

Financial Statements

Caterham School

(a company limited
by guarantee)

For the period ended 31 July 2023

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.

Ms M Shah – Chair
Rev B Banks
Ms C Black Nyaga (appointed 8 October 2023)
C Bouttle
O Byrne
D Chalmers (appointed 23 March 2023)
S R Critchley
Mrs A Fletcher
Ms D Grimason
Ms Z Jaffer
M Mear
S Swayne (appointed 23 March 2023)
Mrs M Whenman

There are thirteen Trustees (maximum 14). On recommendation from its Nominations Committee, the Board of Trustees nominate 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
S Araniyasundaran

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 9 Appold Street London EC2A 2AP
Solicitors:	Trowers and Hamlins London Veale Wasborough Vizards Bristol
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 period ended 31 July 2023.

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 period. 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 Investments with the School's stockbroker took place on 26 September

Report of the Trustees

2023 to consider the period of this report. The Foundation met in an Annual General Meeting on 28 January 2023 to receive the statutory financial statements, note resignations, endorse appointments and hear the briefings of the Trustees.

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.

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 five wholly owned or controlled subsidiaries, Caterham School Trading Limited, Caterham School Enterprises Limited, Sphinx AI, Caterham School International Limited and Caterham School Virtual.

Strategic report

Review of the Year

Caterham School was recognised as the TES 'Independent Senior School of the Year' in 2022-23 and was further recognised by winning national awards from two external organisations for our work in Digital and Innovation in Education. In addition, the school was re-awarded the Wellbeing Award for Schools, a rigorous external audit of our wellbeing provision by the National Children's Bureau. It has been an exciting year of success in other areas too. Our U14 Lacrosse team became National Schools' Champion, our U16 boys' hockey team were runner up in two national schools' competitions (indoor and outdoor), our U14 Mixed Touch Rugby team became National Champions, our Ethics Debating team were national finalists in the Ethics Cup and one of our Upper Sixth pupils represented Great Britain in the International Physics Olympiad in Japan over the summer. There are many more examples of both team and individual success that illustrate the strong trajectory that Caterham School is on – a high achieving and highly ambitious school which has as its foundational philosophy a focus on wellbeing, breadth and promoting an educational experience that sets young people up for success for life.

Caterham School continues to provide an outstanding educational offering for 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 over 1000 in the Senior School and approaching 270 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 – approaching 40% of our intake at 11+ is

Report of the Trustees

from state primary schools. The school's success is underpinned by excellent results, robust finances, strong governance and an outstanding pupil experience.

The continued success of the school is also based on very strong academic and co-curricular outcomes for our pupils, a broad range of diverse and competitive destinations for our pupils and an educational philosophy which commits curriculum time to wellbeing, metacognition, digital skills and innovation.

In addition to being an Apple Distinguished School (which now also includes our Prep School), we have developed a curriculum called EDGE (in consultation with industry experts) that provides all of our pupils (from Reception up to year 13) with the opportunity to be taught and to develop the skills that will help them thrive in a world which is increasingly uncertain, and which is changing rapidly. Our Deputy Head (Innovation) in the Senior School works with other organisations to support their work in this area also, and our Deputy Head (Innovation and Partnerships) in the Prep School currently advises IAPS (the Independent Association of Prep Schools) on all aspects of digital and innovation in Prep education. Caterham School has also embraced the opportunities of Artificial Intelligence by introducing elements of this into our classroom practice and by explicitly teaching our pupils both how to understand what it is and how it works, but also how to use AI critically. In the spirit of Innovation, Caterham School has also established an EdTech company, Sphinx AI, to develop products in this area.

Wellbeing remains a foundational part of our culture. Pupils at the school have a weekly wellbeing lesson which not only teaches them emotional self-regulation and emotional intelligence, but it also helps build their resilience and capacity to respond to challenge. The connection between our wellbeing foundations and our academic and co-curricular success is explicit. Our wellbeing curriculum also continues to successfully embed RSE teaching into weekly lessons and our pupils are all taught to understand issues around appropriate behaviour, consent and relationships.

Metacognition is also a key element of our curriculum – pupils have lessons on learning every week. The aim is to enable our pupils to be self-reflective and self-regulating learners who are able to adapt to any problem in front of them, rather than simply teaching pupils to score highly on assessments.

We are the first independent school in the UK to have established a Shadow Board (established in 2020) - 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. It has spent this past year discussing issues such as EDI, the co-curriculum and wellbeing. In this past year we have helped other independent schools to develop this structure, once again leading the conversation in educational innovation and development.

The school has developed a strong plan with regard to EDI which considers the curriculum, staffing, training, school culture and governance. Over the past year staff and pupils have had training in these areas and our pupil voice group, 'Voices for Change' have made a very positive impact on the school, along with our newly appointed EDI coordinator.

The intentional diversity of our school does not come simply from our very popular and successful boarding offer. Approximately 15% of our pupil population are boarders – from full

Report of the Trustees

boarders from overseas to a more weekly boarding mix. Caterham has also worked hard over recent years to increase the number of pupils from maintained primary schools, from a range of different socio-economic backgrounds and from an increasingly diverse range of ethnicities. We are proud to be a partner of the Royal National Springboard Foundation, an organisation which works with pupils in, or on the edge, of the care system into independent schools. By the start of the academic year 2023 we will have 22 pupils (Wilberforce Scholars) in the school on 110% Bursaries, with a significant number beyond that on significant financial support.

Our Wilberforce Scholars are funded through our Transformational Bursary Fund, a philanthropic campaign 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. This ambition is supported by our wider community, including current and former parents and our alumni. 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’.

Partnership work remains a central strategic and operational aim of the entire school. It is pleasing to see the Prep School become increasingly involved in this Partnership work - one of the few Prep Schools in the country to meaningfully engage with local primary schools to support their ambition. 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 continues to deepen and develop – and is being recognised as a model of good practice across the sector.

