

Financial Statements

Caterham School

(a company limited
by guarantee)

For the year ended 31 August 2021

Company No. 5410420
Charity registration No. 1109508

Legal and administrative information

Trustees

The Trustees in office during the year or since the year end are set out below. Trustees served throughout the year, except where indicated.

I R M Edwards – Chairman
Rev B Banks (appointed 17 December 2020)
C Bouttle
O Byrne
S R Critchley
Mrs A Fletcher
Ms D Grimason
M Mear
Ms M Shah
M Smith
E Turney (resigned 31 March 2021)
Mrs M Whenman
Mrs S M Whittle (resigned 23 January 2021)
A Wilson (resigned 31 August 2021)

Trustees are ten to fourteen in number. On recommendation from its Nominations Committee, the Board of Trustees nominates potential Trustees to the Caterham School Foundation which appoints Trustees. One such Trustee must be nominated by or under the authority of the General Assembly of the United Reformed Church.

Officers

Headmaster
Head of Prep School
Bursar and Company Secretary

C W Jones MA (Cantab), MEd
B Purkiss BSc
Mrs A D Higgs BSc FCA

Legal and administrative information

Registered office:	Caterham School Harestone Valley Road Caterham Surrey CR3 6YA
Principal advisers:	
Bankers:	HSBC Bank plc London National Westminster Bank Caterham
Auditor:	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Solicitors:	Trowers and Hamlins London Veale Wasborough Vizards Bristol Bird & Bird London DMH Stallard Crawley
Investment advisers:	Brewin Dolphin London
Company number:	5410420
Charity registration number:	1109508
Website:	www.caterhamschool.co.uk

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Report of the Trustees

The Trustees present their report together with financial statements for the year ended 31 August 2021.

Structure, governance and management

Constitution, objectives and policies

Caterham School is registered with the Charity Commission (Charity no: 1109508). The Caterham School Endowment Fund, the Caterham School Bursary Fund and the Caterham School Prize Fund share the same charity number and are registered as "linked charities" with the Charity Commission. Caterham School is administered and managed in accordance with the Caterham School Articles of Association, which have been approved by the Charity Commission, and the Caterham School Endowment Fund is administered in accordance with a Charity Commission Scheme dated 30 August 1995.

The charitable company is established to provide and maintain Caterham School for the provision of education for the children of Ministers and other children.

Appointment of Trustees

Trustees, appointed as shown on Page 1, hold office for three years. Trustees are eligible for re-appointment, subject to the conditions of the Articles of Association of Caterham School. Changes to the Trustee body during the course of the year are shown on Page 1.

The training and induction of Trustees is very much dependent upon their background and experience. Where necessary, induction provides training on charitable, educational, legal and financial matters. All new Trustees have visited the School and have met staff and pupils. The School culture is such that ad hoc visits (but see also Governance below) are encouraged with Trustees able to walk into lessons without formality and to be involved by the teacher without disruption to the class in progress. They are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their roles and, where required, specialist speakers, including members of staff, are brought into meetings to present changes and developments. Induction tends to be carried out informally, is tailored to the specific needs of the individual and includes seminars run by the various organisations that exist to support and develop Trustees and governing bodies. Safeguarding, Health & Safety, Regulatory and Charity Law issues normally feature prominently.

Trustees indemnity insurance is provided as an integral part of the School's insurance policies.

Organisation and structure

Governance of the charitable company

The Board held four ordinary meetings to review the charitable company's financial and operational performance and to approve the budget for the forthcoming year and an additional two meetings due to the COVID-19 pandemic. The Finance & General Purposes Committee and other sub-committees met separately as required during the year to recommend courses of action and make budgetary proposals to be put to Trustees. The Annual Review of

Report of the Trustees

Investments with the School's stockbroker took place on 28 September 2021 to consider the period of this report. The Foundation met in an Annual General Meeting on 23 January 2021 to receive the statutory financial statements, note resignations, endorse appointments and hear the briefings of the Trustees. An additional meeting was held on 9 October 2020 at which the Headmaster and Prep Headmaster provided a full briefing on the School's performance in the previous year and on the impact of the pandemic.

In pursuit of governance best practice, Trustees are asked to spend at least a full day per year in School, in addition to scheduled meetings. Guidance has been issued by the Headmaster as to the sort of activities to be conducted by Trustees during their visits, such as for example shadowing a pupil for a day. Trustees are asked to submit a short report after each visit, drawing the Headmaster's attention to any concerns they might have and opportunities they think worthy of further consideration. Whilst some trustees were able to undertake these visits in the year, this was restricted due to the pandemic.

Trustee committees have been allocated agreed areas of responsibility and oversight of policies and all subcommittee terms of reference were reviewed during the year.

The governance model, introduced in 2009, whereby the Trustees of the Charity, the Directors of the limited company and the Governors of the School are one and the same body (known collectively as 'the Trustees') has continued to work effectively for the good of the School.

Caterham School has four wholly owned or controlled subsidiaries, Caterham School Trading Limited, Caterham School Enterprises Limited, Caterham School Virtual Limited and Caterham School International Limited. During the year, the trustees of the WN Maddock Science Scholarship Fund (formerly charity registration number 1087246) agreed to donate the assets of the fund amounting to £522,000, to be held as a restricted fund within the school.

Strategic report

Review of the Year

Caterham School continues to provide an outstanding educational offering to day and boarding pupils from a growing catchment area, both within the UK and overseas. The number of applicants to the school continues to grow and pupil numbers in the school have grown over recent years to 968 pupils in the Senior School and 300 in the Prep School. Demand for places continues to be extremely strong with significant competition for places at every entry stage. We are an increasingly diverse school attracting pupils of all backgrounds from independent and maintained primary schools. The school's success is underpinned by excellent results, robust finances, strong governance and an outstanding pupil experience.

We were also the only independent school in the UK to be awarded the Wellbeing for Schools Award following a rigorous and in depth audit of our wellbeing programme and provision which runs from our pre-school to the senior school. We continue to lead the way in Digital and Innovation and were recently once again awarded Apple Distinguished School status and remain an Apple Regional Training Centre supporting other schools and educational organisations to enhance the use of technologies in the classroom. In addition, we are increasingly recognised for our partnership work with the maintained sector – our sponsorship and support for the London Academy of Excellence remains central to our mission and we

Report of the Trustees

have also recently established the East Surrey Learning Partnership – a collaboration of local primary and secondary schools through which we support pupils, colleagues and parents.

Another key strategic direction and development for the school this year has been the introduction of a Shadow Board – we are the only school in the UK to have done this. The Shadow Board is a group of 10 alumni aged between 18-30 of diverse backgrounds who help inform and challenge board and management thinking about school strategy and direction. The Shadow Board places diverse and relevant voices in the room when decisions about pupil experience and future direction are taking place.

The boarding offer remains popular both internationally and domestically. Our overseas boarders come at year 9 and 12 – geographically we have strong markets in the Far East and a growing and renewed interest from Russia. Our weekly boarding offer remains attractive to families from within an hour of the school and it is heartening to see so many families now coming to us from London Prep Schools that were not traditionally part of our catchment area.

Partnership work remains a key strategic and operational aim of the school. Our founders believed strongly in the power of the community to transform the lives of those around them and that schools should operate meaningfully in the contexts in which they are rooted. This view is at the heart of our educational philosophy and we want our pupils to leave this school with a profound sense of the power of community and a strong sense of mission. Our work in this area has grown significantly over the past year and through the pandemic. In addition to the formal partnerships we are part of (the London Academy of Excellence and Kingsford Community School both in the London borough of Newham, and the East Surrey Learning Partnership) through which colleagues and pupils are able to engage meaningfully and purposefully with the world around them, we have also worked hard to mitigate some of the impacts of the pandemic on the life chances of pupils in local schools. For example, we ran a 'Laptops for Lockdown' scheme which helped bridge the digital divide in maintained primary schools and also provided free places on our summer activity camps to disadvantaged pupils from local primary schools.

Our Transformational Bursary Fund – a campaign to treble the number of pupils in the school from disadvantaged backgrounds by 2024 – has already enabled 5 additional pupils to enter the school over the past year and we have joined forces with Springboard – a national charity committed to placing children from the care system in independent schools.. Our campaign is targeted at pupils from families with a household income on or around the national average and from families who may have no previous experience of Higher Education. This is a key part of our mission to widen access to our school and to create a diverse community. In addition to this, we continue to give financial support to pupils who are from families that for a number of reasons find fees problematic – we call this 'assisted places'.

