

TPS Realisations 2024

England & Wales · Charity number 1157782

Details

Other names THE PREBENDAL SCHOOL, PREBENDAL SCHOOL

Status Registered

Legal form Charitable company

Company number [09038149](#)

Registered 2014-07-08

Register [View on the Charity Commission register](#)

Contact

Address The Lodge Barnham Court
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Activities

Objects: 3.1 FOR THE BENEFIT OF THE PUBLIC TO PROVIDE FOR THE ADVANCEMENT OF EDUCATION AND OF RELIGION IN ACCORDANCE WITH THE PRACTICES OF THE CHURCH OF ENGLAND, BY THE PROVISION OF A BOARDING AND/OR DAY SCHOOL OR SCHOOLS FOR THE EDUCATION OF CHILDREN OF BOTH SEXES.3.2 FOR THE BENEFIT OF THE PUBLIC, TO ADVANCE THE EDUCATION OF THE CHORISTERS OF CHICHESTER CATHEDRAL BY PROVIDING THE FACILITIES FOR THEIR EDUCATION UP TO AND INCLUDING AGE 13.

Activities: A boys and girls preparatory and pre-preparatory boarding and day school giving religious and educational instruction.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Religious Activities
- **Who:** Children/young People

Geography

- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,321,635	£1,600,443	£27,622	33
2023-08-31	£1,332,827	£1,671,332	£306,430	35
2022-08-31	£1,526,079	£1,712,334	£1,614,943	33
2021-08-31	£1,660,594	£2,327,551	£1,801,198	40
2020-08-31	£1,863,476	£2,064,930	£710,504	39

Trustees

Name	Role	Appointed
Andrew Wilkinson		2016-11-30
John Attwater		2016-11-30
Michael Paul Camps		2016-11-30
Neville James Geake		2018-06-01
The Very Reverend Dr Robert Edward Mackenzie Dowler		2024-09-14

TPS Realisations 2024

England & Wales - Charity number 1157782

Accounts

Company registration number 09038149 (England and Wales)

Charity registration number 1157782 (England and Wales)

TPS REALISATIONS 2024
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

TPS REALISATIONS 2024

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	The Very Reverend Dr J R Hall KCVO FSA FCIS Mr J F Attwater MA (Hons) PGCE Mr M P Camps LIB (Hons) Mr A J Wilkinson MA (Hons) Mr N Geake BA (Hons) PGCE ACMA CGMA The Very Reverend Dr R E M Dowler	(Appointed 14 September 2024)
Charity number	1157782	
Company number	09038149	
Registered office	The Lodge Barnham Court Church Lane Barnham Bognor Regis West Sussex PO22 0BP	
Auditor	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT	
Bankers	National Westminster Bank Plc, 5 East Street, Chichester , West Sussex, PO20 7AJ	
Solicitors	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA	

TPS REALISATIONS 2024

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TPS REALISATIONS 2024

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees of the charity and directors of the company, are pleased to present their annual report together with the financial statements of the charity for the year ending 31 August 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Charities Accounts Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

The objects of the charity, as defined in its Articles of Association, are for the benefit of the public, to provide for the advancement of education by the provision of a boarding and/or day school or schools for the education of children of all genders and to advance the education of the choristers of Chichester Cathedral by providing the facilities for their education up to and including age 13. Until 30 April 2024, the charity discharged these objects by and through the ownership and operation of The Prebendal School. On that date, the charity sold and transferred the business and undertaking of The Prebendal School to AS PBL Limited, a member of Alpha Schools group. References in this report to the operation of the school relate to the period ending on that date.

The aim of the School was to foster the academic, physical, spiritual, moral and social development of children in a happy, caring and safe environment. This was done by providing a high quality education with a broad and varied curriculum. The School educated, among others, the boys and girls of the Chichester Cathedral Choir. The choristers were supported financially to ensure that these places were open to all, regardless of the ability to pay.

The charity through the School provided education for a number of pupils over the first two terms of the academic session 2023/24 including for a number of weekly and full boarders, with many other pupils taking advantage of flexi-boarding and the School's evening activities.

Bursaries and Scholarships

The Prebendal School was and is a fee charging school. The trustees recognised, however, that it was important to make education available to all, including those unable to pay the fees or for those then current pupils where a change in family circumstances would compromise their ability to remain at the School. Accordingly, they provided financial support to pupils through a means tested bursary scheme and a number of non-means tested fee remissions. The availability of financial support was publicised by way of the charity's website, in local media and in the application packs for entry to the School.

Relief to Families

It was an important principle for the School that the benefits of a Prebendal education should not be restricted solely to those who could pay the full cost. During 2023-24, a number of places in the School were taken by Choristers of Chichester Cathedral, for whom at least 50% of the School fees were paid by church funds or other grants. In addition, financial assistance was given by the School to pupils by means of scholarships and bursaries. The aim of the scholarships was to recognise and encourage children with a high potential. A number of pupils received bursaries that were determined by financial need. That said, the School was funded entirely by fees and therefore had to fill most of its places with pupils for whom the full amount was paid.

Those wishing to be considered for bursary support were required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees were assessed according to the parents' or guardians' ability to pay full fees and the availability of bursary funds to the School. Bursary awards were subject to an annual review, usually in the Lent term.

TPS REALISATIONS 2024

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Non means-tested fee remissions

Academic, sport, art and music scholarships had been historically awarded following competitive assessment prior to entry to the School and a number were awarded based on outstanding achievement and potential. Awards were usually set at between 5% - 15% of the full fee and usually continued for the remainder of the pupil's education at the School.

Other forms of non-means tested assistance were also awarded during the academic year, including sibling and former pupil discounts.

Contribution to the local community

A number of local organisations made use of the sports fields and facilities. The pupils continued to be very involved in the life of the local community and school music groups have played at local functions and sung carols in the city centre to help raise money for local charities.

Fund-raising within the School

Pupils, staff and parents consistently raise many thousands of pounds each year for other charities. These are chosen and voted upon by the senior pupils in the School who in turn arrange various fund-raising events for their chosen charities. Representatives from the charities are invited to receive the donations and will also give particular feedback in assembly on how the money will be used.

The Prebendal School recognises the vital contribution made by its supporters, with voluntary donations being a valuable part of the trust's incoming resources.

We believe that giving to charity should be a positive experience, and to help ensure that this is the case we acknowledge the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the School. To this end, all fundraising activity is carried out by our Parent Teacher Association. This group raises money for the School through regular activities such as school fairs, discos, film and quiz nights. All of these events are voluntary and advertised in a non-intrusive manner.

The School does not utilise the services of any external commercial fundraisers.

The School welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

The Trustees have had regard to the Charity Commission's guidance on public benefit.

Volunteers

Members of the Board of Trustees did not receive any payment for the work they carried out for the charity in the year ending 31 August 2024. In addition, a large number of parents and former pupils gave their time voluntarily in assisting the School with the supervision of excursions and extra-curricular sporting activities.

Achievements and performance

Academic progress

The School continued to offer a broad education, aiming to produce all round excellence. Academic performance and the links with Chichester Cathedral were at the heart of the School's offering, but these aspects were successfully coupled to sport, music, drama, co-curricular activities, community service and related school trips. The trustees expected the Head to provide an environment that had a strong pastoral ethos, rooted in Christian values. Much attention was given to the development of a family atmosphere and the helping of each pupil to develop their full potential.

The nave of the Cathedral was used as the school hall for assemblies twice a week, and for services to celebrate major feast days, Confirmation and Founder's Day, as well as for musical concerts and other major events. All such gatherings in the Cathedral were open to parents and, indeed, to members of the public.

The School benefited from grounds with plenty of space, as well as benefiting from its city centre location. A sizeable outdoor classroom area enhanced the curriculum across all year groups.

TPS REALISATIONS 2024

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

The charity sustained a loss during the year of £278,807 which resulted in a reduced year end cash and net asset position. The main source of income for the charity continued to be the fee income charged for the provision of education.

The main expenditure of the School is that of staff salaries which account for 48% of expenditure.

The trustees regularly reviewed the bursary provision available and remain committed to ensuring a high number of pupils benefit from an education at the School. However, the School had no separately designated bursary fund and costs were met from operational income.

Following completion of the sale of the School's assets and liabilities to AS PBL Limited, the carrying amount of the freehold properties has been realised at £1,799,992.

Going concern

Following the sale of the charity's principal operational asset — the School — in April 2024, the trustees have undertaken a thorough review of the charity's financial position and future viability. As the charity no longer has ongoing activities or income-generating operations, and there are no plans to resume charitable activities, the trustees have concluded that winding the charity up is the best course of action.

Reserves policy

The reserves of the School are represented by the unrestricted and restricted funds as shown in note 22 & 23 totalling £27,622 (2023: £306,430). Reserves include £nil (2023: £822,748) in relation to fixed asset revaluations and £15,242 (2023: £15,242) in relation to restricted fund balances leaving a balance of funds available for general use of 12,380 (2023: £291,188).

When adjusting total reserves for funds tied up in tangible fixed assets and restricted balances there was free reserves amounting to £12,380 (2023: £1,520,665).

There are no material amounts committed for expenditure at the end of the financial year.

The trustees have considered the purposes for which the School needs to hold reserves.

The current level of reserves is sufficient to meet all of the charity's obligations as it winds down its activities.

Investment policy and performance

The School currently has no investments. The School continues to be the remainderman of the Mrs WE Shoesmith MBE Will Trust, currently to the approximate value of £131,305.

Principal risks and uncertainties

There is a formal Strategic Risk Management Policy and a written table of Strategic Risks. These are reviewed annually, but the Trustees are aware that risk management is a dynamic process and new risks need to be noted and considered as they arise. The Trustees are satisfied that strategic risks have been adequately mitigated where necessary, but recognise that systems can only provide reasonable, not absolute, assurance that all risks have been identified and managed.

The main source of revenue for the School is fee income. A declining number of pupils has made future fee and other revenue streams less certain and the School has needed external financial support to secure its future. Towards the end of the 2020/21 academic year the Trustees reached an agreement with Alpha Schools (Holdings) Limited for the operational control and financial support of the School. Alpha Schools (Holdings) Limited are a highly experienced operator within the education sector and will use their experience to make operational and financial changes to the School to lift both pupil numbers and profitability and make sure the School is viable for the future.

In regards to non financial risks, the health and safety of the pupils is paramount and any potential breach of procedures would be a principal risk. To mitigate this, the Trustees have developed policies to ensure the regulations and guidelines for the welfare of pupils are observed.

Further to the sale of the school, the Trustees have reassessed the principal risks and uncertainties. These are much reduced and in accordance with Charity law.

TPS REALISATIONS 2024

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management

The Prebendal School is a company limited by guarantee governed by its Memorandum and Articles of Association, which took effect from 1st September 2016 when the School became an incorporated charity with registered company number 09038149. It is a registered charity with the Charity Commission, charity number 1157782.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

The Reverend Canon Dr D Inman	(Resigned 3 September 2024)
The Very Reverend Dr J R Hall KCVO FSA FCIS	
Mr J F Attwater MA (Hons) PGCE	
Mrs R C Pexton BA (Hons) CTA	(Resigned 1 May 2025)
Mr M P Camps LIB (Hons)	
Mr A J Wilkinson MA (Hons)	
Mr N Geake BA (Hons) PGCE ACMA CGMA	
The Reverend Canon S Holland	(Resigned 28 July 2024)
The Very Reverend Dr R E M Dowler	(Appointed 14 September 2024)

As noted, the Trustees are also the Directors of the charitable company for the purposes of company law. There is a written policy which lays down the procedure for the appointment and induction of Trustees. Effort is made to appoint Trustees from a range of backgrounds including the church, education, finance, business, administration and other areas. There is a written analysis of the skills and backgrounds of the members of the Board and agreed priorities in the search for candidates for future appointment with areas of expertise considered in Education, Finance, Child Welfare, Human Resources, Legal and Estates Management.

The Trustees are elected at a full board meeting and approved by the process laid down in the Articles of Association. They can be re elected.

The Board of Trustees met each term to consider matters of policy and strategy. There were also the following committees, each of which was chaired by a Trustee and whose membership drawn from the Trustees and appropriate members of staff. These have defined terms of reference and report to the full board:

- A Finance and General Purposes Committee, which also serves as the Strategic Risk Management Committee
- An Education Committee
- A Pastoral and Safety Committee (one Trustee is nominated to take the lead on Safeguarding)
- A Bursaries Committee
- A Business Development Committee (to consider the future development of the school)

Pay policy for senior staff

The School operated banded salary ranges for all staff including senior staff up until the point of sale. The banded ranges are benchmarked against those of other independent schools and the maintained school sector. This allowed the School to remain an attractive employer in the independent school sector.

The bands were reviewed annually and generally an inflationary increase applied. This was dependent upon the financial success of the School and also increases being offered in similar schools. Progression within the bands was based upon performance for all levels of staff.

TPS REALISATIONS 2024

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Related party relationships

None of the Trustees receive remuneration or other benefit from their work with the charity. Any contractual relationship must be disclosed and notes of interest are retained in written form.

Occasionally, Trustees had children attending the School. Generally, this does not affect their capability to make independent and fair decisions but if there is a specific situation where there may be a conflict of interests, the Trustees will remove themselves from meetings.

Risk management

The Trustees have a risk management strategy which has comprised of:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review, and;
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Auditor

In accordance with the company's Articles of Association, a resolution proposing that Richard Place Dobson Services Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Mr M P Camps LIB (Hons)

Trustee

Date: 28th November 2025

TPS REALISATIONS 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees, who are also the directors of TPS Realisations 2024 for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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.

TPS REALISATIONS 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TPS REALISATIONS 2024

Opinion

We have audited the financial statements of TPS Realisations 2024 (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 within the annual report. Our opinion on the financial statements does not cover the other information and 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

TPS REALISATIONS 2024

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TPS REALISATIONS 2024

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We have made enquiries of management, and directors, regarding the procedures relating to identifying, evaluating and complying with

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

Discussion among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential significant risks for fraud in the following areas:

1. Management override of the controls in place

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside of the normal course of business.

2. Revenue recognition

Audit procedures performed included but were not limited to performing walk through tests to identify the control procedures in place and once an understanding of the pupil fee income recognition process was obtained, substantive procedures were also performed. Testing concluded that revenue had been recognised in-line with accounting standards.

TPS REALISATIONS 2024

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TPS REALISATIONS 2024

3. Going concern

Another significant risk identified by the audit engagement team was going concern, as a result of falling pupil numbers and rising costs. With the school now sold in April 2024, the Trustees are focussed on dealing with final obligations of the charity and once satisfied will see the charity be wound up at some point in near future. Testing has been updated to reflect this.

4. Laws and regulations

The audit engagement team identified laws and regulations as a significant risk. In order to test that the financial statements were not materially misstated through fraud or error arising from a breach of laws and regulations, the following testing procedures were planned; A review of any recent results issued by ISI (Independent Schools Inspectorate) inspection dated November 2022; review of correspondence from legal advisors, to look for evidence of breaches; review of board minutes to identify any breaches in laws and regulations.


5. Valuation of property

The audit engagement team also identified the valuation of property as a significant risk. In order to test that the valuation of property per the accounts is valued reasonably, the following procedures were planned; a visit to the school premises to analyse indications of impairment; review documentation from the professional valuation undertaken in 2022 by Medhurst Commercial Surveyors; analyse property market to identify any potential indications of impairment of the school property.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters 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 anyone other than the charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Richard Place Dobson Services Limited
Chartered Accountants
Statutory Auditor

28 November 2025

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Richard Place Dobson Services Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

TPS REALISATIONS 2024

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Current financial year		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
	Notes				
Income and endowments from:					
Donations and legacies	3	-	-	-	300
Charitable activities	4	1,113,279	-	1,113,279	1,295,864
Investments	5	-	-	-	75
Other income	6	208,356	-	208,356	36,588
Total income		1,321,635	-	1,321,635	1,332,827
Expenditure on:					
Charitable activities	7	1,600,443	-	1,600,443	1,671,332
Total expenditure		1,600,443	-	1,600,443	1,671,332
Net expenditure		(278,808)	-	(278,808)	(338,505)
Other recognised gains and losses:					
Revaluation of tangible fixed assets		-	-	-	(970,008)
Net movement in funds	9	(278,808)	-	(278,808)	(1,308,513)
Reconciliation of funds:					
Fund balances at 1 September 2023		291,188	15,242	306,430	1,614,943
Fund balances at 31 August 2024		12,380	15,242	27,622	306,430

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

TPS REALISATIONS 2024

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Prior financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes			
Income and endowments from:				
Donations and legacies	3	300	-	300
Charitable activities	4	1,295,864	-	1,295,864
Investments	5	75	-	75
Other income	6	36,588	-	36,588
Total income		<u>1,332,827</u>	<u>-</u>	<u>1,332,827</u>
Expenditure on:				
Charitable activities	7	1,671,332	-	1,671,332
Total expenditure		<u>1,671,332</u>	<u>-</u>	<u>1,671,332</u>
Net income		(338,505)	-	(338,505)
Other recognised gains and losses:				
Revaluation of tangible fixed assets		(970,008)	-	(970,008)
Net movement in funds	9	<u>(1,308,513)</u>	<u>-</u>	<u>(1,308,513)</u>
Reconciliation of funds:				
Fund balances at 1 September 2022		1,599,701	15,242	1,614,943
Fund balances at 31 August 2023		<u>291,188</u>	<u>15,242</u>	<u>306,430</u>

TPS REALISATIONS 2024

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	13		-		1,811,853
Current assets					
Stocks	14	-		505	
Debtors	15	15,457		51,447	
Cash at bank and in hand		162,728		169	
		<u>178,185</u>		<u>52,121</u>	
Creditors: amounts falling due within one year	18	<u>(150,563)</u>		<u>(1,557,544)</u>	
Net current assets/(liabilities)			27,622		(1,505,423)
Total assets less current liabilities			<u>27,622</u>		<u>306,430</u>
The funds of the charitable company					
Restricted income funds	21		15,242		15,242
Unrestricted funds	22		12,380		291,188
			<u>27,622</u>		<u>306,430</u>

The notes on pages 14 to 28 form part of these financial statements.

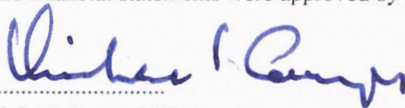
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 28th November 2025


 Mr M P Camps LIB (Hons)
 Trustee

TPS REALISATIONS 2024

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(885,410)		(320,811)
Investing activities					
Purchase of tangible fixed assets		-		(599)	
Proceeds from disposal of tangible fixed assets		1,995,237		400	
Investment income received		-		75	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			1,995,237		(124)
Financing activities					
Repayment of borrowings		(600,000)		370,000	
Repayment of bank loans		(318,691)		(36,699)	
Payment of finance leases obligations		(1,105)		(4,719)	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(919,796)		328,582
Net increase in cash and cash equivalents			190,031		7,647
Cash and cash equivalents at beginning of year			(27,303)		(34,950)
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			162,728		(27,303)
			<u> </u>		<u> </u>
Relating to:					
Cash at bank and in hand			162,728		169
Bank overdrafts included in creditors payable within one year			-		(27,472)
			<u> </u>		<u> </u>

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

TPS Realisations 2024 is a private company limited by guarantee incorporated in England and Wales. The registered office is The Lodge, Barnham Court, Church Lane, Barnham, Bognor Regis, PO22 0BP, West Sussex.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company would continue for as long as is necessary to wind up operations. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Completion of the sale of the School's assets and liabilities to AS PBL Limited was completed on 30 April 2024. The debts of the School were cleared on purchase.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognized when the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Pupil fee income is recognised as gross pupil fee income, less scholarships, bursaries, and discounts awarded. Termly fee income is received in advance, and deferred on an accruals basis where the payment relates to the next accounting period.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charitable company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.6 Tangible fixed assets

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	nil
Fixtures and fittings	10 - 20% straight line
Computers	33% straight line
Motor vehicles	20% straight line

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless there costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Following July 2020, retirement benefits for teaching employees of the school have been provided under a defined contribution scheme. Furthermore, the School operates a stakeholder pension scheme for other employees. Contributions for all these schemes are charged to the Statement of Financial Activities in the year in which they are payable. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Total	Unrestricted funds
	2024	2023
	£	£
Donations and legacies	-	300
	====	====

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

4 Income from charitable activities

	School Fees 2024 £	School Fees 2023 £
Gross pupil fee income	1,113,437	1,455,245
Laundry income	-	4,425
	<u>1,113,437</u>	<u>1,459,670</u>
Less:		
Bursaries	-	(122,617)
Scholarships	-	(29,269)
Discounts	(158)	(11,920)
	<u>1,113,279</u>	<u>1,295,864</u>
Net pupil fee income	<u>1,113,279</u>	<u>1,295,864</u>
Analysis by fund		
Unrestricted funds	<u>1,113,279</u>	<u>1,295,864</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	-	75
	<u>-</u>	<u>75</u>

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net gain on disposal of tangible fixed assets	183,385	400
Other income	11,849	10,850
Rent and letting income	13,122	25,338
	<u>208,356</u>	<u>36,588</u>

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7 Expenditure on charitable activities

	Direct Charitable Expenditure 2024 £	Direct Charitable Expenditure 2023 £
Direct costs		
Staff costs	685,178	979,656
Boarding expenses	74,210	94,601
Computer expenses	6,834	13,429
Catering	143,092	180,719
Staff expenses and salary preparation	3,029	3,125
Music and sports	232	33,953
Postage and telephone	9,296	7,609
Stationary and books	11,204	14,533
Advertising and marketing	2,060	6,468
Subscriptions	20,818	11,203
Repairs and maintenance	38,042	50,544
Security & health and safety	6,119	8,238
Rent and rates	87,586	99,614
Insurance	30,690	29,199
Bad debts	1,563	6
Grounds and playing fields	-	31,740
Other charitable expenditure	11,707	11,993
	<u>1,131,660</u>	<u>1,576,630</u>
Share of support and governance costs (see note 8)		
Support	-	32,458
Governance	468,783	62,244
	<u>1,600,443</u>	<u>1,671,332</u>
Analysis by fund		
Unrestricted funds	<u>1,600,443</u>	<u>1,671,332</u>

8 Support costs allocated to activities

	Total 2024 £	Total 2023 £
Depreciation	-	12,377
Operating lease charges	-	20,081
Governance	468,783	62,244
	<u>468,783</u>	<u>94,702</u>

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

8 Support costs allocated to activities	(Continued)	
	2024	2023
	£	£
Governance costs comprise:		
Audit fees	26,920	18,680
Legal and professional	192,215	25,825
Loan interest charges	18,347	15,185
Bank charges	2,131	2,296
Other charges	1,427	258
Head office charge	227,743	-
	<u>468,783</u>	<u>62,244</u>
	<u><u>468,783</u></u>	<u><u>62,244</u></u>
9 Net movement in funds	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	26,920	18,680
Depreciation of owned tangible fixed assets	-	12,377
Revaluation of owned tangible fixed assets	-	970,008
Profit on disposal of tangible fixed assets	(183,385)	(400)
Operating lease charges	-	19,113
	<u>-</u>	<u>19,113</u>
	<u><u>-</u></u>	<u><u>19,113</u></u>
10 Trustees		
None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.		
11 Employees		
The average monthly number of employees during the year was:		
	2024	2023
	Number	Number
Teachers - full time	14	16
Teachers - part time	10	7
Matrons	2	2
Domestics - part time	3	5
Grounds and maintenance	2	2
Administration - full time	1	1
Administration - part time	1	2
	<u>33</u>	<u>35</u>
Total	<u><u>33</u></u>	<u><u>35</u></u>

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

11 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	570,396	815,754
Social security costs	46,007	71,070
Other pension costs	68,775	92,832
	<u>685,178</u>	<u>979,656</u>

There were no employees whose annual remuneration was more than £60,000.