We are a co-sponsor of the London Academy of Excellence, a post-16 free school established in the London Borough of Newham in 2013, which has transformed the lives of countless individuals but also transformed the educational landscape and opportunities for all young people living in one of the most deprived boroughs in the UK. We are a founding member of the East Surrey Learning Partnership, a ground breaking model of collaboration which puts school improvement and collaboration between sectors at its heart. We are currently working with five local primary schools in this partnership – which works at pupil, parent, staff and governor level. These partnerships are all genuine collaborations. Caterham School enables this activity through our ability to provide financial resources and organisational time, but the flow of expertise and the mutuality of benefit runs both ways. This partnership work is a key part of our purpose – to ensure that education transforms the lives of all children, particularly those closest to us in our community.

Our teachers and pupils are actively involved in these partnerships, and our parental body also support the work by providing funding for a newly established resource library for our primary school partners. This enables them to access resources (such as iPads and other digital equipment and a newly purchased planetarium) to use in their schools with their pupils. Training in how to use the equipment effectively in the classroom is provided by teachers from Caterham.

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.

Report of the Trustees

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, and that a positive pupil experience and supportive and optimistic culture create the context for 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, breadth, 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. Over this past year we have developed our sporting offer to be more inclusive, providing greater range of opportunities and representative fixtures to reflect the increasing diversity and interests of our pupils – for example in basketball, badminton and table tennis. We also have many more girls playing cricket and rugby. 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.

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. 75% of pupils achieved their first-choice destinations based on these outcomes. 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: 43%
9-8: 69%
9-7: 87%
9-6: 96%

A Level Results

A*: 22%
A* - A: 60%
A* - B: 84%

11 of our pupils (including 2 on significant financial support) achieved places at Oxford and Cambridge. Two of our pupils were successful in applications for Degree Apprenticeships and three of our pupils made successful applications to competitive US colleges.

In addition, we continue to have great success in student essay competitions at Oxford, Cambridge and other top ranking UK universities.

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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 1000 pupils and the Prep School is at 270. Activity directed towards the London day and boarding markets has continued 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.

Trustees considered fees for 2022-2023 at their June 2022 meeting. An average increase of 6.6% was implemented from September 2022. 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, provide for future development and satisfy its borrowing obligations.

Termly fees from September 2022 were:

Pre-Prep School:	£3940
Prep School:	£5105 - £5850
Senior School (Day):	£6955 - £7290
Senior School (Boarding):	£11830 - £14945

Community Outreach and Public Benefit

Over 450 pupils benefit from financial support awarded in the form of scholarships, bursaries and other awards, amounting to over 8.3% of fee income (2022: 8.3%). 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.

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School Partnerships and Support

The school continues to give practical and financial help and support to the London Academy of Excellence (LAE), a Sixth Form College in Newham. The Headmaster sits on the governing body, Dan Gabriel on the Education Committee, and Emma Collings on the development committee. Mr Parker has conducted both physical and on-line lessons for LAE pupils each week to provide support and teaching in the modern languages department.

The new L6 LAE students of Caterham House visited in the Autumn term. These visits have been a resounding success, with friendships being forged between Caterham Sixth Formers and those from the LAE through a buddy scheme, whereby students from each school are matched together by their A-level subject choices. The LAE invited Caterham Sixth Formers to their school in the Summer Term for more activities.

The LAE students wrote to Caterham School saying: 'We found the trip to be an extremely beneficial experience to expand the connection between our schools and made many new friends in the process.'

Regarding teacher support - 'She is just wonderful, and the students are very appreciative of all her help and effort she puts in to preparing them for their oral exam.'

Partnership activities have continued and evolved under the East Surrey Learning Partnership brand. St Francis joined the three original schools as formal members and are participating in all ESLP activities. We continue to court the 'Chalklands Cluster' of five GLF primary schools, including them in as many activities as possible with a view to them joining. Half termly steering meetings continue to be of great value: we meet with representatives from the four core schools allowing us to focus resources where the most value can be added for all involved.

- We have established the ESLP resource 'Lending Library' with associated training sessions. Lending Library has made 11 loans of equipment this year, from iPads to robots, comprising more than 125 items loaned to 5 schools and used by more than 520 pupils. Needs and requests are collated through regular ESLP meetings with local schools, with loans booked and tracked via LendEngine. The Partnerships budget and PA fundraising support the initiative, and equipment discounts have been secured through partnerships with equipment makers and providers. The library also includes a 'Service Library', which initially offers 3D printing and ceramics-firing services, and a 'Skills Library', which has already delivered group and individual workshops throughout the year. Summer Term 2023 saw the first co-hosted workshop, with an ESLP member school delivering part of the training for an area of expertise during a workshop on robotics and electronics. The largest single donation from the Parents' Association has been the purchase of an 6m portable planetarium or learning space with a capacity of 40, which will be used to host workshops and educational enrichment activities for ESLP schools on topics across science, humanities and the arts, both at Caterham and on site at member schools. Bookings for such resources often cost schools in excess of £1000 for a day and are something that many cannot afford.
- Saturday+ is a new scheme designed to promote social mobility and assist pupils from state primaries, particularly those receiving Pupil Premium/FSM, in preparing for 11+ entry at selective schools. Established in Autumn Term 2022, the programme provides monthly in-person taught sessions for children in Year 5 onward as they prepare for selective examinations. The content is coordinated by the Prep School. A partnership has been established with Atom Learning to offer bespoke access to the paid 'Atom Nucleus' platform at no cost for 30+ identified students.

