,000.

Key management personnel
The key management personnel of the charitable company comprise, the Head Teacher, the Deputy Head Teacher, the Business Development Manager, the Head of Options and the Head of English. The total employee benefits of the key management personnel of the charitable company were £195,953 (2023: £95,640). This does not include remuneration for trustees, all of which is reported as per note 11.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	18,580	-	18,580
Charitable activities			
Advancement of education	1,571,436	-	1,571,436
Other trading activities	1,111	-	1,111
Investment income	12,313	-	12,313
Total	1,603,440	-	1,603,440
EXPENDITURE ON			
Raising funds	11,914	-	11,914

continued...

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Charitable activities			
Advancement of education	1,588,052	32,738	1,620,790
Total	1,599,966	32,738	1,632,704
NET INCOME/(EXPENDITURE)	3,474	(32,738)	(29,264)
Transfers between funds	112,172	(112,172)	-
Net movement in funds	115,646	(144,910)	(29,264)
RECONCILIATION OF FUNDS			
Total funds brought forward	2,351,053	144,910	2,495,963
TOTAL FUNDS CARRIED FORWARD	2,466,699	-	2,466,699

14. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 September 2023 and 31 August 2024	4,500
AMORTISATION	
At 1 September 2023 and 31 August 2024	4,500
NET BOOK VALUE	
At 31 August 2024	-
At 31 August 2023	-

continued...

15. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2023	2,142,333	449,500	24,195
Additions	-	982	-
At 31 August 2024	2,142,333	450,482	24,195
DEPRECIATION			
At 1 September 2023	89,084	32,738	20,219
Charge for year	42,846	45,048	1,547
At 31 August 2024	131,930	77,786	21,766
NET BOOK VALUE			
At 31 August 2024	2,010,403	372,696	2,429
At 31 August 2023	2,053,249	416,762	3,976

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2023	107,284	14,700	82,208	2,820,220
Additions	1,876	-	9,030	11,888
At 31 August 2024	109,160	14,700	91,238	2,832,108
DEPRECIATION				
At 1 September 2023	82,970	14,700	71,954	311,665
Charge for year	11,267	-	9,942	110,650
At 31 August 2024	94,237	14,700	81,896	422,315
NET BOOK VALUE				
At 31 August 2024	14,923	-	9,342	2,409,793
At 31 August 2023	24,314	-	10,254	2,508,555

Cost or valuation of freehold property at 31 August 2024 is represented by:

	£
Valuation in 2010	1,627,715
Valuation in 2015	272,285
Valuation in 2020	200,000
Additions	42,333
	2,142,333

continued...

15. TANGIBLE FIXED ASSETS - continued

The Trust's other tangible fixed assets are included at cost.

If freehold property had not been revalued it would have been included at the following historical cost:

	2024	2023
	£	£
Cost	2,049,402	2,049,402
Aggregate depreciation	908,985	867,997

Freehold property was revalued on an open market basis on 31 August 2021 by Vail Williams LLP.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	1,143,605	127,748
Other debtors	21,176	750
Prepayments	25,693	22,238
	1,190,474	150,736

Trade debtors are higher because the school raised invoices in June 2024.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans and overdrafts (see note 19)	36,376	50,703
Fees in advance	1,375,800	188,402
Trade creditors	24,105	69,692
Social security and other taxes	13,516	13,069
Other creditors	4,643	1,087
Deposits	170,769	178,220
Accruals and deferred income	7,651	6,767
	1,632,860	507,940

Fees in advance represents school fees received in advance for future academic years.

	2024	2023
	£	£
Brought forward	209,687	292,116
Amount released to incoming resources	(43,699)	(161,651)
Amount deferred in year	1,456,303	79,222
Carried forward	1,622,289	209,687

Fees received in advance are higher because the shool raised invoices in June 2024.

continued...

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

	2024	2023
	£	£
Bank loans (see note 19)	261,428	297,978
Fees in advance	246,489	21,285
	507,917	319,263

19. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank loans	36,376	50,703
Amounts falling due between two and five years:		
Bank loans	113,962	121,319
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	147,466	176,659

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	9,414	7,656
Between one and five years	-	1,914
	9,414	9,570

21. SECURED DEBTS

The following secured debts are included within creditors:

	2024	2023
	£	£
Bank loans	297,804	348,681

The bank loan was secured by a legal charge over the freehold property at Lakesmere House, Allington Lane, Fair Oak, Eastleigh.

continued...

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Fixed assets	2,409,793	-	2,409,793	2,508,555
Current assets	2,164,698	-	2,164,698	785,347
Current liabilities	(1,632,860)	-	(1,632,860)	(507,940)
Long term liabilities	(507,917)	-	(507,917)	(319,263)
	2,433,714	-	2,433,714	2,466,699

23. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Unrestricted funds				
General fund	2,316,580	(32,985)	99,521	2,383,116
Revaluation reserve	50,598	-	-	50,598
Enrichment fund	99,521	-	(99,521)	-
	2,466,699	(32,985)	-	2,433,714
TOTAL FUNDS	2,466,699	(32,985)	-	2,433,714

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,765,932	(1,798,917)	(32,985)
TOTAL FUNDS	1,765,932	(1,798,917)	(32,985)

continued...

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General fund	2,244,038	(39,630)	112,172	2,316,580
Revaluation reserve	50,598	-	-	50,598
Enrichment fund	56,417	43,104	-	99,521
	2,351,053	3,474	112,172	2,466,699
Restricted funds				
Muga fund	144,910	(32,738)	(112,172)	-
TOTAL FUNDS	2,495,963	(29,264)	-	2,466,699

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,547,271	(1,586,901)	(39,630)
Enrichment fund	56,169	(13,065)	43,104
	1,603,440	(1,599,966)	3,474
Restricted funds			
Muga fund	-	(32,738)	(32,738)
TOTAL FUNDS	1,603,440	(1,632,704)	(29,264)

Enrichment fund
This fund is a fund designated by the trustee directors to be a physical account where fundraising events and school trips could be accounted for to ensure that all monies raised in this way could be spent on enhancements to the school rather then lost in the day to day running of the school.

Transfer between funds

The transfers from restricted to unrestricted funds relate to funds on which restrictions have been satisfied and therefore are no longer considered to be restricted funds.

continued...

24. RELATED PARTY DISCLOSURES

Purchases of £22,092 (2023: £nil) have been paid to a company who has a common director to Hampshire Christian Education Trust. The aged creditor balance at the year end with this company is £nil (2023: £nil).

During the year 3 (2023: 3) trustees had a total of 5(2023: 3) children attending the school. The total fees paid relating to these school places was £16,202 (2023: £22,737).

All transactions are at arms length.

25. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

26. LEGAL STATUS

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

England & Wales - Charity number 1106136

Accounts

REGISTERED COMPANY NUMBER: 05212585 (England and Wales)
REGISTERED CHARITY NUMBER: 1106136

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

FOR

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of 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

Objectives and aims

A) The advancement of education on the basis of Christian principles in the county of Hampshire and elsewhere including (but not by way of limitation) the provision of such education in any educational establishment for the general education of children or adults on the basis of such Christian principles as the trustees may from time to time think fit;

B) The advancement of the Christian faith in accordance with the doctrines set out in the schedule to the articles and the worship of God in the county of Hampshire and elsewhere as the trustees may from time to time think fit including (but not by way of limitation) the preaching and proclamation of the Christian gospel and the teaching of Christian doctrine and principles and other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the charity.

C) The relief of persons who are in conditions of hardship or distress or who are aged or sick in the county of Hampshire and elsewhere as the trustees may from time to time think fit.

Significant activities

The Trust runs The King's School which has a primary department and senior department located on one site. The school currently has 230 pupils, 72 at primary and 158 at senior.

Public benefit

The King's School provides benefit to the public within Hampshire by providing an excellent education based on Christian principles for children aged 4 to 16. Fees are intended to be affordable for families on average incomes and are deliberately kept below the normal rates for similar independent schools. In addition, the school offers bursary assistance to families on low income (to the value of £125k in the year ending 31 August 2023).

Children are drawn from families across the full range of Christian denominations as well as a proportion from families with no church connections. There are no academic selection criteria and whenever possible the school will accommodate pupils with learning difficulties and physical disabilities. There has been an increase in educational support for children with additional needs and improvements to the site for disabled access.

Volunteers

The school has voluntary help from parents and others in a wide range of activities, including governorship, support with events and the general maintenance of facilities.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In February 2023 the school underwent its first full inspection by the Independent Schools Inspectorate (ISI). This was a Focused Compliance and Educational Quality Inspection. All regulations were met and ISI graded the school Good for the achievement of the pupils, including their academic development, and Excellent for their personal development.

Academic attainment remains strong with 97% of pupils attaining 5 or more standard grade GCSE results in August 2023 including English and Maths. In addition 37% of all grades awarded were Grades 7-9, a particularly impressive result being in mind the overall fall in grades nationally and the fact that the school is non-selective and pupils have a wide range of ability.

The school is involved in several areas of charitable giving, regularly supporting several international charities, as well as those in the local neighbourhood. Pupils undertake various fund raising activities to support these.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW

Financial Review

The trust's income in the year ending 31 August 2023 was £1.6 million in comparison to £1.73 million the previous year. The majority of the income was from school fees and extracurricular activities, and the remainder was from fundraising activities, donations and the gift aid claimed on these.

Total expenditure for the year ending 31 August 2023 was £1.63 million, compared with the £1.56 million the previous year. This resulted in a shortfall of £29k.

The majority of expenditure was on the costs of charitable activities which are divided between:

(A) The direct costs of education (e.g. staffing, resources, activities) which amounted to £1,175k, a £36k reduction from the previous year. The largest component was staff costs of £935k which was £100k more than the previous year largely as a result of general pay increases. The second largest area of direct cost was bursary awards which has reduced by around £95k to £125k (the third year of significant reduction - last year was £240k).

(B) Support costs (e.g. support staff wages, general overheads, mortgage interest) increased to £440k (from £336k).

A number of Key Performance Indicators are being used to plan and improve financial performance. One of these is the ratio of staff costs to net fee income for which the target is 60-65%. The ratio in the year ending August 2023 was 75%.

Net current assets have reduced to £277k. This was due to the remaining costs of the MUGA and some essential maintenance projects on the school buildings resulting in cash assets reducing and fixed assets increasing.

During the year the advance fees balance increased to £188k and the deposits balance increased to £178k. Advance fees are not positively sought from parents as the school does not wish to be reliant on them, however, some parents who have the money to pay in advance are then able to have peace of mind that their child's fees are paid for a defined period.

Reserves policy

The Trust has most of its reserves in the buildings (Lakesmere House and the Homelodge building) which were valued at £2.1m in February 2020.

It is the aim of the Trustees to build up reserves to a level equal to three month's regular expenditure (monthly expenditure is currently around £125k). This aim has been met this year as current assets plus bank loan payments due within one year and deposits stand at £506k (August 2023).

The school plans to replace the existing temporary buildings with a permanent structure within the next two years. The school has planning permission and a preferred builder, is fundraising and is in discussions regarding finance. The Trustees will review the policy in light of project needs.

Principal funding sources

Operational costs are met primarily from school fees which are set at an affordable rate for the target market. Additional funding comes from donations.

The capital projects are now funded from cash reserves which are backed by a bank mortgage and advance fee payments.

Future Plans

The focus for the future will be to continue to strive for excellence in educational provision and to market the school effectively so that all 305 places are taken. Maximum pupil numbers are 15 per year in Reception, Years 1, 2 and 3; and 20 each in Years 4-6 (total primary 120 pupils - currently 76). In senior we can have 35 per year in Years 7-9 and 40 per year in Years 10 & 11 (total senior 185 - currently 157). Longer term aims include a purpose-built primary unit to replace some temporary buildings on the school site which is expected to increase primary capacity to 140.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The articles of association allows for the members of the charity to appoint new trustees and to vary the number of trustees (minimum of three). Any person appointed as a trustee must fully accept the doctrines set out in the articles of association.

Recruitment and appointment of new trustees

The articles of association allows for the members of the charity to appoint new trustees and to vary the number of trustees (minimum of three). Any person appointed as a trustee must fully accept the doctrines set out in the articles of association.

Organisational structure

Governance and management of The King's School is undertaken by the Senior Leadership Team and the Governance Board. The Leadership Team is responsible for day to day operations. Their job is to deliver quality Christian education within the necessary legal and regulatory requirements. The Leadership Team is accountable to the Governance Board. The Governance Board comprises both Trustees and Governors and their responsibility is supporting and empowering the Leadership Team to carry our its responsibilities effectively.