Caterham staff remain fully committed to ensuring that, as an organisation, we continue to play a meaningful role in the world around us. Caterham teachers and pupils have delivered programmes of English, Maths and science lessons for pupils in the East Surrey Learning Partnership. These sessions take place in local primary schools and here at Caterham – opening up our facilities to local schools remains a key objective. At the end of the summer, we hosted the East Surrey Learning Partnership primary schools here at Caterham for activity days – many of the primary schools had been unable to do their normal end of year outward bound trips so we hosted them here. Colleagues have also delivered staff training on the use of IT and Digital, wellbeing and learning strategies to teachers within the Learning Partnership and we have also hosted evenings for parents from within local primary schools

Report of the Trustees

focused on wellbeing and learning strategies. Many staff contribute their skills, talents and time to the active support of the community through teacher training, church work, being academic examiners and charity trustees and administrators.

The purpose of the school remains focused on outstanding outcomes and experiences for all of our pupils based on a belief that pastoral care and wellbeing are fundamental building blocks for future success. We are a school that promotes a strong sense of community, connectedness and diversity, and a school that believes education is about academic success, enjoyment and the growth and development of the whole person. In addition, we strongly promote the notion of innovation and creativity and encourage all of our pupils to be confident and agile problem solvers who see opportunity in uncertainty.

Our sport academies (hockey, swimming and netball) continue to provide outstanding opportunities for our own pupils but also pupils from the local area to develop their sporting skills and have access to high quality coaching and pathways through to elite representation. Our strong relationship with and support for the Old Caterhamian Sports Club at Hill Fields enables hundreds of young people and adults to play rugby, cricket and lacrosse weekly. These clubs are not restricted to members of the school and so are of a genuine benefit to the wider Caterham Community.

Response to COVID-19 and Lockdown

Our longstanding investment in and commitment to digital education and innovation over the previous seven years enabled the school to make a seamless transition to a fully virtual school overnight when required in January 2021. We were able to ensure that the education of our pupils continued uninterrupted, that co-curricular breadth and engagement was maintained and that the structure and routine that enabled our families to navigate the disorienting impact of lockdown was ever present.

Our ability to do this was not just based on the commonality of the Apple platforms that all pupils and teachers use, or the skill levels of pupils and staff in teaching and learning on digital platforms, but also on a shared culture and philosophy of educational innovation and risk taking that has seen us thrive in the current uncertainty.

Throughout last year, our lessons were delivered in a hybrid fashion to pupils physically in classrooms and to those who were self-isolating here in the UK or who remained abroad due to the pandemic. All work was set and marked electronically, end of year exams were sat and the year 11 and year 13 pupils who had exams cancelled benefitted from bespoke courses written by our teachers to support transition either to A level or to University.

In addition, we continued to connect the wider Caterham School community through a series of virtual activities – quizzes, music recitals, group debates, webinars and virtual social events. We also ensured that we supported our local community and schools by donating laptops to local primary schools to help bridge the digital divide and training staff in those schools how to make best use of the technology. We also supported our local primary schools by hosting key worker children from their schools on our site during the holidays to help them save costs.

As with many organisations and individuals, COVID-19 had a significant financial impact on the School. However, through significant financial assistance from the School to those families most affected financially by the pandemic, we have managed to retain almost all our families. We are grateful for the generous donations to our COVID-19 hardship fund from our wider

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community, which assisted us to provide this level of support. The costs of reopening the site have also been significant with the cost of both equipment and staff to facilitate social distancing and enhanced hygiene measures. Like all organisations, we had to adjust our in-year spending plans including deferring capital projects and use strong financial cost control whilst maintaining essential preventative maintenance of the site. With the measures taken, we have weathered the financial impact effectively and our financial position as a school remains strong, our forecasts positive and our banking covenants were met.

Marketing and Admissions

The School continues to build upon its already strong reputation for outstanding results in a highly ambitious and nurturing environment. We are attracting an increasing number of high achieving pupils in an environment which remains competitive, and where parents are increasingly well informed. Once again, we can report a record number of applications for day and boarding places with boarding only limited by capacity. The School roll in the Senior School is 968 pupils and the Prep School is at capacity of 300. Activity directed towards the London day and boarding markets has begun to bring active interest both directly from families and from prep school heads. Demand from the West Kent area remains strong and the School has successfully increased activity in other geographical areas, including London, to avoid over reliance on one area. This demand is evident at every entry point, where the number of pupils applying far exceeds the places available.

Our ambition to connect the wider school community into a more vibrant, purposeful and strategically focused body is developing quickly. Caterham Connected has brought together the constituent parts of the school under one umbrella – pupils (current and former), parents (current and former), members of the London Academy of Excellence and local residents are now connected in a way which provides a common sense of purpose with a focus on how the community can benefit the educational outcomes and experiences of all our pupils. We have a regular series of events to which all elements of the Society are invited – most notably hugely successful Insight evenings that we hold in London. Caterham Connected enables the wider Caterham family to access work experience, shadowing and mentoring, and provides professional networking for parents.

A programme of agent contact continues to support admissions from overseas boarding pupils with the school meeting with prospective families and exhibiting in mainland China, Hong Kong and Moscow.

Trustees considered fees for 2020-2021 at their March 2020 meeting, and given the emerging impact of the pandemic agreed to keep fees at the 2019-2020 level for the Autumn 2020 term. An increase of 2.5% was implemented from January 2021. Given the ongoing uncertainty being faced by the School, the rise was considered the minimum necessary to achieve the required surplus to meet the running costs of the School which had been increased by the pandemic, provide for future development and satisfy its borrowing obligations. Ongoing support was provided to parents most affected financially by the pandemic through COVID-19 Hardship Awards provided by the School, with the support of philanthropic donations.

Termly fees from January 2021 were:

Pre-Prep School:	£2,020 - £3,590
Prep School:	£4,655 - £5,330

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Senior School (Day): £6,400 - £6,705
Senior School (Boarding): £10,785 - £13,245

Educational Attainment

The last academic year witnessed strong results at both GCSE and A level and places us as one of the top co-educational schools in the country. Crucially, these academic outcomes enabled all Sixth Form leavers to access the university courses and professional apprenticeships of their choosing without the pandemic impeding their progress. These results demonstrate a commitment to excellence and are, at A level, a pleasing improvement on the results of the previous year.

GCSE Results

9: 49%
9-7: 92%
9-6: 98%

A Level Results

A*: 53%
A* - A: 83%
A* - B: 96%

In addition to public examination results, we have also had a number of Sixth Form pupils perform strongly in essay competitions at Cambridge Colleges.

Community Outreach and Public Benefit

Over 400 pupils benefit from financial support awarded in the form of scholarships, bursaries and other awards, amounting to over 9.0% of fee income (2020: 9.6%). The Headmaster continues to examine ways in which to increase the number of bursaries awarded to those pupils whose parents otherwise could not afford the fees.

The Trustees confirm that they have referred to the Charity Commission's guidance on Public Benefit when reviewing the charitable company's aims and objectives and in planning future activities for the year.

School Partnerships and Support

The School continues to provide support for the London Academy of Excellence (LAE) Stratford. This includes weekly delivery of MFL lessons with Mr Parker, largely online, building on the development of virtual links established during COVID-19 restrictions. These links have also allowed us to collaborate in preparing students for applications to Oxbridge and medicine. The lifting of restrictions allowed our first physical visit for some time, with the new L6 students of Caterham House LAE visiting for a day, 'buddying' with our L6, as part of their induction programme. The Headmaster sits on the governing body of the LAE and Dan Gabriele on the Education Committee. Emma Collings sits on the Development Committee.

The United Access programme switched back to 'physical' format following a number of online events through the year. We held a 'graduation' for students, parents and guardians in Year

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13 at Caterham School in July. This was well attended following somewhat dwindling attendance to online events. 13 of the original 18 are progressing to University, including physics, two MFL and a sports scholarship in the US. The remainder have also given us positive feedback and have plans ranging from the Marines to the police; we lost touch with only one of the original cohort from 4 years ago.

During the January/February lockdown last year, we successfully formed the East Surrey Learning Partnership (ESLP). This involves our four nearest primaries: St John's, Furze field, Audley and Hillcroft. We are looking to extend it to include the seven schools of the Tandridge Learning Trust and we have included Warlingham Secondary School in our partnership activities. With the lifting of lockdown, we have been able to extend the scope of activities, whilst retaining the advantages of online provision. Regular meetings with partner schools have unlocked many opportunities.