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- We held three 'Outdoor Days' for targeted groups from St John's and Whyteleafe primaries and Surrey Young Carers, making use of our outdoor resources. Positive effects of these have been that we recruited a Wilberforce Scholar and have established a useful link with Surrey Young Carers.
- Seven Year 11s and 12s volunteered for one or two weeks at schools in the summer. This scheme included our local primary partners and one went to Kingsford Community School in Newham.
- This term we have continued the weekly drama group run by our L6 and Mrs Fahey, attended by 18 pupils from St John's.
- We have continued weekly sessions in the school day with a class coming to Caterham for science (led by Mrs Whitwell), whilst concurrently a team of U6 have been leading a class in reading and discussing a text at a Primary School (led by Ms Hookway). This operates on a 4-week cycle with different classes in rotation starting with classes from Furzefield. Both the science and English programmes have been devised in discussion with partners, meeting national curriculum and OFSTED targets. We managed to cycle 180 primary school pupils through the programme.
- We continue to offer resource packs for higher order thinking and high maths attainers at primaries; last year Mrs Griffiths ran three 'Fizzy Maths' events for pupils who had completed the packs. Events have involved up to 70 primary pupils supported by 12 Caterham pupils.
- 100 local primary pupils used our pool every week from September to Easter.
- Our Third year Theatre in Education Group devised a show around a pastoral topic and performed at four local primaries for Year 1s and 2s for the second year. This live performance provides valuable enrichment and introduces children to drama.
- Caterham Art Scholars designed and built a series of signs for Outdoor Play areas at Audley Primary and Hamsey Green Primary.
- Our 'Community Day' in June involved every student in the L6 delivering academic or games activities. We invited Year 5 pupils from Whyteleafe, St Francis and Marden Lodge (two GLF schools). They took part in a wide range of activities in different academic departments in the morning and games activities in the afternoon on Homefield.
- Three Warlingham and two Oxted L6 came to weekly Wright Society meetings and are preparing applications for medicine.

Clifton Hill (SLD) pupils visit the school weekly for activities organised by our L6. 90 L6 volunteered for this programme last year, and for the first time since COVID our L6 were able to run two sports days for their KS3 and 4 in June.

Caterham Art Department ran their annual photography day for Sunnydown year 8s.

Pupils from neighbouring secondary schools and the London Academy of Excellence attend careers events hosted at Caterham School and by the Caterham School Society (CSS). Events have been numerous and have included sessions on Degree Apprenticeships, Oxbridge and the UCAS fair held at Caterham annually. Career specific events have included the Bonkers Careers Fair for year 6/7/8 pupils plus careers in the City, careers using languages and architecture. Four potential medics from Warlingham and Oxted attended the Caterham programme of mock interviews to prepare them for their medical application process, as well as the BMAT and UCAT preparation days.

Report of the Trustees

Thirteen LAE (Stratford) students attended the Caterham Connected Insight Evening on Financial Services at Glaziers Hall in November 2022 and fourteen to the Positive Influencers evening at Bankside Gallery.

Caterham hosted a number of large sporting tournaments, most notably both the U14 and U15 Rugby 7s tournament for Surrey and the U13 District Athletics. Between them these events were attended by 20 different schools from all sectors.

Volunteering

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 – Sherwood Park (Special Needs) School
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 (link for Hamsey Green Primary)
Ceri Jones – LAE, Banstead Prep and Sevenoaks Prep
Rebecca Moore – Bletchingly Village Primary (Safeguarding Governor)
Ben Purkiss – Ide Hill Primary
Adam Webster - Furzefield Primary
Kim Wells – St Peter's Primary (South Croydon)

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
- 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 higher 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

Report of the Trustees

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 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's aim is to be a diverse and inclusive community, one in which everyone feels confident to be themselves. We are committed to having a diverse workforce, a key part of our People strategy is to deliver this aim. To enable our aims to be delivered, focus is given to all elements of the staff journey, supporting and encouraging both current staff and applicants. A number of key processes and functions have been reviewed and improved to support our core aims. We continue working to ensure that our processes are fair and that any changes to policies or processes do not present any potential barriers. We carry out Equality impact assessments, to ensure that we are inclusive in any changes that we make.

We recognise and promote the importance of CPD for staff in order to support them in their roles and provide opportunities to develop their knowledge, skills and experience. CPD is often identified through the appraisal process that we have in place across the school. Middle Managers receive regular and targeted training to meet the requirements of the role. We regularly review the training provision that we offer to all staff, which includes a combination of mandatory and optional courses. In addition, we offer 1-1 and group coaching opportunities.

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. The wellbeing of staff is monitored through wellbeing surveys completed by teaching and professional services staff.

Environment

The School takes its environmental responsibilities seriously and pursues a policy of minimising its carbon footprint. The environmental impact of the School's activities is reported annually in November of each year. The School remains committed to doing all it can to reduce the impact it has on the environment.

In the last reporting period, we have continued rolling out our sustainability building refurbishments. This has included installation of double glazed windows to reduce energy loss and LED lighting, mostly with motion sensor activation. In July, we upgraded our sports pitch floodlights to LED. The electricity savings from this will be seen in the coming year.

Report of the Trustees

We have continued to replace a number of site vehicles with electric models and extended our transport service to minimise the number of single journeys undertaken by parents. We also support a car-share scheme for parents and have installed a cycle rack for senior pupils. Our catering firm have removed all supplies by air freight.

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 and non-recyclable waste goes to an 'Energy from Waste' incineration plant to generate electricity. 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. There has been a continued focus during the year on 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 and the planting of new trees.

Under the SECR (Streamlined Energy and Carbon Reporting) guidelines, the School's energy usage and emissions for the period ended 31 July 2023 are shown below. The table below shows the energy usage and emissions from gas and electricity.

	2023	2022
Energy use in kWh	5,313,635	5,332,299
Emissions in tonnes CO ₂ e	1,021	1,024

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 1,624 in 2023 (2022: 1,614) resulting in an EIR of 629 kgCO₂e/person (2022: 617 kgCO₂e/person)

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.