Induction and training of new trustees

Induction and training of new trustees is carried out by meetings with other trustees and key people, review of key documents and involvement in the life of the school.

Pay and Remuneration

Salary levels are set annually. Key management personnel are paid less than would be expected within the state sector at rates of between 70 -75% of salaries based on DfE figures. The school has a desire to increase salaries where possible such that all staff are paid more in line with those in the state system. However, this will be a gradual process and not something that can be achieved currently.

Wider network

The school is a member of the Independent Schools Association (ISA). It is also a member of the Christian Schools Trust (CST).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The main risks identified by the Trustees are set out below. These are not all new risks to the trust and have been successfully managed in previous years by exercising care in budgeting and decision-making.

The main risks at present are connected with the external economy.

1) Pupil numbers have remained relatively static with the year ending with 229 pupils on role (September 2023). Current pupil numbers are 230 (March 2024). Improving marketing continues to be a priority to draw new pupils to the school. The majority of new pupils come from within the larger church community and by word of mouth.
2) The proportion of pupils requiring bursaries has reduced with improved processes for awarding and reviewing bursaries. However, this still represents a risk to the school's income.
3) External factors have increased the risk of existing parents defaulting on fee payments. This risk has been managed well by continuing to ensure that a member of staff is given time to keep abreast with credit control.
4) The deterioration of the primary accommodation is a serious cause of concern. The school is actively pursuing replacement accommodation to resolve this.
5) Future rises in interest payments on the trust's borrowing are also a potential risk.
6) All of the above give rise to a risk of cash flow problems. Alongside prudent budgeting and regular monitoring, we have the ability to improve cash flow through collecting advance fee payments.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05212585 (England and Wales)

Registered Charity number
1106136

Registered office
The King's School Senior
Lakesmere House
Allington Lane, Fair Oak
Eastleigh
Hampshire
SO50 7DB

Trustees
S F Kinchin
C Caws
J Pavey
M Parker
A Johnston
C Dendy
S Froud

Auditors
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers
Barclays Bank
Portsmouth City Branch
Portsdown Group
PO Box 6
Portsmouth
Hampshire
PO6 7DB

COMMENCEMENT OF ACTIVITIES

The charity which has been trading since 1995, was incorporated as a Company limited by guarantee, in August 2004. Dormant company accounts were prepared for the year to 31 August 2005 and the running of the school transferred to the new charitable company on 1 September 2005.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hampshire Christian Education Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 13/5/24 and signed on its behalf by:

Dr M Parker - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Opinion
We have audited the financial statements of Hampshire Christian Education Trust (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 Auditors' 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 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 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

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 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 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.

M J Southern

Martin Southern BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 14/5/24

HAMPSHIRE CHRISTIAN EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	18,580	-	18,580	48,120
Charitable activities	5				
Advancement of education		1,571,436	-	1,571,436	1,665,210
Other trading activities	3	1,111	-	1,111	2,844
Investment income	4	12,313	-	12,313	10,833
Total		1,603,440	-	1,603,440	1,727,007
EXPENDITURE ON					
Raising funds	6	11,914	-	11,914	7,017
Charitable activities	7				
Advancement of education		1,588,052	32,738	1,620,790	1,552,662
Total		1,599,966	32,738	1,632,704	1,559,679
NET INCOME/(EXPENDITURE)		3,474	(32,738)	(29,264)	167,328
Transfers between funds	23	112,172	(112,172)	-	-
Net movement in funds		115,646	(144,910)	(29,264)	167,328
RECONCILIATION OF FUNDS					
Total funds brought forward		2,351,053	144,910	2,495,963	2,328,635
TOTAL FUNDS CARRIED FORWARD		2,466,699	-	2,466,699	2,495,963

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	15	2,508,555	2,409,125
CURRENT ASSETS			
Debtors	16	150,736	49,859
Cash at bank		634,611	1,026,781
		785,347	1,076,640
CREDITORS			
Amounts falling due within one year	17	(507,940)	(603,946)
NET CURRENT ASSETS		277,407	472,694
TOTAL ASSETS LESS CURRENT LIABILITIES		2,785,962	2,881,819
CREDITORS			
Amounts falling due after more than one year	18	(319,263)	(385,856)
NET ASSETS		2,466,699	2,495,963
FUNDS	23		
Unrestricted funds		2,466,699	2,351,053
Restricted funds		-	144,910
TOTAL FUNDS		2,466,699	2,495,963

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

The financial statements were approved by the Board of Trustees and authorised for issue on .....13/5/24..... and were signed on its behalf by:

.....
M Parker - Trustee

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(201,388)	410,078
Interest paid		(18,282)	(13,179)
Finance costs paid		(11,914)	(7,017)
Net cash (used in)/provided by operating activities		(231,584)	389,882
Cash flows from investing activities			
Purchase of tangible fixed assets		(172,899)	(364,721)
Interest received		3,682	866
Finance interest income		8,631	9,967
Net cash used in investing activities		(160,586)	(353,888)
Change in cash and cash equivalents in the reporting period		(392,170)	35,994
Cash and cash equivalents at the beginning of the reporting period		1,026,781	990,787
Cash and cash equivalents at the end of the reporting period		634,611	1,026,781

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(29,264)	167,328
Adjustments for:		
Depreciation charges	73,468	53,883
Interest received	(3,682)	(866)
Interest paid	18,282	13,179
Finance costs	11,914	7,017
Amortisation charges	-	900
Finance interest income	(8,631)	(9,967)
Increase in debtors	(100,877)	(31,626)
(Decrease)/increase in creditors	(162,598)	210,230
Net cash (used in)/provided by operations	(201,388)	410,078

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank	1,026,781	(392,170)	634,611
	1,026,781	(392,170)	634,611
Debt			
Debts falling due within 1 year	(49,535)	(1,168)	(50,703)
Debts falling due after 1 year	(338,728)	40,750	(297,978)
	(388,263)	39,582	(348,681)
Total	638,518	(352,588)	285,930

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on cost and 2% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Individual fixed assets costing £500 or more are capitalised at cost, with the exception of computer equipment which is capitalised if the individual cost is £250 or more.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

continued...

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors and cash at bank & in hand
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	18,580	44,495
Gift aid	-	3,625
	18,580	48,120

3. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Fundraising events	1,111	2,844

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	3,682	391
Finance interest income	8,631	10,442
	12,313	10,833

All investment income is derived from assets held in the United Kingdom.

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023 £	2022 £
School fees and bursaries	Advancement of education	1,492,539	1,617,908
School trips and sales	Advancement of education	76,679	39,446
Rental income	Advancement of education	1,268	2,290
Sundry income	Advancement of education	950	5,066
Grants	Advancement of education	-	500
		1,571,436	1,665,210

Grants received, included in the above, are as follows:

	2023 £	2022 £
Evolve Advice	-	500

6. RAISING FUNDS

Raising donations and legacies

	2023 £	2022 £
Finance cost	11,914	7,017

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Advancement of education	1,175,333	445,457	1,620,790

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	934,579	834,996
Educational resources	32,131	63,298
Trips, camps and events	55,577	43,475
Training	2,977	2,635
DBS and licences	12,231	9,781
Fundraising costs	13,064	16,861
Bursaries	124,774	240,434
	1,175,333	1,211,480

continued...

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Advancement of education	440,351	5,106	445,457

Support costs, included in the above, are as follows:

Management

	2023 Advancement of education	2022 Total activities
	£	£
Wages	95,640	120,000
Hire of plant and machinery	17,674	20,356
Rates and water	17,727	12,821
Insurance	22,153	18,786
Light and heat	2,870	6,106
Minibus and car park expenses	10,522	7,878
Legal and professional fees	9,366	16,432
Repairs and maintenance	106,173	38,093
Stationery, postage and phone	29,278	21,934
Sundry expenses	36,616	5,332
Donations	582	474
Amortisation of intangible fixed assets	-	900
Depreciation of tangible assets	73,468	53,883
Bank interest	1,561	1,924
Mortgage interest	16,721	11,255
	440,351	336,174

Governance costs

	2023 Advancement of education	2022 Total activities
	£	£
Auditors' remuneration	5,106	5,008

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	5,106	5,008
Depreciation - owned assets	73,469	53,883
Hire of plant and machinery	17,674	20,356
Website amortisation	-	900

continued...

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

Trustees' expenses

During the year no trustees (2022: none) were reimbursed for out of pocket expenses.

12. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	951,841	892,301
Social security costs	61,991	53,967
Other pension costs	16,387	8,728
	1,030,219	954,996

The average monthly number of employees during the year was as follows:

	2023	2022
Advancement of Education	54	60
Support staff	9	10
	63	70

No employees received emoluments in excess of £60,000.

Key management personnel
The key management personnel of the charitable company comprise the trustees, the Head Teacher, the Deputy Head Teacher, the Assistant Head Teacher and the Business Manager. The total employee benefits of the key management personnel of the charitable company were £95,640 (2022: £122,707). This does not include remuneration for trustees, all of which is reported as per note 11.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	13,256	34,864	48,120
Charitable activities			
Advancement of education	1,665,210	-	1,665,210
Other trading activities	2,634	210	2,844
Investment income	10,833	-	10,833
Total	1,691,933	35,074	1,727,007
EXPENDITURE ON			
Raising funds	7,017	-	7,017
Charitable activities			
Advancement of education	1,549,321	3,341	1,552,662
Total	1,556,338	3,341	1,559,679

continued...

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME	135,595	31,733	167,328
RECONCILIATION OF FUNDS			
Total funds brought forward	2,215,458	113,177	2,328,635
TOTAL FUNDS CARRIED FORWARD	2,351,053	144,910	2,495,963

14. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 September 2022 and 31 August 2023	4,500
AMORTISATION	
At 1 September 2022 and 31 August 2023	4,500
NET BOOK VALUE	
At 31 August 2023	-
At 31 August 2022	-

15. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2022	2,100,000	327,376	24,195
Additions	42,333	122,124	-
At 31 August 2023	2,142,333	449,500	24,195
DEPRECIATION			
At 1 September 2022	59,200	-	19,371
Charge for year	29,884	32,738	848
At 31 August 2023	89,084	32,738	20,219
NET BOOK VALUE			
At 31 August 2023	2,053,249	416,762	3,976
At 31 August 2022	2,040,800	327,376	4,824

continued...

15. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2022	100,794	14,700	80,256	2,647,321
Additions	6,490	-	1,952	172,899
At 31 August 2023	107,284	14,700	82,208	2,820,220
DEPRECIATION				
At 1 September 2022	78,347	14,700	66,578	238,196
Charge for year	4,623	-	5,376	73,469
At 31 August 2023	82,970	14,700	71,954	311,665
NET BOOK VALUE				
At 31 August 2023	24,314	-	10,254	2,508,555
At 31 August 2022	22,447	-	13,678	2,409,125

Cost or valuation of freehold property at 31 August 2021 is represented by:

	£
Revaluation in 2020	200,000
Revaluation in 2015	272,285
Revaluation in 2010	(421,687)
Cost	2,049,402
	2,100,000

The Trust's other tangible fixed assets are included at cost.

If freehold property had not been revalued it would have been included at the following historical cost:

	2022 £	2021 £
Cost	2,049,402	2,049,402
Aggregate depreciation	827,009	790,572

Freehold property was revalued on an open market basis on 31 August 2020 by Vail Williams.

continued...

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	127,748	18,516
Other debtors	750	3,617
Prepayments	22,238	27,726
	150,736	49,859

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 19)	50,703	49,535
Fees in advance	188,402	149,734
Trade creditors	69,692	139,320
Social security and other taxes	13,069	14,199
Other creditors	1,087	1,602
Deposits	178,220	154,070
Accruals and deferred income	6,767	95,486
	507,940	603,946

Fees in advance represents school fees received in advance for future academic years.

	2023	2022
	£	£
Brought forward	292,114	328,542
Amount released to incoming resources	(99,624)	(182,884)
Amount deferred in year	158,442	146,457
Carried forward	350,932	292,114

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

	2023	2022
	£	£
Bank loans (see note 19)	297,978	338,728
Fees in advance	21,285	47,128
	319,263	385,856

19. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	50,703	49,535
Amounts falling due between two and five years:		
Bank loans	121,319	133,710
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	176,659	205,018

continued...