- The formation of a steering group: we hold regular meetings to inform and coordinate partnership activities.
- Teacher CPD: Last term we held an INSET event on 'Memory and Feedback' for primary partners online (Lead by Dr Avery), attended by over 30 teachers. We held a three part coding INSET, the basic two levels were attended by 30+, thinning out as we progressed to the more advanced levels (Mr Lang and Mr Lewis). These all resulted from conversations with our partners regarding need and usefulness, hence the high attendance.
- Dr Avery delivered a multi session, whole school INSET for Warlingham School on 'Cognitive Load'. This was well received and the lessons have been incorporated in their planning and lesson observations. This triggered some collaboration with Mr Wells on 'coaching across schools'.
- We held four 'Outdoor Days' in the summer for primary pupils to make up for the outward bound type experiences that had been missed due to COVID-19. We hosted 252 Year 6s.
- 32 Year 11s and 12s volunteered for one or two weeks at schools in the summer. This scheme included our local primary partners and 12 went to Kingsford Community School in Newham.
- In the summer, we hosted a three day programme for 'First Gen' L6 students from Warlingham, based on lessons from our United Access programme around UCAS, graduate careers and inspirational learning. This was a pilot with 12 students, and is a project we will look to extend next year.
- This term we have reformed the weekly drama group run by our L6 and Mrs Fahey, attended by pupils from St John's.
- Ms Rowling has been running weekly MFL sessions at Audley Primary.
- For the first time we have run weekly sessions in the school day with a class coming to Caterham for science (lead by Mr Tyldesley), whilst concurrently a team of U6 have been leading a class in reading and discussing text at a Primary School (led by Ms Hookway and Ms Hurton). This operates on a 4 week cycle with different classes in rotation starting with classes from Furze field. Both the science and English programmes have been devised in discussion with partners, meeting national curriculum and OFSTED targets. The U6 English providers underwent a training programme in our own Prep School organised by Ms Stone.
- We continue to offer resource packs for higher order thinking and high maths attainers at primaries; we will be holding an event with Mrs Griffiths at Caterham for these pupils before Christmas.
- 100 local primary pupils use our pool every week, we are looking to increase that number.

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Support has also been given to Oxted and Warlingham Schools and ADA College in preparing students for applications to Oxbridge and medicine. Mrs Parker and Mrs Wallace give strategic support in Maths and Science to Sunnydown School, a special school for boys with communication and interaction difficulties. Clifton Hill (SLD) pupils visit the school weekly for activities organised by our L6. 90 L6 have volunteered for this programme.

As the economic impact of the lockdown bit, we found that local schools were uniquely placed to identify local families who were experiencing difficulties. We worked with these schools to distribute £1,905 worth of supermarket vouchers and 72 recycled laptops and tablets donated by the Caterham School community. We offered free places at our summer activity camps for local families in need.

Caterham students volunteered to phone Octogenarian Old Cats in lockdown, this proved very popular with everyone, and so we have kept the project running this year.

Fundraising for charitable causes

Fundraising within the student body was challenging in the last academic year, but the U6 charity committee did their best. Online mufti days involving hats, a video based Talent Show, and a socially distanced MacMillan Coffee morning provided levity and a sense of community in difficult times. Fundraising activities were complemented with video assemblies supporting the chosen charities: Young Minds and Lerang' wa Lunches. £6,500 was raised for these two causes.

Volunteering

We were unable to run our annual volunteering survey in February this year. Instead, we invited our pupils to join in us in celebrating their volunteering and fundraising efforts during the year. 215 of our pupils reported that they were engaged with the community through the school or their own initiative up to July.

Members of staff act as governors or committee members for a variety of schools shown below:

Jo Cole – St Peters C of E School, Henfield
Emma Collings – LAE Development Committee
Gemma Davies – Blenheim High, Epsom
Dan Gabriele – LAE Education Committee
Sarah Griffiths – St John's Caterham
Tony Fahey – Clifton Hill (Vice Chair)
Lucie Funnell – Trust Board of the Tandridge Learning Trust
Ceri Jones – LAE, Banstead and Sevenoaks Preps
Ben Purkiss – Ide Hill Primary, Dunston House Prep

Continuing Aims

The charitable company provides day and boarding education for male and female students between the ages of 3 and 18, aiming:

- to raise the standard of educational achievement of all students
- to ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care

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- to improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with further education institutions and the community
- to conduct its business in accordance with the highest standards of integrity, probity and openness.

The charitable company aims to maximise the number of pupils that can be educated at the School, consistent with current physical limits and the concept of containing numbers to a total that both enables all pupils to be known by the staff and is consistent with the family atmosphere that is key to the School's success. Strategic plans will also consider judicious disposals and acquisitions and additional enterprises (such as the development of educational lettings) that will support this overall concept. Concurrently, we develop and equip our staff, both tutorial and support, with the tools and techniques that enable pupils to be given the best opportunities to reach their full potential. To this end, the rollout of tablet computers to every pupil in the Senior School is now complete. Again, this considerable investment highlights the School's determination to harness technology to best effect and the use of tablets has become a regular and popular feature of the classroom experience. Tablet rollout now extends down to years 5 and 6 in the Prep School and digital and innovation opportunities are available throughout the School as part of our aim to deliver 21st century skills to all pupils.

The charitable company will continue to strive to improve the performance of its students at all levels and to support the further educational and career development of its students to ensure optimum progress when they leave school.

Staffing

The Trustees want to ensure that the School recruits and retains the best teaching and support staff and sets salaries and other terms of remuneration in order to achieve this. Remuneration for key management is considered annually by the Honorary Treasurer and Chairman. The School has an equal opportunities policy which encourages applications for employment from people from all ethnic backgrounds and from those with disabilities and supports staff with both physical and mental health issues with ongoing employment and career development. In addition to weekly briefings and termly INSET, the School has staff consultation committees for both teaching and support staff which meet on a termly basis. These committees receive information on matters of concern to them as employees and reports on the school's performance and future plans. The wellbeing of staff is a high priority and is supported through the training of Mental Health First Aiders, access to the School Counsellors and through a free confidential counselling helpline and is monitored through wellbeing surveys completed by teaching and support staff.

Environment

The School takes its environmental responsibilities seriously and pursues a policy of minimising its carbon footprint. A strategic group of senior staff, the Environmental Strategy Group, was established three years ago to ensure that the School is doing all it can to promote sustainability and raise awareness about environmental issues. The group has continued to consider the environmental impact of the School's activities and to deliver on short, medium and long term plans. In addition, the School has a pupil-led Green Committee in the Senior School and an Eco-Warriors Committee in the Prep School which feed into the strategic group.

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The School remains committed to doing all it can to reduce the impact it has on the environment. Our latest Environmental Report 'Impact' was issued in October 2021.

Key projects undertaken over the last year to support our environmental strategy have included ongoing programmes to replace light bulbs with energy efficient LED bulbs within our buildings, replace old single-glazed windows with double-glazed units and to install thermostatic radiator valves for localised control. In addition, this year we have upgraded some of our floodlights to LED, installed a dewatering system within the catering facilities, installed water-saving toilets in the Prep School and installed a heat-retaining swimming pool cover; this cover is anticipated to save 120,000kWh/year.

We have replaced a number of site vehicles with electric or hybrid models, installed electric charging points for visitors and site vehicles and extended our transport service to minimise the number of single journeys undertaken by parents.

The School actively promotes recycling across the site with facilities in place for recycling paper, cardboard, glass, plastic, cans, tins, fluorescent light tubes and batteries. Food waste goes to a heat recovery station to produce energy. Prep School children also use their hot compost bin daily for fruit peels and cores. Led by our Parents' Association, clothing has been reused or recycled through our Nearly New Uniform shops, through Bags to School collections or through donations to charities.

The woods continue to be an important asset and part of the environmental strategy is to create a sustainable woodland. The woodsman's role is both to ensure that there is adequate management and regeneration of the ancient woodland but also to enable and encourage both pupils and the local community to better understand the value and importance of woodland areas and outdoor learning more generally. A significant focus this year has been the works needed to deal with the extensive spread of Ash Die Back within the woods in conjunction with the Forestry Commission. The felling work has created a significant amount of timber, some of which is seasoned onsite and sold on as logs or as charcoal produced onsite, whilst further timber has been chipped and sent to the Kent Renewable Power Energy Biomass Plant to generate electricity. Whilst this work is underway, new life has been brought to the woods through the introduction of three beehives which are tended by staff and pupils.