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2023	1,799,992	187,838	195,808	34,901	2,218,539
Disposals	(1,799,992)	(187,838)	(195,808)	(34,901)	(2,218,539)
At 31 August 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation and impairment					
At 1 September 2023	-	182,958	195,808	27,921	406,687
Eliminated in respect of disposals	-	(182,958)	(195,808)	(27,921)	(406,687)
At 31 August 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount					
At 31 August 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2023	<u>1,799,992</u>	<u>4,880</u>	<u>-</u>	<u>6,981</u>	<u>1,811,853</u>

Following completion of the sale of the School's assets and liabilities to AS PBL Limited on 30 April 2024, the carrying amount of the freehold properties has been realised at £1,799,992.

If freehold property were held at historic cost, the carrying value would be £nil (2023: £977,244).

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

14 Stocks

2024	2023
£	£

Finished goods and goods for resale	-	505
-------------------------------------	---	-----

15 Debtors

2024	2023
£	£

Amounts falling due within one year:

Trade debtors	-	8,305
Other debtors	15,457	(2,035)
Prepayments and accrued income	-	45,177
	<u>15,457</u>	<u>51,447</u>

16 Loans and overdrafts

2024	2023
£	£

Bank overdrafts	-	27,472
Bank loans	-	318,691
Other loans	-	600,000
	<u>-</u>	<u>946,163</u>

Payable within one year	-	946,163
-------------------------	---	---------

Other loans consists of a £600,000 loan from AS PBL Limited, who completed a purchase of the assets and liabilities of the School on 30 April 2024. This loan is interest free and is considered payable on demand.

17 Finance lease obligations

Future minimum lease payments due under finance leases:

2024	2023
£	£

Within one year	-	1,105
-----------------	---	-------

Finance lease commitments included a lease for a tractor for maintenance of the playing fields, leased from John Deere UK & IE.

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans and overdrafts	16	-	346,163
Obligations under finance leases	17	-	1,105
Other borrowings		-	600,000
Other taxation and social security		-	48,363
Deferred income	19	-	237,440
Trade creditors		1,740	204,389
Other creditors		148,823	70,378
Accruals		-	49,706
		<u>150,563</u>	<u>1,557,544</u>

19 Deferred income

	2024 £	2023 £
Other deferred income	-	237,440
	<u>-</u>	<u>237,440</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	-	237,440
	<u>-</u>	<u>237,440</u>
Movements in the year:		
Deferred income at 1 September 2023	237,440	230,169
Released from previous periods	(237,440)	(230,169)
Resources deferred in the year	-	237,440
	<u>-</u>	<u>237,440</u>
Deferred income at 31 August 2024	-	237,440
	<u>-</u>	<u>237,440</u>

Fees paid in advance comprised of fees for the Michaelmas term received in advance of £nil (2023: £214,547), and pupil deposits of £nil (2023: £22,893).

20 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	68,775	92,832
	<u>68,775</u>	<u>92,832</u>

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Retirement benefit schemes

(Continued)

The school previously operated two defined benefit pension schemes (Teacher's Pension Scheme and Church of England Scheme). The Teachers Pension Scheme was closed to new members in July 2020 and the School withdrew from being part of the scheme..

The Church of England Scheme consisted of defined benefit and defined contribution pension schemes.

The Church of England Scheme is part of the Church Workers Pension scheme. At the year end the School had no active members and no deferred pension members. The School is not able to identify its share of assets and liabilities to the scheme as the scheme is subject to actuarial risk arising from changes in employees of other entities. As a result of a valuation of the scheme in 2007 an underlying funding liability was identified and this was repaid by the School through additional contributions. The last member of this scheme retired in 2008. The scheme remains operational but only to receive subscriptions for the defined contribution section of the fund.

The School also operates another defined contribution scheme in the form of a stakeholder pension scheme.

The assets of both of these schemes are held separately from those of the School in independently administered funds.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

At the year-end, the school owed £nil (2023: £35,391) by way of a pension creditor.

The charge to profit or loss in respect of defined contribution scheme was £15,474 (2023: £92,832).

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2023	At 31 August 2024
	£	£
Prize Fund	6,691	6,691
Scholarship Fund (Tanner Trust)	2,658	2,658
Ernest and David Myers Award Fund	5,893	5,893
	<u>15,242</u>	<u>15,242</u>
	<u>15,242</u>	<u>15,242</u>
Previous year:	At 1 September 2022	At 31 August 2023
	£	£
Prize Fund	6,691	6,691
Scholarship Fund (Tanner Trust)	2,658	2,658
Ernest and David Myers Award Fund	5,893	5,893
	<u>15,242</u>	<u>15,242</u>
	<u>15,242</u>	<u>15,242</u>

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

21 Restricted funds (Continued)

The Prize Fund is to fund the award of small annual prizes to outstanding pupils.

The Scholarship Fund (Tanner Trust) is to assist in the payments of fees by families of limited means or in time of hardship.

The Ernest and David Myers award fund is monies received in order to fund a Chorister bursary.

It is expected that the restricted funds will be paid out on the closure of the charity.

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2023	Incoming resources	Resources expended	Gains and losses	At 31 August 2024
	£	£	£	£	£
General funds	291,188	1,321,635	(1,600,443)	-	12,380
	<u>291,188</u>	<u>1,321,635</u>	<u>(1,600,443)</u>	<u>-</u>	<u>12,380</u>
Previous year:	At 1 September 2022	Incoming resources	Resources expended	Gains and losses	At 31 August 2023
	£	£	£	£	£
General funds	1,599,701	1,332,827	(1,671,332)	(970,008)	291,188
	<u>1,599,701</u>	<u>1,332,827</u>	<u>(1,671,332)</u>	<u>(970,008)</u>	<u>291,188</u>

23 Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 August 2024:			
Current assets/(liabilities)	12,380	15,242	27,622
	<u>12,380</u>	<u>15,242</u>	<u>27,622</u>
	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£
At 31 August 2023:			
Tangible assets	1,811,853	-	1,811,853
Current assets/(liabilities)	(1,520,665)	15,242	(1,505,423)
	<u>1,811,853</u>	<u>15,242</u>	<u>1,827,095</u>
	<u>291,188</u>	<u>15,242</u>	<u>306,430</u>

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

23 Analysis of net assets between funds

(Continued)

The unrestricted fund includes a revaluation reserve of £nil (2023: £822,748) relating to fixed asset revaluations in previous years.

24 Financial commitments, guarantees and contingent liabilities

Contingent liabilities

During the year ended 31 August 2016 the school received £600,000 from the Dean and Chapter of Chichester Cathedral in respect of the School's interest in a larger donation of property from a third party donor. The restrictions imposed upon the underlying donation were such that in order to receive funds the School was required to enter into a deed with the Dean and Chapter of Chichester Cathedral. Under the deed the school has covenanted, for a period of ten years to 2026, that it will repay monies back to the Dean and Chapter of Chichester Cathedral on the occurrence of any of the following circumstances:

- a. That the charity ceases to provide choristers to the Chichester Cathedral provided that such cessation was at the behest of the charity and not imposed by Chapter.
- b. That the undertaking of the School is sold or otherwise disposed of (as the case may be) by the Charity.
- c. That the charity is put or otherwise goes into liquidation or ceases to trade.

In the case of b) repayment shall be made in full on completion of the sale or disposal (as the case may be) of the undertaking of the School to a third party except for in the event that such sale or disposal is made to AS PBL Limited (registered company number 15264342) in which case Chapter shall waive any and all requirements for repayment of the payment in full. Upon the sale of the school, this was addressed and the waive took place.

In the case of c) any repayment will only be made after the settlement of all other debts of the school secured or unsecured.

Contingent assets

The School is a remainderman of the Mrs WE Shoemith MBE Will Trust. The value of the residuary interest is believed to be in the region of £131,305. This value is subject to fluctuation until such time as it crystallises and cannot therefore be reliably estimated for the purpose of recognition in these accounts.

25 Operating lease commitments

Lessee

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	-	87,462
Between two and five years	-	159,462
	-----	-----
	-	246,924
	=====	=====

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

26 Related party transactions

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

Chichester Cathedral Choristers Associations Scholarship Trust

A charity in which Mr J F Attwater is a trustee. During the year the school received £nil (2023: £20,647) for chorister fees.

Southern Cathedrals Festival Society

A charity in which Mr S J Waine, who resigned as a Trustee on 22 January 2023, is a trustee. During the year the school received £nil (2023: £1,687).

The Dean and Chapter Of Chichester Cathedral

The Dean of Chichester Cathedral acts as an ex officio Trustee of Prebendal along with his role of the Dean of Chichester and The Reverend Canon Dr D Inman is the Chancellor of Chichester Cathedral. The Dean and Chapter also have the ability to appoint trustees.

During the year the school paid £18,990 (2023: £64,010) of rent, and £nil (2023: £406) of insurance. The school also received £689 (2023: £199,783) from the Dean and Chapter for chorister fees, £3,666 (2023: £6,228) for piano lessons, and £689 (2023: £2,946) for out of term bed and breakfast for choristers.

Reed Memorial Ground

A charity of which all trustees in The Prebendal School are also trustees which was relevant up until the sale of the school. The charity owns the playing field which the school regularly uses.

TPS REALISATIONS 2024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

27 Cash absorbed by operations	2024 £	2023 £
Deficit for the year	(278,808)	(338,505)
Adjustments for:		
Investment income recognised in statement of financial activities	-	(75)
Gain on disposal of tangible fixed assets	(183,385)	(400)
Depreciation and impairment of tangible fixed assets	-	12,377
Movements in working capital:		
Decrease in stocks	505	606
Decrease/(increase) in debtors	35,990	(8,849)
(Decrease)/increase in creditors	(222,272)	6,764
(Decrease)/increase in deferred income	(237,440)	7,271
Cash absorbed by operations	<u>(885,410)</u>	<u>(320,811)</u>

28 Analysis of changes in net funds/(debt)	At 1 September 2023 £	Cash flows At 31 August 2024	
		£	£
Cash at bank and in hand	169	162,559	162,728
Bank overdrafts	(27,472)	27,472	-
	<u>(27,303)</u>	<u>190,031</u>	<u>162,728</u>
Loans falling due within one year	(918,691)	918,691	-
Obligations under finance leases	(1,105)	1,105	-
	<u>(947,099)</u>	<u>1,109,827</u>	<u>162,728</u>

TPS Realisations 2024

England & Wales - Charity number 1157782

Accounts

Charity registration number 1157782

Company registration number 09038149 (England and Wales)

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	The Reverend Canon Dr D Inman The Very Reverend Dr J R Hall KCVO FSA FCIS Mr J F Attwater MA (Hons) PGCE Mrs R C Pexton BA (Hons) CTA Mr M P Camps LIB (Hons) Mr A J Wilkinson MA (Hons) Mr N Geake BA (Hons) PGCE ACMA CGMA The Reverend Canon S Holland	(Appointed 30 April 2023)
Key management personnel	Mrs Alison Napier - Head Ms Liz Johnstone - Deputy Head Ms Katharine Hughes-Jones - Head of Pre Prep Mr Ben Collings - Head of Boarding Ms Helen Sutcliffe - SENCO	
Charity number	1157782	
Company number	09038149	
Registered office	54 West Street Chichester West Sussex PO19 1RT	
Auditor	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT	
Bankers	Natwest Bank, 5 East Street, Chichester , West Sussex, PO20 7AJ	
Solicitors	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA	

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

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THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2023

The Governors of the School, as the trustees of the charity and directors of the company, are pleased to present their annual report together with the financial statements of the charity for the year ending 31 August 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Charities Accounts Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

The objects of the School as defined in its Articles of Association are for the benefit of the public to provide for the advancement of education by the provision of a boarding and/or day school or schools for the education of children of all genders and to advance the education of the choristers of Chichester Cathedral by providing the facilities for their education up to and including age 13.

The aim of the School is to foster the academic, physical, spiritual, moral and social development of children in a happy, caring and safe environment. This is done by providing a high quality education with a broad and varied curriculum. The School educates, among others, the boys of the Chichester Cathedral Choir. The Choristers are supported financially to ensure that these places are open to all, regardless of the ability to pay.

The School provided education for an average of 95 pupils over the three terms of the academic session 2022/23. There were 19 weekly or full boarders with many other pupils taking advantage of flexi boarding and the School's evening activities.

Bursaries and Scholarships

The Prebendal School is a fee charging school. The Governors recognise however that it is important to make education available to all, including those unable to pay the fees or for those current pupils where a change in family circumstances would compromise their ability to remain at the School. Accordingly, they provide financial support to pupils through a means tested bursary scheme and a number of non means tested fee remissions. The availability of financial support is publicised by way of the charity's website, in local media and in the application packs for entry to the School.

Relief to Families

It is an important principle for the School that the benefits of a Prebendal education should not be restricted solely to those who can pay the full cost. During 2022-23, 19 places in the School were taken by Choristers of Chichester Cathedral, for whom at least 50% of the School fees were paid by church funds or other grants. In addition, financial assistance was given by the School to pupils by means of scholarships and bursaries. A total of £171,215.90 was granted in this way during 2022-23 (2021-22: £165,367.50), representing 11.73% of gross fee income. The aim of the scholarships is to recognise and encourage children with a high potential. A total of 20 pupils received bursaries amounting to £137,494.40 (9.42% of gross fee income) that were determined by financial need. That said, the School is funded entirely by fees and therefore has to fill most of its places with pupils for whom the full amount is paid.

The range of bursary awards is as follows:

0 20%	1 beneficiaries
21 30%	4 beneficiaries
31 40%	3 beneficiaries
> 40%	12 beneficiaries

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the parents' or guardians' ability to pay full fees and the availability of bursary funds to the School. Bursary awards are subject to an annual review, usually in the Lent term.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Non means-tested fee remissions

Academic, sport, art and music scholarships have been historically awarded following competitive assessment prior to entry to the School and are based on outstanding achievement and potential. Awards are usually set at between 5% - 15% of the full fee and usually continue for the remainder of the pupil's education at the School. The value of Scholarships in 2022-23 was £33,721.50 awarded to 20 pupils.

Other forms of non-means tested assistance were also awarded during the academic year, including sibling and former pupil discounts. In total these awards were made to 24 pupils and amounted to £22,606.50.

Contribution to the local community

A number of local organisations made use of the sports fields and facilities. Together with the Cathedral, afternoon opportunities have been provided for local children to sing with the Cathedral Choir and explore the life of a Chorister, and this continues to attract a number of children from outside the School. Our pupils continue to be very involved in the life of the local community and school music groups have played at local functions and sung carols in the city centre to help raise money for local charities. Our thrice-yearly Activity Mornings for children aged 2-7 continue to be popular and provide an educational experience for local children who are not pupils at the school. The school hosts a weekly Toddler Group for local families and this remains popular.

Support for local schools

In addition to the main school activity the School has continued to foster relationships with the community. The school hall is used by a local ballet group every Saturday.

Fund-raising within the School

Pupils, staff and parents consistently raise many thousands of pounds each year for other charities. These are chosen and voted upon by the senior pupils in the School who in turn arrange various fund-raising events for their chosen charities. Representatives from the charities are invited to receive the donations and will also give particular feedback in assembly on how the money will be used.

The Prebendal School recognises the vital contribution made by its supporters, with voluntary donations being a valuable part of the trust's incoming resources.

We believe that giving to charity should be a positive experience, and to help ensure that this is the case we acknowledge the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the trust. To this end, all fundraising activity is carried out by our Parent Teacher Association. This group raises money for the School through regular activities such as school fairs, discos, film and quiz nights. All of these events are voluntary and advertised in a non-intrusive manner.

The School does not utilise the services of any external commercial fundraisers. At this point, given that the majority of the School's donations are from pupils' parents and carers, the trustees do not consider it necessary to subscribe to a Fundraising Regulator.

The School welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

The Governors have had regard to the Charity Commission's guidance on public benefit.

Volunteers

Members of the Board of Governors did not receive any payment for the work they carried out for the charity in the year ending 31 August 2023. In addition, a large number of parents and former pupils gave their time voluntarily in assisting the School with the supervision of excursions and extra curricular sporting activities.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and performance

Academic progress

The School continues to offer a broad education, aiming to produce all round excellence. Academic performance and the links with Chichester Cathedral are at the heart of the School's offer, but these aspects are successfully coupled to sport, music, drama, co curricular activities, community service and related school trips. The Governors expect the Head to provide an environment that has a strong pastoral ethos, rooted in Christian values. Much attention is given to the development of a family atmosphere and the helping of each boy and girl to develop his or her full potential.

The nave of the Cathedral is used as the school hall for assemblies twice a week, and for services to celebrate major feast days, Confirmation and Founders Day, as well as for musical concerts and other major events. All such gatherings in the Cathedral are open to parents and indeed to members of the public.

From Year 6, pupils follow the Common Entrance curriculum underpinned by the Pre-Senior Baccalaureate (PSB) core skills of Thinking and Learning, Reviewing and Improving, Communicating, Collaboration and Leadership. The PSB encourages strong partnerships between parents and schools to promote an understanding of how each individual child learns. Alongside a grading system for academic study there is one for the core skills, and this is monitored through a tutorial system focused on individual personal development, as well as the vertical structure within houses. Tutors meet regularly with children in their groups and also hold 1:1 meetings when they go through all aspects of school life and the development of an individual's academic and extra-curricular profile. The aim is to ensure that by the time pupils *leave* Prebendal they will have developed a secure understanding of how they learn, gained independent and collaborative learning skills and experienced leadership.

The Prebendal Extended Project (PEP) is part of the PSB, enabling pupils to focus on the joy of discovering and investigating things for themselves. A pupil's choice of topic is relatively free within the boundaries of Humanities and Languages, but they must show that it is academically useful. Extended projects help students to develop and demonstrate a range of valuable skills through pursuing their interests and investigating topics in more depth. The issues pupils choose may be of a social, political, ethical or philosophical character and will be explored in greater depth than might be achieved with an essay. A PEP may take the shape of a field study or investigation, cultivating research and analysis techniques and fostering a love for a subject area.

Part of the Y6-8 Curriculum is "Quadrivium", a programme of academic excellence. We support pupils who want to really push the boundaries of their knowledge, critical and interdisciplinary thinking, philosophy and high-order questioning skills. Once each week, pupils are grouped vertically and challenged with sessions appropriate to their stage. These sessions, which may be led by staff, parents or colleagues from a senior school, will be designed to broaden their perspectives, raise aspirations, and encourage them to think and articulate their ideas. Sometimes these sessions consist of a particular challenge or problem to solve. Parents who wish to come and speak to the children about their careers, or any topic about which they are particularly knowledgeable, will be warmly encouraged to share their experiences with pupils.

The School benefits from grounds with plenty of space, as well as benefitting from its city centre location. A sizeable outdoor classroom area enhances the curriculum across all year groups.

During the year to August 2023, Beach School continued for all the children in the Pre prep (Nursery — Year 2). The quality and experience of learning has been deepened through this initiative, as well as helping children to develop many skills aiding their personal development. Beach School re-commenced in the Summer Term of 2023. The School achieved 'Highly-Commended' in the Pre-Prep category of the Independent Schools of the Year 2018 and has been shortlisted for 2023.

Around 15 different clubs and activities are available for pupils. The range runs from sports such as dinghy sailing and horse riding, to 'learned societies' such as the Science Club and life skills such as gardening and forestry.

Drama is a strength. There are a variety of productions throughout the year at all levels of the School, and success in the LAMDA exams is enjoyed annually. Pupils are encouraged to speak in public by regularly reading out match reports in assembly, reading in cathedral, or participating in public speaking competitions.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Results in Common Entrance and Scholarship examinations at the end of the 2022-23 academic year were highly successful. Scholarships to senior schools were awarded for academic excellence; others were for ability in music, art, sport or a combination of these, giving testament to the breadth and quality of the education at Prebendal. In the past six years, over 64 scholarships have been won by Prebendal pupils to many different schools.

Sport plays a very important role in school life and with the majority of teams performing to a high standard in both boys and girls sports. Many of the children take part in the County Athletics Competition with a number becoming County Champions and then taking part in National Championships.

This year was the fifth in which the School's Nursery provision ran for 46 weeks of the year rather than just during term time. This change has been a successful one and attendance continues to grow.

Financial review

The School sustained a loss during the year of £1,308,513, which resulted in a reduced year end cash and net asset position. The main source of income for the charity continues to be the fee income charged for the provision of education. The charity considered the fee levels charged and decided to raise them by an average of 3% for the next school year.

The main expenditure of the School is that of staff salaries which account for 59% of expenditure. The professional staff are key to the ongoing success of the School and the Governors continue to seek, develop and retain teaching staff of the highest quality.