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	7,656	7,656
Between one and five years	1,914	9,570
	9,570	17,226

21. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank loans	348,681	388,263

The bank loan was secured by a legal charge over the freehold property at Lakesmere House, Allington Lane, Fair Oak, Eastleigh.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Fixed assets	2,508,555	-	2,508,555	2,409,125
Current assets	785,347	-	785,347	1,076,640
Current liabilities	(507,940)	-	(507,940)	(603,946)
Long term liabilities	(319,263)	-	(319,263)	(385,856)
	2,466,699	-	2,466,699	2,495,963

23. MOVEMENT IN FUNDS

	At 1.9.22	Net movement in funds	Transfers between funds	At 31.8.23
	£	£	£	£
Unrestricted funds				
General fund	2,244,038	(39,630)	112,172	2,316,580
Revaluation reserve	50,598	-	-	50,598
Enrichment fund	56,417	43,104	-	99,521
	2,351,053	3,474	112,172	2,466,699
Restricted funds				
Muga fund	144,910	(32,738)	(112,172)	-
TOTAL FUNDS	2,495,963	(29,264)	-	2,466,699

continued...

23. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,547,271	(1,586,901)	(39,630)
Enrichment fund	56,169	(13,065)	43,104
	1,603,440	(1,599,966)	3,474
Restricted funds			
Muga fund	-	(32,738)	(32,738)
TOTAL FUNDS	1,603,440	(1,632,704)	(29,264)

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	2,115,063	128,975	2,244,038
Revaluation reserve	50,598	-	50,598
Enrichment fund	49,797	6,620	56,417
	2,215,458	135,595	2,351,053
Restricted funds			
Muga fund	113,177	31,733	144,910
TOTAL FUNDS	2,328,635	167,328	2,495,963

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,674,840	(1,545,865)	128,975
Enrichment fund	17,093	(10,473)	6,620
	1,691,933	(1,556,338)	135,595
Restricted funds			
Muga fund	35,074	(3,341)	31,733
TOTAL FUNDS	1,727,007	(1,559,679)	167,328

Enrichment fund
This fund is a fund designated by the trustee directors to be a physical account where fundraising events and school trips could be accounted for to ensure that all monies raised in this way could be spent on enhancements to the school rather then lost in the day to day running of the school.

continued...

23. MOVEMENT IN FUNDS - continued

Transfer between funds

The transfers from restricted to unrestricted funds relate to funds on which restrictions have been satisfied and therefore are no longer considered to be restricted funds.

24. RELATED PARTY DISCLOSURES

Purchases of £nil (2022: £17,937) have been paid to a company who has a common director to Hampshire Christian Education Trust. The aged creditor balance at the year end with this company is £nil (2022: £523). This company has also lent Hampshire Christian Education Trust £nil (2022:£nil). Interest paid on this loan totals to £nil (2022: £nil).

During the year 3 (2022: 4) trustees had a total of 3(2022: 7) children attending the school. The total fees paid relating to these school places was £22,737 (2022: £15,107).

All transactions are at arms length.

25. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

26. LEGAL STATUS

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

England & Wales - Charity number 1106136

Accounts

REGISTERED COMPANY NUMBER: 05212585 (England and Wales)
REGISTERED CHARITY NUMBER: 1106136

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

FOR

HAMPSHIRE CHRISTIAN EDUCATION TRUST

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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

Objectives and aims

A) The advancement of education on the basis of Christian principles in the county of Hampshire and elsewhere including (but not by way of limitation) the provision of such education in any educational establishment for the general education of children or adults on the basis of such Christian principles as the trustees may from time to time think fit;

B) The advancement of the Christian faith in accordance with the doctrines set out in the schedule to the articles and the worship of God in the county of Hampshire and elsewhere as the trustees may from time to time think fit including (but not by way of limitation) the preaching and proclamation of the Christian gospel and the teaching of Christian doctrine and principles and other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the charity.

C) The relief of persons who are in conditions of hardship or distress or who are aged or sick in the county of Hampshire and elsewhere as the trustees may from time to time think fit.

Significant activities

The Trust runs The King's School which has a primary department and senior department located on one site. The school currently has 235 pupils, 77 at primary and 158 at senior.

Public benefit

The King's School provides benefit to the public within Hampshire by providing an excellent education based on Christian principles for children aged 4 to 16. Fees are intended to be affordable for families on average incomes and are deliberately kept below the normal rates for similar independent schools. In addition, the school offers bursary assistance to families on low income (to the value of £240k in the year ending 31 August 2022).

Children are drawn from families across the full range of Christian denominations as well as a proportion from families with no church connections. There are no academic selection criteria and whenever possible the school will accommodate pupils with learning difficulties and physical disabilities. There has been an increase in educational support for children with additional needs and improvements to the site for disabled access.

Volunteers

The school has voluntary help from parents and others in a wide range of activities, including governorship, support with events and the general maintenance of facilities.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In February 2023 the school underwent its first full inspection by the Independent Schools Inspectorate (ISI). This was a Focused Compliance and Educational Quality Inspection. All regulations were met and ISI graded the school Good for the achievement of the pupils, including their academic development, and Excellent for their personal development.

Academic attainment remains strong with 95% of pupils attaining 5 or more standard grade GCSE results in August 2022 including English and Maths. In addition 50% of all grades awarded were Grades 7-9, a particularly impressive result based on the face that the school is non-selective and pupils have a wide range of ability.

The school is involved in several areas of charitable giving, regularly supporting several international charities, as well as those in the local neighbourhood. Pupils undertake various fund raising activities to support these.

FINANCIAL REVIEW

Financial Review

The trust's income in the year ending 31 August 2022 was £1.73 million in comparison to £1.87 million the previous year. The majority of the income was from school fees and extracurricular activities, and the remainder was from fundraising activities, donations and the gift aid claimed on these.

Total expenditure for the year ending 31 August 2022 was £1.56 million, compared with the £1.4 million the previous year. This resulted in a surplus of £167k.

The majority of expenditure was on the costs of charitable activities which are divided between:

(A) The direct costs of education (e.g. staffing, resources, activities) which amounted to £1,229k, a £130k increase from the previous year. The largest component was staff costs of £853k which was £154k more than the previous year. In addition to general pay increases, there was a small increase in staff numbers, higher staff cover costs and an element of IT support was taken in house. The second largest area of direct cost was bursary awards which has reduced by around £60k to £240k (the second year of significant reduction - last year was £300k).

(B) Support costs (e.g. support staff wages, general overheads, mortgage interest) increased to £336k (from £282k).

In addition, during the past year the school has completed the building of a large Multi Use Games Area (MUGA).This was paid for through a donation from a local developer, fundraising activities and school finances.

A number of Key Performance Indicators are being used to plan and improve financial performance. One of these is the ratio of staff costs to net fee income for which the target is 60-65%. The ratio in the year ending August 2022 was 69%.

The trading surplus has resulted in a further improvement in the balance sheet. Total funds at 31 August 2022 were £2,496k.

Net assets have increased to £473k. This was due to the costs of the MUGA and some essential maintenance projects on the school buildings.

During the year the advance fees balance increased to £304k. This figure includes both fees paid for future years and pupil deposits that are held. Advance fees are not positively sought from parents as the school does not wish to be reliant on them, however, some parents who have the money to pay in advance are then able to have peace of mind that their child's fees are paid for a defined period.

Reserves policy

The Trust has most of its reserves in the buildings (Lakesmere House and the Homelodge building) which were valued at £2.1m in February 2020.

It is the aim of the Trustees to build up reserves to a level equal to three month's expenditure (monthly expenditure is currently around £105k). This aim has been met this year as current assets (August 2022) stand at £473k

There are restricted funds of £145k at the year end which relate to funds raised for the MUGA.

The school plans to replace the existing temporary buildings with a permanent structure within the next two years. The school has provisional approval for finance and is in discussion with building companies. The Trustees will review the policy in light of project needs.

Principal funding sources

Operational costs are met primarily from school fees which are set at an affordable rate for the target market. Additional funding comes from donations.

The capital projects are now funded from cash reserves which are backed by a bank mortgage and advance fee payments.

Future Plans

The focus for the future will be to continue to strive for excellence in educational provision and to market the school effectively so that all 305 places are taken. Maximum pupil numbers are 15 per year in Reception, Years 1, 2 and 3; and 20 each in Years 4-6 (total primary 120 pupils - currently 76). In senior we can have 35 per year in Years 7-9 and 40 per year in Years 10 & 11 (total senior 185 - currently 157). Longer term aims include a purpose-built primary unit to replace some temporary buildings on the school site which is expected to increase primary capacity to 140.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985. Amended articles of association were agreed by special resolution in January 2013.

Recruitment and appointment of new trustees

The articles of association allows for the members of the charity to appoint new trustees and to vary the number of trustees (minimum of three). Any person appointed as a trustee must fully accept the doctrines set out in the articles of association.

Organisational structure

Governance and management of The King's School is undertaken by the Senior Leadership Team and the Governance Board. The Leadership Team is responsible for day to day operations. Their job is to deliver quality Christian education within the necessary legal and regulatory requirements. The Leadership Team is accountable to the Governance Board. The Governance Board comprises both Trustees and Governors and their responsibility is supporting and empowering the Leadership Team to carry our its responsibilities effectively.

Induction and training of new trustees

Induction and training of new trustees is carried out by meetings with other trustees and key people, review of key documents and involvement in the life of the school.

Pay and Remuneration

Salary levels are set annually. Key management personnel are paid less than would be expected within the state sector at rates of between 70 -75% of salaries based on DfE figures. The school has a desire to increase salaries such that all staff are paid more in line with those in the state system. However, this will be a gradual process and not something that can be achieved currently.

Wider network

The school is a member of the Independent Schools Association (ISA). It is also a member of the Christian Schools Trust (CST).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The main risks identified by the Trustees are set out below. These are not all new risks to the trust and have been successfully managed in previous years by exercising care in budgeting and decision-making.

The main risks at present are connected with the external economy.

1) Pupil numbers have remained relatively static with the year ending with 242 pupils on role (august 2022). Current pupil numbers are 235 (April 2023). Improving marketing continues to be a priority to draw new pupils to the school. The majority of new pupils come from within the larger church community and by word of mouth.
2) The proportion of pupils requiring bursaries has reduced with improved processes for awarding and reviewing bursaries. However, this still represents a risk to the school's income.
3) External factors have increased the risk of existing parents defaulting on fee payments. This risk has been managed well by continuing to ensure that a member of staff is given time to keep abreast with credit control.
4) The deterioration of the primary accommodation is a serious cause of concern. The school is actively pursuing replacement accommodation to resolve this.
5) Future rises in interest payments on the trust's borrowing are also a potential risk.
6) All of the above give rise to a risk of cash flow problems. Alongside prudent budgeting and regular monitoring, we have the ability to improve cash flow through collecting advance fee payments.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05212585 (England and Wales)

Registered Charity number
1106136

Registered office
The King's School Senior
Lakesmere House
Allington Lane, Fair Oak
Eastleigh
Hampshire
SO50 7DB

Trustees
S F Kinchin
C Caws
J Pavey - Resigned 29 November 2021
M Parker - Chair - Appointed 8 December 2021
A Johnston - Appointed 1 March 2022
C Dendy - Appointed 16 March 2022
S Froud - Appointed 16 May 2022

Auditors
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers
Barclays Bank
Portsmouth City Branch
Portsdown Group
PO Box 6
Portsmouth
Hampshire
PO6 7DB

COMMENCEMENT OF ACTIVITIES

The charity which has been trading since 1995, was incorporated as a Company limited by guarantee, in August 2004. Dormant company accounts were prepared for the year to 31 August 2005 and the running of the school transferred to the new charitable company on 1 September 2005.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hampshire Christian Education Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 22 MAY 2023 and signed on its behalf by:

Dr M Parker - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Opinion
We have audited the financial statements of Hampshire Christian Education Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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, 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 Auditors' 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 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 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

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 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 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.