Under the SECR (Streamlined Energy and Carbon Reporting) guidelines, the School's energy usage and emissions for the year ended 31 August 2021 were as shown below. Both of the years covered have been affected by the COVID-19 pandemic, with a reduction in use during lockdown periods where fewer pupils and staff were on site, and an increase in the use of heating to keep classrooms temperatures comfortable whilst windows remain open for ventilation. The table below shows the energy usage and emissions from gas and electricity.

	2021	2020
Energy use in kWh	5,460,178	5,352,794
Emissions in tonnes CO ₂ e	1,074	1,052

The Emissions Intensity Ratio is calculated based on the population of the School including average staff numbers calculated monthly across the year and average pupil numbers calculated termly. The total population of the school on this basis was 1,581 in 2021 (2020: 1,553) resulting in an EIR of 691 kgCO₂e/person (2020: 665 kgCO₂e/person).

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The figures above do not take into account the impact of our managed woodland which would have absorbed an estimated 285 metric tonnes of carbon during the year.

Environmental projects for the 2021/22 academic year include the next phase of works on LED installations, both inside buildings and on floodlights, and window replacements. In addition, plans are underway to upgrade the heating management system and to extend the area of photovoltaic solar panels on our sports centre to increase the volume of green energy produced by the school.

Fundraising

During the year, Caterham School continued its fundraising campaign within its community (parents, alumni, parents of alumni, staff and Foundation members) to raise funds for Transformational Bursaries with the aim of raising the number of major bursaries which can be awarded each year. The School is registered with the Fundraising Regulator and ensures that all staff involved in fundraising are appropriately trained.

Financial review

The results for the year continued to be satisfactory. The total surplus amounted to £4,677,000 (2020 – £1,444,000).

The surplus on unrestricted funds (after transfers between funds) was £3,387,000 (2020 - £1,910,000).

The Endowment Fund increased in value by £277,000 (2020 – £7,000). Transfers amounting to £204,000 were made from restricted funds to the unrestricted fund representing funds used in the year. A net surplus of £68,000 relating to the school's Parents' Association was also held in a restricted fund at the year-end (2020 - £63,000).

The surplus carried forward on all funds amounted to £25,844,000 (2020 - £21,167,000).

The assets are held in pursuance of the School's objectives and the net assets of unrestricted funds amounted to £18,798,000 (2020 - £15,488,000). Restricted funds amounted to £5,172,000 (2020 - £4,159,000) and are held in investments and current assets, the income from which will be utilised in future years for scholarships, bursaries and prizes. Endowment funds amounted to £1,797,000 (2020 - £1,520,000).

Reserves

It is the policy of the charitable company to use its reserves to fund building and other development projects. Additionally, the charitable company maintains a cash balance from year to year to meet forthcoming expenditure. At 31 August 2021, the balance of cash at bank and in hand was £13,370,000 (2020 - £11,482,000).

Going concern

On the basis of the School's performance, budgets and long term forecasts, the trustees consider it appropriate to adopt the going concern basis for the financial statements.

Report of the Trustees

Future plans

The School's focus remains on enabling its pupils to achieve the best outcomes possible. To support this, the Trustees have agreed a strategic plan which incorporates educational developments and the physical resources needed to deliver these.

Investment policy

The Trustees pursue an investment policy achieving reasonable returns and invested within ethical guidelines. The risk policies on which the School's portfolios are operated by the investment managers have been re-assessed to provide future returns based on moderate risk investment.

Funding

The Trustees are satisfied that the charitable company's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

Connected charities

There is a relationship between Caterham School and other charities as set out in Note 25.

Risk management

Trustees have formally identified and documented the major risks to which the charitable company is exposed. Those risks have been reviewed, both by the sub-committees of the Board including the Finance & General Purposes Committee and by the Trustee Body and risk management strategies have been implemented. Risk management is embedded in the day to day practices of the charitable company; procedures and systems to minimise the risks are regularly reviewed and updated.

Principal risk areas for the charitable company are the protection of pupils and employees, including from COVID-19, and compliance with the banking covenants. In order to facilitate the purchase of the school site in December 2017 and repayment of the former loans with AIB, a £25 million loan, repayable over 25 years, was obtained from HSBC in 2017. Interest rate protection has been put in place to ensure that the School is not exposed to fluctuations in interest costs over the term of the loan.

Trustees' Responsibilities Statement

The Trustees (who are also directors of Caterham School for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

Report of the Trustees

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that in so far as each of the trustees is aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees, as the company directors, on 9 December 2021 and signed on the Board's behalf.

ON BEHALF OF THE TRUSTEES



I R M Edwards
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CATERHAM SCHOOL

Opinion

We have audited the financial statements of Caterham School (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement] and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group's and parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

Caterham School
Financial statements for the year ended 31 August 2021

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Caterham School
for the year ended 31 August 2021

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)

Income and Endowments	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
INCOME FROM:						
Charitable Activities						
School fees	2	22,588	-	-	22,588	20,741
Other educational income	2	1,071	-	-	1,071	1,247
Other trading activities						
Other trading income	3	591	-	-	591	678
Investments						
Investment income	4	2	119	-	121	162
Donations and legacies						
Grants and donations	5	321	677	-	998	799
Total Income		24,573	796	-	25,369	23,627
EXPENDITURE ON:						
Raising funds						
Trading expenditure		158	-	-	158	193
Investment management costs		-	25	-	25	22
Total non-educational costs		158	25	-	183	215
Charitable activities						
Education		22,164	36	23	22,223	21,655
Total expenditure	6 - 8	22,322	61	23	22,406	21,870
Net income		2,251	735	(23)	2,963	1,757
Net gains/(losses) on investments	11		512	270	782	(115)
Transfers between funds	18.1	204	(234)	30	-	-
Net incoming resources before other recognised gains and losses		2,455	1,013	277	3,745	1,642
Change in value of hedging instrument		932	-	-	932	(198)
Net movement in funds for the year		3,387	1,013	277	4,677	1,444
Fund balance at 1 September 2020		15,488	4,159	1,520	21,167	19,723
Fund balances at 31 August 2021	18	18,875	5,172	1,797	25,844	21,167

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing operations.

No separate SOFA has been presented for the charity alone, as permitted by Section 408 of the Companies Act 2006. The School's income for the year was £24.366m (2020: £23.081m) and the surplus for the year was £2.228 (2020: £1.550m).

Caterham School
for the year ended 31 August 2021

BALANCE SHEET

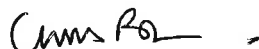
BALANCE SHEET					
		Group		School	
		2021	2020	2021	2020
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	9	37,401	37,358	37,401	37,358
Investment property	10	1,020	750	1,020	750
Investments	11	4,512	3,563	4,512	3,563
		42,933	41,671	42,933	41,671
CURRENT ASSETS					
Stock	12	95	93	-	-
Debtors	13	591	830	771	982
Cash and short term deposits		13,370	11,482	13,245	11,327
		14,056	12,405	14,016	12,309
CURRENT LIABILITIES					
Creditors due within one year	14	(6,861)	(6,704)	(6,898)	(6,682)
NET CURRENT ASSETS/LIAIBILITIES					
		7,195	5,701	7,118	5,627
TOTAL ASSETS LESS CURRENT LIABILITIES					
		50,128	47,372	50,051	47,298
LONG TERM LIABILITIES					
Fee deposits	15	(2,468)	(2,457)	(2,468)	(2,457)
Loans	15	(20,333)	(21,333)	(20,333)	(21,333)
Financial instrument derivative - hedging instruments	15	(1,483)	(2,415)	(1,483)	(2,415)
NET ASSETS					
		25,844	21,167	25,767	21,093
Capital Funds					
Endowments	18.3	1,797	1,520	1,797	1,520
Income Funds					
Restricted funds	18.1	5,172	4,159	5,172	4,159
Unrestricted funds:	18.2				
Cash flow hedge reserve		(1,483)	(2,415)	(1,483)	(2,415)
Other charitable funds		20,358	17,903	20,281	17,829
TOTAL FUNDS					
	18	25,844	21,167	25,767	21,093

Approved by the Board of Trustees of Caterham School on 9 December 2021 and authorised for issue and signed on its behalf by:



(Chairman)

I R M Edwards



(Trustee)

C Boultle

The accompanying notes form part of the financial statements.