A significant proportion of the operating loss was due to exceptional costs incurred during the process of securing the agreement with Alpha Schools (Holdings) Limited (see principal risks and uncertainties below).

The Governors regularly review the bursary provision available and remain committed to ensuring a high number of pupils benefit from an education at the School. However, the School has no separately designated bursary fund and costs are met from operational income.

The Governors also recognise the importance of continued investment in its facilities to ensure that the School remains at the forefront of education provision in the area and this includes a programme of repairs and maintenance to existing facilities commensurate with the age and historic nature of the School's buildings.

Following completion of the sale of the School's assets and liabilities to AS PBL Limited, the carrying amount of the freehold properties has been realised at £1,799,992.

Going concern

The Governors have assessed whether the use of the going concern basis is appropriate for the preparation of the financial statements and have made this assessment for a period of at least one year from the date of their authorisation. The agreement reached towards the end of the 2020/21 academic year with Alpha Schools Holdings is expected to deliver operational and financial changes to the School which will lift both pupil numbers and profitability and make sure the School is viable for the future. For this reason, the School remains on a sound financial footing as all deficits are being covered by them.

In 2020 and 2021 the Coronavirus pandemic caused a reduction in certain of the School's incomes streams and added to some uncertainty as regards future pupil numbers and fee levels. The economic outlook is now improving, but the Governors have nevertheless taken measures to reduce costs, including reducing the number of staff employed, to position the School for its development under the agreement with Alpha Schools Holdings.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Reserves policy

The reserves of the school are represented by the unrestricted and restricted funds as shown in note 22 & 23 totalling £306,430 (2022: £1,614,943). Reserves include £822,748 (2022: £1,757,651) in relation to fixed asset revaluations and £15,242 (2022: £15,242) in relation to restricted fund balances leaving a negative balance of funds available for general use of £531,560 (2022: £157,950).

When adjusting total reserves for funds tied up in tangible fixed assets and restricted balances there was a deficit of free reserves amounting to £1,520,665 (2022: £1,193,938).

There are no material amounts committed for expenditure at the end of the financial year. The continuing obligations for a repair and maintenance programme are scheduled into the current and future years' budgets to be met from future income.

The governors have considered the purposes for which the school needs to hold reserves. The Governors consider that reserves equivalent to three months expenditure are sufficient to enable the school to manage its day-to-day operations and meet liabilities as they fall due.

The current level of reserves is below this target and the governors recognise the need to rebuild reserve levels and plan to do this over the coming years. Whilst reserve levels are restored additional working capital has been secured as part of the agreement with Alpha Schools detailed further in accounting policy 1.2.

Investment policy and performance

The School currently has no investments. The School continues to be the remainderman of the Mrs WE Shoesmith MBE Will Trust subject to the interest of Mr W Sprunt currently to the approximate value of £131,305.

Principal risks and uncertainties

There is a formal Strategic Risk Management Policy and a written table of Strategic Risks. These are reviewed annually, but Governors are aware that risk management is a dynamic process and new risks need to be noted and considered as they arise. The Governors are satisfied that strategic risks have been adequately mitigated where necessary, but recognise that systems can only provide reasonable, not absolute, assurance that all risks have been identified and managed.

The main source of revenue for the School is fee income. A declining number of pupils has made future fee and other revenue streams less certain and the School has needed external financial support to secure its future. Towards the end of the 2020/21 academic year the Governors reached an agreement with Alpha Schools (Holdings) Limited for the operational control and financial support of the School. Alpha are a highly experienced operator within the education sector and will use their experience to make operational and financial changes to the School to lift both pupil numbers and profitability and make sure the School is viable for the future. For this reason, the School remains on a sound financial footing as all deficits are being covered by them whilst the School's reserves are being restored.

Maintaining the quality of the School buildings is important to facilitate the delivery of a high standard of education. There is a risk that additional or unexpected repair work will be required which might impact this delivery. Full insurance is in place and the School continues to undertake annual repairs and maintenance to mitigate the risk of substantial repairs.

There are financial risks arising from the availability of liquid funds. The Finance Department ensures that debtors are closely managed and where possible aims to receive fees in advance to improve the position. The School has used its overdraft facility which was renewed at a figure of £50,000, retained for contingency purposes. It does have a term bank loan, which is adequately secured on the value of the School's assets and there is no reason to expect that the covenants will be breached in the foreseeable future.

As regards non financial risks, the health and safety of the pupils is paramount and any potential breach of procedures would be a principal risk. To mitigate this, the Governors have developed policies to ensure the regulations and guidelines for the welfare of pupils are observed.

Structure, governance and management

The Prebendal School Limited is a company limited by guarantee governed by its Memorandum and Articles of Association, which took effect from 1st September 2016 when the School became an incorporated charity with registered company number 09038149. It is a registered charity with the Charity Commission, charity number 1157782.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The governors, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

The Reverend Canon Dr D Inman

The Very Reverend S J Waine BA (Hons) (Resigned 22 January 2023)

The Very Reverend Dr J R Hall KCVO FSA FCIS

Mr J F Attwater MA (Hons) PGCE

Mrs R C Pexton BA (Hons) CTA

Mr M P Camps LIB (Hons)

Mrs Y Thomson BA (Hons) MPhil (Resigned 27 June 2023)

Mr A J Wilkinson MA (Hons)

Mr N Geake BA (Hons) PGCE ACMA CGMA

The Reverend Canon S Holland (Appointed 30 April 2023)

The Right Reverend G Knowles CVO (Appointed 22 January 2023 and resigned 30 April 2023)

As noted, the Governors act as the trustees for the charitable activities of the School, and are also the Directors of the charitable company for the purposes of Company Law. There is a written policy which lays down the procedure for the appointment and induction of Governors. Effort is made to appoint Governors from a range of backgrounds including the church, education, finance, business, administration and other areas. There is a written analysis of the skills and backgrounds of the members of the Board and agreed priorities in the search for candidates for future appointment with areas of expertise considered in Education, Finance, Child Welfare, Human Resources, Legal and Estates Management.

The Governors are elected at a full board meeting and approved by the process laid down in the Articles of Association. They can be re elected.

The Board of Governors met each per term to consider matters of policy and strategy. There were also the following committees, each of which is chaired by a Governor and whose membership is drawn from the Governors and appropriate members of staff. These have defined terms of reference and report to the full board:

- A Finance and General Purposes Committee, which also serves as the Strategic Risk Management Committee
- An Education Committee
- A Pastoral and Safety Committee (one Governor is nominated to take the lead on Safeguarding)
- A Bursaries Committee
- A Business Development Committee (to consider the future development of the school)

The School is affiliated with The Independent Association of Prep Schools which represents and promotes around 650 independent preparatory schools. This relationship allows the School access to advice about educational development and legislative changes. This does not impact on the general operating policies of the School but can inform the overall strategic direction.

Policies adopted for the induction and training of Governors

On appointment, Governors undertake an induction process. They are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board structure, committees and decision making processes, the business plan and recent financial and academic performance of the School. During visits to the School, they are encouraged to meet key employees and attend School events, INSET days and other appropriate training opportunities such as events run by external organisations.

Pay policy for senior staff

The School operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools and the maintained school sector. This allows the School to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the School and also increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Related party relationships

None of the Governors receives remuneration or other benefit from their work with the charity. Any contractual relationship must be disclosed and notes of interest are retained in written form.

Occasionally, Governors have children attending the School. Generally, this does not affect their capability to make independent and fair decisions but if there is a specific situation where there may be a conflict of interests, Governors will remove themselves from meetings.

Risk management

The Governors have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review, (now the responsibility of Alpha Schools Holdings); and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Auditor

In accordance with the company's articles, a resolution proposing that Richard Place Dobson Services Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Governors' report was approved by the Board of Governors.

.....
The Reverend Canon S Holland
Governor

Date:

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The governors, who are also the directors of The Prebendal School (Limited by Guarantee) for the purpose of company law, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of The Prebendal School (Limited by Guarantee) (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 31 to the financial statements, 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors 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 governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Governors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

Responsibilities of governors

As explained more fully in the statement of Governors' responsibilities, the governors, who are also the directors of the charitable company for the purpose 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 governors 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 governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We have made enquiries of management, and directors, regarding the procedures relating to identifying, evaluating and complying with

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

Discussion among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential significant risks for fraud in the following areas:

1. Management override of the controls in place

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside of the normal course of business.

2. Revenue recognition

Audit procedures performed included but were not limited to performing walk through tests to identify the control procedures in place and once an understanding of the pupil fee income recognition process was obtained, substantive procedures were also performed. Testing concluded that revenue had been recognised in-line with accounting standards.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

3. Going concern

Another significant risk identified by the audit engagement team was going concern, as a result of falling pupil numbers and rising costs. In order to test that the accounts being prepared on the going concern basis was correct the following testing was planned: Obtain and review cashflow forecasts and budgets for a period through to June 2024; Obtain and review management accounts for future periods up to the date of signing of the accounts to review against budgets and identify any further funding issues; review correspondence with the bank regarding their willingness to continue providing banking facilities; Obtaining a letter of support, up to date management accounts and year end accounts from Alpha Schools to confirm their willingness and ability to continue to support the School.

4. Laws and regulations

The audit engagement team identified laws and regulations as a significant risk. In order to test that the financial statements were not materially misstated through fraud or error arising from a breach of laws and regulations, the following testing procedures were planned; A review of any recent results issued by ISI (Independent Schools Inspectorate) inspection dated November 2022; review of correspondence from legal advisors, to look for evidence of breaches; review of board minutes to identify any breaches in laws and regulations.

5. Valuation of property

The audit engagement team also identified the valuation of property as a significant risk. In order to test that the valuation of property per the accounts is valued reasonably, the following procedures were planned; a visit to the school premises to analyse indications of impairment; review documentation from the professional valuation undertaken in 2022 by Medhurst Commercial Surveyors; analyse property market to identify any potential indications of impairment of the school property.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Governors, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Governors those matters 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 anyone other than the charity and the Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Place Dobson Services Limited
Chartered Accountants
Statutory Auditor

.....
Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Richard Place Dobson Services Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Current financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
Income and endowments from:					
Donations and legacies	3	300	-	300	1,000
Charitable activities	4	1,295,864	-	1,295,864	1,505,153
Investments	5	75	-	75	198
Other income	6	36,588	-	36,588	19,728
Total income		1,332,827	-	1,332,827	1,526,079
Expenditure on:					
Charitable activities	7	1,671,332	-	1,671,332	1,712,334
Total expenditure		1,671,332	-	1,671,332	1,712,334
Net expenditure		(338,505)	-	(338,505)	(186,255)
Other recognised gains and losses:					
Revaluation of tangible fixed assets		(970,008)	-	(970,008)	-
Net movement in funds	9	(1,308,513)	-	(1,308,513)	(186,255)
Reconciliation of funds:					
Fund balances at 1 September 2022		1,599,701	15,242	1,614,943	1,801,198
Fund balances at 31 August 2023		291,188	15,242	306,430	1,614,943

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Prior financial year		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
Income and endowments from:				
Donations and legacies	3	1,000	-	1,000
Charitable activities	4	1,505,153	-	1,505,153
Investments	5	198	-	198
Other income	6	19,728	-	19,728
Total income		<u>1,526,079</u>	<u>-</u>	<u>1,526,079</u>
Expenditure on:				
Charitable activities	7	1,712,334	-	1,712,334
Total expenditure		<u>1,712,334</u>	<u>-</u>	<u>1,712,334</u>
Net income and movement in funds		(186,255)	-	(186,255)
Reconciliation of funds:				
Fund balances at 1 September 2021		<u>1,785,956</u>	<u>15,242</u>	<u>1,801,198</u>
Fund balances at 31 August 2022		<u><u>1,599,701</u></u>	<u><u>15,242</u></u>	<u><u>1,614,943</u></u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		1,811,853		2,793,639
Current assets					
Stocks	14	505		1,111	
Debtors	15	51,447		42,598	
Cash at bank and in hand		169		214	
		<u>52,121</u>		<u>43,923</u>	
Creditors: amounts falling due within one year	16	<u>(1,557,544)</u>		<u>(686,889)</u>	
Net current liabilities			<u>(1,505,423)</u>		<u>(642,966)</u>
Total assets less current liabilities			306,430		2,150,673
Creditors: amounts falling due after more than one year	17		<u>-</u>		<u>(535,730)</u>
Net assets excluding pension liability			306,430		1,614,943
Net assets			<u>306,430</u>		<u>1,614,943</u>
The funds of the charitable company					
Restricted income funds	22		15,242		15,242
Unrestricted funds			291,188		1,599,701
			<u>306,430</u>		<u>1,614,943</u>

The notes on pages 17 to 34 form part of these financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2023

The financial statements were approved by the governors on

.....
The Reverend Canon S Holland
Governor

Company registration number 09038149 (England and Wales)

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	29		(320,811)		(280,004)
Investing activities					
Purchase of tangible fixed assets		(599)		(691)	
Proceeds from disposal of tangible fixed assets		400		-	
Investment income received		75		198	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(124)		(493)
Financing activities					
Repayment of borrowings		370,000		230,000	
Repayment of bank loans		(36,699)		(27,515)	
Payment of obligations under finance leases		(4,719)		(4,718)	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			328,582		197,767
Net increase/(decrease) in cash and cash equivalents			7,647		(82,730)
Cash and cash equivalents at beginning of year			(34,950)		47,780
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>(27,303)</u>		<u>(34,950)</u>
Relating to:					
Cash at bank and in hand			169		214
Bank overdrafts included in creditors payable within one year			<u>(27,472)</u>		<u>(35,164)</u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

The Prebendal School (Limited by Guarantee) is a private company limited by guarantee incorporated in England and Wales. The registered office is 54 West Street, Chichester, West Sussex, PO19 1RT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

Completion of the sale of the School's assets and liabilities to AS PBL Limited was completed on 30 April 2024. The debts of the School were cleared on purchase.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the governors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognized when the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Pupil fee income is recognised as gross pupil fee income, less scholarships, bursaries, and discounts awarded. Termly fee income is received in advance, and deferred on an accruals basis where the payment relates to the next accounting period.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charitable company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.6 Tangible fixed assets

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	nil
Fixtures and fittings	10 - 20% straight line
Computers	33% straight line
Motor vehicles	20% straight line

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Provisions are recognised when the charitable company has a legal or constructive present obligation as a result of a past event, it is probable that the charitable company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.12 Long-term employment and termination benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless there costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Following July 2020, retirement benefits for teaching employees of the school have been provided under a defined contribution scheme. Furthermore, the School operates a stakeholder pension scheme for other employees. Contributions for all these schemes are charged to the Statement of Financial Activities in the year in which they are payable. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Tangible assets

The charity has recognised tangible fixed assets with a carrying value of £1,811,853 at the reporting date (see note 13). The charity has adopted a revaluation model for the measurement of land and buildings, other assets are stated at their cost less provision for depreciation and impairment.

In order to determine the fair value of land and buildings the charity has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. Valuations are obtained with sufficient regularity to ensure that the carrying value of revalued assets reflects current market conditions.

Where there are indicators that the carrying value of tangible assets may be impaired the charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and legacies	300	1,000

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Income from charitable activities

	School Fees 2023 £	School Fees 2022 £
Gross pupil fee income	1,455,245	1,713,034
Laundry income	4,425	4,325
	<u>1,459,670</u>	<u>1,717,359</u>
Less:		
Bursaries	(122,617)	(170,095)
Scholarships	(29,269)	(24,685)
Discounts	(11,920)	(17,425)
	<u>1,295,864</u>	<u>1,505,153</u>
Analysis by fund		
Unrestricted funds	<u>1,295,864</u>	<u>1,505,153</u>

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Investment income	<u>75</u>	<u>198</u>

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	400	-
Other income	10,850	4,049
Insurance settlement	-	928
Rent and letting income	25,338	14,751
	<u>36,588</u>	<u>19,728</u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Expenditure on charitable activities

	Direct Charitable Expenditure 2023 £	Direct Charitable Expenditure 2022 £
Direct costs		
Staff costs	979,656	1,099,455
Boarding expenses	94,601	35,270
Computer expenses	13,429	18,350
Catering	180,719	163,315
Staff expenses and salary preparation	3,125	17,640
Music and sports	33,953	28,595
Postage and telephone	7,609	7,994
Stationary and books	14,533	17,368
Advertising and marketing	6,468	9,591
Subscriptions	11,203	16,174
Repairs and maintenance	50,544	38,815
Security & health and safety	8,238	7,217
Rent and rates	99,614	90,855
Insurance	29,199	32,003
Bad debts	6	17,423
Grounds and playing field	31,740	32,541
Other charitable expenditure	11,993	3,755
	<u>1,576,630</u>	<u>1,636,361</u>
Share of support and governance costs (see note 8)		
Support	32,458	35,155
Governance	62,244	40,818
	<u>1,671,332</u>	<u>1,712,334</u>
Analysis by fund		
Unrestricted funds	<u>1,671,332</u>	<u>1,712,334</u>

8 Support costs allocated to activities

	Total 2023 £	Total 2022 £
Depreciation	12,377	16,157
Operating lease charges	20,081	18,998
Governance	62,244	40,818
	<u>94,702</u>	<u>75,973</u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Support costs allocated to activities (Continued)

	2023	2022
	£	£
Governance costs comprise:		
Audit fees	18,680	14,233
Legal and professional	25,825	8,191
Loan interest charges	15,185	13,341
Bank charges	2,296	2,466
Other charges	258	2,587
	<u>62,244</u>	<u>40,818</u>

9 Net movement in funds 2023 £ 2022 £

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	18,680	14,233
Depreciation of owned tangible fixed assets	12,377	16,157
Revaluation of owned tangible fixed assets	970,008	-
Profit on disposal of tangible fixed assets	(400)	-
Operating lease charges	19,113	18,047
	<u>19,113</u>	<u>18,047</u>

10 Governors

None of the governors (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

11 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Teachers - full time	16	17
Teachers - part time	7	4
Matrons	2	2
Domestics - part time	5	4
Grounds and maintenance	2	2
Administration - full time	1	3
Administration - part time	2	1
	<u>35</u>	<u>33</u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	815,754	901,947
Social security costs	71,070	79,560
Other pension costs	92,832	117,948
	<u>979,656</u>	<u>1,099,455</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 - £70,000	-	1

Employees benefits in kind totalled £3,998 (2022: £1,183).

The ratio of teaching staff to pupils was 1:4 (2022: 1:5).

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2023 £	2022 £
Aggregate compensation	<u>208,247</u>	<u>214,399</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 September 2022	2,770,000	187,239	195,808	58,801	3,211,848
Additions	-	599	-	-	599
Disposals	-	-	-	(23,900)	(23,900)
Revaluation	(970,008)	-	-	-	(970,008)
At 31 August 2023	1,799,992	187,838	195,808	34,901	2,218,539
Depreciation and impairment					
At 1 September 2022	-	177,561	195,808	44,840	418,209
Depreciation charged in the year	-	5,397	-	6,980	12,377
Eliminated in respect of disposals	-	-	-	(23,900)	(23,900)
At 31 August 2023	-	182,958	195,808	27,920	406,686
Carrying amount					
At 31 August 2023	1,799,992	4,880	-	6,981	1,811,853
At 31 August 2022	2,770,000	9,678	-	13,961	2,793,639

Following completion of the sale of the School's assets and liabilities to AS PBL Limited on 30 April 2024, the carrying amount of the freehold properties has been realised at £1,799,992.

The net book value of assets held under hire purchase contracts, included above is £6,981 (2022: £13,961)

If freehold property were held at historic cost, the carrying value would be £977,244 (2022: £1,012,350)

The revaluation surplus is disclosed in note 24.

14 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	505	1,111

15 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	8,305	8,983
Other debtors	(2,035)	(862)
Prepayments and accrued income	45,177	34,477
	51,447	42,598

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	19	346,163	85,929
Obligations under finance leases	20	1,105	4,719
Other borrowings		600,000	-
Other taxation and social security		48,363	43,535
Deferred income	18	237,440	230,169
Trade creditors		204,389	239,995
Other creditors		70,378	52,886
Accruals and deferred income		49,706	29,656
		<u>1,557,544</u>	<u>686,889</u>

£122,394 included within trade creditors is secured over the property 55-56 West Street.

Freehold land and buildings with a carrying amount of £1,000,000 (2022 - £1,000,000) have been pledged to secure certain debts of the charitable company. The charitable company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Due to the completion of the sale of the School's assets and liabilities to AS PBL Limited on 30 April 2024, all non-current creditors have been reallocated to current, as these are expected to be cleared within 12 months following 31 August 2023.

17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	19	-	304,625
Obligations under finance leases	20	-	1,105
Other borrowings		-	230,000
		<u>-</u>	<u>535,730</u>

A bank loan together with the bank overdraft, is secured over the property at 43 West Street, Chichester. The bank overdraft is repayable on demand. The bank loan is for a period of 10 years from 18 August 2015. The loan is being repaid by instalments calculated to repay the full amount of the loan over a period of nineteen years and three months. After 120 repayments a final instalment is due to repay the outstanding balance. Interest rate payable is 2.86% per annum over base rate.

See note 16 - non-current creditors reallocated to current.

18 Deferred income

	2023 £	2022 £
Other deferred income	<u>237,440</u>	<u>230,169</u>

Deferred income is included in the financial statements as follows:

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Deferred income	(Continued)	
	2023	2022
	£	£
Deferred income is included within:		
Current liabilities	237,440	230,169
	<u> </u>	<u> </u>
Movements in the year:		
Deferred income at 1 September 2022	230,169	253,409
Released from previous periods	(230,169)	(253,409)
Resources deferred in the year	237,440	230,169
	<u> </u>	<u> </u>
Deferred income at 31 August 2023	237,440	230,169
	<u> </u>	<u> </u>

Fees paid in advance comprises fees for the Michaelmas term received in advance of £214,547 (2022: £205,769), and pupil deposits of £22,893 (2022: £24,400).