M.J. Southern

Martin Southern BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 26/5/23

HAMPSHIRE CHRISTIAN EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	13,256	34,864	48,120	128,553
Charitable activities	5				
Advancement of education		1,665,210	-	1,665,210	1,725,014
Other trading activities	3	2,634	210	2,844	6,729
Investment income	4	10,833	-	10,833	5,341
Total		1,691,933	35,074	1,727,007	1,865,637
EXPENDITURE ON					
Raising funds	6	7,017	-	7,017	12,987
Charitable activities	7				
Advancement of education		1,549,321	3,341	1,552,662	1,386,503
Total		1,556,338	3,341	1,559,679	1,399,490
NET INCOME		135,595	31,733	167,328	466,147
RECONCILIATION OF FUNDS					
Total funds brought forward		2,215,458	113,177	2,328,635	1,862,488
TOTAL FUNDS CARRIED FORWARD		2,351,053	144,910	2,495,963	2,328,635

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	14	-	900
Tangible assets	15	2,409,125	2,098,287
		2,409,125	2,099,187
CURRENT ASSETS			
Debtors	16	49,859	18,233
Cash at bank		1,026,781	990,787
		1,076,640	1,009,020
CREDITORS			
Amounts falling due within one year	17	(603,946)	(347,054)
NET CURRENT ASSETS		472,694	661,966
TOTAL ASSETS LESS CURRENT LIABILITIES		2,881,819	2,761,153
CREDITORS			
Amounts falling due after more than one year	18	(385,856)	(432,518)
NET ASSETS		2,495,963	2,328,635
FUNDS	22		
Unrestricted funds		2,351,053	2,215,458
Restricted funds		144,910	113,177
TOTAL FUNDS		2,495,963	2,328,635

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

The financial statements were approved by the Board of Trustees and authorised for issue on ..22..MAY..2023..... and were signed on its behalf by:

.....
M Parker - Trustee

The notes form part of these financial statements

HAMPSHIRE CHRISTIAN EDUCATION TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	410,078	424,970
Interest paid		(13,179)	(12,279)
Finance costs paid		(7,017)	(12,987)
Net cash provided by operating activities		389,882	399,704
Cash flows from investing activities			
Purchase of tangible fixed assets		(364,721)	(18,554)
Interest received		866	203
Finance interest income		9,967	5,138
Net cash used in investing activities		(353,888)	(13,213)
Change in cash and cash equivalents in the reporting period		35,994	386,491
Cash and cash equivalents at the beginning of the reporting period		990,787	604,296
Cash and cash equivalents at the end of the reporting period		1,026,781	990,787

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	167,328	466,147
Adjustments for:		
Depreciation charges	53,883	48,528
Interest received	(866)	(203)
Interest paid	13,179	12,279
Finance costs	7,017	12,987
Amortisation charges	900	900
Finance interest income	(9,967)	(5,138)
(Increase)/decrease in debtors	(31,626)	40,031
Increase/(decrease) in creditors	210,230	(150,561)
Net cash provided by operations	410,078	424,970

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank	990,787	35,994	1,026,781
	990,787	35,994	1,026,781
Debt			
Debts falling due within 1 year	(48,505)	(1,030)	(49,535)
Debts falling due after 1 year	(386,778)	48,050	(338,728)
	(435,283)	47,020	(388,263)
Total	555,504	83,014	638,518

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on cost and 2% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Individual fixed assets costing £500 or more are capitalised at cost, with the exception of computer equipment which is capitalised if the individual cost is £250 or more.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

continued...

1. ACCOUNTING POLICIES - continued

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors and cash at bank & in hand
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	44,495	120,965
Gift aid	3,625	7,588
	48,120	128,553

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising events	2,844	6,729

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	391	203
Finance interest income	10,442	5,138
	10,833	5,341

All investment income is derived from assets held in the United Kingdom.

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
School fees and bursaries	Advancement of education	1,617,908	1,701,172
School trips and sales	Advancement of education	39,446	19,062
Rental income	Advancement of education	2,290	880
Sundry income	Advancement of education	5,066	3,900
Grants	Advancement of education	500	-
		1,665,210	1,725,014

Grants received, included in the above, are as follows:

	2022 £	2021 £
Evolve Advice	500	-

6. RAISING FUNDS

Raising donations and legacies

	2022 £	2021 £
Finance cost	7,017	12,987

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Advancement of education	1,211,480	341,182	1,552,662

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	834,996	698,537
Educational resources	63,298	43,948
Trips, camps and events	43,475	20,986
Training	2,635	538
DBS and licences	9,781	10,895
Fundraising costs	16,861	24,740
Bursaries	240,434	299,671
	1,211,480	1,099,315

continued...

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Advancement of education	336,174	5,008	341,182

Support costs, included in the above, are as follows:

Management

	2022 Advancement of education	2021 Total activities
	£	£
Wages	120,000	102,000
Hire of plant and machinery	20,356	18,044
Rates and water	12,821	14,966
Insurance	18,786	16,438
Light and heat	6,106	7,963
Minibus and car park expenses	7,878	3,352
Legal and professional fees	16,432	8,602
Repairs and maintenance	38,093	23,353
Stationery, postage and phone	21,934	18,373
Sundry expenses	5,332	7,377
Donations	474	-
Amortisation of intangible fixed assets	900	900
Depreciation of tangible assets	53,883	48,529
Bank interest	1,924	1,633
Mortgage interest	11,255	10,150
Loan interest	-	496
	336,174	282,176

Governance costs

	2022 Advancement of education	2021 Total activities
	£	£
Auditors' remuneration	5,008	5,012

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	5,008	5,012
Depreciation - owned assets	53,883	48,528
Hire of plant and machinery	20,356	18,044
Website amortisation	900	900

continued...

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

During the year no trustees (2021: none) were reimbursed for out of pocket expenses.

12. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	892,301	749,356
Social security costs	53,967	39,161
Other pension costs	8,728	12,020
	954,996	800,537

The average monthly number of employees during the year was as follows:

	2022	2021
Advancement of Education	60	58
Support staff	10	9
	70	67

No employees received emoluments in excess of £60,000.

Key management personnel
The key management personnel of the charitable company comprise the trustees, the Head Teacher, the Deputy Head Teacher, the Assistant Head Teacher and the Business Manager. The total employee benefits of the key management personnel of the charitable company were £122,707 (2021: £112,910). This does not include remuneration for trustees, all of which is reported as per note 11.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	16,418	112,135	128,553
Charitable activities			
Advancement of education	1,724,014	1,000	1,725,014
Other trading activities	6,687	42	6,729
Investment income	5,341	-	5,341
Total	1,752,460	113,177	1,865,637
EXPENDITURE ON			
Raising funds	12,987	-	12,987
Charitable activities			
Advancement of education	1,386,503	-	1,386,503
Total	1,399,490	-	1,399,490

continued...

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME	352,970	113,177	466,147
RECONCILIATION OF FUNDS			
Total funds brought forward	1,862,488	-	1,862,488
TOTAL FUNDS CARRIED FORWARD	2,215,458	113,177	2,328,635

14. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 September 2021 and 31 August 2022	4,500
AMORTISATION	
At 1 September 2021	3,600
Charge for year	900
At 31 August 2022	4,500
NET BOOK VALUE	
At 31 August 2022	-
At 31 August 2021	900

15. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2021	2,100,000	-	19,992
Additions	-	327,376	4,203
At 31 August 2022	2,100,000	327,376	24,195
DEPRECIATION			
At 1 September 2021	29,600	-	17,824
Charge for year	29,600	-	1,547
At 31 August 2022	59,200	-	19,371
NET BOOK VALUE			
At 31 August 2022	2,040,800	327,376	4,824
At 31 August 2021	2,070,400	-	2,168

continued...

15. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2021	82,721	14,700	65,187	2,282,600
Additions	18,073	-	15,069	364,721
At 31 August 2022	100,794	14,700	80,256	2,647,321
DEPRECIATION				
At 1 September 2021	68,753	14,700	53,436	184,313
Charge for year	9,594	-	13,142	53,883
At 31 August 2022	78,347	14,700	66,578	238,196
NET BOOK VALUE				
At 31 August 2022	22,447	-	13,678	2,409,125
At 31 August 2021	13,968	-	11,751	2,098,287

Cost or valuation of freehold property at 31 August 2021 is represented by:

	£
Revaluation in 2020	200,000
Revaluation in 2015	272,285
Revaluation in 2010	(421,687)
Cost	2,049,402
	2,100,000

The Trust's other tangible fixed assets are included at cost.

If freehold property had not been revalued it would have been included at the following historical cost:

	2022 £	2021 £
Cost	2,049,402	2,049,402
Aggregate depreciation	827,009	790,572

Freehold property was revalued on an open market basis on 31 August 2020 by Vail Williams.

continued...

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	18,516	(18,351)
Other debtors	3,617	7,581
Prepayments	27,726	29,003
	49,859	18,233

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 19)	49,535	48,505
Fees in advance	303,804	251,179
Trade creditors	139,320	24,050
Social security and other taxes	14,199	9,779
Other creditors	1,602	504
Accruals and deferred income	95,486	13,037
	603,946	347,054

Fees in advance represents school fees received in advance for future academic years.

	2022	2021
	£	£
Brought forward	292,114	328,542
Amount released to incoming resources	(99,624)	(182,884)
Amount deferred in year	158,442	146,457
Carried forward	350,932	292,114

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

	2022	2021
	£	£
Bank loans (see note 19)	338,728	386,778
Fees in advance	47,128	45,740
	385,856	432,518

19. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	49,535	48,505
Amounts falling due between two and five years:		
Bank loans	133,710	145,636
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	205,018	241,142

continued...

20. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	388,263	435,283

The bank loan was secured by a legal charge over the freehold property at Lakesmere House, Allington Lane, Fair Oak, Eastleigh.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Fixed assets	2,409,125	-	2,409,125	2,099,187
Current assets	931,730	144,910	1,076,640	1,009,020
Current liabilities	(603,946)	-	(603,946)	(347,054)
Long term liabilities	(385,856)	-	(385,856)	(432,518)
	2,351,053	144,910	2,495,963	2,328,635

22. MOVEMENT IN FUNDS

	At 1.9.21	Net movement in funds	At 31.8.22
	£	£	£
Unrestricted funds			
General fund	2,115,063	128,975	2,244,038
Revaluation reserve	50,598	-	50,598
Enrichment fund	49,797	6,620	56,417
	2,215,458	135,595	2,351,053
Restricted funds			
Muga fund	113,177	31,733	144,910
TOTAL FUNDS	2,328,635	167,328	2,495,963

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	1,674,840	(1,545,865)	128,975
Enrichment fund	17,093	(10,473)	6,620
	1,691,933	(1,556,338)	135,595
Restricted funds			
Muga fund	35,074	(3,341)	31,733
TOTAL FUNDS	1,727,007	(1,559,679)	167,328

continued...

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	1,765,120	349,943	2,115,063
Revaluation reserve	50,598	-	50,598
Enrichment fund	46,770	3,027	49,797
	1,862,488	352,970	2,215,458
Restricted funds			
Muga fund	-	113,177	113,177
TOTAL FUNDS	1,862,488	466,147	2,328,635

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,742,027	(1,392,084)	349,943
Enrichment fund	10,433	(7,406)	3,027
	1,752,460	(1,399,490)	352,970
Restricted funds			
Muga fund	113,177	-	113,177
TOTAL FUNDS	1,865,637	(1,399,490)	466,147

Enrichment fund
This fund is a fund designated by the trustee directors to be a physical account where fundraising events and school trips could be accounted for to ensure that all monies raised in this way could be spent on enhancements to the school rather then lost in the day to day running of the school.

23. RELATED PARTY DISCLOSURES

Purchases of £17,937 (2021: £1,929) have been paid to a company who has a common director to Hampshire Christian Education Trust. The aged creditor balance at the year end with this company is £523 (2021: £nil). This company has also lent Hampshire Christian Education Trust £nil (2021:£nil). Interest paid on this loan totals to £nil (2021: £1,430).

During the year 4 (2021: 3) trustees had a total of 7 (2021: 7) children attending the school. The total fees paid relating to these school places was £15,107 (2021: £44,636).

All transactions are at arms length.

continued...

24. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

25. LEGAL STATUS

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

England & Wales - Charity number 1106136

Accounts

REGISTERED COMPANY NUMBER: 05212585 (England and Wales)
REGISTERED CHARITY NUMBER: 1106136

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

FOR

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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FOR THE YEAR ENDED 31 AUGUST 2021

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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 trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of the 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)

OBJECTIVES AND ACTIVITIES

Objectives and aims

A) The advancement of education on the basis of Christian principles in the county of Hampshire and elsewhere including (but not by way of limitation) the provision of such education in any educational establishment for the general education of children or adults on the basis of such Christian principles as the trustees may from time to time think fit;

B) The advancement of the Christian faith in accordance with the doctrines set out in the schedule to the articles and the worship of God in the county of Hampshire and elsewhere as the trustees may from time to time think fit including (but not by way of limitation) the preaching and proclamation of the Christian gospel and the teaching of Christian doctrine and principles and other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the charity.