Company number: 5410420

Caterham School
for the year ending 31 August 2021

CASH FLOW STATEMENT

	Notes	2021	2020
		£'000	£'000
NET CASH FLOWS FROM OPERATIONS			
Net cash provided by operating activities	19	4,486	3,585
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(1,058)		(318)
Proceeds from disposal of fixed assets	-		-
Purchase of investments	(657)		(482)
Proceeds from sale of investments	667		480
Return on investments	119		124
Interest received	2		38
Net cash used in investing activities		(927)	(158)
CASH FLOWS FROM FINANCING ACTIVITIES			
Maddock integration	99		-
Repayment of bank loan	(1,000)		(1,000)
Interest on loans	(770)		(803)
Net cash used in financing activities		(1,671)	(1,803)
Change in cash and cash equivalents in the reporting period		1,888	1,624
Cash and cash equivalents at the beginning of the reporting period		11,482	9,858
Cash and cash equivalents at the end of the reporting period		13,370	11,482

Caterham School

for the year ended 31 August 2021

PRINCIPLE ACCOUNTING POLICIES

1 STATEMENT OF ACCOUNTING POLICIES

Caterham School is a company limited by guarantee with registered number 5410420, incorporated and domiciled in England and Wales. Its registered office is Harestone Valley Road, Caterham, Surrey CR3 6YA.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and 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. The school is a Public Benefit Entity as defined by FRS 102.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and charity balance sheets comprising the consolidation of the School and its wholly owned subsidiaries Caterham School Trading Limited, Caterham School Enterprises Limited, Caterham School International Limited and Caterham School Virtual Limited.

The School has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

Going concern

The Trustees have reviewed the expected ongoing demand for places at the school, in the knowledge that actual pupil numbers in September 2021 and applications for September 2022 are both the largest they have ever been, and the financial forecasts for the next 18 months, taking the impact of Covid-19 into consideration. Having considered estimates of pupil numbers, the ability of parents to continue to pay fees, projected cash flows and the funding facilities available to the School, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities in the Trustees' report.

Critical accounting judgements and key sources of estimation uncertainty

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

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

In the opinion of the Trustees, the estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property, plant and equipment and note 1.8 for the useful economic lives for each class of asset.

Recoverable value of fee debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

Interest rate hedge

The School obtains a bank valuation of the interest rate swap and cap and assesses the effectiveness of the hedge for hedge accounting purposes.

Caterham School
for the year ended 31 August 2021

PRINCIPLE ACCOUNTING POLICIES

1 STATEMENT OF ACCOUNTING POLICIES (Continued)

Critical accounting judgements and key sources of estimation uncertainty (Continued)

Investment property

The school uses the valuation performed by its independent valuers as the fair value of its investment properties. The valuation is based upon the key assumptions of estimated rental values and market based yields. In determining fair value the valuers make reference to market evidence and recent transaction prices for similar properties.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

1.1 Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, bursaries, scholarships and other remissions granted by the School, but include contributions received from Restricted Funds for scholarships, bursaries and other grants. Fees received in advance of education to be provided in future years under a Fees in Advance Scheme are held as liabilities until either taken to income in the term when used or else

1.2 Investment income

This is accounted for when receivable and includes related tax recoverable.

1.3 Donations

Donations receivable for the general purposes of the School are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding, except that any amounts required to be retained as capital in accordance with the donor's wishes are accounted for instead as Endowments - permanent or expendable according to the nature of the restriction. Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

1.4 Government grants

Income from government or other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be reliably measured.

1.5 Resources expended

Expenditure is accounted for on an accruals basis as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the School, including strategic planning for its future development, also internal and external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

1.6 Pension schemes

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. The Charity also contributes to a group personal pension scheme for non-teaching staff at a minimum of 5% of annual basic pay. Contributions to both schemes are charged in the SOFA as they become payable in accordance with the rules of the schemes.

Caterham School
for the year ended 31 August 2021

PRINCIPLE ACCOUNTING POLICIES

1.7 Operating leases

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the lease term.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Termination payments are recognised immediately as an expense when the school is demonstrably committed to terminate the employment of an employee or provide termination benefits.

1.9 School land and buildings and equipment

Capitalisation and replacement

Tangible fixed assets costing in excess of £1,500 are capitalised and carried in the balance sheet at historical cost less impairment.

Depreciation

The freehold land is not depreciated. Depreciation of other assets is provided at rates calculated to write off the excess of cost over estimated residual amount over the estimated useful economic lives of each class of asset, subject to annual review. These rates are currently as follows:

Freehold buildings	50 years
Computer equipment	3 years
Fixture and fittings	5 - 10 years
Motor vehicles	4 years
Property improvements	Over expected useful economic life

1.10 Stock

Stock is valued at the lower of cost and net realisable value.

1.11 Fund accounting

The charitable trust funds of the School and its subsidiaries are accounted for as unrestricted or restricted income in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the School.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

Endowments funds are funds which are held as capital. They represent investments, together with the income arising therefrom. These investments have been made in accordance with schemes approved by the Charity Commissioners for the recoupment of capital following the sale of certain land and buildings in 1973 and 1995 by a predecessor charity.

1.12 Hedge accounting

The School has entered into variable to fixed interest swaps and an interest rate cap to manage its exposure to interest rate cash flow risk on variable rate debt. These derivatives are measured at fair value at each reporting date. The extent the hedge is effective, movements in fair value are recognised in the Statement of Financial Activities and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in income or expenditure for the period.

1.13 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with debtors, excluding prepayments. A specific provision is made for debts for which recoverability is in doubt. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

1.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

2 INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	Total	Total
	£'000	£'000
The School's fee income comprised:		
Gross fees	24,814	22,952
Less: Total bursaries, assisted places and allowances	(2,226)	(2,211)
	<u>22,588</u>	<u>20,741</u>
Other educational income:		
Other fees and income	1,071	1,247
Total	<u><u>23,659</u></u>	<u><u>21,988</u></u>

3 OTHER INCOME

	2021	2020
	Total	Total
	£'000	£'000
Other trading activities		
Rental and other commercial income	<u>591</u>	<u>678</u>

4 INVESTMENT INCOME

	2021	2020
	Total	Total
	£'000	£'000
Listed Investments	119	124
Interest received on bank deposits	2	38
	<u>121</u>	<u>162</u>

Included within the above is an amount of £119,000 (2020: £124,000) which relates to restricted income.

5 GRANTS AND DONATIONS

	Unrestricted	Restricted	2021	2020
	Total	Total	Total	Total
	£'000	£'000	£'000	£'000
Donations	107	677	784	224
Grants	214	-	214	575
Total	<u><u>321</u></u>	<u><u>677</u></u>	<u><u>998</u></u>	<u><u>799</u></u>

Included within the above is an amount of £677,000 (2020: £112,000) which relates to restricted income. £522,000 was transferred in from the Maddock Science Scholarship Fund, as a restricted fund, on 31st March 2021.

Grant income was received under the Coronavirus Job Retention Scheme and the Contain Outbreak Management Fund covid grants to schools scheme.

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

6 STAFF COSTS	2021 £'000	2020 £'000
Total staff costs comprised:		
Wages and salaries	11,067	10,726
Social security costs	1,134	1,093
Pension contributions	1,923	1,829
	<u>14,124</u>	<u>13,648</u>

The average number of employees during the year were as follows:

	2021	2020
Teachers	137	135
Education support	83	87
Premises and services	49	44
Administration	53	64
Marketing and admissions	10	9
Shop	3	3
	<u>335</u>	<u>342</u>

The average number of employees during the year has reduced due to the limitations on activities which could take place whilst Covid-19 restrictions were in place.

The emoluments of higher-paid employees fell within the following ranges:

	2021 No	2020 No
Taxable emoluments band:		
£60,001 - £ 70,000	17	15
£70,001 - £ 80,000	4	4
£80,001 - £ 90,000	1	1
£90,001 - £100,000	1	2
£120,001 - £130,000	1	1
£170,001 - £180,000	-	1
£180,001 - £190,000	1	-

During the year, the following amounts were paid in respect of higher paid employees as shown above:

	2021 £'000	2020 £'000
Pension contributions to defined contribution and teachers' pension schemes	<u>392</u>	<u>374</u>

During the year 19 (2020: 18) higher paid employees participated in the teachers' pension scheme and 6 (2020: 6) higher paid employees participated in a defined contribution pension scheme.

The following amount was paid to key management personnel who are defined as being the school's Senior Leadership Team, 13 staff (2020: 13 staff):

	2021 £'000	2020 £'000
Total remuneration	<u>1,569</u>	<u>1,534</u>

There were 5 (2020: 5) members of the Senior Leadership Team who were provided with rent-free accommodation in order to enable them to undertake specific duties at the school.