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.

Report of the Trustees

Financial review

The results for the period continued to be satisfactory. The total surplus amounted to £5,245,000 (August 2022 – £5,960,000) for a 11 month period.

The surplus on unrestricted funds (after transfers between funds) was £5,183,000 (August 2022 - £5,961,000).

The Endowment Fund increased in value by £7,000 (August 2022 – £7,000).

The surplus carried forward on all funds amounted to £37,049,000 (August 2022 - £31,804,000).

The assets are held in pursuance of the School's objectives and the net assets of unrestricted funds amounted to £30,019,000 (August 2022 - £24,836,000). Restricted funds amounted to £5,219,000 (August 2022 - £5,164,000) 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 £1,811,000 (August 2022 - £1,804,000).

Reserves

It is the policy of the charitable company to use its reserves to fund all future plans to meet the School's strategic aims. Additionally, the charitable company maintains a cash balance from year to year to meet forthcoming expenditure. At 31 July 2023, the balance of cash at bank and in hand was £14,775,000 (August 2022 - £15,653,000). The surplus fund carried forward on all funds amounts to £37,049,000.

Going concern

The Trustees have reviewed the financial performance of the last 11 months, assessed three year financial forecasts, including cash flow forecasts for over the next year, supported by the continued strong demand for pupil places at the School, to consider it appropriate 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.

Future plans

The School's focus remains on enabling its pupils to achieve the best outcomes possible. To support this, the Trustees have agreed strategic aims which incorporate educational developments, continued investment in staff, investment in innovation and technologies to support teaching and other school support services, a property masterplan and the IT infrastructure 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.

Report of the Trustees

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 these funds which are detailed in Note 18.1 for restricted funds and Note 18.2 for unrestricted funds.

Connected charities

There is a relationship between Caterham School and other charities as set out in Note 23.

Risk management

Principal risk areas for the charitable company are the protection of pupils and employees 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 have formally identified and documented the major risks to which the charitable company is exposed; these risks have been reviewed by the Finance & General purposes committee and the Trustee body. The five key risks identified to the Trustees in the year were safeguarding, cyber, UKVI, significant dependency on single markets and overarching financial threats. The risk management strategies to mitigate these risks have been implemented and risk management continues to be embedded in the day to day practices of the charitable company; procedures and systems to minimise the risks are regularly reviewed and updated.

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.

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.

Report of the Trustees

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 8 December 2023 and signed on the Board's behalf.

ON BEHALF OF THE TRUSTEES

Ms M Shah
Chair

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 period ended 31 July 2023 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 July 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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:

- 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

9 Appold Street
London
EC2A 2AP

Caterham School
for the period ended 31 July 2023

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

					Total Funds	Total Funds
					period ended July 2023	year ended August 2022
	Note	Unrestricted Funds £'000	Restrctited Funds £'000	Endowment Funds £'000	£'000	£'000
Income and Endowments						
INCOME FROM:						
Charitable Activities						
School fees	2	25,807	-	-	25,807	23,963
Other educational income	2	2,262	-	-	2,262	1,689
Other trading activities						
Other trading income	3	789	-	-	789	1,058
Investments						
Investment income	4	293	135	-	428	174
Donations and legacies						
Grants and donations	5	104	155	-	259	646
Total Income		29,255	290	-	29,545	27,530
EXPENDITURE ON:						
Raising funds						
Trading expenditure		502	-	-	502	647
Investment management costs		-	26	-	26	27
Total non-educational costs		502	26	-	528	674
Charitable activities						
Education		24,819	96	23	24,938	24,564
Total expenditure	6 - 8	25,321	122	23	25,466	25,238
Net income		3,934	168	(23)	4,079	2,292
Net gains/(losses) on investments	11		(113)		(113)	(341)
Transfers between funds	18.1/2	(30)	-	30	-	-
Net incoming resources before other recognised gains and losses		3,904	55	7	3,966	1,951
Change in value of hedging instrument		1,279	-	-	1,279	4,009
Net movement in funds for the year		5,183	55	7	5,245	5,960
Fund balance at 1 September 2022		24,836	5,164	1,804	31,804	25,844
Fund balances at 31 July 2023	18	30,019	5,219	1,811	37,049	31,804

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

Caterham School
for the period ended 31 July 2023

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 period was £28.859m (2022: £26.687m) and the surplus for the period was £3.978m (2022: £1.687m).

Caterham School
for the period ended 31 July 2023

BALANCE SHEET

		Group		School	
		as at July	as at	as at July	as at August
		2023	August	2023	2022
Note		£'000	2022	£'000	£'000
			restated		
FIXED ASSETS					
Tangible assets	9	40,830	37,743	40,830	37,743
Investment property	10	1,020	1,020	1,020	1,020
Investments	11	4,049	4,179	4,049	4,179
		<u>45,899</u>	<u>42,942</u>	<u>45,899</u>	<u>42,942</u>
CURRENT ASSETS					
Stock	12	175	114	-	-
Debtors	13	669	678	898	913
Cash and short term deposits		14,775	15,653	14,749	15,540
		<u>15,619</u>	<u>16,445</u>	<u>15,647</u>	<u>16,453</u>
CURRENT LIABILITIES					
Creditors due within one year	14	(7,047)	(7,322)	(7,118)	(7,361)
		<u>8,572</u>	<u>9,123</u>	<u>8,529</u>	<u>9,092</u>
NET CURRENT ASSETS/LIABILITIES					
		<u>8,572</u>	<u>9,123</u>	<u>8,529</u>	<u>9,092</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		54,471	52,065	54,428	52,034
LONG TERM LIABILITIES					
Fee deposits	15	(2,496)	(2,817)	(2,496)	(2,817)
Deferred income	15	(314)	(637)	(314)	(637)
Loans	15	(18,417)	(19,333)	(18,417)	(19,333)
Financial instrument derivative - hedging instruments	15	3,805	2,526	3,805	2,526
		<u>37,049</u>	<u>31,804</u>	<u>37,006</u>	<u>31,773</u>
NET ASSETS					
Capital Funds					
Endowments	18.3	1,811	1,804	1,811	1,804
Income Funds					
Restricted funds	18.1	5,219	5,164	5,219	5,164
Unrestricted funds:	18.2				
Cash flow hedge reserve		3,805	2,526	3,805	2,526
Other charitable funds		26,214	22,310	26,171	22,279
		<u>37,049</u>	<u>31,804</u>	<u>37,006</u>	<u>31,773</u>
TOTAL FUNDS					
	18	<u>37,049</u>	<u>31,804</u>	<u>37,006</u>	<u>31,773</u>