C) The relief of persons who are in conditions of hardship or distress or who are aged or sick in the county of Hampshire and elsewhere as the trustees may from time to time think fit.

Significant activities

The Trust runs The King's School which has a primary department and senior department, based on two sites up until July 2010, but now located on one site.

Public benefit

The King's School provides benefit to the public within Hampshire by providing an excellent education based on Christian principles for children aged 4 to 16. Fees are intended to be affordable for families on average incomes and are deliberately kept below the normal rates for similar independent schools. In addition, the school offers bursary assistance to families on low income (to the value of £300k in year ending 31 August 2021).

Children are drawn from families across the full range of Christian denominations as well as a proportion from families with no church connections. There are no academic selection criteria and whenever possible the school will accommodate pupils with learning difficulties and physical disabilities. There has been an increase in educational support for children with additional needs and improvements to the site for disabled access.

The school has managed to remain open for most of the year, reverting to remote learning for just one week prior to the October 2020 half term. Parents and staff have been most supportive during this time.

The King's School is also actively involved in supporting the development of education in other nations, in particular Rwanda, though most of the financial support is through a separate charitable fund (Equip UK) and does not draw significantly on school resources. This also provides a significant opportunity for personal development for the pupils through annual trips to Rwanda.

Volunteers

The school has voluntary help from parents and others in a wide range of activities, including the general maintenance of facilities, governorship, and learning support.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In March 2017 the school underwent its first inspection by the Independent Schools Inspectorate (ISI). The ISI undertake two different types of inspection; this was a regulatory compliance inspection which looks at to see if all 8 standards are met or not met. We were delighted that all standards had been met.

The school's staff and pupils have risen to the challenge of taking on some children with severe physical or learning disabilities. This has gone very well with the children becoming well integrated into the school community.

Academic attainment remains strong with 94% of pupils attained 5 or more standard grade GCSE results in August 2021. As a non-selective school, the grades achieved vary from year to year, however the school ensures that those who are able achieve the good grades that they deserve.

The school continues to increase the availability of technology with the provision of more laptops to staff and the provision Chromebooks throughout the school.

The school has continued to develop links with similar Christian schools in other nations, in particular Rwanda where we have a good relationship with schools in Kigali. No trips have been undertaken for the last few years due to the Covid pandemic. The trips undertaken by pupils and staff to Rwanda school have provided outstanding opportunity for personal development and for assisting children in Rwanda in line with the Trust's objects.

The school has a Parents' Association whose aim is to engage with more parents from the school and also to arrange several events during the year to raise funds for the school. Due to the pandemic few of the usual events have been run. However, their efforts still resulted in around £300 being raised.

FINANCIAL REVIEW

Financial Review

The trust's income in the year ending 31 August 2021 was £1.86 million in comparison to the previous year (1.64 million). The majority of the income was from school fees and extracurricular activities, and the remainder was from fundraising activities, donations and the gift aid claimed on these. The school is planning to build a Multi Use Games Area (MUGA) and the fundraising for this brought in a wonderful £113k.

Total expenditure for the year ending 31 August 2021 was £1.4 million, (£1.38 million). This resulted in a surplus of £466k.

The majority of expenditure was on the costs of charitable activities which are divided between:

(A) The direct costs of education (e.g. staffing, resources, activities) which amounted to £1,099k, a small increase from the previous year. The largest component was staff costs of £698k which was £44k more than the previous year. Staffing was mainly increased due to an increase in pupil numbers and more pupils with educational needs requiring one to one support. The second largest area of direct cost was bursary awards which has reduced by around £50k to £300k. A conscious decision was taken to ensure that bursaries awarded were accurate such that it would be anticipated that there should be little or no bad debts generated.

(B) Support costs (e.g. support staff wages, general overheads, mortgage interest) increased to £282k.

A number of Key Performance Indicators are being used to plan and improve financial performance. One of these is the ratio of staff costs to net fee income for which the target is 60-65%. The ratio in the year ending August 2021 was 54%.

Salary levels are set annually. Key management personnel are paid less than would be expected within the state sector at rates of between 65 -75% of the minimum salaries based on DfE figures. The school has a desire to increase salaries such that all staff, are paid at more in line with those in the state system. However, this will be a gradual process and not something that can be achieved currently.

The level of school fees owed at the end of the year decreased to £18k in comparison to £26k in the previous year. There were no bad debts.

The trading surplus has resulted in a further improvement in the balance sheet. Total funds at 31 August 2021 were £2,328k.

Net assets have increased to £662k. This was due to continuing to pay off debt (the personal stakeholders have now been repaid in full) and the increased cash balance. This is a positive move and it is hoped that this will continue in future years.

During the year the advance fees balance remained relatively static £252k. This figure includes both fees paid for future years and pupil deposits that are held. Advance fees are not positively sought from parents as the school does not wish to be reliant on them, however, some parents who have the money to pay in advance are then able to have peace of mind that their child's fees are paid for a defined period.

Stakeholder debt has now been paid in full.

Reserves policy

The Trust has most of its reserves in the buildings (Lakesmere House and the Homelodge building) which were valued at £2.1m in February 2020. The gain on revaluation was £536k with £51k if this is shown in the revaluation reserve at the year end.

It is the aim of the Trustees to build up reserves to a level equal to three month's expenditure. However, it is now thought prudent to increase this to 6 months and therefore a reserve of £540k is the aim (monthly expenditure is currently around £90k). This aim has been met this year as current assets stand at £662k

There are restricted funds of £113k - which are allocated to be spent on the MUGA. The MUGA will cost more than this and therefore fundraising will continue, with funds in the meantime coming from the unrestricted funds.

The school plan to replace the existing primary temporary buildings with a permanent structure and it is therefore hoped that an amount of £50k per annum could be put aside for this, with a view to starting the building in around 4 years' time.

Principal funding sources

Operational costs are met primarily from school fees which are set at an affordable rate for the target market. Additional funding comes from donations.

The capital projects are now funded from cash reserves which are backed by a bank mortgage, personal 'stakeholder' loans and advance fee payments.

Future Plans

The focus for the future will be to continue to strive for excellence in the educational provision and to market the school effectively so that all 300 places are taken. With the desire to begin with 15 pupils in Year R, with increasing pupils up to Year 6 and for Year 7 to start with 30 pupils such that each senior year can be split into two form entry. Longer term aims include a purpose-built primary unit to replace some temporary buildings on the school site.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985. Amended articles of association were agreed by special resolution in January 2013.

Recruitment and appointment of new trustees

The memorandum and articles of association allows for the trustees to pass a resolution to appoint new trustees and to vary the number of trustees (minimum of three). A memorandum of the resolution would be signed by the chairman and attested by two persons present at the meeting. Any person appointed as a trustee must fully accept the doctrines set out in the memorandum and articles of association.

Organisational structure

Trustees

Governors

Head Teacher

Leadership Team

Teaching Staff | Administration and Finance

The school was located on two sites until July 2010 (primary and secondary), but has since been consolidated on one site.

Induction and training of new trustees

Induction and training of new trustees is carried out by meetings with other trustees and key people, review of key documents and involvement in the life of the school.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Wider network

The school joined the Independent Schools Association (ISA) in September 2016 which not only enables the school to access a wealth of advice but also means that the school will no longer be inspected through Ofsted. Instead the Independent Schools Inspectorate (ISI) undertake the inspections, the most recent being in 2017.

Hampshire Christian Education Trust is affiliated to a number of other charitable and educational organisations including:

- Equip UK: promoting Christian education in Rwanda (www.equipuk.org)

- Southampton Christian Network: a network of Christian churches and organisations in the Southampton area (www.southamptonchristiannetwork.org.uk)

- Christian Schools Trust (CST): is a registered charity and a group of independent Christian schools working together aiming towards putting God back in His rightful place in the centre of the process of education. (www.christianschoolstrust.co.uk)

We also have good relationships with local churches, other local schools and a growing number of schools in other nations.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The main risks identified by the Trustees are set out below. These are not all new risks to the trust and have been successfully managed in previous years by exercising care in budgeting and decision-making.

The main risks at present are connected with the external economy.

1) The school has survived the pandemic unscathed. Only a small number of families really struggled financially and our pupil numbers actually grew which was a true blessing.
2) Pupil numbers have remained relatively static with the year ending with 249 on role. Current pupil numbers are 241.
3) To mitigate any possible reduction in pupil numbers there is a continuing focus on excellence in the educational provision. Improving marketing continues to be a priority to draw new pupils to the school. The majority of new pupils coming from within the larger church community and by word of mouth.
4) The proportion of pupils requiring bursaries has stabilised with improved processes for awarding and reviewing bursaries. However, this still represents a risk to the school's income.
5) External factors have increased the risk of existing parents defaulting on fee payments. This risk has been managed well by continuing to ensure that a member of staff is given time to keep abreast with credit control.
6) It is proving harder to raise charitable donations from the existing supporters of the school. Fund raising activity will therefore be developed to seek donations and grants from a wider range of potential donors. A Parents' Association endeavours to bring a greater involvement from this group to raise funds and awareness of the school.
7) Future rise in interest payments on the trust's borrowing are also a potential risk.
8) All of the above give rise to a risk of cashflow problems. Alongside prudent budgeting and regular monitoring, we have the ability to improve cashflow through collecting advance fee payments.

Other risks arise from the financing of the building project which was completed in August 2010.

1) The requirement to repay personal loans was a risk, however these are now all paid.
2) The use of advance fee payments for the final stages of the building project has a potential impact on cashflow over the next few years. The budget has been set to gradually reduce the amount of advance fees held on the balance sheet. They are now at a value that is likely to remain reasonably constant.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05212585 (England and Wales)

Registered Charity number
1106136

Registered office
The King's School Senior
Lakesmere House
Allington Lane, Fair Oak
Eastleigh
Hampshire
SO50 7DB

Trustees
S F Kinchin
D Martin - Resigned 27 June 2021
C Caws
J Pavey - Resigned 29 November 2021
N Osborne
M Parker - Chair - Appointed 8 December 2021
A Johnston - Appointed 1 March 2022
C Dendy - Appointed 16 March 2022

Company Secretary
Mrs M D Walker

Auditors
Martin Southern BA(Hons) FCA
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers
Barclays Bank
Portsmouth City Branch
Portsdown Group
PO Box 6
Portsmouth
Hampshire
PO6 7DB

COMMENCEMENT OF ACTIVITIES

The charity which has been trading since 1995, was incorporated as a Company limited by guarantee, in August 2004. Dormant company accounts were prepared for the year to 31 August 2005 and the running of the school transferred to the new charitable company on 1 September 2005.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hampshire Christian Education Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 21st March 22 and signed on its behalf by:

M D Walker

Mrs M D Walker - Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Opinion
We have audited the financial statements of Hampshire Christian Education Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 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 Auditors' 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 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 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

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 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 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.

