

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**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 26

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

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

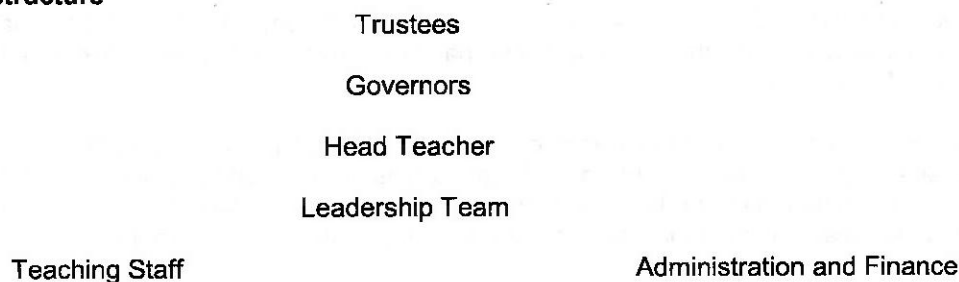
Governing document

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



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.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

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.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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).

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

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:


.....
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.

**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 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		<u>1,752,460</u>	<u>113,177</u>	<u>1,865,637</u>	<u>1,644,704</u>
 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		<u>1,399,490</u>	<u>-</u>	<u>1,399,490</u>	<u>1,378,644</u>
 NET INCOME		<u>352,970</u>	<u>113,177</u>	<u>466,147</u>	<u>266,060</u>
 Other recognised gains/(losses)					
Gains on revaluation of fixed assets		-	-	-	536,343
Net movement in funds		<u>352,970</u>	<u>113,177</u>	<u>466,147</u>	<u>802,403</u>
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,862,488</u>	<u>-</u>	<u>1,862,488</u>	<u>1,060,085</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>2,215,458</u></u>	<u><u>113,177</u></u>	<u><u>2,328,635</u></u>	<u><u>1,862,488</u></u>

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
		<u>2,099,187</u>	<u>2,130,061</u>
CURRENT ASSETS			
Debtors	16	18,233	58,264
Cash at bank		990,787	604,296
		<u>1,009,020</u>	<u>662,560</u>
CREDITORS			
Amounts falling due within one year	17	(347,054)	(432,280)
NET CURRENT ASSETS		<u>661,966</u>	<u>230,280</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,761,153</u>	<u>2,360,341</u>
CREDITORS			
Amounts falling due after more than one year	18	(432,518)	(497,853)
NET ASSETS		<u>2,328,635</u>	<u>1,862,488</u>
FUNDS	22		
Unrestricted funds		2,215,458	1,862,488
Restricted funds		113,177	-
TOTAL FUNDS		<u>2,328,635</u>	<u>1,862,488</u>

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 2022 and were signed on its behalf by:


S.F. Kinchin - Trustee

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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		<u>399,704</u>	<u>96,015</u>
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		<u>(13,213)</u>	<u>(12,018)</u>
Change in cash and cash equivalents in the reporting period		<u>386,491</u>	<u>83,997</u>
Cash and cash equivalents at the beginning of the reporting period		<u>604,296</u>	<u>520,299</u>
Cash and cash equivalents at the end of the reporting period		<u><u>990,787</u></u>	<u><u>604,296</u></u>

The notes form part of these financial statements

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**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	<u>424,970</u>	<u>124,824</u>

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
	<u>604,296</u>	<u>386,491</u>	<u>990,787</u>
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)
	<u>(561,988)</u>	<u>126,705</u>	<u>(435,283)</u>
Total	<u>42,308</u>	<u>513,196</u>	<u>555,504</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

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
	<u>128,553</u>	<u>22,132</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events	<u>6,729</u>	<u>4,859</u>

4. INVESTMENT INCOME

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

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

5. INCOME FROM CHARITABLE ACTIVITIES

		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
		<u>1,725,014</u>	<u>1,609,269</u>

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
	<u>12,987</u>	<u>11,496</u>

7. CHARITABLE ACTIVITIES COSTS

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

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
	<u>1,099,315</u>	<u>1,095,897</u>

HAMPSHIRE CHRISTIAN EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

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
	<u>800,537</u>	<u>735,561</u>

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

	2021	2020
Advancement of Education	58	55
Support staff	9	8
	<u>67</u>	<u>63</u>

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	<u>1,616,572</u>	<u>28,132</u>	<u>1,644,704</u>
EXPENDITURE ON			
Raising funds	11,496	-	11,496
Charitable activities			
Advancement of education	1,339,016	28,132	1,367,148
Total	<u>1,350,512</u>	<u>28,132</u>	<u>1,378,644</u>

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

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
	<u>2,100,000</u>

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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	<u>2,049,402</u>	<u>2,049,402</u>
Aggregate depreciation	<u>790,572</u>	<u>754,135</u>

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	<u>29,003</u>	<u>27,674</u>
	<u>18,233</u>	<u>58,264</u>

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	<u>13,037</u>	<u>14,209</u>
	<u>347,054</u>	<u>432,280</u>

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	<u>146,457</u>	<u>170,222</u>
Carried forward	<u>292,114</u>	<u>328,542</u>

HAMPSHIRE CHRISTIAN EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

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
	<u>432,518</u>	<u>497,853</u>

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
	<u>48,505</u>	<u>118,678</u>
Amounts falling due between two and five years:		
Bank loans	145,636	144,041
Other loans	-	6,055
	<u>145,636</u>	<u>150,096</u>
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	<u>435,283</u>	<u>495,210</u>

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)
	<u>2,215,458</u>	<u>113,177</u>	<u>2,328,635</u>	<u>1,862,488</u>

HAMPSHIRE CHRISTIAN EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

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
	<u>1,862,488</u>	<u>352,970</u>	<u>2,215,458</u>
Restricted funds			
Muga fund	-	113,177	113,177
	<u>-</u>	<u>113,177</u>	<u>113,177</u>
TOTAL FUNDS	<u>1,862,488</u>	<u>466,147</u>	<u>2,328,635</u>

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
	<u>1,752,460</u>	<u>(1,399,490)</u>	<u>352,970</u>
Restricted funds			
Muga fund	113,177	-	113,177
	<u>113,177</u>	<u>-</u>	<u>113,177</u>
TOTAL FUNDS	<u>1,865,637</u>	<u>(1,399,490)</u>	<u>466,147</u>

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
	<u>1,060,085</u>	<u>802,403</u>	<u>1,862,488</u>
TOTAL FUNDS	<u>1,060,085</u>	<u>802,403</u>	<u>1,862,488</u>

HAMPSHIRE CHRISTIAN EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

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
	<u>1,616,572</u>	<u>(1,350,512)</u>	<u>536,343</u>	<u>802,403</u>
Restricted funds				
Job Retention Scheme	28,132	(28,132)	-	-
	<u>1,644,704</u>	<u>(1,378,644)</u>	<u>536,343</u>	<u>802,403</u>

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 than 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.