Approved by the Board of Trustees of Caterham School on 8 December 2023 and authorised for issue and signed on its behalf by:

(Chairman) M Shah

(Trustee) C Bouttle

The accompanying notes form part of the financial statements.

Company number: 5410420

Caterham School
for the period ended 31 July 2023

CASH FLOW STATEMENT

	Notes	period ended July 2023 £'000	year ended August 2022 £'000
NET CASH FLOWS FROM OPERATIONS			
Net cash provided by operating activities	19	4,376	5,228
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(4,141)	(1,399)
Proceeds from disposal of fixed assets		11	-
Purchase of investments		-	(188)
Proceeds from sale of investments		-	196
Return on investments		135	172
Interest received		293	2
Net cash used in investing activities		(3,702)	(1,217)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loan		(916)	(1,000)
Interest on loans		(636)	(728)
Net cash used in financing activities		(1,552)	(1,728)
Change in cash and cash equivalents in the reporting period		(878)	2,283
Cash and cash equivalents at the beginning of the reporting period		15,653	13,370
Cash and cash equivalents at the end of the reporting period		14,775	15,653
Analysis of cash and cash equivalents			
		2023	2022
		£'000	£'000
Cash at bank and in hand		4,775	7,653
Money market deposit		10,000	8,000
		14,775	15,653

Caterham School

for the period ended 31 July 2023

PRINCIPAL 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

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 2019. 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, Sphinx AI, Caterham School International Limited and Caterham School Virtual. The assets, liabilities and results of the wholly owned subsidiaries are consolidated into these financial statements. Summarised details of the subsidiary company are set out in Note 11.

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 and the financial forecasts for the next 3 years. 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 re-assessed 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 1.9 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 period ended 31 July 2023

PRINCIPAL 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 refunded.

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 period ended 31 July 2023

PRINCIPAL 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 period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

2 INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	Total	Total
	£'000	£'000
The School's fee income comprised:		
Gross fees	28,120	26,126
Less: Total bursaries, assisted places and allowances	(2,313)	(2,163)
	25,807	23,963
Other educational income:		
Other fees and income	2,262	1,689
Total	28,069	25,652

3 OTHER INCOME

	2023	2022
	Total	Total
	£'000	£'000
Other trading activities		
Rental and other commercial income	789	1,058

4 INVESTMENT INCOME

	2023	2022
	Total	Total
	£'000	£'000
Listed Investments	135	172
Interest received on bank deposits	293	2
	428	174

Included within the above is an amount of £135,000 (2022: £172,000) which relates to restricted income.

5 GRANTS AND DONATIONS

	Unrestricted	Restricted	2023	2022
	Total	Total	Total	Total
	£'000	£'000	£'000	£'000
Donations	104	155	259	646
Total	104	155	259	646

Caterham School
for the period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

6 STAFF COSTS	2023	2022
	£'000	£'000
Total staff costs comprised:		
Wages and salaries	11,507	11,879
Social security costs	1,206	1,291
Pension contributions	1,992	2,054
	<u>14,705</u>	<u>15,224</u>

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

	2023	2022
Teachers	142	140
Education support	86	83
Premises and services	48	47
Administration	63	63
Marketing and admissions	9	9
Shop	4	4
	<u>352</u>	<u>346</u>

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

	2023	2022
	No	No
Taxable emoluments band:		
£60,001 - £ 70,000	14	18
£70,001 - £ 80,000	5	7
£80,001 - £ 90,000	4	1
£90,001 - £100,000	-	1
£130,001 - £140,000	-	1
£199,001 - £200,000	1	-
£210,001 - £220,000	-	1

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

	2023	2022
	£'000	£'000
Pension contributions to defined contribution and teachers' pension schemes	<u>389</u>	<u>494</u>

During the period 19 (2022: 25) higher paid employees participated in the teachers' pension scheme and 5 (2022: 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, 14 staff (2022: 14 staff):

	2023	2022
	£'000	£'000
Total remuneration	<u>1,540</u>	<u>1,638</u>

There were 6 (2022: 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 period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

7 PAYMENTS TO TRUSTEES

No Trustees, or person with a family or business connection with a Trustee, (2022: 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	2023 Total £'000	2022 Total £'000
<i>Costs of generating funds</i>					
Trading expenses	321	181	-	502	647
Investment management fees		26		26	27
	<u>321</u>	<u>207</u>	<u>-</u>	<u>528</u>	<u>674</u>
<i>Charitable activities:</i>					
Education costs	11,517	2,843	-	14,360	14,209
Catering	-	2,191	-	2,191	1,995
Premises and services	1,337	2,373	-	3,710	3,834
Administration	1,106	772	-	1,878	1,783
Marketing	424	647	-	1,071	1,003
Bank interest payable	-	636	-	636	728
Bad debt provision	-	5	-	5	(80)
Depreciation and amortisation	-	-	1,043	1,043	1,057
Governance costs	-	44	-	44	35
	<u>14,384</u>	<u>9,511</u>	<u>1,043</u>	<u>24,938</u>	<u>24,564</u>
Schools operating costs					
	<u>14,384</u>	<u>9,511</u>	<u>1,043</u>	<u>24,938</u>	<u>24,564</u>
Total resources expended	<u>14,705</u>	<u>9,718</u>	<u>1,043</u>	<u>25,466</u>	<u>25,238</u>