M. J. Southern

Martin Southern BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 6/5/2022

HAMPSHIRE CHRISTIAN EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	16,418	112,135	128,553	22,132
Charitable activities	5				
Advancement of education		1,724,014	1,000	1,725,014	1,609,269
Other trading activities	3	6,687	42	6,729	4,859
Investment income	4	5,341	-	5,341	8,444
Total		1,752,460	113,177	1,865,637	1,644,704
EXPENDITURE ON					
Raising funds	6	12,987	-	12,987	11,496
Charitable activities	7				
Advancement of education		1,386,503	-	1,386,503	1,367,148
Total		1,399,490	-	1,399,490	1,378,644
NET INCOME		352,970	113,177	466,147	266,060
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		-	-	-	536,343
Net movement in funds		352,970	113,177	466,147	802,403
RECONCILIATION OF FUNDS					
Total funds brought forward		1,862,488	-	1,862,488	1,060,085
TOTAL FUNDS CARRIED FORWARD		2,215,458	113,177	2,328,635	1,862,488

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	14	900	1,800
Tangible assets	15	2,098,287	2,128,261
		2,099,187	2,130,061
CURRENT ASSETS			
Debtors	16	18,233	58,264
Cash at bank		990,787	604,296
		1,009,020	662,560
CREDITORS			
Amounts falling due within one year	17	(347,054)	(432,280)
NET CURRENT ASSETS		661,966	230,280
TOTAL ASSETS LESS CURRENT LIABILITIES		2,761,153	2,360,341
CREDITORS			
Amounts falling due after more than one year	18	(432,518)	(497,853)
NET ASSETS		2,328,635	1,862,488
FUNDS	22		
Unrestricted funds		2,215,458	1,862,488
Restricted funds		113,177	-
TOTAL FUNDS		2,328,635	1,862,488

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

The financial statements were approved by the Board of Trustees and authorised for issue on 21st March 22 and were signed on its behalf by:

.....
S F Kinchin - Trustee

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	424,970	124,824
Interest paid		(12,279)	(17,612)
Finance costs paid		(12,987)	(11,197)
Net cash provided by operating activities		399,704	96,015
Cash flows from investing activities			
Purchase of tangible fixed assets		(18,554)	(20,462)
Interest received		203	1,328
Finance interest income		5,138	7,116
Net cash used in investing activities		(13,213)	(12,018)
Change in cash and cash equivalents in the reporting period		386,491	83,997
Cash and cash equivalents at the beginning of the reporting period		604,296	520,299
Cash and cash equivalents at the end of the reporting period		990,787	604,296

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	466,147	266,060
Adjustments for:		
Depreciation charges	48,528	53,013
Interest received	(203)	(1,328)
Interest paid	12,279	17,612
Finance costs	12,987	11,197
Amortisation charges	900	900
Finance interest income	(5,138)	(7,116)
Decrease/(increase) in debtors	40,031	(13,734)
Decrease in creditors	(150,561)	(201,780)
Net cash provided by operations	424,970	124,824

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank	604,296	386,491	990,787
	604,296	386,491	990,787
Debt			
Debts falling due within 1 year	(118,678)	70,173	(48,505)
Debts falling due after 1 year	(443,310)	56,532	(386,778)
	(561,988)	126,705	(435,283)
Total	42,308	513,196	555,504

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on cost and 2% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Individual fixed assets costing £500 or more are capitalised at cost, with the exception of computer equipment which is capitalised if the individual cost is £250 or more.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

continued...

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors and cash at bank & in hand
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	120,965	18,087
Gift aid	7,588	4,045
	128,553	22,132

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events	6,729	4,859

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	203	1,328
Finance interest income	5,138	7,116
	5,341	8,444

All investment income is derived from assets held in the United Kingdom.

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
School fees and bursaries	Advancement of education	1,701,172	1,543,242
School trips and sales	Advancement of education	19,062	33,234
Rental income	Advancement of education	880	1,830
Sundry income	Advancement of education	3,900	2,831
Grants	Advancement of education	-	28,132
		1,725,014	1,609,269

Grants received, included in the above, are as follows:

	2021 £	2020 £
Job retention scheme	-	28,132

6. RAISING FUNDS

Raising donations and legacies

	2021 £	2020 £
Sundries	-	299
Finance cost	12,987	11,197
	12,987	11,496

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Advancement of education	1,099,315	287,188	1,386,503

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021 £	2020 £
Staff costs	698,537	654,661
Educational resources	43,948	34,916
Trips, camps and events	20,986	25,761
Training	538	1,964
DBS and licences	10,895	7,976
Fundraising costs	24,740	16,576
Bursaries	299,671	354,043
	1,099,315	1,095,897

continued...

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Advancement of education	282,176	5,012	287,188

Support costs, included in the above, are as follows:

Management

	2021 Advancement of education	2020 Total activities
	£	£
Wages	102,000	80,900
Hire of plant and machinery	18,044	16,936
Rates and water	14,966	11,454
Insurance	16,438	16,935
Light and heat	7,963	8,326
Minibus and car park expenses	3,352	2,697
Legal and professional fees	8,602	10,804
Repairs and maintenance	23,353	19,849
Stationery, postage and phone	18,373	17,911
Sundry expenses	7,377	5,417
Bad debts	-	2,664
Donations	-	1,020
Amortisation of intangible fixed assets	900	900
Depreciation of tangible assets	48,529	53,014
Bank interest	1,633	1,855
Mortgage interest	10,150	13,537
Loan interest	496	2,220
	282,176	266,439

Governance costs

	2021 Advancement of education	2020 Total activities
	£	£
Auditors' remuneration	5,012	4,812

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	5,012	4,812
Depreciation - owned assets	48,528	53,013
Hire of plant and machinery	18,044	16,936
Website amortisation	900	900

continued...

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Trustees' expenses

During the year no trustees (2020: none) were reimbursed for out of pocket expenses.

12. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	749,356	688,551
Social security costs	39,161	35,890
Other pension costs	12,020	11,120
	800,537	735,561

The average monthly number of employees during the year was as follows:

	2021	2020
Advancement of Education	58	55
Support staff	9	8
	67	63

No employees received emoluments in excess of £60,000.

Key management personnel
The key management personnel of the charitable company comprise the trustees, the Head Teacher, the Deputy Head Teacher, the Assistant Head Teacher and the Business Manager. The total employee benefits of the key management personnel of the charitable company were £112,910 (2020: £115,541). This does not include remuneration for trustees, all of which is reported as per note 11.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	22,132	-	22,132
Charitable activities			
Advancement of education	1,581,137	28,132	1,609,269
Other trading activities	4,859	-	4,859
Investment income	8,444	-	8,444
Total	1,616,572	28,132	1,644,704
EXPENDITURE ON			
Raising funds	11,496	-	11,496
Charitable activities			
Advancement of education	1,339,016	28,132	1,367,148
Total	1,350,512	28,132	1,378,644

continued...

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME	266,060	-	266,060
Other recognised gains/(losses)			
Gains on revaluation of fixed assets	536,343	-	536,343
Net movement in funds	802,403	-	802,403
RECONCILIATION OF FUNDS			
Total funds brought forward	1,060,085	-	1,060,085
TOTAL FUNDS CARRIED FORWARD	1,862,488	-	1,862,488

14. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 September 2020 and 31 August 2021	4,500
AMORTISATION	
At 1 September 2020	2,700
Charge for year	900
At 31 August 2021	3,600
NET BOOK VALUE	
At 31 August 2021	900
At 31 August 2020	1,800

continued...

15. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 September 2020	2,100,000	21,244	74,745
Additions	-	247	8,198
Disposals	-	(1,499)	(222)
At 31 August 2021	2,100,000	19,992	82,721
DEPRECIATION			
At 1 September 2020	-	18,312	61,724
Charge for year	29,600	1,011	7,251
Eliminated on disposal	-	(1,499)	(222)
At 31 August 2021	29,600	17,824	68,753
NET BOOK VALUE			
At 31 August 2021	2,070,400	2,168	13,968
At 31 August 2020	2,100,000	2,932	13,021

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2020	14,700	70,861	2,281,550
Additions	-	10,109	18,554
Disposals	-	(15,783)	(17,504)
At 31 August 2021	14,700	65,187	2,282,600
DEPRECIATION			
At 1 September 2020	14,700	58,553	153,289
Charge for year	-	10,666	48,528
Eliminated on disposal	-	(15,783)	(17,504)
At 31 August 2021	14,700	53,436	184,313
NET BOOK VALUE			
At 31 August 2021	-	11,751	2,098,287
At 31 August 2020	-	12,308	2,128,261

Cost or valuation of freehold property at 31 August 2021 is represented by:

	£
Revaluation in 2020	200,000
Revaluation in 2015	272,285
Revaluation in 2010	(421,687)
Cost	2,049,402
	2,100,000

The Trust's other tangible fixed assets are included at cost.

continued...

15. TANGIBLE FIXED ASSETS - continued

If freehold property had not been revalued it would have been included at the following historical cost:

	2021	2020
	£	£
Cost	2,049,402	2,049,402
Aggregate depreciation	790,572	754,135

Freehold property was revalued on an open market basis on 31 August 2020 by Vail Williams.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	(18,351)	26,546
Other debtors	7,581	4,044
Prepayments	29,003	27,674
	18,233	58,264

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 19)	48,505	57,955
Other loans (see note 19)	-	60,723
Fees in advance	251,179	273,998
Trade creditors	24,052	18,709
Social security and other taxes	9,779	5,494
Other creditors	502	1,192
Accruals and deferred income	13,037	14,209
	347,054	432,280

Fees in advance represents school fees received in advance for future academic years.

	2021	2020
	£	£
Brought forward	328,542	344,484
Amount released to incoming resources	(182,884)	(186,164)
Amount deferred in year	146,457	170,222
Carried forward	292,114	328,542

continued...

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

	2021	2020
	£	£
Bank loans (see note 19)	386,778	437,255
Other loans (see note 19)	-	6,055
Fees in advance	45,740	54,543
	432,518	497,853

19. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	48,505	57,955
Other loans	-	60,723
	48,505	118,678
Amounts falling due between two and five years:		
Bank loans	145,636	144,041
Other loans	-	6,055
	145,636	150,096
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	241,142	293,214

20. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	435,283	495,210

The bank loan was secured by a legal charge over the freehold property at Lakesmere House, Allington Lane, Fair Oak, Eastleigh.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Fixed assets	2,099,187	-	2,099,187	2,130,061
Current assets	895,843	113,177	1,009,020	662,560
Current liabilities	(347,054)	-	(347,054)	(432,280)
Long term liabilities	(432,518)	-	(432,518)	(497,853)
	2,215,458	113,177	2,328,635	1,862,488

continued...

22. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	1,765,120	349,943	2,115,063
Revaluation reserve	50,598	-	50,598
Enrichment fund	46,770	3,027	49,797
	1,862,488	352,970	2,215,458
Restricted funds			
Muga fund	-	113,177	113,177
TOTAL FUNDS	1,862,488	466,147	2,328,635

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,742,027	(1,392,084)	349,943
Enrichment fund	10,433	(7,406)	3,027
	1,752,460	(1,399,490)	352,970
Restricted funds			
Muga fund	113,177	-	113,177
TOTAL FUNDS	1,865,637	(1,399,490)	466,147

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	1,022,943	742,177	1,765,120
Revaluation reserve	-	50,598	50,598
Enrichment fund	37,142	9,628	46,770
	1,060,085	802,403	1,862,488
TOTAL FUNDS	1,060,085	802,403	1,862,488

continued...

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,601,319	(1,344,887)	485,745	742,177
Revaluation reserve	-	-	50,598	50,598
Enrichment fund	15,253	(5,625)	-	9,628
	1,616,572	(1,350,512)	536,343	802,403
Restricted funds				
Job Retention Scheme	28,132	(28,132)	-	-
TOTAL FUNDS	1,644,704	(1,378,644)	536,343	802,403

Enrichment fund
This fund is a fund designated by the trustee directors to be a physical account where fundraising events and school trips could be accounted for to ensure that all monies raised in this way could be spent on enhancements to the school rather then lost in the day to day running of the school.

23. RELATED PARTY DISCLOSURES

Purchases of £1,929 (2020: £3,847) have been paid to a company who has a common director to Hampshire Christian Education Trust. The aged creditor balance at the year end with this company is £nil (2020: £2,649). This company has also lent Hampshire Christian Education Trust £nil (2020:£59,550). Interest paid on this loan totals to £1,430 (2020: £1,430).

During the year 3 (2020: 3) trustees had a total of 7 (2020: 8) children attending the school. The total fees paid relating to these school places was £44,636 (2020: £41,120).

All transactions are at arms length.

24. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

25. LEGAL STATUS

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

England & Wales - Charity number 1106136

Accounts

REGISTERED COMPANY NUMBER: 05212585 (England and Wales)
REGISTERED CHARITY NUMBER: 1106136

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

FOR

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of 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

Objectives and aims

A) The advancement of education on the basis of Christian principles in the county of Hampshire and elsewhere including (but not by way of limitation) the provision of such education in any educational establishment for the general education of children or adults on the basis of such Christian principles as the trustees may from time to time think fit;

B) The advancement of the Christian faith in accordance with the doctrines set out in the schedule to the articles and the worship of God in the county of Hampshire and elsewhere as the trustees may from time to time think fit including (but not by way of limitation) the preaching and proclamation of the Christian gospel and the teaching of Christian doctrine and principles and other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the charity.

C) The relief of persons who are in conditions of hardship or distress or who are aged or sick in the county of Hampshire and elsewhere as the trustees may from time to time think fit.

Significant activities

The Trust runs The King's School which has a primary department and senior department, based on two sites up until July 2010, but now located on one site.

Volunteers

The school has voluntary help from parents and others in a wide range of activities, including the construction of the new facilities, governorship, and learning support.

