

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

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 23

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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 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.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

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 out 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).

HAMPSHIRE CHRISTIAN EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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.

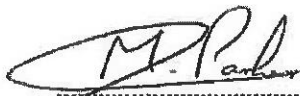
In so far as the trustees are aware:

- 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.

**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.

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: *20/5/27*

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					
Advancement of education	5	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		<u>1,691,933</u>	<u>35,074</u>	<u>1,727,007</u>	<u>1,865,637</u>
EXPENDITURE ON					
Raising funds	6	7,017	-	7,017	12,987
Charitable activities					
Advancement of education	7	1,549,321	3,341	1,552,662	1,386,503
Total		<u>1,556,338</u>	<u>3,341</u>	<u>1,559,679</u>	<u>1,399,490</u>
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		<u><u>2,351,053</u></u>	<u><u>144,910</u></u>	<u><u>2,495,963</u></u>	<u><u>2,328,635</u></u>

The notes form part of these financial statements

HAMPSHIRE CHRISTIAN EDUCATION TRUST (REGISTERED NUMBER: 05212585)

**BALANCE SHEET
31 AUGUST 2022**

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

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

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)
		<hr/>	<hr/>
Net cash provided by operating activities		389,882	399,704
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Net cash used in investing activities		(353,888)	(13,213)
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		1,026,781	990,787
		<hr/>	<hr/>

The notes form part of these financial statements

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**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	<u>410,078</u>	<u>424,970</u>

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
	<u>990,787</u>	<u>35,994</u>	<u>1,026,781</u>
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)
	<u>(435,283)</u>	<u>47,020</u>	<u>(388,263)</u>
Total	<u>555,504</u>	<u>83,014</u>	<u>638,518</u>

The notes form part of these financial statements

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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

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.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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

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
	<u>48,120</u>	<u>128,553</u>

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising events	<u>2,844</u>	<u>6,729</u>

4. INVESTMENT INCOME

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

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

5. INCOME FROM CHARITABLE ACTIVITIES

		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	-
		<u>1,665,210</u>	<u>1,725,014</u>

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

	2022 £	2021 £
Evolve Advice	<u>500</u>	<u>-</u>

6. RAISING FUNDS

Raising donations and legacies

	2022 £	2021 £
Finance cost	<u>7,017</u>	<u>12,987</u>

7. CHARITABLE ACTIVITIES COSTS

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

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
	<u>1,211,480</u>	<u>1,099,315</u>

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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

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
	<u>336,174</u>	<u>282,176</u>

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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

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
	<u>954,996</u>	<u>800,537</u>

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

	2022	2021
Advancement of Education	60	58
Support staff	10	9
	<u>70</u>	<u>67</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 £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	<u>1,752,460</u>	<u>113,177</u>	<u>1,865,637</u>
EXPENDITURE ON			
Raising funds	12,987	-	12,987
Charitable activities			
Advancement of education	1,386,503	-	1,386,503
Total	<u>1,399,490</u>	<u>-</u>	<u>1,399,490</u>

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

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	<u>2,215,458</u>	<u>113,177</u>	<u>2,328,635</u>

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	<u>2,100,000</u>	<u>327,376</u>	<u>24,195</u>
DEPRECIATION			
At 1 September 2021	29,600	-	17,824
Charge for year	29,600	-	1,547
At 31 August 2022	<u>59,200</u>	<u>-</u>	<u>19,371</u>
NET BOOK VALUE			
At 31 August 2022	<u>2,040,800</u>	<u>327,376</u>	<u>4,824</u>
At 31 August 2021	<u>2,070,400</u>	<u>-</u>	<u>2,168</u>

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

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	<u>100,794</u>	<u>14,700</u>	<u>80,256</u>	<u>2,647,321</u>
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	<u>78,347</u>	<u>14,700</u>	<u>66,578</u>	<u>238,196</u>
NET BOOK VALUE				
At 31 August 2022	<u>22,447</u>	<u>-</u>	<u>13,678</u>	<u>2,409,125</u>
At 31 August 2021	<u>13,968</u>	<u>-</u>	<u>11,751</u>	<u>2,098,287</u>

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.

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

	2022	2021
	£	£
Cost	<u>2,049,402</u>	<u>2,049,402</u>
Aggregate depreciation	<u>827,009</u>	<u>790,572</u>

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

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
	<u>49,859</u>	<u>18,233</u>

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
	<u>603,946</u>	<u>347,054</u>

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
	<u>350,932</u>	<u>292,114</u>

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
	<u>385,856</u>	<u>432,518</u>

19. LOANS

An analysis of the maturity of loans is given below:

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

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

20. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	<u>388,263</u>	<u>435,283</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 £	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)
	<u>2,351,053</u>	<u>144,910</u>	<u>2,495,963</u>	<u>2,328,635</u>

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
	<u>2,215,458</u>	<u>135,595</u>	<u>2,351,053</u>
Restricted funds			
Muga fund	113,177	31,733	144,910
	<u>113,177</u>	<u>31,733</u>	<u>144,910</u>
TOTAL FUNDS	<u>2,328,635</u>	<u>167,328</u>	<u>2,495,963</u>

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
	<u>1,691,933</u>	<u>(1,556,338)</u>	<u>135,595</u>
Restricted funds			
Muga fund	35,074	(3,341)	31,733
	<u>35,074</u>	<u>(3,341)</u>	<u>31,733</u>
TOTAL FUNDS	<u>1,727,007</u>	<u>(1,559,679)</u>	<u>167,328</u>

HAMPSHIRE CHRISTIAN EDUCATION TRUST

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

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
	<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>

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
	<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>

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 £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.

HAMPSHIRE CHRISTIAN EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

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.