Caterham School
for the period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

8 ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)

	Staff costs (note 6) £'000	Other costs £'000	Depreciation and amortisation £'000	2022 Total £'000	2021 Total £'000
<i>Costs of generating funds</i>					
Trading expenses	395	252	-	647	158
Investment management fees	-	26	-	27	25
	<u>395</u>	<u>279</u>	<u>-</u>	<u>674</u>	<u>183</u>
<i>Charitable activities:</i>					
Education costs	11,912	2,297	-	14,209	12,712
Catering	-	1,995	-	1,995	1,443
Premises and services	1,335	2,499	-	3,834	3,403
Administration	1,132	651	-	1,783	1,948
Marketing	450	553	-	1,003	894
Bank interest payable	-	728	-	728	770
Bad debt provision	-	(80)	-	(80)	8
Depreciation and amortisation	-	-	1,057	1,057	1,015
Governance costs	-	35	-	35	30
	<u>-</u>	<u>35</u>	<u>-</u>	<u>35</u>	<u>30</u>
Schools operating costs	<u>14,829</u>	<u>8,678</u>	<u>1,057</u>	<u>24,564</u>	<u>22,223</u>
Total resources expended	<u>15,224</u>	<u>8,957</u>	<u>1,057</u>	<u>25,238</u>	<u>22,406</u>

The payments made under operating leases during the period were £NIL (2022: £NIL) in respect of land and buildings and £386,000 (2022: £402,000) in respect of plant and equipment.

Total resources expended include:

	Group 2023	Group 2022	School 2023	School 2022
Auditor's remuneration	44	35	44	29
Depreciation:				
- Tangible fixed assets, owned	1,043	1,057	1,043	1,057
Operating lease rentals	386	380	386	380

Caterham School
for the period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

9 TANGIBLE FIXED ASSETS

Tangible Fixed Assets - Group and School

	Asset under construction £'000	Freehold land and buildings £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost						
As at 1 September 2022	847	49,567	1,187	417	145	52,163
Additions in year	3,599	343	54	82	63	4,141
Disposals	-	-	-	-	(11)	(11)
As at 31 July 2023	4,446	49,910	1,241	499	197	56,293
Depreciation						
As at 1 September 2022	-	12,966	942	377	135	14,420
Charge for year	-	875	87	57	24	1,043
Disposals	-	-	-	-	-	-
As at 31 July 2023	-	13,841	1,029	434	159	15,463
Net book amount						
As at 31 July 2023	4,446	36,069	212	65	38	40,830
Net book amount						
As at 31 August 2022	847	36,601	245	40	10	37,743

All tangible fixed assets were used for charitable purposes.

Caterham School

for the period ended 31 July 2023

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.

Peter Jones MNAEA of PA Jones Property Solutions valued the property in September 2021 at £1,020,000. This value was reflected last year. The Directors agree that no revaluation should be reflected in these accounts.

The investment property is held within the permanent Endowment Fund.

11 FIXED ASSET INVESTMENTS - Group and School

	2023 £'000	2022 £'000
Investments comprise:		
UK Fixed Interest	656	603
Overseas Fixed Interest	219	312
UK Equities	1,344	1,415
Overseas Equities	940	967
Global Investments	539	473
Property	61	76
Private Equity	136	167
Other Investments	116	127
	4,011	4,140
Short Term Deposits	38	39
Group Total Investments	4,049	4,179

	Investments £'000	Cash £'000	2023 Total £'000	2022 Total £'000
Market value:				
Balance brought forward	4,140	39	4,179	4,512
Additions	152	(152)	-	188
Disposals	(168)	168	-	(196)
Other cash movements	-	(17)	(17)	16
Total gain/(loss)	(113)	-	(113)	(341)
Balance carried forward	4,011	38	4,049	4,179

Caterham School
for the period ended 31 July 2023

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:

			2023	2022
UK Fixed Interest			774	702
Overseas Fixed Interest			272	345
UK Equities			919	904
Overseas Equities			632	580
Global Investments			425	425
Property			52	52
Private Equity			87	172
Other Investments			111	111
			<u>3,272</u>	<u>3,291</u>
	Group	Group	School	School
	2023	2022	2023	2022
	£	£	£	£
Interest in subsidiary undertakings	-	-	463	202
Total	<u>-</u>	<u>-</u>	<u>463</u>	<u>202</u>

At 31 July 2023, 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%	Dormant
Sphinx AI Limited Company number - 13097923	Ordinary £1	100%	Dormant
Caterham School Enterprises Limited Company number - 04299687	Limited by Guarantee	100%	Dormant
Caterham School Virtual Company number - 14089222	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 period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSET INVESTMENTS (Continued)

**BALANCE SHEET
CATERHAM SCHOOL TRADING LIMITED
AS AT 31 JULY 2023**

	2023	2022
	£	£
CURRENT ASSETS		
Stock	175,056	113,807
Debtors	4,399	-
Cash at bank	13,453	101,017
	192,908	214,824
CREDITORS: Amounts falling due within one year	(204,696)	(206,982)
NET CURRENT ASSETS	(11,788)	7,842
TOTAL ASSETS LESS CURRENT LIABILITIES	(11,788)	7,842
CREDITORS: Amounts falling due in more than one year	-	-
NET (LIABILITIES)/ASSETS	(11,788)	7,842

CAPITAL AND RESERVES

Share capital	2	2
Profit and loss account	(11,790)	7,840
SHAREHOLDERS' FUNDS	(11,788)	7,842

PROFIT & LOSS ACCOUNT

	Period to July 2023	Year to August 2022
	£	£
TOTAL INCOME	101,380	181,180
TOTAL EXPENDITURE	(121,010)	(173,340)
NET (LOSS)/PROFIT	(19,630)	7,840

Caterham School
for the period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSET INVESTMENTS (Continued)

At 31 July 2023, the aggregate capital and reserves of Caterham School Enterprises Limited was £11,556 deficit (2022: £11,556 deficit) and the profit/loss for the financial period ended on that date was £NIL (2022: £NIL).