Public benefit

The King's School provides benefit to the public within Hampshire by providing an excellent education based on Christian principles for children aged 4 to 16. Fees are intended to be affordable for families on average incomes and are deliberately kept below the normal rates for similar independent schools. In addition, the school offers bursary assistance to families on low income (to the value of £354k in year ending 31 August 2020).

Children are drawn from families across the full range of Christian denominations as well as a proportion from families with no church connections. There are no academic selection criteria and whenever possible the school will accommodate pupils with learning difficulties and physical disabilities. There has been an increase in educational support for children with additional needs and improvements to the site for disabled access.

The school has managed to remain open for keyworker and vulnerable children throughout the pandemic apart from a few days at the end of March 2020 and a week after the Autumn half term when it was felt wise to close for an additional week due to a small number of both staff and pupils returning positive coronavirus tests. Remote learning was available throughout.

The King's School is also actively involved in supporting the development of education in other nations, in particular Rwanda, though most of the financial support is through a separate charitable fund (Equip UK) and does not draw significantly on school resources. This also provides a significant opportunity for personal development for the pupils through annual trips to Rwanda.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In March 2017 the school underwent its first inspection by the Independent Schools Inspectorate (ISI). The ISI undertake two different types of inspection; this was a regulatory compliance inspection which looks at to see if all 8 standards are met or not met. We were delighted that all standards had been met.

The school's staff and pupils have risen to the challenge of taking on some children with severe physical or learning disabilities. This has gone very well with the children becoming well integrated into the school community.

Academic attainment remains strong with 93% of pupils attained 5 or more standard grade GCSE results in August 2020. As a non-selective school, the grades achieved vary from year to year, however the school ensures that those who are able achieve the good grades that they deserve.

The school continues to increase the availability of technology with the provision of more laptops to staff and the provision Chromebooks throughout the school.

The school has continued to develop links with similar Christian schools in other nations, in particular Rwanda where we have a good relationship with schools in Kigali. No trip was undertaken in 2019/20 nor in 2020/21 due to the Covid pandemic. The trips undertaken by pupils and staff to Rwanda school have provided outstanding opportunity for personal development and for assisting children in Rwanda in line with the Trust's objects. It is hoped that this will be possible in Spring 2022.

In recent years a Parents' Association has been formed whose aim is to engage with more parents from the school and also to arrange several events during the year to raise funds for the school. Due to the pandemic few of the usual events were run during this year. However, their efforts still resulted in a few hundred pounds being raised.

FINANCIAL REVIEW

Financial Review

The trust's income in the year ending 31 August 2020 was £1.64 million in comparison to the previous year (1.5 million) an 10% increase. The majority of the income was from school fees and extracurricular activities, and the remainder was from donations and the gift aid claimed on these.

Total expenditure for the year ending 31 August 2020 was £1.38 million, (£1.39 million). This resulted in a surplus of £266k.

The majority of expenditure was on the costs of charitable activities which are divided between:

(A) The direct costs of education (e.g. staffing, resources, activities) which amounted to £1,095k, a very small decrease from the previous year. The largest component was staff costs of £654k which was £61k more than the previous year. Staffing was mainly increased due to more pupils with educational needs requiring one to one support and the increase in pupil numbers such that more classes were split. The second largest area of direct cost was bursary awards which remained static at £354k. A conscious decision was taken to ensure that bursaries awarded were accurate such that it would be anticipated that there should be little or no bad debts generated. Bad debts were decreased to around £3k.

(B) Support costs (e.g. support staff wages, general overheads, mortgage interest) decreased from £278k to £266k.

A number of Key Performance Indicators are being used to plan and improve financial performance. One of these is the ratio of staff costs to net fee income for which the target is 60-65%. The ratio in the year ending August 2020 was 61% which has been achieved due to the high numbers of pupils who joined during the year.

Salary levels are set annually. Key management personnel are paid less than would be expected within the state sector at rates of between 65 -75% of the minimum salaries based on DfE figures. The school has a desire to increase salaries such that all staff, are paid at more inline with those in the state system. However, this will be a gradual process and not something that can be achieved currently.

The level of school fees owed at the end of the year increased to £26k in comparison to £14k in the previous year. The increase was mainly due to a couple of families who for one reason or another had delayed making payment and for some delayed payments due to covid. Bad debts, which had to be written off, decreased to around £3k

The trading surplus and a revaluation of the property contributing £536,343 to the surplus has resulted in a further improvement in the balance sheet. Total funds at 31 August 2020 were £1,862k - a positive movement of over £802k on the previous year

Net current assets increased by £207k to a total of £230k. This was due to continuing to pay off debt (both bank and personal stakeholders) and the increased cash balance. This is a positive move and it is hoped that this will increase in future years.

During the year the advance fees balance increased to £273k (£256k). This figure includes pupil deposits that are held. The increase is therefore mainly due to the increased pupil numbers. Advance fees are not positively sought from parents as the school does not wish to be reliant on them, however, some parents who have the money to pay in advance are then able to have peace of mind that their child's fees are paid for a defined period.

Stakeholder debt decreased by £100k in the year, the majority of this being paid in Autumn 2019, based on the previous year performance.

Reserves Policy

The Trust has most of its reserves in the buildings (Lakesmere House and the Homelodge building) which were valued at £2.1 million in August 2020. The gain on revaluation was £536k and £51k of this is in the revaluation reserve as at the year end.

It is the aim of the Trustees to has been to build up reserves to a level equal to three month's expenditure. However, it is now thought prudent to increase this to 6 months and therefore a value of free reserves of £540k is the aim (monthly expenditure is currently around £90k). Currently net current assets are £230k.

There are no restricted funds.

There are currently no designated funds - However the school plan to replace the existing primary temporary buildings with a permanent structure and it is therefore hoped that an amount of £50k per annum could be put aside for this, with a view to starting the building in around 5 years time.

Some of the reserves currently held are anticipated to be used towards building a MUGA pitch in the summer of 2021. Fundraising is also to occur to reduce the requirement for current school funds as much as possible.

Principal Funding Sources
Operational costs are met primarily from school fees which are set at an affordable rate for the target market. Additional funding comes from donations.

The capital projects are now funded from cash reserves which are backed by a bank mortgage, personal 'stakeholder' loans and advance fee payments.

Future plans
The focus for the future will be to continue to strive for excellence in the educational provision and to market the school effectively so that all 300 places are taken. With the desire to begin with 15 pupils in Year R, with increasing pupils up to Year 6 and for Year 7 to start with 30 pupils such that each senior year can be split into two form entry. Longer term aims include a purpose-built primary unit to replace some temporary buildings on the school site.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985. Amended articles of association were agreed by special resolution in January 2013.

Recruitment and appointment of new trustees
The memorandum and articles of association allows for the trustees to pass a resolution to appoint new trustees and to vary the number of trustees (minimum of three). A memorandum of the resolution would be signed by the chairman and attested by two persons present at the meeting. Any person appointed as a trustee must fully accept the doctrines set out in the memorandum and articles of association.

Organisational structure

Trustees

Governors

Head Teacher

Leadership Team

Teaching Staff | Administration and Finance

The school was located on two sites until July 2010 (primary and secondary), but has since been consolidated on one site.

Induction and training of new trustees
Induction and training of new trustees is carried out by meetings with other trustees and key people, review of key documents and involvement in the life of the school.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Wider network

The school joined the Independent Schools Association (ISA) in September 2016 which not only enables the school to access a wealth of advice but also means that the school will no longer be inspected through Ofsted. Instead the Independent Schools Inspectorate (ISI) undertake the inspections, the most recent being in 2017.

Hampshire Christian Education Trust is affiliated to a number of other charitable and educational organisations including:

- Equip UK: promoting Christian education in Rwanda (www.equipuk.org)

- Southampton Christian Network: a network of Christian churches and organisations in the Southampton area (www.southamptonchristiannetwork.org.uk)

- Christian Schools Trust (CST): is a registered charity and a group of independent Christian schools working together aiming towards putting God back in His rightful place in the centre of the process of education. (www.christianschoolstrust.co.uk)

We also have good relationships with local churches, other local schools and a growing number of schools in other nations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The main risks identified by the Trustees are set out below. These are not all new risks to the trust and have been successfully managed in previous years by exercising care in budgeting and decision-making.

The main risks at present are connected with the external economy.

1) The current world-wide pandemic has meant that the school has been in part closed since the end of the Spring Term 2020. It was open for the Autumn Term but is currently closed again other than for keyworker and vulnerable children, with all other pupils being educated remotely by means of Google Classroom and other platforms. Most families appear to have survived the pandemic, so far, reasonably unscathed financially and no wide scale fee reductions have been necessary. However, a number of families have been given fee reductions bursaries either for specified periods or ongoing with reviews planned to occur in due course. These are being dealt with individually. The school furloughed many of the ancillary staff during April and May 2020, bringing most staff back in for June when the school partially re-opened for Primary and Senior. The job retention scheme enabled the school to claim around £28k from the HMRC. With the current healthy bank balances and the majority of parents managing to pay fees, it is not felt that the pandemic will pose too much of a risk to the school.
2) Pupil numbers during this year have increased ending the year 2019-20 at 246. This is due in part to a local independent school suddenly closing in June 2020. Going forward pupil numbers are uncertain and it is anticipated that pupil numbers will probably reduce a little for the start of the 2021-22 academic year.
3) To mitigate any possible reduction in pupil numbers there is a continuing focus on excellence in the educational provision. Improving marketing continues to be a priority to draw new pupils to the school. The majority of new pupils coming from within the larger church community and by word of mouth.
4) The proportion of pupils requiring bursaries has stabilised with improved processes for awarding and reviewing bursaries. However, this still represents a risk to the school's income.
5) External factors have increased the risk of existing parents defaulting on fee payments. This risk has been managed well by continuing to ensure that a member of staff is given time to keep abreast with credit control.
6) It is proving harder to raise charitable donations from the existing supporters of the school. Fund raising activity will therefore be developed to seek donations and grants from a wider range of potential donors. A parent association endeavours to bring a greater involvement from this group to raise funds and awareness of the school.
7) Future rise in interest payments on the trust's borrowing are also a potential risk.
8) All of the above give rise to a risk of cashflow problems. Alongside prudent budgeting and regular monitoring, we have the ability to improve cashflow through collecting advance fee payments.

Other risks arise from the financing of the building project which was completed in August 2010.

1) The requirement to repay personal loans was a risk, however the remaining £70k was paid in January 2021.
2) The use of advance fee payments for the final stages of the building project has a potential impact on cashflow over the next few years. The budget has been set to gradually reduce the amount of advance fees held on the balance sheet. They are now at a value that is likely to remain reasonably constant.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05212585 (England and Wales)

Registered Charity number
1106136

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

Registered office
The King's School Senior
Lakesmere House
Allington Lane, Fair Oak
Eastleigh
Hampshire
SO50 7DB

Trustees
S F Kinchin - Chair
D Martin
C Caws
J Pavey
N Osborne

Company Secretary
Mrs M D Walker

Auditors
Martin Southern BA(Hons) FCA
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers
Barclays Bank
Portsmouth City Branch
Portsdown Group
PO Box 6
Portsmouth
Hampshire
PO6 7DB

COMMENCEMENT OF ACTIVITIES
The charity which has been trading since 1995, was incorporated as a Company limited by guarantee, in August 2004. Dormant company accounts were prepared for the year to 31 August 2005 and the running of the school transferred to the new charitable company on 1 September 2005.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Hampshire Christian Education Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26th April 2021 and signed on its behalf by:

M D Walker

Mrs M D Walker - Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE CHRISTIAN EDUCATION TRUST

Opinion

We have audited the financial statements of Hampshire Christian Education Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 Auditors' 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

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 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 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.