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

7 PAYMENTS TO TRUSTEES

No Trustees, or person with a family or business connection with a Trustee, (2020: NIL) received remuneration in the year, directly or indirectly, from the School.

8 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs (note 6) £'000	Other costs £'000	Depreciation and amortisation £'000	2021 Total £'000	2020 Total £'000
<i>Costs of generating funds</i>					
Trading expenses	41	117	-	158	193
Investment management fees	-	25	-	25	22
	<u>41</u>	<u>142</u>	<u>-</u>	<u>183</u>	<u>215</u>
<i>Charitable activities:</i>					
Education costs	10,967	1,745	-	12,712	12,657
Catering	2	1,441	-	1,443	1,319
Premises and services	1,258	2,145	-	3,403	3,160
Administration	1,460	488	-	1,948	1,968
Marketing	396	498	-	894	828
Bank interest payable	-	770	-	770	803
Bad debt provision	-	8	-	8	(53)
Depreciation and amortisation	-	-	1,015	1,015	944
Governance costs	-	30	-	30	29
	<u>14,083</u>	<u>7,125</u>	<u>1,015</u>	<u>22,223</u>	<u>21,655</u>
Schools operating costs					
	<u>14,083</u>	<u>7,125</u>	<u>1,015</u>	<u>22,223</u>	<u>21,655</u>
Total resources expended	<u>14,124</u>	<u>7,267</u>	<u>1,015</u>	<u>22,406</u>	<u>21,870</u>

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

8 ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)

	Staff costs (note 6) £'000	Other costs £'000	Depreciation and amortisation £'000	2020 Total £'000	restated 2019 Total £'000
<i>Costs of generating funds</i>					
Trading expenses	40	153	-	193	166
Investment management fees	-	22	-	22	26
	<u>40</u>	<u>175</u>	<u>-</u>	<u>215</u>	<u>192</u>
<i>Charitable activities:</i>					
Education costs	10,663	1,994	-	12,657	11,948
Catering	1	1,318	-	1,319	1,657
Premises and services	1,203	1,957	-	3,160	2,990
Administration	1,336	632	-	1,968	1,992
Marketing	405	423	-	828	927
Bank interest payable	-	803	-	803	837
Bad debt provision	-	(53)	-	(53)	19
Depreciation and amortisation	-	-	944	944	919
Governance costs	-	29	-	29	36
	<u>-</u>	<u>29</u>	<u>-</u>	<u>29</u>	<u>36</u>
Schools operating costs	<u>13,608</u>	<u>7,103</u>	<u>944</u>	<u>21,655</u>	<u>21,325</u>
Total resources expended	<u>13,648</u>	<u>7,278</u>	<u>944</u>	<u>21,870</u>	<u>21,517</u>

The note above has been restated to show trip expenditure (previously netted off against income).

The payments made under operating leases during the year were £NIL (2020: £NIL) in respect of land and buildings and £380,000 (2020: £350,000) in respect of plant and equipment.

Total resources expended include:

	Group 2021	Group 2020	School 2021	School 2020
Auditor's remuneration	30	29	29	29
Depreciation:				
- Tangible fixed assets, owned	1,015	944	1,015	944
Operating lease rentals	380	350	380	350

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

9 TANGIBLE FIXED ASSETS

Tangible Fixed Assets - Group and School

	Freehold land and buildings £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
As at 1 September 2020	48,403	838	328	137	49,706
Additions in year	711	284	55	8	1,058
Disposals	-	-	-	-	-
As at 31 August 2021	49,114	1,122	383	145	50,764
Depreciation					
As at 1 September 2020	11,173	749	324	102	12,348
Charge for year	886	90	21	18	1,015
Disposals	-	-	-	-	-
As at 31 August 2021	12,059	839	345	120	13,363
Net book amount					
As at 31 August 2021	37,055	283	38	25	37,401
Net book amount					
As at 31 August 2020	37,230	89	4	35	37,358

All tangible fixed assets were used for charitable purposes.

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

10 INVESTMENT PROPERTY

During the year ended 31 August 2010, the Trustees decided to dispose of all the Endowment Fund investments and to use the released amounts for the construction of a new block of staff flats on a freehold site belonging to the Endowment Fund. Expenditure of £393,000 was incurred on this construction, which was completed in October 2010.

A professional valuation of the building was obtained in 2015, which indicated an open market valuation of £750,000. The property was revalued at this amount in the School's books, producing a revaluation surplus of £310,000. This valuation was taken forward as deemed cost in future years.

A further valuation was undertaken in September 2021 by Peter Jones MNAEA of PA Jones Property Solutions. The valuation of £1,020,000 has been reflected in these accounts.

The investment property is held within the permanent Endowment Fund.

11 FIXED ASSET INVESTMENTS - Group and School

	2021 £'000	2020 £'000
Investments comprise:		
UK Fixed Interest	725	781
Overseas Fixed Interest	345	158
UK Equities	1,674	1,245
Overseas Equities	939	787
Global Investments	487	393
Property	103	100
Private Equity	98	79
Other Investments	118	-
	<u>4,489</u>	<u>3,543</u>
Short Term Deposits	23	20
Group Total Investments	<u><u>4,512</u></u>	<u><u>3,563</u></u>

	Investments £'000	Cash £'000	2021 Total £'000	2020 Total £'000
Market value:				
Balance brought forward	3,543	20	3,563	3,704
Transfer in	444	9	453	-
Additions	657	-	657	482
Disposals	(667)	-	(667)	(480)
Other cash movements	-	(6)	(6)	(28)
Total gain/(loss)	512	-	512	(115)
Balance carried forward	<u><u>4,489</u></u>	<u><u>23</u></u>	<u><u>4,512</u></u>	<u><u>3,563</u></u>

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSET INVESTMENTS (Continued)

Listed investments are stated at their mid-market value at the balance sheet date.

If the investments had not been revalued, they would have been included on the historical cost basis at the following amounts:

	2021	2020
UK Fixed Interest	703	756
Overseas Fixed Interest	344	160
UK Equities	1,075	813
Overseas Equities	581	523
Global Investments	323	318
Property	52	68
Private Equity	85	85
Other Investments	111	-
	<u>3,274</u>	<u>2,723</u>

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Interest in subsidiary undertakings	-	-	202	102
Total	<u>-</u>	<u>-</u>	<u>202</u>	<u>102</u>

At 31 August 2021, the School held more than 20% of the following undertakings:

	Class of share capital held	Proportion held	Nature of business
Caterham School Trading Limited Company number - 02476019	Ordinary £1	100%	School shop
Caterham School International Limited Company number - 11897124	Ordinary £1	100%	educational
Caterham School Virtual Limited Company number - 13097923	Ordinary £1	100%	educational
Caterham School Enterprises Limited Company number - 04299687	Limited by Guarantee	100%	Dormant

The trustees consider that the market value of the investment in the non charitable subsidiary undertakings is not significantly different from the cost.

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSET INVESTMENTS (Continued)

BALANCE SHEET

CATERHAM SCHOOL TRADING LIMITED

AS AT 30 AUGUST 2021

	2021	2020
	£	£
CURRENT ASSETS		
Stock	95,681	92,908
Debtors	-	-
Cash at bank	113,712	77,875
	209,393	170,783
CREDITORS: Amounts falling due within one year	(169,336)	(151,956)
NET CURRENT ASSETS	40,057	18,827
TOTAL ASSETS LESS CURRENT LIABILITIES	40,057	18,827
CREDITORS: Amounts falling due in more than one year	-	-
NET LIABILITIES	40,057	18,827
CAPITAL AND RESERVES		
Share capital	2	2
Profit and loss account	40,055	18,825
SHAREHOLDERS' FUNDS	40,057	18,827
PROFIT & LOSS ACCOUNT		
	2021	2020
	£	£
TOTAL INCOME	189,080	177,029
TOTAL EXPENDITURE	(167,850)	(171,896)
NET PROFIT	21,230	5,133

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSET INVESTMENTS (Continued)