19 Loans and overdrafts	2023	2022
	£	£
Bank overdrafts	27,472	35,164
Bank loans	318,691	355,390
Other loans	600,000	230,000
	<u> </u>	<u> </u>
	946,163	620,554
	<u> </u>	<u> </u>
Payable within one year	946,163	85,929
Payable after one year	-	534,625
	<u> </u>	<u> </u>

Other loans consists of a £600,000 loan from AS PBL Limited, who completed a purchase of the assets and liabilities of the School on 30 April 2024. This loan is interest free and is considered payable on demand.

All loans are payable within one year due to the completion of the sale to AS PBL Limited.

20 Finance lease obligations	2023	2022
	£	£
Future minimum lease payments due under finance leases:		
Within one year	1,105	4,719
Within two and five years	-	1,105
	<u> </u>	<u> </u>
	1,105	5,824
	<u> </u>	<u> </u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Finance lease obligations (Continued)

Finance lease commitments includes a lease for a tractor for maintenance of the playing fields, leased from John Deere UK & IE.

21 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	92,832	117,948

The school previously operated two defined benefit pension schemes (Teacher's Pension Scheme and Church of England Scheme). The Teachers Pension Scheme was closed to new members in July 2020 and the School withdrew from being part of the scheme..

The Church of England Scheme consisted of defined benefit and defined contribution pension schemes.

The Church of England Scheme is part of the Church Workers Pension scheme. At the year end the School had no active members and no deferred pension members. The School is not able to identify its share of assets and liabilities to the scheme as the scheme is subject to actuarial risk arising from changes in employees of other entities. As a result of a valuation of the scheme in 2007 an underlying funding liability was identified and this was repaid by the school through additional contributions. The last member of this scheme retired in 2008. The scheme remains operational but only to receive subscriptions for the defined contribution section of the fund.

The School also operates another defined contribution scheme in the form of a stakeholder pension scheme.

The assets of both of these schemes are held separately from those of the School in independently administered funds.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

At the year-end, the school owed £35,391 (2022: £26,219) by way of a pension creditor.

The charge to profit or loss in respect of defined contribution scheme was £92,832 (2022: £117,948).

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2022	At 31 August 2023
	£	£
Prize Fund	6,691	6,691
Scholarship Fund (Tanner Trust)	2,658	2,658
Ernest and David Myers Award Fund	5,893	5,893
	<u>15,242</u>	<u>15,242</u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Restricted funds (Continued)

Previous year:	At 1 September 2021	At 31 August 2022
	£	£
Prize Fund	6,691	6,691
Scholarship Fund (Tanner Trust)	2,658	2,658
Ernest and David Myers Award Fund	5,893	5,893
	<u>15,242</u>	<u>15,242</u>

The Prize Fund is to fund the award of small annual prizes to outstanding pupils. The balance of this fund is held separately in two bank accounts.

The Scholarship Fund (Tanner Trust) is to assist in the payments of fees by families of limited means or in time of hardship.

The Ernest and David Myers award fund is monies received in order to fund a Chorister bursary.

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2022	Incoming resources	Resources expended	Gains and losses	At 31 August 2023
	£	£	£	£	£
General funds	<u>1,599,701</u>	<u>1,332,827</u>	<u>(1,671,332)</u>	<u>(970,008)</u>	<u>291,188</u>
Previous year:	At 1 September 2021	Incoming resources	Resources expended	Gains and losses	At 31 August 2022
	£	£	£	£	£
General funds	<u>1,785,956</u>	<u>1,526,079</u>	<u>(1,712,334)</u>	<u>-</u>	<u>1,599,701</u>

24 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£
At 31 August 2023:			
Tangible assets	1,811,853	-	1,811,853
Current assets/(liabilities)	<u>(1,520,665)</u>	<u>15,242</u>	<u>(1,505,423)</u>
	<u>291,188</u>	<u>15,242</u>	<u>306,430</u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

24 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
At 31 August 2022:			
Tangible assets	2,793,639	-	2,793,639
Current assets/(liabilities)	(658,208)	15,242	(642,966)
Long term liabilities	(535,730)	-	(535,730)
	<u>1,599,701</u>	<u>15,242</u>	<u>1,614,943</u>

The unrestricted fund includes a revaluation reserve of £822,748 (2022: £1,757,651) relating to fixed asset revaluations in previous years.

25 Financial commitments, guarantees and contingent liabilities

Contingent liabilities

During the year ended 31 August 2016 the school received £600,000 from the Dean and Chapter of Chichester Cathedral in respect of the school's interest in a larger donation of property from a third party donor. The restrictions imposed upon the underlying donation were such that in order to receive funds the school was required to enter into a deed with the Dean and Chapter of Chichester Cathedral. Under the deed the school has covenanted, for a period of ten years to 2026, that it will repay monies back to the Dean and Chapter of Chichester Cathedral on the occurrence of any of the following circumstances:

- a. That the charity ceases to provide choristers to the Chichester Cathedral provided that such cessation was at the behest of the charity and not imposed by Chapter.
- a. That the undertaking of the School is sold or otherwise disposed of (as the case may be) by the Charity.
- a. That the charity is put or otherwise goes into liquidation or ceases to trade.

In the case of B) repayment shall be made in full on completion of the sale or disposal (as the case may be) of the undertaking of the School to a third party except for in the event that such sale or disposal is made to AS PBL Limited (registered company number 15264342) in which case Chapter shall waive any and all requirements for repayment of the payment in full.

In the case of c) any repayment will only be made after the settlement of all other debts of the school secured or unsecured.

Contingent assets

The School is a remainderman of the Mrs WE Shoesmith MBE Will Trust subject to the life interest of Mr W Sprunt. The value of the residuary interest is believed to be in the region of £131,305. This value is subject to fluctuation until such time as it crystallises and cannot therefore be reliably estimated for the purpose of recognition in these accounts.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

26 Operating lease commitments

Lessee

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	87,462	87,462
Between two and five years	159,462	211,424
	<u>246,924</u>	<u>298,886</u>

Lessor

At the reporting end date the charitable company had contracted with tenants for the following minimum lease payments:

	2023	2022
	£	£
Within one year	-	8,500
	<u>-</u>	<u>8,500</u>

27 Events after the reporting date

An agreement with AS PBL Limited was signed on 19th December 2023 for an Asset Purchase Agreement. AS PBL Limited will acquire the assets and liabilities of The Prebendal School. The contact was finalised on 30th April 2024.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

28 Related party transactions

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

Chichester Cathedral Choristers Associations Scholarship Trust

A charity in which Mr J F Attwater is a trustee. During the year the school received £20,647 (2022: £19,937) for chorister fees. At the year end £nil (2022: £nil) was owed to Chichester Cathedral Choristers Associations Scholarship Trust.

Southern Cathedrals Festival Society

A charity in which Mr S J Waine is a trustee. During the year the school received £1,687 (2022: £848). At the year end £nil (2022: £nil) was owed to Southern Cathedrals Festival Society.

The Dean and Chapter Of Chichester Cathedral

The Dean of Chichester Cathedral acts as an ex officio Governor of Prebendal along with his role of the Dean of Chichester and The Reverend Canon Dr D Inman is the Chancellor of Chichester Cathedral. The Dean and Chapter also have the ability to appoint governors.

During the year the school paid £64,010 (2022: £63,168) of rent, and £406 (2021: £nil) of insurance. The school also received £199,783 (2022: £176,968) from the Dean and Chapter for chorister fees, £6,228 (2022: £6,845) for piano lessons, and £2,946 (2022: £2,499) for out of term bed and breakfast for choristers.

Reed Memorial Trust

A charity in which all governors of The Prebendal School are also trustees of. The charity owns the playing field which the school regularly uses.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

29	Cash generated from operations	2023	2022
		£	£
	Deficit for the year	(338,505)	(186,255)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(75)	(198)
	Gain on disposal of tangible fixed assets	(400)	-
	Depreciation and impairment of tangible fixed assets	12,377	16,157
	Movements in working capital:		
	Decrease/(increase) in stocks	606	(611)
	(Increase)/decrease in debtors	(8,849)	67,742
	Increase/(decrease) in creditors	6,764	(153,598)
	Increase/(decrease) in deferred income	7,271	(23,240)
	Cash absorbed by operations	(320,811)	(280,003)

30	Analysis of changes in net (debt)/funds	At 1 September	Cash flows At 31 August 2023	
		2022		
		£	£	£
	Cash at bank and in hand	214	(45)	169
	Bank overdrafts	(35,164)	7,692	(27,472)
		(34,950)	7,647	(27,303)
	Loans falling due within one year	(50,765)	(867,926)	(918,691)
	Loans falling due after more than one year	(534,625)	534,625	-
	Obligations under finance leases	(5,824)	4,719	(1,105)
		(626,164)	(320,935)	(947,099)

31 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

TPS Realisations 2024

England & Wales - Charity number 1157782

Accounts

Charity registration number 1157782

Company registration number 09038149 (England and Wales)

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
PAGES FOR FILING WITH REGISTRAR

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	The Reverend Canon Dr D Inman The Very Reverend Dr J R Hall KCVO FSA FCIS Mr J F Attwater MA (Hons) PGCE Mrs R C Pexton BA (Hons) CTA Mr M P Camps LIB (Hons) Mr A J Wilkinson MA (Hons) Mr N Geake BA (Hons) PGCE ACMA CGMA The Reverend Canon S Holland	(Appointed 30 April 2023)
Secretary	Mr Mark Chapman BA (Hons) MBA	
Key management personnel	Mrs Alison Napier Head Mr M Chapman MA (Hons) MBA Bursar Mr C Pilgrim Mr T Hickman	
Charity number	1157782	
Company number	09038149	
Registered office	54 West Street Chichester West Sussex PO19 1RT	
Auditor	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT	
Bankers	Natwest Bank, 5 East Street, Chichester , West Sussex, PO20 7AJ	
Solicitors	Knights plc, 26 Orient Way, Pride Park, Derby, Derbyshire, DE24 8BY Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA	

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

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THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

The Governors of the School, as the trustees of the charity and directors of the company, are pleased to present their annual report together with the financial statements of the charity for the year ending 31 August 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Charities Accounts Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

The objects of the school as defined by its Articles of Association are for the benefit of the public to provide for the advancement of education by the provision of a boarding and/or day school or schools for the education of children of all genders and to advance the education of the choristers of Chichester Cathedral by providing the facilities for their education up to and including age 13.

The aim of the school is to foster the academic, physical, spiritual, moral and social development of children in a happy, caring and safe environment. This is done by providing a high quality education with a broad and varied curriculum. The school educates, among others, the boys of the Chichester Cathedral Choir. The Choristers are supported financially to ensure that these places are open to all, regardless of the ability to pay.

The school provided education for an average of 111 pupils over the three terms of the academic session 2021/22. There were 17 weekly or full boarders with many other pupils taking advantage of flexi boarding and the school's evening activities.

Bursaries and Scholarships

The Prebendal School is a fee charging school. The Governors recognise however that it is important to make education available to all, including those unable to pay the fees or for those current pupils where a change in family circumstances would compromise their ability to remain at the school. Accordingly, they provide financial support to pupils through a means tested bursary scheme and a number of non means tested fee remissions. The availability of financial support is publicised by way of the charity's website, in local media and in the application packs for entry to the school.

Relief to Families

It is an important principle for the school that the benefits of a Prebendal education should not be restricted solely to those who can pay the full cost. During 2021-22, 16 places in the School were taken by Choristers of Chichester Cathedral, for whom at least 50% of the School fees were paid by church funds or other grants. In addition, financial assistance was given by the School to 42 pupils by means of scholarships and bursaries. A total of £165,367.50 was granted in this way during 2021-22 (2020-21: £160,104), representing 9.93% of gross fee income. The aim of the scholarships is to recognise and encourage children with a high potential. A total of 22 pupils received bursaries amounting to £140,682.50 (8.45% of gross fee income) that were determined by financial need. That said, the School is funded entirely by fees and therefore has to fill most of its places with pupils for whom the full amount is paid.

The range of bursary awards is as follows:

0- 20%	2 beneficiaries
21- 30%	2 beneficiaries
31- 40%	6 beneficiaries
> 40%	12 beneficiaries

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the parents' or guardians' ability to pay full fees and the availability of bursary funds to the School. Bursary awards are subject to an annual review, usually in the Lent term.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Non means-tested fee remissions

Academic, sport, art and music scholarships have been historically awarded following competitive assessment prior to entry to the School and are based on outstanding achievement and potential. Awards are usually set at between 5% - 15% of the full fee and usually continue for the remainder of the pupil's education at the School. The value of Scholarships in 2021-22 was £24,658 awarded to 20 pupils.

Other forms of non-means tested assistance were also awarded during the academic year, including sibling and former pupil discounts. In total these awards were made to 28 pupils and amounted to £40,014.75.

Contribution to the local community

A number of local organisations made use of the sports fields and facilities. Together with the Cathedral, afternoon opportunities have been provided for local children to sing with the Cathedral Choir and explore the life of a Chorister, and this continues to attract a number of children from outside the school. Our pupils continue to be very involved in the life of the local community and school music groups have played at local functions and sung carols in the city centre to help raise money for local charities. Our thrice-yearly Activity Mornings for children aged 2-7 continue to be popular and provide an educational experience for local children who are not pupils at the school. The school hosts a weekly Toddler Group for local families and this remains popular.

Support for local schools

In addition to the main school activity the school has continued to foster relationships with the community. For example, the School makes available its sports facilities to a number of community groups including Whyke Youth Football Club and the school hall is used by a local ballet group every Saturday.

Fund-raising within the School

Pupils, staff and parents consistently raise many thousands of pounds each year for other charities. These are chosen and voted upon by the senior pupils in the school who in turn arrange various fund-raising events for their chosen charities. Representatives from the charities are invited to receive the donations and will also give particular feedback in assembly on how the money will be used.

The Prebendal School recognises the vital contribution made by its supporters, with voluntary donations being a valuable part of the trust's incoming resources.

We believe that giving to charity should be a positive experience, and to help ensure that this is the case we acknowledge the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the trust. To this end, all fundraising activity is carried out by our Parent Teacher Association. This group raises money for the school through regular activities such as school fairs, discos, film and quiz nights. All of these events are voluntary and advertised in a non-intrusive manner.

The school does not utilise the services of any external commercial fundraisers. At this point, given that the majority of the school's donations are from pupils' parents and carers, the trustees do not consider it necessary to subscribe to a Fundraising Regulator.

The school welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

The Governors have had regard to the Charity Commission's guidance on public benefit.

Volunteers

Members of the Board of Governors did not receive any payment for the work they carried out for the charity in the year ending 31 August 2022. In addition, a large number of parents and former pupils gave their time voluntarily in assisting the school with the supervision of excursions and extra-curricular sporting activities.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance

Academic progress

The school continues to offer a broad education, aiming to produce all round excellence. Academic performance and the links with Chichester Cathedral are at the heart of the school's offer, but these aspects are successfully coupled to sport, music, drama, co-curricular activities, community service and related school trips. The Governors expect the Head to provide an environment that has a strong pastoral ethos, rooted in Christian values. Much attention is given to the development of a family atmosphere and the helping of each boy and girl to develop his or her full potential.

The nave of the Cathedral is used as the school hall for assemblies twice a week, and for services to celebrate major feast days, Confirmation and Founders Day, as well as for musical concerts and other major events. All such gatherings in the Cathedral are open to parents and indeed to members of the public.

From Year 6, pupils follow the Common Entrance curriculum underpinned by the Pre-Senior Baccalaureate (PSB) core skills of Thinking and Learning, Reviewing and Improving, Communicating, Collaboration and Leadership. The PSB encourages strong partnerships between parents and schools to promote an understanding of how each individual child learns. Alongside a grading system for academic study there is one for the core skills, and this is monitored through a tutorial system focused on individual personal development, as well as the vertical structure within houses. Tutors meet regularly with children in their groups and also hold 1:1 meetings when they go through all aspects of school life and the development of an individual's academic and extra-curricular profile. The aim is to ensure that by the time pupils leave Prebendal they will have developed a secure understanding of how they learn, gained independent and collaborative learning skills and experienced leadership.

The Prebendal Extended Project (PEP) is part of the PSB, enabling pupils to focus on the joy of discovering and investigating things for themselves. A pupil's choice of topic is relatively free within the boundaries of Humanities and Languages, but they must show that it is academically useful. Extended projects help students to develop and demonstrate a range of valuable skills through pursuing their interests and investigating topics in more depth. The issues pupils choose may be of a social, political, ethical or philosophical character and will be explored in greater depth than might be achieved with an essay. A PEP may take the shape of a field study or investigation, cultivating research and analysis techniques and fostering a love for a subject area.

Part of the Y6-8 Curriculum is "Quadrivium", a programme of academic excellence. We support pupils who want to really push the boundaries of their knowledge, critical and interdisciplinary thinking, philosophy and high-order questioning skills. Once each week, pupils are grouped vertically and challenged with sessions appropriate to their stage. These sessions, which may be led by staff, parents or colleagues from a senior school, will be designed to broaden their perspectives, raise aspirations, and encourage them to think and articulate their ideas. Sometimes these sessions consist of a particular challenge or problem to solve. Parents who wish to come and speak to the children about their careers, or any topic about which they are particularly knowledgeable, will be warmly encouraged to share their experiences with pupils.

The School benefits from grounds with plenty of space, as well as benefitting from its city centre location. A sizeable outdoor classroom area enhances the curriculum across all year groups.

During the year to August 2022, Beach School continued for all the children in the Pre prep (Nursery — Year 2). The quality and experience of learning has been deepened through this initiative, as well as helping children to develop many skills aiding their personal development. Beach School re-commenced in the Summer Term of 2022. The School achieved 'Highly-Commended' in the Pre-Prep category of the Independent Schools of the Year 2018 and was been shortlisted for 2021.

Around 15 different clubs and activities are available for pupils. The range runs from sports such as dinghy sailing and horse riding, to 'learned societies' such as the Science Club and life skills such as gardening, forestry and touch typing.

Drama is a strength. There are a variety of productions throughout the year at all levels of the School, and success in the LAMDA exams is enjoyed annually. Pupils are encouraged to speak in public by regularly reading out match reports in assembly, reading in cathedral, or participating in public speaking competitions.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Results in Common Entrance and Scholarship examinations at the end of the 2021-22 academic year were highly successful. Scholarships to senior schools were awarded for academic excellence; others were for ability in music, art, sport or a combination of these, giving testament to the breadth and quality of the education at Prebendal. In the past five years, over 57 scholarships have been won by Prebendal pupils to many different schools.

Sport plays a very important role in school life and with the majority of teams performing to a high standard in both boys and girls sports. Many of the children take part in the County Athletics Competition with a number becoming County Champions and then taking part in National Championships.

This year was the fourth in which the School's Nursery provision ran for 46 weeks of the year rather than just during term time. This change has been a successful one and attendance continues to grow.

Financial review

The school sustained a loss during the year of £186,255 which resulted in a reduced year end cash and net asset position. The main source of income for the charity continues to be the fee income charged for the provision of education.

The main expenditure of the school is that of staff salaries which account for 64% of expenditure. The professional staff are key to the ongoing success of the School and the Governors continue to seek, develop, and retain teaching staff of the highest quality. The successful response to the Covid restrictions shows the effectiveness of this approach.

A significant proportion of the operating loss was due to exceptional costs incurred during the process of securing the agreement with Alpha Schools (Holdings) Limited (see principal risks and uncertainties below). In the financial year 2022 the Governors expect support costs to reduce to a level closer to their historical run-rate.

The Governors regularly review the bursary provision available and remain committed to ensuring a high number of pupils benefit from an education at the school. However, the School has no separately designated bursary fund and costs are met from operational income.

The Governors also recognise the importance of continued investment in its facilities to ensure that the School remains at the forefront of education provision in the area and this includes a programme of repairs and maintenance to existing facilities commensurate with the age and historic nature of the School's buildings.

The school's freehold land and buildings were professionally revalued in April, 2022 by Medhursts Commercial Surveyors Ltd (regulated by RICS) and were valued at £2,770,000. Revaluation of the freehold land and buildings will be carried out with sufficient regularity to ensure that the fair value is reflected in the accounts.

Going concern

The Governors have assessed whether the use of the going concern basis is appropriate for the preparation of the financial statements and have made this assessment for a period of at least one year from the date of their authorisation. The agreement reached towards the end of the 2020/21 academic year with Alpha Schools Holdings is expected to deliver operational and financial changes to the school which will lift both pupil numbers and profitability and make sure the School is viable for the future. For this reason, the school remains on a sound financial footing as all deficits are being covered by them.

In 2020 and 2021 the Coronavirus pandemic caused a reduction in certain of the school's incomes streams and added to some uncertainty as regards future pupil numbers and fee levels. The economic outlook is now improving, but the Governors have nevertheless taken measures to reduce costs, including reducing the number of staff employed, to position the School for its development under the agreement with Alpha Schools Holdings.

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The governors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The reserves of the school are represented by the unrestricted and restricted funds as shown in note 17 totalling £1,614,943 (2021: £1,801,198). Reserves include £1,757,651 (2021: £1,757,651) in relation to fixed asset revaluations and £15,242 (2021: £25,976) in relation to restricted fund balances leaving a negative balance of funds available for general use of £157,950 (2021: £28,305).

When adjusting total reserves for funds tied up in tangible fixed assets and restricted balances there was a deficit of free reserves amounting to £1,193,938 (2021: £1,023,148).

There are no material amounts committed for expenditure at the end of the financial year. The continuing obligations for a repair and maintenance programme are scheduled into the current and future years' budgets to be met from future income.

The governors have considered the purposes for which the school needs to hold reserves. The Governors consider that reserves equivalent to three months expenditure are sufficient to enable the school to manage its day-to-day operations and meet liabilities as they fall due.

The current level of reserves is below this target and the governors recognise the need to rebuild reserve levels and plan to do this over the coming years. Whilst reserve levels are restored additional working capital has been secured as part of the agreement with Alpha Schools detailed further in accounting policy 1.2.

Investment policy and performance

The school currently has no investments. The school continues to be the remainderman of the Mrs WE Shoesmith MBE Will Trust subject to the interest of Mr W Sprunt currently to the approximate value of £136,000.

Principal risks and uncertainties

There is a formal Strategic Risk Management Policy and a written table of Strategic Risks. These are reviewed annually, but Governors are aware that risk management is a dynamic process and new risks need to be noted and considered as they arise. The Governors are satisfied that strategic risks have been adequately mitigated where necessary, but recognise that systems can only provide reasonable, not absolute, assurance that all risks have been identified and managed.