At 31 July 2023, the aggregate capital and reserves of Caterham School International Limited was £64,865 (2022: £64,865) and the profit/loss for the financial period ended on that date was £NIL (2022: £NIL).

At 31 July 2023, the aggregate capital and reserves of Sphinx AI Limited was £2,452 deficit (2022: £2,452 deficit) and the profit/loss for the financial period ended on that date was £NIL (2022: £NIL).

At 31 July 2023, the aggregate capital and reserves of Caterham School Virtual was £NIL and the profit/loss for the financial period ended on that date was £NIL. Caterham School Virtual was incorporated on 5 May 2022.

Caterham School
for the period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

12 STOCK

	Group	Group	School	School
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Goods for resale	175	114	-	-
	<u>175</u>	<u>114</u>	<u>-</u>	<u>-</u>

13 DEBTORS

	Group	Group	School	School
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade debtors	56	73	56	73
Amount due from subsidiaries	-	-	229	235
Other debtors	71	133	71	133
Prepayments and accrued income	542	472	542	472
	<u>669</u>	<u>678</u>	<u>898</u>	<u>913</u>

14 CREDITORS: due within one year

	Group	Group	School	School
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loan	1,000	1,000	1,000	1,000
Fee deposits	614	434	614	434
Deferred income	2,375	3,665	2,375	3,665
Amount due to subsidiaries	-	-	72	62
Trade creditors	857	848	854	1,456
Social security and other taxation	223	427	230	11
Other creditors and accruals	1,978	948	1,973	733
	<u>7,047</u>	<u>7,322</u>	<u>7,118</u>	<u>7,361</u>

15 CREDITORS: due after one year

	Group	Group	School	School
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Fee deposits	2,496	2,817	2,496	2,817
Deferred income	314	637	314	637
Bank loan	18,417	19,333	18,417	19,333
Financial instrument derivative - hedging instruments	(3,805)	(2,526)	(3,805)	(2,526)
	<u>17,422</u>	<u>20,261</u>	<u>17,422</u>	<u>20,261</u>

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 period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

15 CREDITORS: due after one year (Continued)

Loans - Group and School

	2023	2022
	£'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:	14,417	15,333
	<u>18,417</u>	<u>19,333</u>

16 FEE DEPOSITS

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

	2023	2022
	£'000	£'000
Amounts due 1 - 2 years:	549	573
Amounts due 2 - 5 years:	1,469	1,208
Amounts due more than 5 years:	478	1,036
	<u>2,496</u>	<u>2,817</u>

17 FINANCIAL INSTRUMENTS

	Group 2023 £'000	Group 2022 £'000	School 2023 £'000	School 2022 £'000
Financial assets measured at fair value through SOFA	<u>5,069</u>	<u>5,199</u>	<u>5,069</u>	<u>5,199</u>
Financial assets measured at amortised cost	<u>14,902</u>	<u>15,859</u>	<u>15,105</u>	<u>15,981</u>
Financial liabilities measured at amortised cost	<u>22,866</u>	<u>3,230</u>	<u>22,930</u>	<u>3,685</u>
Financial liabilities measured at fair value through a hedging service	<u>(3,805)</u>	<u>(2,526)</u>	<u>(3,805)</u>	<u>(2,526)</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
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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	2023 Total £'000
Tangible fixed assets	39,971	-	-	859	-	40,830
Investment property	-	-	-	1,020	-	1,020
Investments	-	3,152	897	-	-	4,049
Current assets	14,517	976	194	-	(68)	15,619
Current liabilities	(7,047)	-	-	-	-	(7,047)
Creditors: over one year	(17,422)	-	-	(68)	68	(17,422)
Total net assets	<u>30,019</u>	<u>4,128</u>	<u>1,091</u>	<u>1,811</u>	<u>-</u>	<u>37,049</u>

	Unrestricted funds £'000	Restricted funds £'000	Restricted bursary funds £'000	Endowment fund £'000	Consolidating adjustment £'000	2022 Total £'000
Tangible fixed assets	36,861	-	-	882	-	37,743
Investment property	-	-	-	1,020	-	1,020
Investments	-	3,265	914	-	-	4,179
Current assets	15,558	906	79	-	(98)	16,445
Current liabilities	(7,322)	-	-	-	-	(7,322)
Creditors: over one year	(20,261)	-	-	(98)	98	(20,261)
Total net assets	<u>24,836</u>	<u>4,171</u>	<u>993</u>	<u>1,804</u>	<u>-</u>	<u>31,804</u>

Caterham School
for the period ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