BALANCE SHEET

CATERHAM SCHOOL INTERNATIONAL LIMITED
AS AT 30 AUGUST 2021

	2021 £	2020 £
CURRENT ASSETS		
Debtors	62,221	3,196
Cash at bank	4,804	69,040
	<u>67,025</u>	<u>72,236</u>
CREDITORS: Amounts falling due within one year	<u>(2,160)</u>	<u>-</u>
NET CURRENT ASSETS	<u>64,865</u>	<u>72,236</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>64,865</u>	<u>72,236</u>
CREDITORS: Amounts falling due in more than one year	<u>-</u>	<u>-</u>
NET LIABILITIES	<u>64,865</u>	<u>72,236</u>
 CAPITAL AND RESERVES		
Share capital	100	100
Profit and loss account	64,765	72,136
SHAREHOLDERS' FUNDS	<u>64,865</u>	<u>72,236</u>
 PROFIT & LOSS ACCOUNT		
	2021 £	2020 £
TOTAL INCOME	30,000	100,000
TOTAL EXPENDITURE	<u>(37,371)</u>	<u>(27,864)</u>
NET (LOSS)/PROFIT	<u>(7,371)</u>	<u>72,136</u>

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSET INVESTMENTS (Continued)

BALANCE SHEET

CATERHAM SCHOOL VIRTUAL LIMITED

AS AT 30 AUGUST 2021

	2021 £
CURRENT ASSETS	
Debtors	-
Cash at bank	<u>100</u>
	100
CREDITORS: Amounts falling due within one year	<u>(12,072)</u>
NET CURRENT ASSETS	<u>(11,972)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	(11,972)
CREDITORS: Amounts falling due in more than one year	<u>-</u>
NET LIABILITIES	<u><u>(11,972)</u></u>
CAPITAL AND RESERVES	
Share capital	100
Profit and loss account	<u>(12,072)</u>
SHAREHOLDERS' FUNDS	<u><u>(11,972)</u></u>
PROFIT & LOSS ACCOUNT	
	2021 £
TOTAL INCOME	-
TOTAL EXPENDITURE	<u>(12,072)</u>
NET LOSS	<u><u>(12,072)</u></u>

At 31 August 2021, the aggregate capital and reserves of Caterham School Enterprises Limited was £11,556 deficit (2020: £11,556 deficit) and the profit/loss for the financial year ended on that date was £NIL (2020: £NIL).

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

12 STOCK

	Group	Group	School	School
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Goods for resale	95	93	-	-
	95	93	-	-

13 DEBTORS

	Group	Group	School	School
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	70	118	70	118
Amount due from subsidiaries	-	-	180	152
Other debtors	32	144	32	144
Prepayments and accrued income	489	568	489	568
	591	830	771	982

14 CREDITORS: due within one year

	Group	Group	School	School
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loan	1,000	1,000	1,000	1,000
Fee deposits	556	484	556	484
Deferred income	3,760	3,721	3,760	3,715
Amount due to subsidiaries	-	-	62	3
Trade creditors	574	570	558	554
Social security and other taxation	14	312	14	312
Other creditors and accruals	957	617	948	614
	6,861	6,704	6,898	6,682

15 CREDITORS: due after one year

	Group	Group	School	School
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Fee deposits	2,468	2,457	2,468	2,457
Bank loan	20,333	21,333	20,333	21,333
Financial instrument derivative - hedging instruments	1,483	2,415	1,483	2,415
	24,284	26,205	24,284	26,205

The HSBC loan was for £25,000,000 at the outset on 21 December 2017 and is repayable over 25 years in monthly instalments of £83,333. An interest rate hedge has been put in place which has the effect of fixing the interest rate at 3.5% for 12.5 years and then caps the interest rate at 3.5% for the remaining 12.5 years of the loan.

The loan is secured by a legal charge over the School's site, including the woodland but excluding the endowment properties.

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

15 CREDITORS: due after one year (Continued)

Loans - Group and School

	2021	2020
	£'000	£'000
Amounts due 1 - 2 years:	1,000	1,000
Amounts due 2 - 5 years:	3,000	3,000
Amounts due more than 5 years:	16,333	17,333
	<u>20,333</u>	<u>21,333</u>

16 FEE DEPOSITS

At the end of the year, the deposits held on account were split as follows:

	2021	2020
	£'000	£'000
Amounts due 1 - 2 years:	556	484
Amounts due 2 - 5 years:	1,608	1,689
Amounts due more than 5 years:	860	768
	<u>3,024</u>	<u>2,941</u>

17 FINANCIAL INSTRUMENTS

	Group 2021 £'000	Group 2020 £'000	School 2021 £'000	School 2020 £'000
Financial assets measured at fair value through SOFA	<u>5,532</u>	<u>3,563</u>	<u>5,532</u>	<u>3,563</u>
Financial assets measured at amortised cost	<u>13,472</u>	<u>11,744</u>	<u>13,527</u>	<u>11,741</u>
Financial liabilities measured at amortised cost	<u>23,420</u>	<u>24,004</u>	<u>23,457</u>	<u>23,988</u>
Financial liabilities measured at fair value through a hedging service	<u>1,483</u>	<u>2,415</u>	<u>1,483</u>	<u>2,415</u>

Financial assets measured at amortised cost comprise cash, trade and other receivables. They exclude prepayments.

Financial liabilities measured at amortised cost comprise trade and other payables, accruals and deferred income. They exclude social security and other taxes.

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Restricted bursary funds £'000	Endowment fund £'000	Consolidating adjustment £'000	2021 Total £'000
Tangible fixed assets	36,496	-	-	905	-	37,401
Investment property	-	-	-	1,020	-	1,020
Investments	-	3,531	981	-	-	4,512
Current assets	13,288	743	153	-	(128)	14,056
Current liabilities	(6,859)	(2)	-	-	-	(6,861)
Creditors: over one year	(24,284)	-	-	(128)	128	(24,284)
Total net assets	18,641	4,272	1,134	1,797	-	25,844

	Unrestricted funds £'000	Restricted funds £'000	Restricted bursary funds £'000	Endowment fund £'000	Consolidating adjustment £'000	2020 Total £'000
Tangible fixed assets	36,430	-	-	928	-	37,358
Investment property	-	-	-	750	-	750
Investments	-	2,672	891	-	-	3,563
Current assets	11,967	469	127	-	(158)	12,405
Current liabilities	(6,704)	-	-	-	-	(6,704)
Creditors: over one year	(26,205)	-	-	(158)	158	(26,205)
Total net assets	15,488	3,141	1,018	1,520	-	21,167

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

18.1 RESTRICTED FUNDS

	At 1 September 2020 £'000	Incoming resources £'000	Expenditure £'000	Transfer £'000	Gains/ (losses) £'000	At 31 August 2021 £'000
University scholarship	361	10	(2)	(2)	44	411
Scholarship and prizes	360	8	(2)	(14)	34	386
Major H Hall Morgan	234	7	(1)	(7)	33	266
Arthur D Jones	216	7	(1)	(7)	30	245
Industrial gifts and music scholarships	510	16	(3)	(16)	72	579
Other scholarship funds and donations	-	-	-	-	-	-
Mr S Bonarjee Legacy	240	7	(2)	(7)	34	272
Eynon Bequest	1,157	31	(7)	(5)	138	1,314
	<u>3,078</u>	<u>86</u>	<u>(18)</u>	<u>(58)</u>	<u>385</u>	<u>3,473</u>
Maddock Science Scholarship Fund	-	528	(2)	-	33	559
Caterham School Bursary Funds	1,018	141	(6)	(176)	94	1,071
Parents' Association	63	41	(35)	-	-	69
	<u>4,159</u>	<u>796</u>	<u>(61)</u>	<u>(234)</u>	<u>512</u>	<u>5,172</u>

	At 1 September 2019 £'000	Incoming resources £'000	Expenditure £'000	Transfer £'000	Gains/ (losses) £'000	At 31 August 2020 £'000
University scholarship	372	11	(2)	(7)	(13)	361
Scholarship and prizes	364	11	(2)	(1)	(12)	360
Major H Hall Morgan	248	8	(2)	(11)	(9)	234
Arthur D Jones	228	7	(1)	(10)	(8)	216
Industrial gifts and music scholarships	537	17	(3)	(23)	(18)	510
Other scholarship funds and donations	5	-	-	(5)	-	-
Mr S Bonarjee Legacy	253	8	(1)	(11)	(9)	240
Eynon Bequest	1,176	37	(6)	(9)	(41)	1,157
	<u>3,183</u>	<u>99</u>	<u>(17)</u>	<u>(77)</u>	<u>(110)</u>	<u>3,078</u>
Caterham School Bursary Funds	1,190	106	(6)	(267)	(5)	1,018
Parents' Association	61	29	(27)	-	-	63
	<u>4,434</u>	<u>234</u>	<u>(50)</u>	<u>(344)</u>	<u>(114)</u>	<u>4,159</u>

Caterham School

for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

18.1 RESTRICTED FUNDS (Continued)

These funds have been donated over a number of years, the capital sum has been invested and income is utilised to give prizes and scholarships and bursaries to pupils who attend Caterham School.