The main source of revenue for the school is fee income. A declining number of pupils has made future fees and other revenue streams less certain and the school has needed external financial support to secure its future.

Towards the end of the 2020/21 academic year the Governors reached an agreement with Alpha Schools (Holdings) Limited for the operational control and financial support of the school. Alpha are a highly experienced operator within the education sector and will use their experience to make operational and financial changes to the School to lift both pupil numbers and profitability and make sure the School is viable for the future. For this reason, the school remains on a sound financial footing as all deficits are being covered by them whilst the School's reserves are being restored.

Maintaining the quality of the School buildings is important to facilitate the delivery of a high standard of education. There is a risk that additional or unexpected repair work will be required which might impact this delivery. Full insurance is in place and the School continues to undertake annual repairs and maintenance to mitigate the risk of substantial repairs.

There are financial risks arising from the availability of liquid funds. The Bursar's office ensures that debtors are closely managed and where possible aims to receive fees in advance to improve the position. The School has used its overdraft facility which was renewed at a figure of £50,000, retained for contingency purposes; at the year end the school had a bank overdraft liability of £35,164. It does have a term bank loan, which is adequately secured on the value of the school's assets and there is no reason to expect that the covenants will be breached in the foreseeable future.

As regards non-financial risks, the health and safety of the pupils is paramount and any potential breach of procedures would be a principal risk. To mitigate this, the Governors have developed policies to ensure the regulations and guidelines for the welfare of pupils are observed.

Structure, governance and management

The Prebendal School Limited is a company limited by guarantee governed by its Memorandum and Articles of Association, which took effect from 1st September 2016 when the School became an incorporated charity with registered company number 09038149. It is a registered charity with the Charity Commission, charity number 1157782.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The governors, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

The Reverend Canon Dr D Inman

The Very Reverend S J Waine BA (Hons) (Resigned 22 January 2023)

The Very Reverend Dr J R Hall KCVO FSA FCIS

Mr J F Attwater MA (Hons) PGCE

Mrs R C Pexton BA (Hons) CTA

Mr M P Camps LIB (Hons)

Mr D T Oliver BA (Hons) MPhil (Resigned 13 July 2022)

Mrs Y Thomson BA (Hons) MPhil (Resigned 27 June 2023)

Mr A J Wilkinson MA (Hons)

Mr N Geake BA (Hons) PGCE ACMA CGMA

The Reverend Canon S Holland (Appointed 30 April 2023)

The Right Reverend G Knowles CVO (Appointed 22 January 2023 and resigned 30 April 2023)

None of the governors has any beneficial interest in the company. All of the governors are members of the company and guarantee to contribute £1 in the event of a winding up.

As noted, the Governors act as the trustees for the charitable activities of the School, and are also the Directors of the charitable company for the purposes of Company Law. There is a written policy which lays down the procedure for the appointment and induction of Governors. Effort is made to appoint Governors from a range of backgrounds including the church, education, finance, business, administration and other areas. There is a written analysis of the skills and backgrounds of the members of the Board and agreed priorities in the search for candidates for future appointment with areas of expertise considered in Education, Finance, Child Welfare, Human Resources, Legal and Estates Management.

The Governors are elected at a full board meeting and approved by the process laid down in the Articles of Association. They can be re elected.

During the year, the Governors determined the policy of the school and the day to day management was delegated to the Senior Management Team which comprised the Head, Deputy Head and Bursar.

The Board of Governors met each term to consider matters of policy and strategy. There were also the following committees, each of which is chaired by a Governor and whose membership is drawn from the Governors and appropriate members of staff. These have defined terms of reference and report to the full board:

- A Finance and General Purposes Committee, which also serves as the Strategic Risk Management Committee
- An Education Committee
- A Pastoral and Safety Committee (one Governor is nominated to take the lead on Safeguarding)
- A Bursaries Committee
- A Business Development Committee (to consider the future development of the school)

The school is affiliated with The Independent Association of Prep Schools which represents and promotes around 650 independent preparatory schools. This relationship allows the school access to advice about educational development and legislative changes. This does not impact on the general operating policies of the school but can inform the overall strategic direction.

- Policies adopted for the induction and training of Governors

On appointment, Governors undertake an induction process. They are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board structure, committees and decision making processes, the business plan and recent financial and academic performance of the School. During visits to the school, they are encouraged to meet key employees and attend School events, INSET days and other appropriate training opportunities such as events run by external organisations.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Pay policy for senior staff

The school operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools and the maintained school sector. This allows the school to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the school and also increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

Related party relationships

None of the Governors receives remuneration or other benefit from their work with the charity. Any contractual relationship must be disclosed, and notes of interest are retained in written form.

Occasionally, Governors have children attending the school. Generally, this does not affect their capability to make independent and fair decisions but if there is a specific situation where there may be a conflict of interests, Governors will remove themselves from meetings.

Risk management

The Governors have a risk management strategy which comprises of:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review, (now the responsibility of Alpha Schools Holdings); and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Disclosure of information to auditor

Each of the governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Governors' report was approved by the Board of Governors.

R. CHARLOTTE PEXTON

Mrs R C Pexton BA (Hons) CTA

Governor

30 June 2023

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The governors, who are also the directors of The Prebendal School (Limited by Guarantee) for the purpose of company law, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of The Prebendal School (Limited by Guarantee) (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 30 to the financial statements, 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors 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 governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Governors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

Responsibilities of governors

As explained more fully in the statement of Governors' responsibilities, the governors, who are also the directors of the charitable company for the purpose 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 governors 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 governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We have made enquiries of management, and directors, regarding the procedures relating to identifying, evaluating and complying with

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

Discussion among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential significant risks for fraud in the following areas:

1. Management override of the controls in place

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside of the normal course of business.

2. Revenue recognition

Audit procedures performed included but were not limited to performing walk through tests to identify the control procedures in place and once an understanding of the pupil fee income recognition process was obtained, substantive procedures were also performed. Testing concluded that revenue had been recognised in-line with accounting standards.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

3. Going concern

Another significant risk identified by the audit engagement team was going concern, as a result of falling pupil numbers and rising costs. In order to test that the accounts being prepared on the going concern basis was correct the following testing was planned: Obtain and review cashflow forecasts and budgets for a period through to Jun2 2024; Obtain and review management accounts for future periods up to the date of signing of the accounts to review against budgets and identify any further funding issues; review correspondence with the bank regarding their willingness to continue providing banking facilities; Obtaining a letter of support, up to date management accounts and year end accounts from Alpha Schools to confirm their willingness and ability to continue to support the School.

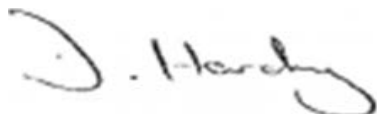
4. Laws and regulations

The audit engagement team identified laws and regulations as a significant risk. In order to test that the financial statements were not materially misstated through fraud or error arising from a breach of laws and regulations, the following testing procedures were planned; A review of any recent results issued by ISI (Independent Schools Inspectorate) inspection dated November 2022; review of correspondence from legal advisors, to look for evidence of breaches; review of board minutes to identify any breaches in laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Governors, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Governors those matters 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 anyone other than the charity and the Governors as a body, for our audit work, for this report, or for the opinions we have formed.



Darren Harding (Senior Statutory Auditor)
for and on behalf of Richard Place Dobson Services Limited

Chartered Accountants
Statutory Auditor

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Richard Place Dobson Services Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	1,000	-	1,000	20	-	20
Charitable activities	4	1,505,153	-	1,505,153	1,443,307	-	1,443,307
Investments	5	198	-	198	765	-	765
Other income	6	19,728	-	19,728	216,502	-	216,502
Total income		1,526,079	-	1,526,079	1,660,594	-	1,660,594
<u>Expenditure on:</u>							
Charitable activities	7	1,712,334	-	1,712,334	2,327,551	-	2,327,551
Gross transfers between funds		-	-	-	10,734	(10,734)	-
Net expenditure for the year/ Net movement in funds		(186,255)	-	(186,255)	(656,223)	(10,734)	(666,957)
Fund balances at 1 September 2021		1,785,956	15,242	1,801,198	2,442,179	25,976	2,468,155
Fund balances at 31 August 2022		1,599,701	15,242	1,614,943	1,785,956	15,242	1,801,198

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		2,793,639		2,809,104
Current assets					
Stocks	14	1,111		500	
Debtors	15	42,598		110,340	
Cash at bank and in hand		214		47,780	
		<u>43,923</u>		<u>158,620</u>	
Creditors: amounts falling due within one year	16	<u>(686,889)</u>		<u>(809,979)</u>	
Net current liabilities			<u>(642,966)</u>		<u>(651,359)</u>
Total assets less current liabilities			2,150,673		2,157,745
Creditors: amounts falling due after more than one year	17		<u>(535,730)</u>		<u>(356,547)</u>
Net assets			<u>1,614,943</u>		<u>1,801,198</u>
Income funds					
Restricted funds	22		15,242		15,242
Unrestricted funds			1,599,701		1,785,956
			<u>1,614,943</u>		<u>1,801,198</u>

The notes on pages 16 to 31 form part of these financial statements.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Governors on 30 June 2023

R. CHARLOTTE PEXTON.

Mrs R C Pexton BA (Hons) CTA
Trustee

Company registration number 09038149

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(280,003)		1,365
Investing activities					
Purchase of tangible fixed assets		(691)		(6,502)	
Investment income received		198		765	
Net cash used in investing activities			(493)		(5,737)
Financing activities					
Repayment of borrowings		215,825		(21,495)	
Interest paid		(13,341)		(12,131)	
Payment of obligations under finance leases		(4,718)		(4,608)	
Net cash generated from/(used in) financing activities			197,766		(38,234)
Net decrease in cash and cash equivalents			(82,730)		(42,606)
Cash and cash equivalents at beginning of year			47,780		90,386
Cash and cash equivalents at end of year			(34,950)		47,780
Relating to:					
Cash at bank and in hand			214		47,780
Bank overdrafts included in creditors payable within one year			(35,164)		-

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

The Prebendal School (Limited by Guarantee) is a private company limited by guarantee incorporated in England and Wales. The registered office is 54 West Street, Chichester, West Sussex, PO19 1RT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

The additional support is to be provided by Alpha Schools, who are currently in the process of taking over the school. The going concern of the school is heavily reliant on the takeover being completed. Alpha Schools have provided a letter of support to the Governors and continue to provide funding to cover the schools cashflow shortages.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the governors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognized when the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charitable company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.6 Tangible fixed assets

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	nil
Fixtures and fittings	10 - 20% straight line
Computers	33% straight line
Motor vehicles	20% straight line

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

After recognition, Land and Buildings are held under the revaluation model whilst all other class of assets are held under the cost model. Land and buildings whose fair value can be measured reliably shall be carried at a revalued amount, bringing their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Tangible assets, other than land and buildings, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in measurement of cost.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a charity may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

The revaluation of 52-53 West Street, 55-56 West Street, and the Highleigh building were carried out on the 14th April 2022 by Alex Medhurst of Medhurst Commercial Surveyors.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Provisions are recognised when the charitable company has a legal or constructive present obligation as a result of a past event, it is probable that the charitable company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.12 Long-term employment and termination benefits

Termination benefits are recognised when they become committed, by legislation, by contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments (or provide other benefits) to employees when it terminates their employment. Termination payments do not provide the company with future economic benefits therefore it is their policy to recognise them as an expense in profit or loss immediately.

1.13 Retirement benefits

Following July 2020, retirement benefits for teaching employees of the school have been provided under a defined contribution scheme. Furthermore, the School operates a stakeholder pension scheme for other employees. Contributions for all these schemes are charged to the Statement of Financial Activities in the year in which they are payable. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Tangible assets

The charity has recognised tangible fixed assets with a carrying value of £2,793,638 at the reporting date (see note 11). The charity has adopted a revaluation model for the measurement of land and buildings, other assets are stated at their cost less provision for depreciation and impairment.

In order to determine the fair value of land and buildings the charity has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. Valuations are obtained with sufficient regularity to ensure that the carrying value of revalued assets reflects current market conditions.

Where there are indicators that the carrying value of tangible assets may be impaired the charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and legacies	1,000	20

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Charitable activities

	School Fees 2022 £	School Fees 2021 £
Pupil fee income	1,500,828	1,440,794
Laundry income	4,325	2,513
	<u>1,505,153</u>	<u>1,443,307</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Investment income	198	765

6 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Other income	4,049	29,231
Insurance settlement	928	148,450
Government grant income	-	28,667
Rent and letting income	14,751	10,154
	<u>19,728</u>	<u>216,502</u>

Government grant income in the prior year related to Coronavirus Job Retention Scheme claims.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities

	Direct Charitable Expenditure 2022 £	Direct Charitable Expenditure 2021 £
Staff costs	1,099,455	1,122,976
Boarding expenses	35,270	35,384
Computer expenses	18,350	16,813
Catering	163,315	135,647
Staff expenses and salary preparation	17,640	8,265
Music and sports	28,595	2,581
Postage and telephone	7,994	7,580
Stationary and books	17,368	11,763
Advertising and marketing	9,591	12,748
Subscriptions	16,174	8,646
Repairs and maintenance	38,815	20,169
Security & health and safety	7,217	16,760
Rent and rates	90,855	95,434
Insurance	32,003	26,700
Bad debts	17,423	4,991
Grounds and playing field	32,541	45,426
Other charitable expenditure	3,755	1,515
	<u>1,636,361</u>	<u>1,573,398</u>
Share of support costs (see note 8)	35,155	100,182
Share of governance costs (see note 8)	40,818	653,971
	<u>1,712,334</u>	<u>2,327,551</u>

Prior year governance costs include significant exceptional legal and professional fees of £625,025, of which the current year is £nil.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Depreciation	16,157	-	16,157	17,005	17,005
Operating lease charges	18,998	-	18,998	20,163	20,163
Audit fees	-	14,233	14,233	-	14,196
Legal and professional	-	8,191	8,191	-	688,059
Loan interest charges	-	13,341	13,341	-	10,616
Bank charges	-	2,466	2,466	-	4,114
Other charges	-	2,587	2,587	-	-
	<u>35,155</u>	<u>40,818</u>	<u>75,973</u>	<u>37,168</u>	<u>754,153</u>
Analysed between					
Charitable activities	<u>35,155</u>	<u>40,818</u>	<u>75,973</u>	<u>100,182</u>	<u>754,153</u>

9 Net movement in funds

	2022	2021
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	14,233	14,196
Depreciation of owned tangible fixed assets	16,157	17,005
Operating lease charges	18,047	20,163
	<u>48,437</u>	<u>51,364</u>

10 Governors

None of the governors (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

11 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Teachers - full time	17	19
Teachers - part time	4	7
Matrons	2	2
Domestics - part time	4	4
Grounds and maintenance	2	2
Administration - full time	3	4
Administration - part time	1	2
Total	<u>33</u>	<u>40</u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	901,947	948,825
Social security costs	79,560	80,571
Other pension costs	117,948	93,580
	<u>1,099,455</u>	<u>1,122,976</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
	<u>1</u>	<u>1</u>

Employees benefits in kind totalled £1,183 (2021: £1,768).

The ratio of teaching staff to pupils was 1:5 (2021: 1:5).

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	2,770,000	186,548	195,808	58,801	3,211,157
Additions	-	691	-	-	691
	<u>2,770,000</u>	<u>187,239</u>	<u>195,808</u>	<u>58,801</u>	<u>3,211,848</u>
Depreciation and impairment					
At 1 September 2021	-	169,266	194,926	37,860	402,052
Depreciation charged in the year	-	8,295	882	6,980	16,157
	<u>-</u>	<u>177,561</u>	<u>195,808</u>	<u>44,840</u>	<u>418,209</u>
Carrying amount					
At 31 August 2022	<u>2,770,000</u>	<u>9,678</u>	<u>-</u>	<u>13,961</u>	<u>2,793,639</u>
At 31 August 2021	<u>2,770,000</u>	<u>17,282</u>	<u>881</u>	<u>20,941</u>	<u>2,809,104</u>

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Tangible fixed assets

(Continued)

Land and buildings with a carrying amount of £2,770,000 were revalued in April-22 by Medhursts Commercial Surveyors, independent valuers not connected with the charitable company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The net book value of assets held under hire purchase contracts, included above is £13,960 (2021: £20,940)

If freehold property were held at historic cost, the carrying value would be £1,012,350 (2021: £1,073,623)

The revaluation surplus is disclosed in note 22.

14 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	1,111	500

15 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	8,983	75,175
Other debtors	(862)	900
Prepayments and accrued income	34,477	34,265
	<u>42,598</u>	<u>110,340</u>

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
	Notes	
Bank loans and overdrafts	19	85,929
Obligations under finance leases	18	4,719
Other taxation and social security		43,535
Deferred income	20	230,169
Trade creditors		239,995
Other creditors		52,886
Accruals and deferred income		29,656
		<u>686,889</u>
		<u>809,979</u>

£178,095 included within trade creditors is secured over the property 55-56 West Street.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	19	304,625	350,834
Obligations under finance leases	18	1,105	5,713
Other borrowings		230,000	-
		<u>535,730</u>	<u>356,547</u>

A bank loan together with the bank overdraft, is secured over the property at 43 West Street, Chichester. The bank overdraft is repayable on demand. The bank loan is for a period of 10 years from 18 August 2015. The loan is being repaid by instalments calculated to repay the full amount of the loan over a period of nineteen years and three months. After 120 repayments a final instalment is due to repay the outstanding balance. Interest rate payable is 2.86% per annum over base rate.

18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2022 £	2021 £
Within one year	4,719	4,829
Within two and five years	1,105	5,713
	<u>5,824</u>	<u>10,542</u>

Finance lease commitments includes a lease for a tractor for maintenance of the playing fields, leased from John Deere UK & IE.

19 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	35,164	-
Bank loans	355,390	382,905
Other loans	230,000	-
	<u>620,554</u>	<u>382,905</u>
Payable within one year	85,929	32,071
Payable after one year	<u>534,625</u>	<u>350,834</u>

Other loans consists of a £230,000 loan from Alpha Schools, who are in the process of taking over the school. This loan is interest free and is considered payable on demand.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Deferred income

	2022 £	2021 £
Other deferred income	230,169	253,409

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	230,169	253,409
Movements in the year:		
Deferred income at 1 September 2021	253,409	144,687
Released from previous periods	(253,409)	(144,687)
Resources deferred in the year	230,169	253,409
Deferred income at 31 August 2022	230,169	253,409

Fees paid in advance comprises fees for the Michaelmas term received in advance of £205,769 (2021: £225,259), and pupil deposits of £24,400 (2021: £28,150).

21 Retirement benefit schemes

Defined contribution schemes

The school previously operated two defined benefit pension schemes (Teacher's Pension Scheme and Church of England Scheme). The Teachers Pension Scheme was closed to new members in July 2020 and the School withdrew from being part of the scheme.

The Church of England Scheme consisted of defined benefit and defined contribution pension schemes.

The Church of England Scheme is part of the Church Workers Pension scheme. At the year end the School had no active members and no deferred pension members. The School is not able to identify its share of assets and liabilities to the scheme as the scheme is subject to actuarial risk arising from changes in employees of other entities. As a result of a valuation of the scheme in 2007 an underlying funding liability was identified and this was repaid by the school through additional contributions. The last member of this scheme retired in 2008. The scheme remains operational but only to receive subscriptions for the defined contribution section of the fund.

The School also operates another defined contribution scheme in the form of a stakeholder pension scheme.

The assets of both of these schemes are held separately from those of the School in independently administered funds.

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

At the year-end, the school owed £26,219 by way of a pension creditor.

The charge to profit or loss in respect of defined contribution schemes was £117,948 (2021: £93,580).

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2020	Transfers	Balance at 1 September 2021	Movement in funds Incoming resources	Balance at 31 August 2022
	£	£	£	£	£
Prize Fund	6,691	-	6,691	-	6,691
Scholarship Fund (Tanner Trust)	2,658	-	2,658	-	2,658
Ernest and David Myers Award Fund	16,627	(10,734)	5,893	-	5,893
	<u>25,976</u>	<u>(10,734)</u>	<u>15,242</u>	<u>-</u>	<u>15,242</u>

The Prize Fund is to fund the award of small annual prizes to outstanding pupils. The balance of this fund is held separately in two bank accounts.

The Scholarship Fund (Tanner Trust) is to assist in the payments of fees by families of limited means or in time of hardship.

The Ernest and David Myers award fund is monies received in order to fund a Chorister bursary.

23 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£
Fund balances at 31 August 2022 are represented by:						
Tangible assets	2,793,639	-	2,793,639	2,809,104	-	2,809,104
Current assets/(liabilities)	(658,208)	15,242	(642,966)	(651,359)	-	(651,359)
Long term liabilities	(535,730)	-	(535,730)	(356,547)	-	(356,547)
	<u>1,599,701</u>	<u>15,242</u>	<u>1,614,943</u>	<u>1,801,198</u>	<u>-</u>	<u>1,801,198</u>

The unrestricted fund includes a revaluation reserve of £1,757,651 relating to fixed asset revaluations in previous years.

24 Audit report information

The auditor's report was unqualified.

Darren Harding (Senior Statutory Auditor)
Richard Place Dobson Services Limited

Chartered Accountants
Statutory Auditor

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Financial commitments, guarantees and contingent liabilities

Contingent liabilities

During the year ended 31 August 2016 the school received £600,000 from the Dean and Chapter of Chichester Cathedral in respect of the school's interest in a larger donation of property from a third party donor. The restrictions imposed upon the underlying donation were such that in order to receive funds the school was required to enter into a deed with the Dean and Chapter of Chichester Cathedral. Under the deed the school has covenanted, for a period of ten years to 2026, that it will repay monies back to the Dean and Chapter of Chichester Cathedral on the occurrence of any of the following circumstances:

- a. That the charity ceases to provide choristers to the Chichester Cathedral provided that such cessation was at the behest of the charity and not imposed by Chapter.
- a. That the undertaking of the School is sold or otherwise disposed of (as the case may be) by the Charity.
- a. That the charity is put or otherwise goes into liquidation or ceases to trade.