M. J. Southern

Martin Southern BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 7/5/21

HAMPSHIRE CHRISTIAN EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	22,132	-	22,132	30,814
Charitable activities	5				
Advancement of education		1,581,137	28,132	1,609,269	1,452,766
Other trading activities	3	4,859	-	4,859	5,444
Investment income	4	8,444	-	8,444	13,273
Total		1,616,572	28,132	1,644,704	1,502,297
EXPENDITURE ON					
Raising funds	6	11,496	-	11,496	11,439
Charitable activities	7				
Advancement of education		1,339,016	28,132	1,367,148	1,383,039
Total		1,350,512	28,132	1,378,644	1,394,478
NET INCOME		266,060	-	266,060	107,819
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		536,343	-	536,343	-
Net movement in funds		802,403	-	802,403	107,819
RECONCILIATION OF FUNDS					
Total funds brought forward		1,060,085	-	1,060,085	952,266
TOTAL FUNDS CARRIED FORWARD		1,862,488	-	1,862,488	1,060,085

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	14	1,800	2,700
Tangible assets	15	2,128,261	1,624,469
		2,130,061	1,627,169
CURRENT ASSETS			
Debtors	16	58,264	44,530
Cash at bank		604,296	520,299
		662,560	564,829
CREDITORS			
Amounts falling due within one year	17	(432,280)	(541,236)
NET CURRENT ASSETS		230,280	23,593
TOTAL ASSETS LESS CURRENT LIABILITIES		2,360,341	1,650,762
CREDITORS			
Amounts falling due after more than one year	18	(497,853)	(590,677)
NET ASSETS		1,862,488	1,060,085
FUNDS	22		
Unrestricted funds		1,862,488	1,060,085
TOTAL FUNDS		1,862,488	1,060,085

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26/04/2021 and were signed on its behalf by:

.....
S F Kinchin - Trustee

The notes form part of these financial statements

HAMPSHIRE CHRISTIAN EDUCATION TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	124,824	166,236
Interest paid		(17,612)	(18,738)
Finance costs paid		(11,197)	(9,411)
Net cash provided by operating activities		96,015	138,087
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,462)	(26,908)
Interest received		1,328	1,205
Finance interest income		7,116	12,068
Net cash used in investing activities		(12,018)	(13,635)
Change in cash and cash equivalents in the reporting period		83,997	124,452
Cash and cash equivalents at the beginning of the reporting period		520,299	395,847
Cash and cash equivalents at the end of the reporting period		604,296	520,299

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the Statement of Financial Activities)	266,060	107,819
Adjustments for:		
Depreciation charges	53,013	52,511
Interest received	(1,328)	(1,205)
Interest paid	17,612	18,738
Finance costs	11,197	9,411
Amortisation charges	900	900
Finance interest income	(7,116)	(12,068)
(Increase)/decrease in debtors	(13,734)	3,804
Decrease in creditors	(201,780)	(13,674)
Net cash provided by operations	124,824	166,236

2. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank	520,299	83,997	604,296
	520,299	83,997	604,296
Debt			
Debts falling due within 1 year	(218,427)	99,749	(118,678)
Debts falling due after 1 year	(502,364)	59,054	(443,310)
	(720,791)	158,803	(561,988)
Total	(200,492)	242,800	42,308

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on cost and 2% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Individual fixed assets costing £500 or more are capitalised at cost, with the exception of computer equipment which is capitalised if the individual cost is £250 or more.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

continued...

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these financial instruments is detailed below.

Debtors and cash at bank & in hand
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	18,087	27,157
Gift aid	4,045	3,657
	22,132	30,814

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Fundraising events	4,859	5,444

4. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	1,328	1,205
Finance interest income	7,116	12,068
	8,444	13,273

All investment income is derived from assets held in the United Kingdom.

continued...

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020 £	2019 £
School fees and bursaries	Advancement of education	1,543,242	1,361,853
School trips and sales	Advancement of education	33,234	82,317
Rental income	Advancement of education	1,830	1,815
Sundry income	Advancement of education	2,831	6,781
Grants	Advancement of education	28,132	-
		1,609,269	1,452,766

Grants received, included in the above, are as follows:

	2020 £	2019 £
Job retention scheme	28,132	-

6. RAISING FUNDS

Raising donations and legacies

	2020 £	2019 £
Sundries	299	2,028
Finance cost	11,197	9,411
	11,496	11,439

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Advancement of education	1,095,897	271,251	1,367,148

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	654,661	593,578
Educational resources	34,916	38,925
Trips, camps and events	25,761	83,267
Training	1,964	6,450
DBS and licences	7,976	6,841
Fundraising costs	16,576	16,251
Bursaries	354,043	354,305
	1,095,897	1,099,617

continued...

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Advancement of education	266,439	4,812	271,251

Support costs, included in the above, are as follows:

Management

	2020 Advancement of education	2019 Total activities
	£	£
Wages	80,900	76,208
Hire of plant and machinery	16,936	14,185
Rates and water	11,454	17,336
Insurance	16,935	19,036
Light and heat	8,326	8,730
Minibus and car park expenses	2,697	3,998
Legal and professional fees	10,804	6,495
Repairs and maintenance	19,849	20,600
Stationery, postage and phone	17,911	29,329
Sundry expenses	5,417	5,097
Bad debts	2,664	5,908
Donations	1,020	1,634
Amortisation of intangible fixed assets	900	900
Depreciation of tangible assets	53,014	50,512
Bank interest	1,855	1,858
Mortgage interest	13,537	12,818
Loan interest	2,220	4,062
	266,439	278,706

Governance costs

	2020 Advancement of education	2019 Total activities
	£	£
Auditors' remuneration	4,812	4,716

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	4,812	4,716
Depreciation - owned assets	53,013	52,511
Hire of plant and machinery	16,936	14,185
Website amortisation	900	900

continued...

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

During the year no trustees (2019: none) were reimbursed for out of pocket expenses.

12. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	688,551	632,491
Social security costs	35,890	30,048
Other pension costs	11,120	7,247
	735,561	669,786

The average monthly number of employees during the year was as follows:

	2020	2019
Advancement of Education	55	50
Support staff	8	8
	63	58

No employees received emoluments in excess of £60,000.

Key management personnel
The key management personnel of the charitable company comprise the trustees, the Head Teacher, the Deputy Head Teacher, the Assistant Head Teacher and the Business Manager. The total employee benefits of the key management personnel of the charitable company were £115,541 (2019: £109,064). This does not include remuneration for trustees, all of which is reported as per note 11.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	30,814	-	30,814
Charitable activities			
Advancement of education	1,452,766	-	1,452,766
Other trading activities	5,444	-	5,444
Investment income	13,273	-	13,273
Total	1,502,297	-	1,502,297
EXPENDITURE ON			
Raising funds	11,439	-	11,439
Charitable activities			
Advancement of education	1,383,039	-	1,383,039
Total	1,394,478	-	1,394,478

continued...

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME	107,819	-	107,819
RECONCILIATION OF FUNDS			
Total funds brought forward	952,266	-	952,266
TOTAL FUNDS CARRIED FORWARD	1,060,085	-	1,060,085

14. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 September 2019 and 31 August 2020	4,500
AMORTISATION	
At 1 September 2019	1,800
Charge for year	900
At 31 August 2020	2,700
NET BOOK VALUE	
At 31 August 2020	1,800
At 31 August 2019	2,700

15. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1 September 2019	1,900,000	17,961	71,985
Additions	-	3,283	2,760
Revaluations	200,000	-	-
At 31 August 2020	2,100,000	21,244	74,745
DEPRECIATION			
At 1 September 2019	300,503	17,031	55,978
Charge for year	35,840	1,281	5,746
Revaluation adjustments	(336,343)	-	-
At 31 August 2020	-	18,312	61,724
NET BOOK VALUE			
At 31 August 2020	2,100,000	2,932	13,021
At 31 August 2019	1,599,497	930	16,007

continued...

15. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 September 2019	14,700	56,442	2,061,088
Additions	-	14,419	20,462
Revaluations	-	-	200,000
At 31 August 2020	14,700	70,861	2,281,550
DEPRECIATION			
At 1 September 2019	14,700	48,407	436,619
Charge for year	-	10,146	53,013
Revaluation adjustments	-	-	(336,343)
At 31 August 2020	14,700	58,553	153,289
NET BOOK VALUE			
At 31 August 2020	-	12,308	2,128,261
At 31 August 2019	-	8,035	1,624,469

Cost or valuation of freehold property at 31 August 2020 is represented by:

	£
Revaluation in 2020	200,000
Revaluation in 2015	272,285
Revaluation in 2010	(421,687)
Cost	2,049,402
	2,100,000

The Trust's other tangible fixed assets are included at cost.

If freehold property had not been revalued it would have been included at the following historical cost:

	2020 £	2019 £
Cost	2,049,402	2,049,402
Aggregate depreciation	754,135	717,698

Freehold property was revalued on an open market basis on 31 August 2020 by Vail Williams.

continued...

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	26,546	13,520
Other debtors	4,044	3,653
Prepayments	27,674	27,357
	58,264	44,530

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 19)	57,955	60,067
Other loans (see note 19)	60,723	158,360
Fees in advance	273,998	256,171
Trade creditors	18,709	40,227
Social security and other taxes	5,494	8,064
Other creditors	1,192	902
Accruals and deferred income	14,209	17,445
	432,280	541,236

Fees in advance represents school fees received in advance for future academic years.

	2020	2019
	£	£
Brought forward	344,484	276,209
Amount released to incoming resources	(186,164)	(125,005)
Amount deferred in year	170,222	193,280
Carried forward	328,542	344,484

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

	2020	2019
	£	£
Bank loans (see note 19)	437,255	495,406
Other loans (see note 19)	6,055	6,958
Fees in advance	54,543	88,313
	497,853	590,677

19. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	57,955	60,067
Other loans	60,723	158,360
	118,678	218,427

continued...

19. LOANS - continued

	2020	2019
	£	£
Amounts falling due between two and five years:		
Bank loans	144,041	153,306
Other loans	6,055	6,958
	150,096	160,264
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	293,214	342,100

20. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	495,210	555,473

The bank loan was secured by a legal charge over the freehold property at Lakesmere House, Allington Lane, Fair Oak, Eastleigh.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Fixed assets	2,130,061	-	2,130,061	1,627,169
Current assets	662,560	-	662,560	564,829
Current liabilities	(432,280)	-	(432,280)	(541,236)
Long term liabilities	(497,853)	-	(497,853)	(590,677)
	1,862,488	-	1,862,488	1,060,085

22. MOVEMENT IN FUNDS

	At 1.9.19	Net movement in funds	At 31.8.20
	£	£	£
Unrestricted funds			
General fund	1,022,943	742,177	1,765,120
Revaluation reserve	-	50,598	50,598
Enrichment fund	37,142	9,628	46,770
	1,060,085	802,403	1,862,488
TOTAL FUNDS	1,060,085	802,403	1,862,488

continued...

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,601,319	(1,344,887)	485,745	742,177
Revaluation reserve	-	-	50,598	50,598
Enrichment fund	15,253	(5,625)	-	9,628
	1,616,572	(1,350,512)	536,343	802,403
Restricted funds				
Job Retention Scheme	28,132	(28,132)	-	-
TOTAL FUNDS	1,644,704	(1,378,644)	536,343	802,403

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	921,635	101,308	1,022,943
Enrichment fund	30,631	6,511	37,142
	952,266	107,819	1,060,085
TOTAL FUNDS	952,266	107,819	1,060,085

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,482,809	(1,381,501)	101,308
Enrichment fund	19,488	(12,977)	6,511
	1,502,297	(1,394,478)	107,819
TOTAL FUNDS	1,502,297	(1,394,478)	107,819

continued...

22. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.18 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	921,635	843,485	1,765,120
Revaluation reserve	-	50,598	50,598
Enrichment fund	30,631	16,139	46,770
	952,266	910,222	1,862,488
TOTAL FUNDS	952,266	910,222	1,862,488

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,084,128	(2,726,388)	485,745	843,485
Revaluation reserve	-	-	50,598	50,598
Enrichment fund	34,741	(18,602)	-	16,139
	3,118,869	(2,744,990)	536,343	910,222
Restricted funds				
Job Retention Scheme	28,132	(28,132)	-	-
TOTAL FUNDS	3,147,001	(2,773,122)	536,343	910,222

Enrichment fund
This fund is a fund designated by the trustee directors to be a physical account where fundraising events and school trips could be accounted for to ensure that all monies raised in this way could be spent on enhancements to the school rather then lost in the day to day running of the school.

23. RELATED PARTY DISCLOSURES

Purchases of £3,847 (2019: £3,563) have been paid to a company who has a common director to Hampshire Christian Education Trust. The aged creditor balance at the year end with this company is £2,649 (2019: £1,043). This company has also lent Hampshire Christian Education Trust £59,550 (2019:£89,550). Interest paid on this loan totals to £1,430 (2019: £1,907).

During the year 3 (2019: 3) trustees had a total of 8 (2019: 5) children attending the school. The total fees paid relating to these school places was £41,120 (2019: £30,344).

All transactions are at arms length.

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24. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

25. LEGAL STATUS

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.