The university scholarships fund is made up of 12 bequests and provides support to Caterham School pupils continuing their studies at university.

The scholarships and prizes fund comprises 35 donations and bequests. It provides support for prizes, music and books, ministerial scholarships and travel and language study.

The Major Hall Morgan legacy is used for scholarships and sports coaching.

The industrial and music gifts fund is used to fund music and general study scholarships.

The Bonarjee legacy was received in 2005 and funds general bursaries.

The Arthur D Jones award is used to provide scholarships on merit for the sons of parents who could not otherwise afford to send them to the School. Preference is given to the child/children of Old Caterhamians.

The general gifts and donations fund comprises a number of individual donations for unspecified activities.

The Eynon bequest funds scholarships and bursaries for children of Old Caterhamians.

The Old Caterham School bursary fund was established to assist the children of Ministers.

The transformational bursary fund was set up in 2019/20. The fund is to provide bursaries to a number of pupils who would not otherwise be able to afford to attend the school.

The constitution of the Parents' Association changed during the 2017/18 academic year and the Parents Association funds are now a restricted fund within the School.

During the year The W N Maddock Science Scholarship Fund was transferred into the School as a restricted fund. The Maddock fund was established in June 2000 to provide financial assistance to enable pupils entering or already attending Caterham School, who would not otherwise have the means to do so to study science at Caterham School and to provide scholarships, bursaries, exhibitions or prizes for the study of science.

During the year, a transfer amounting to £234,000 (2020: £344,000) was made to unrestricted funds. The transfer covers the amount expended from unrestricted funds on activities for which restricted funds were donated.

18.2 UNRESTRICTED FUNDS

	2021	2020
	£'000	£'000
At 1 September 2020	15,488	13,776
Incoming resources	24,573	23,391
Expenditure	(22,322)	(21,795)
Increase/(decrease) in fair value of hedging instrument	932	(198)
Transfer from restricted funds	204	314
At 31 August 2021	18,875	15,488

Caterham School

for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

18.3 ENDOWMENT FUND

The endowment fund is established to provide and maintain Caterham School for the provision of education for the children of Ministers, and the other children, in accordance with the objectives and principles for which the school was founded.

	2021 £'000	2020 £'000
At 1 September 2020	1,520	1,513
Expenditure	(23)	(23)
Revaluation gain	270	-
Transfer from unrestricted funds	30	30
	<u>1,797</u>	<u>1,520</u>
At 31 August 2021	<u>1,797</u>	<u>1,520</u>

Following the sale of land in Harestone Hill in 1973, it was necessary to make an investment which would replace £62,000 of capital over the ensuing 30 years. Accordingly, by arrangement with the Charity Commissioners, monies have been invested to purchase a 5% Treasury Loan in 2009 and subsequent income arising from this purchase is being invested in the same way as it becomes available. The Charity Commission have confirmed that no further investments are required under this scheme.

Following the sale by the Endowment Fund of the freehold land and buildings in 1995, under a scheme approved by the Charity Commissioners it was agreed to make a grant of £1,500,000 (equivalent to the sale proceeds) to Caterham School. The scheme requires that the same amount be recouped from Caterham School, over a period of 50 years, by the School making annual payments of £30,000 to the Endowment Fund. These yearly amounts are to be invested as permanent endowments of the School.

Under these schemes, the long term investments for the Endowment Fund would be expected to have a minimum value of £842,000 by 31 August 2021 (2020: £812,000).

During the year ended 31 August 2010, the Trustees decided to dispose of all the Endowment Fund investments and to use the released amounts for the construction of a new block of staff flats on a freehold site belonging to the Endowment Fund. Expenditure of £393,000 was incurred on this construction, which was completed in October 2010.

19

RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2021 £'000	2020 £'000
Net income for the year (as per Statement of Financial Activities)	4,677	1,444
Adjustment for:		
Depreciation charges	1,015	944
Change in fair value of hedging instrument	(932)	198
Revaluation (gain)/loss on investment property	(270)	-
Maddock transfer	(552)	-
Revaluation and disposal (gain)/loss on investments	(506)	143
Dividends received	(119)	(124)
(Increase)/decrease in stock	(2)	24
(Increase)/decrease in debtors	239	(176)
Increase/(decrease) in creditors	168	367
Interest received	(2)	(38)
Interest on loans	770	803
	<u>4,486</u>	<u>3,585</u>

Caterham School
for the year ended 31 August 2021

NOTES TO THE FINANCIAL STATEMENTS

19 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS (CONTINUED)

ANALYSIS OF CHANGES IN NET DEBT

	As at 1 September 2020 £'000	Cash flows £'000	Other non- cash changes £'000	As at 31 August 2021 £'000
Cash and cash equivalents				
Cash	11,482	1,888	-	13,370
	<u>11,482</u>	<u>1,888</u>	<u>-</u>	<u>13,370</u>
Borrowings				
Debt due within one year	(6,704)	(157)	-	(6,861)
Debt due after one year	(23,790)	989	-	(22,801)
	<u>(30,494)</u>	<u>832</u>	<u>-</u>	<u>(29,662)</u>
Total	<u>(19,012)</u>	<u>2,720</u>	<u>-</u>	<u>(16,292)</u>
	As at 1 September 2019 £'000	Cash flows £'000	Other non- cash changes £'000	As at 31 August 2020 £'000
Cash and cash equivalents				
Cash	9,858	1,624	-	11,482
	<u>9,858</u>	<u>1,624</u>	<u>-</u>	<u>11,482</u>
Borrowings				
Debt due within one year	(6,458)	(246)	-	(6,704)
Debt due after one year	(24,669)	879	-	(23,790)
	<u>(31,127)</u>	<u>633</u>	<u>-</u>	<u>(30,494)</u>
Total	<u>(21,269)</u>	<u>2,257</u>	<u>-</u>	<u>(19,012)</u>

20 PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,597,000 (2020: £1,493,000), at the year-end £NIL (2020: £178,000) was accrued in respect of contributions into the scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

Caterham School

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NOTES TO THE FINANCIAL STATEMENTS

20 PENSION SCHEMES (CONTINUED)

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The Government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose wither legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2011 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having, in 2018 announced that there would be a review of this cost cap mechanism. In January 2019 they announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The School also operates a defined contribution pension scheme for bursarial staff. The total pensionable cost to the charitable company during the year ended 31 August 2021 was £326,000 (2020: £336,000) and there was no accrued balance at the year end in respect of contributions to this scheme.

21 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£'000	£'000
Cash at bank and in hand	5,370	3,482
Money market deposit	8,000	8,000
	<u>13,370</u>	<u>11,482</u>

22 OPERATING LEASE COMMITMENTS - Group and School

The School had the following commitments under non-cancellable operating leases for plant and machinery:

	2021	2020
	£'000	£'000
Operating lease commitments:		
Within 1 year	381	284
Within 2 - 5 years	695	409
	<u>1,076</u>	<u>693</u>

Caterham School
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NOTES TO THE FINANCIAL STATEMENTS

23 RELATED PARTY TRANSACTIONS

Caterham School Enterprises Limited and Caterham School Trading Limited are both 100% subsidiaries of Caterham School. The transactions with these subsidiaries during the year were:

	2021 £'000	2020 £'000
Gift Aid receivable from Caterham School Enterprises Limited	-	-
Gift Aid receivable from Caterham School Trading Limited	21	5
Balance owed by Caterham School Enterprises Limited	17	17
Balance owed by Caterham School Trading Limited	136	136

24 W N MADDOCK SCIENCE SCHOLARSHIP FUND

On 31 March 2021, the net assets of the W N Maddock Science Scholarship Fund (previously a separate charity number 1087246) were donated to Caterham School.

The following is an extract of the financial statements for the new restricted fund for the year ended 31 August 2020.

	2021 £'000	2020 £'000
Income	5	12
Expenditure	1	3
Investment gains/(losses)	18	(20)
Net movement in funds	22	(11)
	2021 £'000	2020 £'000
Fixed asset investments	-	435
Current assets	-	96
Liabilities	-	(31)
Net assets	-	500
Unrestricted funds	-	500