In the case of B) repayment shall be made in full on completion of the sale or disposal (as the case may be) of the undertaking of the School to a third party except for in the event that such sale or disposal is made to Alpha Schools (Holdings) Limited (registered company number 07391840) in which case Chapter shall waive any and all requirements for repayment of the payment in full.

In the case of c) any repayment will only be made after the settlement of all other debts of the school secured or unsecured.

Contingent assets

The School is a remainderman of the Mrs WE Shoesmith MBE Will Trust subject to the life interest of Mr W Sprunt. The value of the residuary interest is believed to be in the region of £135,000. This value is subject to fluctuation until such time as it crystallises and cannot therefore be reliably estimated for the purpose of recognition in these accounts.

26 Operating lease commitments

Lessee

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	87,462	52,679
Between two and five years	211,424	100,774
	<u>298,886</u>	<u>153,453</u>

Lessor

At the reporting end date the charitable company had contracted with tenants for the following minimum lease payments:

2022	2021
£	£

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

26	Operating lease commitments	(Continued)	
	Within one year	8,500	8,500
	Between two and five years	-	8,500
		<u>8,500</u>	<u>17,000</u>

27 Related party transactions

The Governors consider the key management roles to be those of the senior leadership team, which is made up of 4 positions including the School head.. The amount of remuneration paid to the key members of management in the year was £214,399.

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

Chichester Cathedral Choristers Associations Scholarship Trust

A charity in which Mr J F Attwater is a trustee. During the year the school received £19,937 (2021: £18,070) for chorister fees. At the year end £nil (2021: £nil) was owed to Chichester Cathedral Choristers Associations Scholarship Trust.

Southern Cathedrals Festival Society

A charity in which Mr S J Waine is a trustee. During the year the school received £848 (2021: £nil). At the year end £nil (2021: £nil) was owed to Southern Cathedrals Festival Society.

The Dean and Chapter Of Chichester Cathedral

The Dean The Very Reverend S Waine acts as an ex officio Governor of Prebendal along with his role of the Dean of Chichester and The Reverend Canon Dr D Inman is the Chancellor of Chichester Cathedral. The Dean and Chapter also have the ability to appoint governors.

During the year the school paid £63,168 (2021: £19,386) of rent. The school also received £176,968 (2021: £153,302) from the Dean and Chapter for chorister fees, £6,845 (2021: £6,993) for piano lessons, and £2,499 (2021: £1,669) for out of term bed and breakfast for choristers.

Reed Memorial Trust

A charity in which all governors of The Prebendal School are also trustees of. The charity owns the playing field which the school regularly uses.

THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

28	Cash generated from operations	2022	2021
		£	£
	Deficit for the year	(186,255)	(666,957)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(198)	(765)
	Depreciation and impairment of tangible fixed assets	16,157	17,005
	Movements in working capital:		
	(Increase)/decrease in stocks	(611)	636
	Decrease in debtors	67,742	84,252
	(Decrease) in creditors	(153,598)	(38,127)
	(Decrease)/increase in deferred income	(23,240)	108,722
	Cash absorbed by operations	(280,003)	(495,234)

29	Analysis of changes in net (debt)/funds	At 1 September	Cash flows At 31 August 2022	
		2021		
		£	£	£
	Cash at bank and in hand	47,780	(47,566)	214
	Bank overdrafts	-	(35,164)	(35,164)
		<u>47,780</u>	<u>(82,730)</u>	<u>(34,950)</u>
	Loans falling due within one year	(32,071)	(18,694)	(50,765)
	Loans falling due after more than one year	(350,834)	(183,791)	(534,625)
	Obligations under finance leases	(10,542)	4,718	(5,824)
		<u>(345,667)</u>	<u>(280,497)</u>	<u>(626,164)</u>

30 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

TPS Realisations 2024

England & Wales - Charity number 1157782

Accounts

Registered number: 09038149
Charity number: 1157782

The Prebendal School
(A company limited by guarantee)

Trustees' report and audited financial statements
for the year ended 31 August 2021

The Prebendal School
(A company limited by guarantee)

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The Prebendal School
(A company limited by guarantee)

**Reference and administrative details of the charity, its Governors and advisers
for the year ended 31 August 2021**

Governors

The Reverend Canon Dr D Inman
The Very Reverend S J Waine BA (Hons)
The Very Reverend Dr J R Hall KCVO FSA FCIS
MR J F Attwater MA (Hons) PGCE
Mrs R C Pexton BA (Hons) CTA
Mr M P Camps LIB (Hons)
Mr D T Oliver BA (Hons) MPhil
Mrs Y Thomson BA (Hons) MPhil
Mr A J Wilkinson MA (Hons)
Mr N Geake BA (Hons) PGCE ACMA CGMA
Mrs E Cooke BEd Adv. Dip. ECFN (resigned 10 July 2021)

Company registered number

09038149

Charity registered number

1157782

Registered office

The Prebendal School, 54 West Street, Chichester, West Sussex, PO19 1RT

Company secretary

Mr M Chapman MA (Hons) MBA

Key management personnel

Mrs L Salmond Smith BA Hons MMus MA PG QTS MBA FRSA, Head
Mr M Chapman MA (Hons) MBA Bursar
Mr T Bromfield MA (Hons) BEd, Deputy Head Academic (to 14 April 2021)
Mr I Richardson BMus (Hons) MMus FTCL ARCO Deputy Head Pastoral

Independent auditors

Kreston Reeves LLP, 9 Donnington Park, 85 Birdham Road, Chichester, West Sussex, PO20 7AJ

Bankers

Natwest Bank, 5 East Street, Chichester, West Sussex, PO20 7AJ

Solicitors

Knights plc, 26 Orient Way, Pride Park, Derby, Derbyshire, DE24 8BY
Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA

The Prebendal School
(A company limited by guarantee)

Governors' report
for the year ended 31 August 2021

The Governors of the School, as the trustees of the charity and directors of the company, are pleased to present their annual report together with the financial statements of the charity for the year ending 31 August 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Charities Accounts Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The COVID-19 pandemic and government lockdowns required unprecedented measures in order to maintain the School's high standards of operational performance. Governors and staff reacted swiftly and creatively and the School's strong IT capability meant that it was very well placed to enable effective remote teaching and learning. The School also reacted quickly to the financial challenges by reducing operating costs and drawing on the support of the Government's furlough scheme, and a large part of the savings were passed through to parents.

Objectives and activities

● **Policies and objectives**

The objects of the School as defined in its Articles of Association are for the benefit of the public to provide for the advancement of education by the provision of a boarding and/or day school or schools for the education of children of all genders and to advance the education of the choristers of Chichester Cathedral by providing the facilities for their education up to and including age 13.

The aim of the School is to foster the academic, physical, spiritual, moral and social development of children in a happy, caring and safe environment. This is done by providing a high quality education with a broad and varied curriculum. The School educates, among others, the boys of the Chichester Cathedral Choir. The Choristers are supported financially to ensure that these places are open to all, regardless of the ability to pay.

The School provided education for an average of 124 pupils over the three terms of the academic session 2020 21. There were 17 weekly or full boarders with many other pupils taking advantage of flexi boarding and the School's evening activities.

● **Bursaries and Scholarships**

The Prebendal School is a fee charging school. The Governors recognise however that it is important to make education available to all, including those unable to pay the fees or for those current pupils where a change in family circumstances would compromise their ability to remain at the School. Accordingly, they provide financial support to pupils through a means tested bursary scheme and a number of non means tested fee remissions. The availability of financial support is publicised by way of the charity's website, in local media and in the application packs for entry to the School.

The Prebendal School
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Governors' report (continued)
for the year ended 31 August 2021

Objectives and activities (continued)

● **Relief to Families**

It is an important principle for the School that the benefits of a Prebendal education should not be restricted solely to those who can pay the full cost. During 2020-21, 16 places in the School were taken by Choristers of Chichester Cathedral, for whom at least 50% of the School fees were paid by church funds or other grants. In addition, financial assistance was given by the School to 44 pupils by means of scholarships and bursaries. A total of £160,104 was granted in this way during 2020-21 (2019-20: £201,537), representing 9.6% of gross fee income. The aim of the scholarships is to recognise and encourage children with a high potential. A total of 26 pupils received bursaries amounting to £135,832 (8.1% of gross fee income) that were determined by financial need. That said, the School is funded entirely by fees and therefore has to fill most of its places with pupils for whom the full amount is paid.

The range of bursary awards is as follows:

0	20%	4 beneficiaries
21	30%	6 beneficiaries
31	40%	3 beneficiaries
>	40%	13 beneficiaries

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the parents' or guardians' ability to pay full fees and the availability of bursary funds to the School. Bursary awards are subject to an annual review, usually in the Lent term.

● **Non means-tested fee remissions**

Academic, sport, art and music scholarships have been historically awarded following competitive assessment prior to entry to the School and are based on outstanding achievement and potential. Awards are usually set at between 5% – 15% of the full fee and usually continue for the remainder of the pupil's education at the School. The value of Scholarships in 2020-21 was £24,272 awarded to 20 pupils.

Other forms of non-means tested assistance were also awarded during the academic year, including sibling and former pupil discounts. In total these awards were made to 27 pupils and amounted to £41,445.

● **Volunteers**

Members of the Board of Governors did not receive any payment for the work they carried out for the charity in the year ending 31 August 2021. In addition, a large number of parents and former pupils gave their time voluntarily in assisting the School with the supervision of excursions and extra curricular sporting activities.

● **Contribution to the local community**

A number of local organisations made use of the sports fields and facilities. Together with the Cathedral, afternoon opportunities have been provided for local children to sing with the Cathedral Choir and explore the life of a Chorister, and this continues to attract a number of children from outside the School. Our pupils continue to be very involved in the life of the local community and school music groups have played at local functions and sung carols in the city centre to help raise money for local charities. Our thrice-yearly Activity Mornings for children aged 2-7 continue to be popular and provide an educational experience for local children who are not pupils at the school. The school hosts a weekly Toddler Group for local families and this remains popular.

The Prebendal School
(A company limited by guarantee)

Governors' report (continued)
for the year ended 31 August 2021

Objectives and activities (continued)

● **Support for local schools**

In addition to the main school activity the School has continued to foster relationships with the community. For example, the School makes available its sports facilities to a number of community groups including Whyke Youth Football Club and the school hall is used by a local ballet group every Saturday.

● **Fund-raising within the School**

Pupils, staff and parents consistently raise many thousands of pounds each year for other charities. These are chosen and voted upon by the senior pupils in the School who in turn arrange various fund-raising events for their chosen charities. Representatives from the charities are invited to receive the donations and will also give particular feedback in assembly on how the money will be used.

The Prebendal School recognises the vital contribution made by its supporters, with voluntary donations being a valuable part of the trust's incoming resources.

We believe that giving to charity should be a positive experience, and to help ensure that this is the case we acknowledge the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the trust. To this end, all fundraising activity is carried out by our Parent Teacher Association. This group raises money for the School through regular activities such as school fairs, discos, film and quiz nights. All of these events are voluntary and advertised in a non-intrusive manner.

The School does not utilise the services of any external commercial fundraisers. At this point, given that the majority of the School's donations are from pupils' parents and carers, the trustees do not consider it necessary to subscribe to a Fundraising Regulator.

The School welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

The Governors have had regard to the Charity Commission's guidance on public benefit.

The Prebendal School
(A company limited by guarantee)

Governors' report (continued)
for the year ended 31 August 2021

Achievements and performance

• **Academic progress**

The School continues to offer a broad education, aiming to produce all round excellence. Academic performance and the links with Chichester Cathedral are at the heart of the School's offer, but these aspects are successfully coupled to sport, music, drama, co curricular activities, community service and related school trips. The Governors expect the Head to provide an environment that has a strong pastoral ethos, rooted in Christian values. Much attention is given to the development of a family atmosphere and the helping of each boy and girl to develop his or her full potential.

The nave of the Cathedral is used as the school hall for assemblies twice a week, and for services to celebrate major feast days, Confirmation and Founders Day, as well as for musical concerts and other major events. All such gatherings in the Cathedral are open to parents and indeed to members of the public.

From Year 6, pupils follow the Common Entrance curriculum underpinned by the Pre-Senior Baccalaureate (PSB) core skills of Thinking and Learning, Reviewing and Improving, Communicating, Collaboration and Leadership. The PSB encourages strong partnerships between parents and schools to promote an understanding of how each individual child learns. Alongside a grading system for academic study there is one for the core skills, and this is monitored through a tutorial system focused on individual personal development, as well as the vertical structure within houses. Tutors meet regularly with children in their groups and also hold 1:1 meetings when they go through all aspects of school life and the development of an individual's academic and extra-curricular profile. The aim is to ensure that by the time pupils leave Prebendal they will have developed a secure understanding of how they learn, gained independent and collaborative learning skills and experienced leadership.

The Prebendal School
(A company limited by guarantee)

Governors' report (continued)
for the year ended 31 August 2021

Achievements and performance (continued)

The Prebendal Extended Project (PEP) is part of the PSB, enabling pupils to focus on the joy of discovering and investigating things for themselves. A pupil's choice of topic is relatively free within the boundaries of Humanities and Languages, but they must show that it is academically useful. Extended projects help students to develop and demonstrate a range of valuable skills through pursuing their interests and investigating topics in more depth. The issues pupils choose may be of a social, political, ethical or philosophical character and will be explored in greater depth than might be achieved with an essay. A PEP may take the shape of a field study or investigation, cultivating research and analysis techniques and fostering a love for a subject area.

Part of the Y6-8 Curriculum is "Quadrivium", a programme of academic excellence. We support pupils who want to really push the boundaries of their knowledge, critical and interdisciplinary thinking, philosophy and high-order questioning skills. Once each week, pupils are grouped vertically and challenged with sessions appropriate to their stage. These sessions, which may be led by staff, parents or colleagues from a senior school, will be designed to broaden their perspectives, raise aspirations, and encourage them to think and articulate their ideas. Sometimes these sessions consist of a particular challenge or problem to solve. Parents who wish to come and speak to the children about their careers, or any topic about which they are particularly knowledgeable, will be warmly encouraged to share their experiences with pupils.

The School benefits from grounds with plenty of space, as well as benefitting from its city centre location. A sizeable outdoor classroom area enhances the curriculum across all year groups.

For those periods when Covid restrictions were in force, the School's strong IT capability meant that it was very well placed to deliver effective remote teaching and learning. Teachers quickly adapted to the chosen software platforms and rapidly built and developed their online curriculums; families were supported with online access as required. Consequently, remote teaching and learning was used very successfully to deliver the curriculum to pupils. In addition, the School offered on-site provision throughout the lockdown periods. During the year, feedback from staff and parents regarding the effectiveness of remote learning and COVID-19 safe measures in delivering the curriculum and providing wider support was extremely positive.

During the year to March 2020, Beach School continued for all the children in the Pre prep (Nursery – Year 2). The quality and experience of learning has been deepened through this initiative, as well as helping children to develop many skills aiding their personal development. Beach School re-commenced in the Summer Term of 2021. The School achieved 'Highly-Commended' in the Pre-Prep category of the Independent Schools of the Year 2018 and was been shortlisted for 2021.

Around 15 different clubs and activities are available for pupils. The range runs from sports such as dinghy sailing and horse riding, to 'learned societies' such as the Science Club and life skills such as gardening, forestry and touch typing.

Drama is a strength. There are a variety of productions throughout the year at all levels of the School, and success in the LAMDA exams is enjoyed annually. Pupils are encouraged to speak in public by regularly reading out match reports in assembly, reading in cathedral, or participating in public speaking competitions.

Results in Common Entrance and Scholarship examinations at the end of the 2020-21 academic year were highly successful. Scholarships to senior schools were awarded for academic excellence; others were for ability in music, art, sport or a combination of these, giving testament to the breadth and quality of the education at Prebendal. In the past five years, over 48 scholarships have been won by Prebendal pupils to many different schools.

Sport plays a very important role in school life and with the majority of teams performing to a high standard in both boys and girls sports. Many of the children take part in the County Athletics Competition with a number becoming County Champions and then taking part in National Championships.

This year was the third in which the School's Nursery provision ran for 46 weeks of the year rather than just during term time. This change has been a successful one and attendance continues to grow.

The Prebendal School
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Governors' report (continued)
for the year ended 31 August 2021

Financial review

The School sustained a loss during the year of £666,957 which resulted in a reduced year end cash and net asset position. The main source of income for the charity continues to be the fee income charged for the provision of education. The charity considered the fee levels charged and decided to raise them by an average of 3% for the next school year.

The School took advantage of the Government's Coronavirus Support by drawing £27,317 through the Job Retention Scheme. A large proportion of operational cost savings were passed on to parents in recognition of the reduced activities offered by the School during the lockdown periods.

The main expenditure of the School is that of staff salaries which account for 46% of expenditure. The professional staff are key to the ongoing success of the School and the Governors continue to seek, develop and retain teaching staff of the highest quality. The successful response to the Covid restrictions show the effectiveness of this approach.

A significant proportion of the operating loss was due to exceptional costs incurred during the process of securing the agreement with Alpha Schools (Holdings) Limited (see principal risks and uncertainties below). In the financial year 2022 the Governors expect support costs to reduce to a level closer to their historical run-rate.

The Governors regularly review the bursary provision available and remain committed to ensuring a high number of pupils benefit from an education at the School. However, the School has no separately designated bursary fund and costs are met from operational income.

The Governors also recognise the importance of continued investment in its facilities to ensure that the School remains at the forefront of education provision in the area and this includes a programme of repairs and maintenance to existing facilities commensurate with the age and historic nature of the School's buildings.

The School's freehold land and buildings were professionally revalued in April, 2022 by Medhursts Commercial Surveyors Ltd (regulated by RICS) and were valued at £2,770,000. Revaluation of the freehold land and buildings will be carried out with sufficient regularity to ensure that the fair value is reflected in the accounts.

● **Reserves policy**

The reserves of the School are represented by the unrestricted and restricted funds as shown in note 17 totalling £1,801,198 (2020: £1,667,648). Reserves include £1,757,651 (2020: £957,144) in relation to fixed asset revaluations and £15,242 (2020: £25,976) in relation to restricted fund balances leaving a balance of funds available for general use of £28,305 (2020: £684,528).

When adjusting total reserves for funds tied up in tangible fixed assets and restricted balances there was a deficit of free reserves amounting to £1,023,148 (2020: £442,346).

There are no material amounts committed for expenditure at the end of the financial year. The continuing obligations for a repair and maintenance programme are scheduled into the current and future years' budgets to be met from future income.

The governors have considered the purposes for which the school needs to hold reserves. The Governors consider that reserves equivalent to three months expenditure are sufficient to enable the school to manage its day-to-day operations and meet liabilities as they fall due.

The current level of reserves is below this target and the governors recognise the need to rebuild reserve levels and plan to do this over the coming years. Whilst reserve levels are restored additional working capital has been secured as part of the agreement with Alpha Schools detailed further in accounting policy 1.2.

The Prebendal School
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Governors' report (continued)
for the year ended 31 August 2021

● **Principal risks and uncertainties**

There is a formal Strategic Risk Management Policy and a written table of Strategic Risks. These are reviewed annually, but Governors are aware that risk management is a dynamic process and new risks need to be noted and considered as they arise. The Governors are satisfied that strategic risks have been adequately mitigated where necessary, but recognise that systems can only provide reasonable, not absolute, assurance that all risks have been identified and managed.

The main source of revenue for the School is fee income. A declining number of pupils has made future fee and other revenue streams less certain and the School has needed external financial support to secure its future. Towards the end of the 2020/21 academic year the Governors reached an agreement with Alpha Schools (Holdings) Limited for the operational control and financial support of the School. Alpha are a highly experienced operator within the education sector and will use their experience to make operational and financial changes to the School to lift both pupil numbers and profitability and make sure the School is viable for the future. For this reason, the School remains on a sound financial footing as all deficits are being covered by them whilst the School's reserves are being restored.

Maintaining the quality of the School buildings is important to facilitate the delivery of a high standard of education. There is a risk that additional or unexpected repair work will be required which might impact this delivery. Full insurance is in place and the School continues to undertake annual repairs and maintenance to mitigate the risk of substantial repairs.

There are financial risks arising from the availability of liquid funds. The Bursar's office ensures that debtors are closely managed and where possible aims to receive fees in advance to improve the position. The School has not needed to use its overdraft facility which was renewed at the same level for the year and then reduced during the year towards a figure of £50,000, retained for contingency purposes. It does have a term bank loan, which is adequately secured on the value of the School's assets and there is no reason to expect that the covenants will be breached in the foreseeable future.

As regards non financial risks, the health and safety of the pupils is paramount and any potential breach of procedures would be a principal risk. To mitigate this, the Governors have developed policies to ensure the regulations and guidelines for the welfare of pupils are observed.

● **Investment policy and performance**

The School currently has no investments. The School continues to be the remainderman of the Mrs WE Shoemith MBE Will Trust subject to the interest of Mr W Sprunt currently to the approximate value of £136,000.

● **Going concern**

The Governors have assessed whether the use of the going concern basis is appropriate for the preparation of the financial statements and have made this assessment for a period of at least one year from the date of their authorisation. The agreement reached towards the end of the 2020/21 academic year with Alpha Schools Holdings is expected to deliver operational and financial changes to the School which will lift both pupil numbers and profitability and make sure the School is viable for the future. For this reason, the School remains on a sound financial footing as all deficits are being covered by them.

In 2020 and 2021 the Coronavirus pandemic caused a reduction in certain of the School's incomes streams and added to some uncertainty as regards future pupil numbers and fee levels. The economic outlook is now improving, but the Governors have nevertheless taken measures to reduce costs, including reducing the number of staff employed, to position the School for its development under the agreement with Alpha Schools Holdings.

The Prebendal School
(A company limited by guarantee)

Governors' report (continued)
for the year ended 31 August 2021

Structure, governance and management

● **Constitution**

The Prebendal School Limited is a company limited by guarantee governed by its Memorandum and Articles of Association, which took effect from 1st September 2016 when the School became an incorporated charity with registered company number 09038149. It is a registered charity with the Charity Commission, charity number 1157782.