18.1 RESTRICTED FUNDS

	At 1 September 2022 £'000	Incoming resources £'000	Expenditure £'000	Transfer £'000	Gains/ (losses) £'000	At 31 July 2023 £'000
University scholarship	361	11	(2)	-	(13)	357
Scholarship and prizes	339	10	(2)	-	(13)	335
Major H Hall Morgan	234	7	(1)	-	(9)	231
Arthur D Jones	215	7	(1)	-	(8)	212
Industrial gifts and music scholarships	508	15	(3)	-	(19)	502
Other scholarship funds and donations	-	-	-	-	-	-
Mr S Bonarjee Legacy	239	7	(1)	-	(9)	236
Eynon Bequest	1,154	35	(7)	1	(43)	1,141
	3,050	93	(18)	1	(113)	3,013
Maddock Science Scholarship Fund	547	14	(3)	-	9	567
C S Trust	203	2	-	-	-	205
Caterham School Bursary Funds	1,159	77	(5)	27	(9)	1,249
Parents' Association	97	44	(56)	5	-	90
Old Caterhamians Association	108	60	(40)	(33)	-	95
Total restricted funds	5,164	290	(122)	-	(113)	5,219

	At 1 September 2021 £'000	Incoming resources £'000	Expenditure £'000	Transfer £'000	Gains/ (losses) £'000	At 31 August 2022 £'000
University scholarship	411	15	(2)	(33)	(30)	361
Scholarship and prizes	386	14	(2)	(31)	(28)	339
Major H Hall Morgan	266	10	(1)	(22)	(19)	234
Arthur D Jones	245	9	(1)	(20)	(18)	215
Industrial gifts and music scholarships	579	21	(3)	(47)	(42)	508
Other scholarship funds and donations	-	-	-	-	-	-
Mr S Bonarjee Legacy	272	10	(2)	(22)	(19)	239
Eynon Bequest	1,314	48	(7)	(107)	(94)	1,154
	3,473	127	(18)	(282)	(250)	3,050
Maddock Science Scholarship Fund	559	15	-	-	(27)	547
C S Trust	-	203	-	-	-	203
Caterham School Bursary Funds	1,071	171	(7)	(12)	(64)	1,159
Parents' Association	69	45	(15)	(2)	-	97
Old Caterhamians Association	-	138	(3)	(27)	-	108
Total restricted funds	5,172	699	(43)	(323)	(341)	5,164

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NOTES TO THE FINANCIAL STATEMENTS

Caterham School

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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.

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 period, a transfer amounting to £33,000 (2022: £323,000) 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

	2023	2022
	£'000	£'000
At 1 September	24,836	18,875
Incoming resources	29,255	26,831
Expenditure	(25,321)	(25,172)
Increase/(decrease) in fair value of hedging instrument	1,279	4,009
Transfer from restricted funds	(30)	293
At 31 July	30,019	24,836

Caterham School

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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.

	2023 £'000	2022 £'000
At 1 September	1,804	1,797
Expenditure	(23)	(23)
Revaluation gain	-	-
Transfer from unrestricted funds	30	30
	<u>1,811</u>	<u>1,804</u>
At 31 August	<u>1,811</u>	<u>1,804</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 £902,000 by 31 July 2023 (31 August 2022: £872,000).

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

	2023 £'000	2022 £'000
Net income for the year (as per Statement of Financial Activities)	5,245	5,960
Adjustment for:		
Depreciation charges	1,043	1,057
Change in fair value of hedging instrument	(1,279)	(4,009)
Revaluation and disposal (gain)/loss on investments	130	325
Dividends received	(135)	(172)
(Increase)/decrease in stock	(61)	(19)
(Increase)/decrease in debtors	9	(87)
Increase/(decrease) in creditors	(919)	1,447
Interest received	(293)	(2)
Interest on loans	636	728
	<u>4,376</u>	<u>5,228</u>

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for the period ended 31 July 2023

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 2022 £'000	Cash flows £'000	Other non- cash changes £'000	As at 31 July 2023 £'000
Cash and cash equivalents				
Cash	15,653	(878)	-	14,775
	15,653	(878)	-	14,775
Borrowings				
Debt due within one year	(7,322)	275	-	(7,047)
Debt due after one year	(22,787)	1,560	-	(21,227)
	(30,109)	1,835	-	(28,274)
Total	(14,456)	957	-	(13,499)
	As at 1 September 2021 £'000	Cash flows £'000	Other non- cash changes £'000	As at 31 August 2022 £'000
Cash and cash equivalents				
Cash	13,370	2,283	-	15,653
	13,370	2,283	-	15,653
Creditors				
Debt due within one year	(6,861)	(461)	-	(7,322)
Debt due after one year	(22,801)	14	-	(22,787)
	(29,662)	(447)	-	(30,109)
Total	(16,292)	1,836	-	(14,456)

20 PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the period includes contributions payable to the TPS of £1,644,000 (2022: £1,698,000), at the period end £217,000 (2022: £206,000) 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%.

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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.

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. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

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 period ended 31 July 2023 was £348,000 (31 August 2022: £356,000) and there was no accrued balance at the period end in respect of contributions to this scheme.

21 OPERATING LEASE COMMITMENTS - Group and School

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

	2023	2022
	£'000	£'000
Operating lease commitments:		
Within 1 year	397	328
Within 2 - 5 years	385	406
	<u>782</u>	<u>734</u>

22 CAPITAL COMMITMENT - Group and School

At the period end the School had a capital commitment in respect of the ongoing Sports Centre extension of £560k (2022: £3.3m).

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NOTES TO THE FINANCIAL STATEMENTS

23 RELATED PARTY TRANSACTIONS

The transactions with the subsidiaries during the period were:

	2023	2022
	£'000	£'000
Gift Aid receivable from Caterham School Trading Limited	<u>-</u>	<u>8</u>
Balance owed by Caterham School Trading Limited	<u>199</u>	<u>149</u>
Balance owed by Caterham School Enterprises Limited	<u>17</u>	<u>17</u>
Balance owed by Sphinx AI	<u>13</u>	<u>13</u>
Balance owed to Caterham School Virtual	<u>10</u>	<u>10</u>
Balance owed to Caterham School International Limited	<u>62</u>	<u>62</u>