● **Methods of appointment or election of Governors**

As noted, the Governors act as the trustees for the charitable activities of the School, and are also the Directors of the charitable company for the purposes of Company Law. There is a written policy which lays down the procedure for the appointment and induction of Governors. Effort is made to appoint Governors from a range of backgrounds including the church, education, finance, business, administration and other areas. There is a written analysis of the skills and backgrounds of the members of the Board and agreed priorities in the search for candidates for future appointment with areas of expertise considered in Education, Finance, Child Welfare, Human Resources, Legal and Estates Management.

The Governors are elected at a full board meeting and approved by the process laid down in the Articles of Association. They can be re elected.

● **Organisational structure and decision-making policies**

- During the year, the Governors determined the policy of the School and the day to day management was delegated to the Senior Management Team which comprised the Head, two Deputy Heads and Bursar.

The Board of Governors met each per term to consider matters of policy and strategy. There were also the following committees, each of which is chaired by a Governor and whose membership is drawn from the Governors and appropriate members of staff. These have defined terms of reference and report to the full board:

- A Finance and General Purposes Committee, which also serves as the Strategic Risk Management Committee
- An Education Committee
- A Pastoral and Safety Committee (one Governor is nominated to take the lead on Safeguarding)
- A Bursaries Committee
- A Business Development Committee (to consider the future development of the school)

The School is affiliated with The Independent Association of Prep Schools which represents and promotes around 650 independent preparatory schools. This relationship allows the School access to advice about educational development and legislative changes. This does not impact on the general operating policies of the School but can inform the overall strategic direction.

● **Policies adopted for the induction and training of Governors**

On appointment, Governors undertake an induction process. They are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board structure, committees and decision making processes, the business plan and recent financial and academic performance of the School. During visits to the School, they are encouraged to meet key employees and attend School events, INSET days and other appropriate training opportunities such as events run by external organisations.

The Prebendal School
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Governors' report (continued)
for the year ended 31 August 2021

Structure, governance and management (continued)

• **Pay policy for senior staff**

The School operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools and the maintained school sector. This allows the School to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the School and also increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

• **Related party relationships**

None of the Governors receives remuneration or other benefit from their work with the charity. Any contractual relationship must be disclosed and notes of interest are retained in written form.

Occasionally, Governors have children attending the School. Generally, this does not affect their capability to make independent and fair decisions but if there is a specific situation where there may be a conflict of interests, Governors will remove themselves from meetings.

• **Risk management**

- The Governors have a risk management strategy which comprises:
 - an annual review of the principal risks and uncertainties that the charity faces;
 - the establishment of policies, systems and procedures to mitigate those risks identified in the annual review, (now the responsibility of Alpha Schools Holdings); and
 - the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The Prebendal School
(A company limited by guarantee)

Governors' report (continued)
for the year ended 31 August 2021

Statement of Governors' responsibilities

The Governors (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial Year. Under company law, the Governors 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 charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the board of Governors on 10 June 2022,
and signed on their behalf by:



Mrs R C Pexton BA (Hons) CTA

The Prebendal School
(A company limited by guarantee)

Independent auditors' report to the Members of The Prebendal School

Opinion

We have audited the financial statements of The Prebendal School (the 'charitable company') for the Year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

The Prebendal School
(A company limited by guarantee)

Independent auditors' report to the Members of The Prebendal School (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors 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 Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Prebendal School
(A company limited by guarantee)

Independent auditors' report to the Members of The Prebendal School (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.
- Existence testing of trade debtor balances by agreeing post year-end receipts.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 purpose of expressing an opinion of the effectiveness

The Prebendal School
(A company limited by guarantee)

Independent auditors' report to the Members of The Prebendal School (continued)

- of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' 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 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 Auditors' 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 Auditors' report. However, future events or conditions may cause the 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.

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.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP

9 Donnington Park

Chichester

West Sussex

PO20 7AJ

Date: 21st June 2022

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The Prebendal School
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Income from:					
Donations and legacies	4	20	-	20	6,686
Charitable activities	5	1,443,307	-	1,443,307	1,583,736
Investments	6	765	-	765	1,257
Other income	7	216,502	-	216,502	271,797
Total income		1,660,594	-	1,660,594	1,863,476
Expenditure on:					
Charitable activities	8	2,327,551	-	2,327,551	2,064,930
Total expenditure		2,327,551	-	2,327,551	2,064,930
Net expenditure before net losses on investments		(666,957)	-	(666,957)	(201,454)
Net losses on investments		-	-	-	(8,002)
Net expenditure		(666,957)	-	(666,957)	(209,456)
Transfers between funds	17	10,734	(10,734)	-	-
Net movement in funds before other recognised gains		(656,223)	(10,734)	(666,957)	(209,456)
Other recognised gains:					
Gains on revaluation of fixed assets		800,507	-	800,507	-
Net movement in funds		144,284	(10,734)	133,550	(209,456)
Reconciliation of funds:					
Total funds brought forward		1,641,672	25,976	1,667,648	1,877,104
Net movement in funds		144,284	(10,734)	133,550	(209,456)
Total funds carried forward		1,785,956	15,242	1,801,198	1,667,648

The Statement of financial activities includes all gains and losses recognised in the Year.

The notes on pages 20 to 41 form part of these financial statements.

The Prebendal School
(A company limited by guarantee)
Registered number: 09038149

Balance sheet
as at 31 August 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	12	2,809,104	2,084,018
		<u>2,809,104</u>	<u>2,084,018</u>
Current assets			
Stocks	13	500	1,136
Debtors	14	110,340	194,592
Cash at bank and in hand		47,780	90,386
		<u>158,620</u>	<u>286,114</u>
Creditors: amounts falling due within one year	15	(809,979)	(308,912)
Net current liabilities		<u>(651,359)</u>	<u>(22,798)</u>
Total assets less current liabilities		<u>2,157,745</u>	<u>2,061,220</u>
Creditors: amounts falling due after more than one year	16	(356,547)	(393,572)
Net assets excluding pension asset		<u>1,801,198</u>	<u>1,667,648</u>
Total net assets		<u><u>1,801,198</u></u>	<u><u>1,667,648</u></u>
Charity funds			
Restricted funds	17	15,242	25,976
Unrestricted funds	17	1,785,956	1,641,672
Total funds		<u><u>1,801,198</u></u>	<u><u>1,667,648</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the Year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The Prebendal School
(A company limited by guarantee)
Registered number: 09038149

Balance sheet (continued)
as at 31 August 2021

The financial statements were approved and authorised for issue by the Governors

on *10 June 2022*

and signed on their behalf by:

R Charlotte Pexton

Mrs R C Pexton BA (Hons) CTA

The notes on pages 20 to 41 form part of these financial statements.

The Prebendal School
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(3,243)	(171,741)
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	765	1,257
Proceeds from the sale of tangible fixed assets	-	1,408
Purchase of tangible fixed assets	(6,502)	(63,629)
Proceeds from sale of investments	-	47,219
	<hr/>	<hr/>
Net cash used in investing activities	(5,737)	(13,745)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	(21,495)	51,142
Interest paid	(12,132)	(10,280)
	<hr/>	<hr/>
Net cash (used in)/provided by financing activities	(33,627)	40,862
	<hr/>	<hr/>
Change in cash and cash equivalents in the Year	(42,607)	(144,624)
Cash and cash equivalents at the beginning of the Year	90,387	235,011
	<hr/>	<hr/>
Cash and cash equivalents at the end of the Year	47,780	90,387
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 41 form part of these financial statements

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Prebendal School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The charity is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

1.2 Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the school to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

During the financial year to 31 August 2021 the school made a deficit of £666,957 and as at the balance sheet date had a net current liability position of £651,359.

In 2020 and 2021 the Coronavirus pandemic caused a reduction in certain of the School's incomes streams and added to some uncertainty as regards future pupil numbers and fee levels. The economic outlook is now improving, but the Governors have nevertheless taken measures to reduce costs, including reducing the number of staff employed, to position the School for its development under the agreement with Alpha Schools.

The agreement reached towards the end of the 2020/21 academic year with Alpha Schools is expected to deliver operational and financial changes to the School which will lift both pupil numbers and profitability and make sure the School is viable for the future. Alpha Schools has undertaken to provide £1 million of working capital support until December 2023. For this reason, the School remains on a sound financial footing as all deficits are being covered by them whilst the School's reserves are being restored. Therefore the financial statements have been prepared on the going concern basis and do not include the adjustments that would result if the company was unable to continue as a going concern. If this assumption proves to be inappropriate, then adjustments may have to be made to adjust the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify fixed assets as current assets. This would include significant upward revaluation of land and buildings which within these financial statements are carried under the historic cost convention at £1.1m. The land and buildings are valued for insurance purposes at circa £13.4m as discussed in note 10.

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

1. Accounting policies (continued)

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are initially recognised at cost.

After recognition, Land and buildings are held under the revaluation mode whilst all other class of assets are held under the cost model. Land and buildings whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Tangible assets, other than land and buildings, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a charity may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Freehold property - buildings on freehold land	- nil - 2% straight line
Motor vehicles	- 20% straight line
General equipment	- 20% straight line
Computer equipment	- 33% straight line
Piano	- 10% straight line

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

1. Accounting policies (continued)

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Long-term employment and termination benefits

Termination benefits are recognised when they become committed, by legislation, by contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments (or provide other benefits) to employees when it terminates their employment. Termination payments do not provide the company with future economic benefits therefore it is their policy to recognise them as an expense in profit or loss immediately.

1.14 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.15 Pensions

Retirement benefits for teaching employees of the school were provided under the Teachers Pension Scheme (TPS) until July 2020 which is a final salary scheme. There was a similar scheme available under the Church of England Defined Benefits Scheme for administrative employees.

Following July 2020, retirement benefits for teaching employees of the school were provided under a defined contribution scheme. Furthermore, the School operates a stakeholder pension scheme for other employees. Contributions for all these schemes are charged to the Statement of Financial Activities in the year in which they are payable. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Tangible assets

The charity has recognised tangible fixed assets with a carrying value of £2,809,104 at the reporting date (see note 11). The charity has adopted the revaluation model for the measurement of land and buildings, other assets are stated at their cost less provision for depreciation and impairment.

In order to determine the fair value of land and buildings the charity has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. Valuations are obtained with sufficient regularity to ensure that the carrying value of revalued assets reflects current market conditions. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Where there are indicators that the carrying value of tangible assets may be impaired the company undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the company's forecasts for the foreseeable future which do not include any restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

3. Change in accounting policy

A charity may choose to adopt an accounting policy of revaluing one or more classes of the tangible fixed assets it holds. During the year the charity opted to change its accounting policy for land and buildings and adopt the revaluation model for this class of assets. The charity believes the policy will provide reliable and more relevant information as some assets within land and buildings were obtained historically at negligible cost, whilst representing value in use to the charity.

The effect of the change in policy, in the comparative period, was to reflect an increase in tangible fixed assets by £957,144 and the creation of a revaluation reserve that would have arisen from accumulated valuations prior to this date. In the current period the carrying value of tangible fixed increased a further £739,233, net of depreciation, along with an associated revaluation gain of £800,507.

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	20	20	6,686
	<u>20</u>	<u>20</u>	
Total 2020	<u>6,686</u>	<u>6,686</u>	

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fee income receivable	1,443,307	1,443,307	1,583,736
	<u>1,443,307</u>	<u>1,443,307</u>	
Total 2020	<u>1,583,736</u>	<u>1,583,736</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest on UK bank deposits	765	765	1,257
	<u>765</u>	<u>765</u>	
Total 2020	<u>1,257</u>	<u>1,257</u>	

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2021

7. Other income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Facility letting fees	1,296	1,296	2,720
Rent receivable	8,858	8,858	8,858
Other incoming resources	29,231	29,231	78,982
Insurance settlement	148,450	148,450	60,000
Government grant income	28,667	28,667	119,799
Uniform income	-	-	1,438
Total 2021	<u>216,502</u>	<u>216,502</u>	<u>271,797</u>
Total 2020	<u>271,797</u>	<u>271,797</u>	

Government grants receivable represent Coronavirus Job Retention Scheme claims

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	2,327,551	2,327,551	2,064,930
Total 2020	<u>2,064,930</u>	<u>2,064,930</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Charitable activities	825,375	1,502,176	2,327,551	2,064,930
Total 2020	<u>990,570</u>	<u>1,074,360</u>	<u>2,064,930</u>	

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities 2021 £	Total funds 2021 £	Total funds 2020 £
Teaching staff salaries	813,612	813,612	974,128
Books, printing and stationery	11,763	11,763	16,442
Total 2021	<u>825,375</u>	<u>825,375</u>	<u>990,570</u>
Total 2020	<u>990,570</u>	<u>990,570</u>	

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2021 £	Total funds 2021 £	Total funds 2020 £
Matron, domestic and grounds staff salaries	114,799	114,799	115,655
Administration staff salaries	194,565	194,565	201,184
Rent and rates	95,434	95,434	80,679
Insurance	26,700	26,700	26,378
Light and heat	35,384	35,384	35,813
Grounds and playing field	45,426	45,426	75,155
Amortisation and depreciation	80,019	80,019	79,455
(Profit)/ loss on sale of fixed assets	-	-	(960)
Repairs and maintenance	18,213	18,213	29,549
Bank charges	4,114	4,114	5,446
Audit and accountancy	14,196	14,196	11,500
Advertising	12,748	12,748	24,428
Telephone and postage	7,580	7,580	10,144
Subscriptions	8,646	8,646	8,321
Transport and travel	1,515	1,515	8,690
Staff recruitment, training and welfare	8,265	8,265	10,593
Legal and professional	625,045	625,045	62,261
Computer costs	16,813	16,813	19,045
Security	4,656	4,656	12,593
Music, sport and misc	2,581	2,581	21,253
Inspections	2,213	2,213	3,782
Contract cleaning	1,956	1,956	1,194
Household and medical	9,891	9,891	10,570
Contract catering	135,647	135,647	174,538
Bad and doubtful debts	4,991	4,991	35,125
Bank loan interest	10,616	10,616	10,280
Establishment expenses	20,163	20,163	1,689
Total 2021	<u>1,502,176</u>	<u>1,502,176</u>	<u>1,074,360</u>
Total 2020	<u>1,074,360</u>	<u>1,074,360</u>	

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

Included within support costs are governance costs. These costs comprise the public accountability of the School and its compliance with regulation and good practice. They are principally administration costs relating to matters such as the preparation of financial statements and administrative support provided to the Trustees. Governance costs also include significant exceptional legal and professional fees incurred during the year £625,045.

10. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	6,000	5,500
Fees payable to the charity's auditor in respect of: All non-audit services not included above	3,000	6,000
	<u>9,000</u>	<u>11,500</u>

11. Staff costs

	2021	2020
	£	£
Wages and salaries	929,941	1,027,969
Social security costs	80,571	98,451
Pension costs	93,580	126,755
	<u>1,104,092</u>	<u>1,253,175</u>

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2021

(continued)

The average number of persons employed by the charity during the Year was as follows:

	2021	2020
	No.	No.
Teachers - full time	19	18
Teachers - part time	7	6
Matrons	2	2
Domestics - part time	4	5
Grounds and maintenance	2	2
Administration - full time	4	3
Administration - part time	2	3
	<hr/>	<hr/>
	40	39
	<hr/> <hr/>	<hr/> <hr/>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £70,001 - £80,000	1	1

Employees benefits in kind totalled £1,768 (2020: £1,179).

The ratio of teaching staff to pupils was 1:5 (2020: 1:6).

During the year, no Governors received any remuneration (2020: £nil)

During the year, no Governors received any benefits in kind (2020: £nil)

During the year, no Governors received any reimbursement of expenses (2020: £nil)

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

12. Tangible fixed assets

	Freehold property £	Motor vehicles and equipment £	Total £
Cost or valuation			
At 1 September 2020	2,030,767	489,904	2,520,671
Additions	3,645	2,857	6,502
Revaluations	735,588	-	735,588
At 31 August 2021	<u>2,770,000</u>	<u>492,761</u>	<u>3,262,761</u>
Depreciation			
At 1 September 2020	-	436,653	436,653
Charge for the Year	64,919	17,004	81,923
On revalued assets	(64,919)	-	(64,919)
At 31 August 2021	<u>-</u>	<u>453,657</u>	<u>453,657</u>
Net book value			
At 31 August 2021	<u>2,770,000</u>	<u>39,104</u>	<u>2,809,104</u>
At 31 August 2020 (as restated)	<u>2,030,767</u>	<u>53,251</u>	<u>2,084,018</u>

All the assets are held for the furtherance of the School's objects.

Freehold property was valued by independent professional surveyors, Medhursts commercial surveyors, who have valued the buildings on an existing use basis. In doing so have considered comparable evidence and current investment sentiment. The effective date of the freehold property valuation was 14 April 2022.

If freehold property were held at historic cost, the carrying value would be £1,073,623 (2020: £1,122,282)

Some assets which have been written down to a nil position are not included in the books of account although such assets may still be in use.

Insured value:

Based on indicative valuations the Trustees believe the open market value of freehold land and buildings is substantially in excess of their carrying value. The insured value of the buildings is £13.4m.

The net book value of assets held under hire purchase contracts, included above is £20,940 (2020: £27,921).

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2021

13. Stocks

	2021 £	2020 £
Finished goods and goods for resale	500	1,136

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	75,175	111,581
Other debtors	900	16,627
Prepayments and accrued income	34,265	66,384
	<u>110,340</u>	<u>194,592</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	32,071	23,526
Trade creditors	410,974	31,679
Obligations under finance lease and hire purchase contracts	4,829	4,608
Other creditors	75,183	79,168
Accruals and deferred income	286,922	169,931
	<u>809,979</u>	<u>308,912</u>

£249,511 included within trade creditors is secured over the property 55-56 West Street.

	£	2020 £
Deferred income		
Deferred income at 1 September 2020	144,687	162,357
Amounts released to income	(144,687)	139,314
Movement in deposits and fees paid in advance	253,409	(156,984)
Deferred income at 31 August 2021	<u>253,409</u>	<u>144,687</u>

Fees paid in advance comprises fees for the Michaelmas term received in advance of £225,259 (2020: £116,087) and pupil deposits of £28,150 (2020: £28,600).

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2021

16. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	350,834	382,390
Net obligations under finance lease and hire purchase contracts	5,713	11,182
	<u>356,547</u>	<u>393,572</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021	2020
	£	£
Net obligations under finance lease and hire purchase contracts	-	7,035
	<u>-</u>	<u>7,035</u>

A bank loan together with the bank overdraft, is secured over the property at 53 West Street, Chichester. The bank overdraft is repayable on demand. The bank loan is for a period of 10 years from 18 August 2015. The loan is being repaid by instalments calculated to repay the full amount of the loan over a period of nineteen years and three months. After 120 repayments a final instalment is due to repay the outstanding balance.

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Notes to the financial statements
for the year ended 31 August 2021

17. Statement of funds

Statement of funds - current Year

	Balance at 1 September 2020 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Accumulated fund	684,528	1,660,594	(2,327,551)	10,734	-	28,305
Revaluation reserve	957,144	-	-	-	800,507	1,757,651
	<u>1,641,672</u>	<u>1,660,594</u>	<u>(2,327,551)</u>	<u>10,734</u>	<u>800,507</u>	<u>1,785,956</u>
Restricted funds						
Prize Fund	6,691	-	-	-	-	6,691
Scholarship Fund (Tanner Trust)	2,658	-	-	-	-	2,658
Ernest and David Myers Award Fund	16,627	-	-	(10,734)	-	5,893
	<u>25,976</u>	<u>-</u>	<u>-</u>	<u>(10,734)</u>	<u>-</u>	<u>15,242</u>
Total of funds	<u><u>1,667,648</u></u>	<u><u>1,660,594</u></u>	<u><u>(2,327,551)</u></u>	<u><u>-</u></u>	<u><u>800,507</u></u>	<u><u>1,801,198</u></u>

The Prize Fund is to fund the award of small annual prizes to outstanding pupils. The balance of this fund is held separately in two bank accounts.

The Scholarship Fund (Tanner Trust) is to assist in the payment of fees by families of limited means or in time of hardship.

The Ernest and David Myers award fund is monies received in order to fund a Chorister bursary.

The Accumulated Fund represents those funds which are unrestricted.

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2021

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 (as restated) £
Unrestricted funds						
Accumulated fund	883,674	1,863,476	(2,064,930)	10,310	(8,002)	684,528
Revaluation reserve	957,144	-	-	-	-	957,144
	<u>1,840,818</u>	<u>1,863,476</u>	<u>(2,064,930)</u>	<u>10,310</u>	<u>(8,002)</u>	<u>1,641,672</u>
Restricted funds						
Prize Fund	6,691	-	-	-	-	6,691
Scholarship Fund (Tanner Trust)	2,658	-	-	-	-	2,658
Ernest and David Myers Award Fund	26,937	-	-	(10,310)	-	16,627
	<u>36,286</u>	<u>-</u>	<u>-</u>	<u>(10,310)</u>	<u>-</u>	<u>25,976</u>
Total of funds	<u><u>1,877,104</u></u>	<u><u>1,863,476</u></u>	<u><u>(2,064,930)</u></u>	<u><u>-</u></u>	<u><u>(8,002)</u></u>	<u><u>1,667,648</u></u>

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2021

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,809,104	-	2,809,104
Current assets	143,378	15,242	158,620
Creditors due within one year	(809,979)	-	(809,979)
Creditors due in more than one year	(356,547)	-	(356,547)
Total	1,785,956	15,242	1,801,198

Analysis of net assets between funds - prior year

	Unrestricted funds (as restated) 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,084,018	-	2,084,018
Current assets	260,138	25,976	286,114
Creditors due within one year	(308,912)	-	(308,912)
Creditors due in more than one year	(393,572)	-	(393,572)
Total	1,641,672	25,976	1,667,648

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Notes to the financial statements
for the year ended 31 August 2021

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(666,957)	(209,456)
Adjustments for:		
Depreciation charges	81,923	75,994
Gains on investments	-	8,002
Dividends, interests and rents from investments	(765)	(374)
Decrease/(increase) in stocks	636	(1,032)
Decrease/(increase) in debtors	84,252	(2,210)
Increase/(decrease) in creditors	487,052	(52,945)
Interest payable	12,132	10,280
Net cash used in operating activities	(1,727)	(171,741)

20. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	47,780	90,387
Total cash and cash equivalents	47,780	90,387

21. Analysis of changes in net debt

	At 1	Cash flows	At 31
	September	August 2021	August 2021
	2020	£	£
	£	£	£
Cash at bank and in hand	90,386	(42,606)	47,780
Debt due within 1 year	(23,526)	(8,545)	(32,071)
Debt due after 1 year	(382,390)	31,556	(350,834)
Finance leases	(15,790)	5,248	(10,542)
	(331,320)	(14,347)	(345,667)

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Notes to the financial statements
for the year ended 31 August 2021

22. Contingent liabilities

During the year ended 31 August 2016 the school received £600,000 from the Dean and Chapter of Chichester Cathedral in respect of the school's interest in a larger donation of property from a third party donor. The restrictions imposed upon the underlying donation were such that in order to receive funds the school was required to enter into a deed with the Dean and Chapter of Chichester Cathedral. Under the deed the school has covenanted, for a period of ten years to 2026, that it will repay monies back to the Dean and Chapter of Chichester Cathedral on the occurrence of any of the following circumstances:

- a) That the charity ceases to provide choristers to the Chichester Cathedral provided that such cessation was at the behest of the charity and not imposed by Chapter.
- b) That the undertaking of the School is sold or otherwise disposed of (as the case may be) by the Charity.
- c) That the charity is put or otherwise goes into liquidation or ceases to trade.

In the case of B) repayment shall be made in full on completion of the sale or disposal (as the case may be) of the undertaking of the School to a third party except for in the event that such sale or disposal is made to Alpha Schools (Holdings) Limited (registered company number 07391840) in which case Chapter shall waive any and all requirements for repayment of the payment in full.

In the case of c) any repayment will only be made after the settlement of all other debts of the school secured or unsecured.

Contingent assets

The School is the remainderman of the Mrs WE Shoemith MBE Will Trust subject to the life interest of Mr W Sprunt. The value of the residuary interest is believed to be in the region of £135,000. This value is subject to fluctuation until such time as it crystallises and cannot therefore be reliably estimated for the purpose of recognition in these accounts.

23. Pension commitments

The School operated two defined benefit pension schemes until July 2020 (Teacher's Pension Scheme and Church of England Scheme) and one defined contribution scheme (Stakeholder Scheme). The assets of those schemes are held separately from those of the School in independently administered funds. The pension cost charge represents contributions payable by the School to the funds and amounted to £Nil (2020: £169,237). Included in creditors is an amount of £Nil (2020: £5,000) in respect of the shortfall in the funds of the Church of England scheme.

In the case of the Teachers Pension Scheme it is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 represents the employer contributions payable.

Following July 2020 the School operated the Church of England Scheme in addition to the defined contribution schemes.

Church of England Scheme:

The school also participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund. At the year end, the school had no active members and no deferred pensioner members. The school is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. However, a valuation of the Fund was carried out as at 31 December 2007. As a

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

23. Pension commitments (continued)

result, an under funding liability for the school of £60,940 arose. That liability was met by the school paying additional contributions.

The last active member of this defined benefit scheme retired in December 2008. Thereafter the scheme remains operative but only to receive subscriptions in respect of a defined contribution scheme, for which the school has one active member.

Stakeholder Scheme:

The School also operates a stakeholder pension scheme. The assets of the scheme are administered by trustees in funds independent from those of the School.

General:

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

24. Operating lease commitments

At 31 August 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	52,679	53,992
Later than 1 year and not later than 5 years	100,774	148,453
Later than 5 years	-	5,000
	153,453	207,445

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2021

25. Related party transactions

Chichester Cathedral Choristers Associations Scholarship Trust:

A charity in Mr J F Attwater is a trustee.

During the year the school received £18,070 (2020: £17,005) for chorister fees.

As at the year end £nil (2020: £nil) was owed from Chichester Cathedral Choristers Associations Scholarship Trust.

The Morse - Boycott Bursary Fund:

A charity in which The Reverend Canon Dr D D Inman is a trustee. During the year the school received £42,935 (2020: £25,940) for chorister fees. As at the year end £nil (2020: £nil) was owed from The Morse - Boycott Bursary Fund.

The Dean and Chapter Of Chichester Cathedral:

The Dean The Very Reverend S Waine acts as an ex officio Governor of Prebendal along with his role of the Dean of Chichester and The Reverend Canon Dr A Cane is the Chancellor of Chichester Cathedral. The Dean and Chapter also have the ability to appoint governors.

During the year the school paid £19,386 (2020: £36,353) of rent and £nil (2020: £450) for insurance costs. The school also received £153,302 (2020: £171,558) from the Dean and Chapter for chorister fees, £6,993 (2020: £8,695) for piano lessons, and £1,669 (2020: £1,710) for out of term bed and breakfast for choristers

As at the year end £nil (2020: £nil) was owed from The Dean and Chapter of Chichester Cathedral.

J Schofield (Wife of T Schofield who resigned as Governor in 2020)

During the year to 31 August 2020 the school paid £1,510 for providing peripatetic music lessons, for the school. There were £nil amounts outstanding as at the year ended 31 August 2020.

Cobnor Activities Centre Trust:

A company in which Mr M Camps is a director.

During the year the school paid £nil (2020: £2,550).

As at the year end £nil (2020: £nil) was owed to Cobnor Activities Centre Trust.

TPS Realisations 2024

England & Wales - Charity number 1157782

Accounts

Registered number: 09038149
Charity number: 1157782

The Prebendal School
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Trustees' report and audited financial statements
for the year ended 31 August 2020

The Prebendal School
(A company limited by guarantee)

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The Prebendal School
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**Reference and administrative details of the charity, its Governors and advisers
for the year ended 31 August 2020**

Governors

The Reverend Canon N T Schofield MA (Hons) PGCE (resigned 5 June 2020)
The Reverend Canon Dr D D Inman (appointed 13 March 2020)
The Very Reverend S J Waine BA (Hons)
The Very Reverend J R Hall KCVO FSA FCIS (appointed 13 March 2020)
MR J F Attwater MA (Hons) PGCE
Mrs R C Pexton BA (Hons) CTA
Mr M P Camps LIB (Hons)
Mr D T Oliver BA (Hons) MPhil
Mrs Y Thomson BA (Hons) MPhil
Mr A Wilkinson MA (Hons)
Mr M N J Geake BA (Hons) PGCE ACMA CGMA
Mrs E Cooke BEd Adv. Dip. ECFN (appointed 12 November 2019, resigned 10 July 2021)

Company registered number

09038149

Charity registered number

1157782

Registered office

The Prebendal School, 54 West Street, Chichester, West Sussex, PO19 1RT

Company secretary

Mr M Chapman MA MBA

Key management personnel

Mrs L Salmond Smith BA Hons MMus PG (QTS) MBA FRSA, Head
Mr M Chapman MA MBA Bursar
Mr T Bromfield MA BEd, Director of studies and Deputy Head Academic
Mr I Richardson BMus FTCL ARCO, Deputy Head Pastoral

Independent auditors

Kreston Reeves LLP, 9 Donnington Park, 85 Birdham Road, Chichester, West Sussex, PO20 7AJ

Bankers

Natwest Bank, 5 East Street, Chichester, West Sussex, PO20 7AJ

Solicitors

Knights plc, 26 Orient Way, Pride Park, Derby, Derbyshire, DE24 8BY

Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA

The Prebendal School
(A company limited by guarantee)

Governors' report
for the year ended 31 August 2020

The Governors of the School, as the trustees of the charity and directors of the company, are pleased to present their annual report together with the financial statements of the charity for the year ending 31 August 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Charities Accounts Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 382, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The COVID-19 pandemic and government lockdown at the end of the Lent Term 2020 required unprecedented measures in order to maintain the School's high standards of operational performance. Governors and staff reacted swiftly and creatively and the School's strong IT capability meant that it was very well placed to enable effective remote teaching and learning. The School also reacted quickly to the financial challenges by reducing operating costs and drawing on the support of the Government's furlough scheme and a large part of the savings were passed through to parents.

Objectives and activities

● Policies and objectives

The objects of the School as defined in its Articles of Association are for the benefit of the public to provide for the advancement of education by the provision of a boarding and/or day school or schools for the education of children of all genders and to advance the education of the choristers of Chichester Cathedral by providing the facilities for their education up to and including age 13.

The aim of the School is to foster the academic, physical, spiritual, moral and social development of children in a happy, caring and safe environment. This is done by providing a high quality education with a broad and varied curriculum. The School educates, among others, the boys of the Chichester Cathedral Choir. The Choristers are supported financially to ensure that these places are open to all, regardless of the ability to pay.

The School provided education for an average of 133 pupils over the three terms of the academic session 2019-20. There were 23 weekly or full boarders across the Michaelmas and Lent terms, with none in the Summer term (due to Covid restrictions) with many other pupils taking advantage of flexi boarding and the School's evening activities.

The Prebendal School
(A company limited by guarantee)

Governors' report (continued)
for the year ended 31 August 2020

Objectives and activities (continued)

- **Main activities undertaken to further the charity's purposes for the public benefit**

Bursaries and Scholarships

The Prebendal School is a fee charging school. The Governors recognise however that it is important to make education available to all, including those unable to pay the fees or for those current pupils where a change in family circumstances would compromise their ability to remain at the School. Accordingly, they provide financial support to pupils through a means tested bursary scheme and a number of non means tested fee remissions. The availability of financial support is publicised by way of the charity's website, in local media and in the application packs for entry to the School.

Relief to Families

It is an important principle for the School that the benefits of a Prebendal education should not be restricted solely to those who can pay the full cost. During 2019 20, 16 places in the School were taken by Choristers of Chichester Cathedral, for whom at least 50% of the School fees were paid by church funds or other grants. In addition, financial assistance was given by the School to 44 pupils by means of scholarships and bursaries. A total of £201,537 was granted in this way during 2019-20 (2018-19: £244,564), representing 12.7% of gross fee income. The aim of the scholarships is to recognise and encourage children with a high potential. A total of 30 pupils received bursaries amounting to £166,530 (10.5% of gross fee income) that were determined by financial need. That said, the School is funded entirely by fees and therefore has to fill most of its places with pupils for whom the full amount is paid.

The range of bursary awards is as follows:

0 20%	6 beneficiaries
21 30%	7 beneficiaries
31 40%	2 beneficiaries
> 40%	15 beneficiaries

Those wishing to be considered for bursary support are required to complete a Bursary Application giving full details of their financial situation, supported by original documents. Bursary remission on fees is assessed according to the parents' or guardians' ability to pay full fees and the availability of bursary funds to the School. Bursary awards are subject to an annual review, usually in the Lent term.

Non-means tested fee remissions

Academic, sport, art and music scholarships have been historically awarded following competitive assessment prior to entry to the School and are based on outstanding achievement and potential. Awards are set at between 10% – 50% of the full fee and usually continue for the remainder of the duration of the pupil's education at the School. The value of Scholarships in 2019-20 was £36,417 awarded to 25 pupils.

Other forms of non-means tested assistance were also awarded during the academic year, including sibling and former pupil discounts. In total these awards were made to 21 pupils and amounted to £35,007.

Volunteers

Members of the Board of Governors did not receive any payment for the work they carried out for the charity in the year ending 31 August 2020. In addition, a large number of parents and former pupils gave their time voluntarily in assisting the School with the supervision of excursions and extra curricular sporting activities.

Contribution to the local community

The School made its facilities available to choirs and musicians visiting Chichester during the Chorister vacations, though due to Covid restrictions activity was limited after March 2020. A number of local organisations made use of the sports fields and facilities. Together with the Cathedral, afternoon opportunities have been

The Prebendal School
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Governors' report (continued)
for the year ended 31 August 2020

Objectives and activities (continued)

provided for local children to sing with the Cathedral Choir and explore the life of a Chorister, and this continues to attract a number of children from outside the School. Our pupils continue to be very involved in the life of the local community and school music groups have played at local functions and sung carols in the city centre to help raise money for local charities.

Support for local schools

In addition to the main school activity the School has continued to foster relationships with the community. For example, the School makes available its sports facilities to a number of community groups including Whyke Youth Football Club and the school hall is used by a local ballet group every Saturday.

Fundraising within the School

Pupils, staff and parents consistently raise many thousands of pounds each year for other charities. These are chosen and voted upon by the senior pupils in the School who in turn arrange various fund raising events for their chosen charities. Representatives from the charities are invited to receive the donations and will also give particular feedback in assembly on how the money will be used.

The Prebendal School recognises the vital contribution made by its supporters, with voluntary donations being a valuable part of the trust's incoming resources.

We believe that giving to charity should be a positive experience, and to help ensure that this is the case we acknowledge the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the trust. To this end, all fundraising activity is carried out by our Parent Teacher Association. This group raises money for the School through regular activities such as school fairs, discos, film and quiz nights. All of these events are voluntary and advertised in a non-intrusive manner.

The School does not utilise the services of any external commercial fundraisers. At this point, given that the majority of the School's donations are from pupils' parents and carers, the trustees do not consider it necessary to subscribe to a Fundraising Regulator.

The School welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

The Governors have had regard to the Charity Commission's guidance on public benefit.

Achievements and performance

● **Academic progress**

The School continues to offer a broad education, aiming to produce all round excellence. Academic performance and the links with Chichester Cathedral are at the heart of the School's offer, but these aspects are successfully coupled to sport, music, drama, co curricular activities, community service and related school trips. The Governors expect the Head to provide an environment that has a strong pastoral ethos, rooted in Christian values. Much attention is given to the development of a family atmosphere and the helping of each boy and girl to develop his or her full potential.

The nave of the Cathedral is used as the school hall for assemblies twice a week, and for services to celebrate major feast days, Confirmation and Founders Day, as well as for musical concerts and other major events. All such gatherings in the Cathedral are open to parents and indeed to members of the public.

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Governors' report (continued)
for the year ended 31 August 2020

Achievements and performance (continued)

From Year 6, pupils follow the Common Entrance curriculum underpinned by the Pre-Senior Baccalaureate (PSB) core skills of Thinking and Learning, Reviewing and Improving, Communicating, Collaboration and Leadership. The PSB encourages strong partnerships between parents and schools to promote an understanding of how each individual child learns. Alongside a grading system for academic study there is one for the core skills, and this is monitored through a tutorial system focused on individual personal development, as well as the vertical structure within houses. Tutors meet regularly with children in their groups and also hold 1:1 meetings when they go through all aspects of school life and the development of an individual's academic and extra-curricular profile. The aim is to ensure that by the time pupils leave Prebendal they will have developed a secure understanding of how they learn, gained independent and collaborative learning skills and experienced leadership.

The Prebendal Extended Project (PEP) is part of the PSB, enabling pupils to focus on the joy of discovering and investigating things for themselves. A pupil's choice of topic is relatively free within the boundaries of Humanities and Languages, but they must show that it is academically useful. Extended projects help students to develop and demonstrate a range of valuable skills through pursuing their interests and investigating topics in more depth. The issues pupils choose may be of a social, political, ethical or philosophical character and will be explored in greater depth than might be achieved with an essay. A PEP may take the shape of a field study or investigation, cultivating research and analysis techniques and fostering a love for a subject area.

Part of the Y6-8 Curriculum is "Quadrivium", a programme of academic excellence. We support pupils who want to really push the boundaries of their knowledge, critical and interdisciplinary thinking, philosophy and high-order questioning skills. Once each week, pupils are grouped vertically and challenged with sessions appropriate to their stage. These sessions, which may be led by staff, parents or colleagues from a senior school, will be designed to broaden their perspectives, raise aspirations, and encourage them to think and articulate their ideas. Sometimes these sessions consist of a particular challenge or problem to solve. Parents who wish to come and speak to the children about their careers, or any topic about which they are particularly knowledgeable, will be warmly encouraged to share their experiences with pupils.

The School benefits from grounds with plenty of space, as well as benefiting from its city centre location. A sizeable outdoor classroom area enhances the curriculum across all year groups.

As Covid restrictions came into force, the School's strong IT capability meant that it was very well placed to quickly enable effective remote teaching and learning. Teachers quickly adapted to the chosen software platforms and rapidly built their online curriculums, and families were supported with online access as required. Consequently, remote teaching and learning was used very successfully to deliver the curriculum to pupils. In addition, and to support key-worker parents, the School offered on-site provision throughout the lockdown period. Feedback from staff and parents regarding the effectiveness of remote learning and COVID-19 safe measures in delivering the curriculum and providing wider support was extremely positive.

During the year to March 2020, Beach School continued for all the children in the Pre prep (Nursery – Year 2). The quality and experience of learning has been deepened through this initiative, as well as helping children to develop many skills aiding their personal development.

The School achieved 'Highly-Commended' in the Pre-Prep category of the Independent Schools of the Year 2018 and has been shortlisted for 2021.

Around 20 different clubs and activities are available for pupils. The range runs from sports such as dinghy sailing and horse riding, to 'learned societies' such as the Science Club and life skills such as gardening, forestry and touch typing.

Drama is a strength. There are a variety of productions throughout the year at all levels of the School, and success in the LAMDA exams is enjoyed each year. Pupils are encouraged to speak in public by regularly reading out match reports in assembly, reading in cathedral, or participating in public speaking competitions.

Results in Common Entrance and Scholarship examinations at the end of the 2019 20 academic year were

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Governors' report (continued)
for the year ended 31 August 2020

Achievements and performance (continued)

highly successful. Scholarships to senior schools were awarded for academic excellence; others were for ability in music, art, sport or a combination of these, giving testament to the breadth and quality of the education at Prebendal. In the past five years, over 64 scholarships have been won by Prebendal pupils to many different schools.

Sport plays a very important role in school life and with the majority of teams performing to a high standard in both boys and girls sports. Many of the children take part in the County Athletics Competition with a number becoming County Champions and then taking part in National Championships.

This year was the second in which the School's Nursery provision ran for 46 weeks of the year rather than just during term time. This change has been a successful one and attendance continues to grow.

Financial review

● **Financial review**

The School sustained a loss during the year of £209,456 which resulted in a reduced year end cash and net asset position. The main source of income for the charity continues to be the fee income charged for the provision of education. The charity considered the fee levels charged and in the light of the broader challenges presented by the Covid pandemic, decided not to raise them for the next school year.

The School took advantage of the Government's Coronavirus Support by drawing £109,799 through the Job Retention Scheme, successfully applying for a Bounce Back Loan of £50,000 and by receiving a rates grant of £10,000. A large proportion of operational cost savings were passed on to parents in recognition of the reduced activities offered by the School during the lockdown periods.

The main expenditure of the School is that of staff salaries which account for 63% of expenditure. The professional staff are key to the ongoing success of the School and the Governors continue to seek, develop and retain teaching staff of the highest quality. The successful response to the Covid restrictions show the effectiveness of this approach.

The Governors regularly review the bursary provision available and remain committed to ensuring a high number of pupils benefit from an education at the School. However the School has no separately designated bursary fund and costs are met from operational income.

Following a period of consultation, the School reached an agreement with teaching staff to exit the Teachers' Pension Scheme (TPS) during the year, with alternate defined contribution arrangements put in place effective from August 2020.

The Governors also recognise the importance of continued investment in its facilities to ensure that the School remains at the forefront of education provision in the area and this includes a programme of repairs and maintenance to existing facilities commensurate with the age and historic nature of the School's buildings.

The Prebendal School
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Governors' report (continued)
for the year ended 31 August 2020

● **Principal risks and uncertainties**

There is a formal Strategic Risk Management Policy and a written table of Strategic Risks. These are reviewed annually, but Governors are aware that risk management is a dynamic process and new risks need to be noted and considered as they arise. The Governors are satisfied that strategic risks have been adequately mitigated where necessary, but recognise that systems can only provide reasonable, not absolute, assurance that all risks have been identified and managed.

The main source of revenue for the School is fee income. The Coronavirus pandemic has made future fee and other revenue streams less certain and in the short term the School needs external financial support to secure its future. Towards the end of the 2020/21 academic year, and therefore after the end of the period covered by these accounts, the Governors reached an agreement with Alpha Schools (Holdings) Limited for the operational control and financial support of the School. Alpha are a highly experienced operator within the education sector and will use their experience to make operational and financial changes to the School to lift both pupil numbers and profitability and make sure the School is viable for the future. For this reason, the School remains on a sound financial footing as all deficits are being covered by them whilst the School's reserves are being restored.

Maintaining the quality of the School buildings is important to facilitate the delivery of a high standard of education. There is a risk that additional or unexpected repair work will be required which might impact this delivery. Full insurance is in place and the School continues to undertake annual repairs and maintenance to mitigate the risk of substantial repairs.

There are financial risks arising from the availability of liquid funds. The Bursar's office ensures that debtors are closely managed and where possible aims to receive fees in advance to improve the position. The School has not needed to use its overdraft facility which was renewed at the same level for the year. It does have a term bank loan, which is adequately secured on the value of the School's assets and there is no reason to expect that the covenants will be breached in the foreseeable future.

As regards non financial risks, the health and safety of the pupils is paramount and any potential breach of procedures would be a principal risk. To mitigate this, the Governors have developed policies to ensure the regulations and guidelines for the welfare of pupils are observed.

● **Investment policy and performance**

The School has limited investments. During the year it sold its holdings of the M & G Equity Fund for Charities valued at £47,218. The School continues to be the remainderman of the Mrs WE Shoemith MBE Will Trust subject to the interest of Mr W Sprunt currently to the approximate value of £135,000.

● **Reserves policy**

The reserves of the School are represented by the unrestricted and restricted funds as shown in note 17. The total funds held by the School at the end of the year are £710,504, which other than balances set aside for restricted activity, is available for general use, including £720,958 represented by tangible fixed assets less the bank loans. Free reserves, as defined as unrestricted funds less amounts only released by disposing of fixed assets, therefore represented a deficit of £442,346 (2019: £260,466).

There are no material amounts committed for expenditure at the end of the financial year. The continuing obligations for a repair and maintenance programme are scheduled into the current and future years' budgets to be met from future income.

Any funds surplus to ongoing operational cash flow requirements are invested in low risk "qualifying investments". The Governing Body's reserves policy has two objectives. The first is to retain sufficient reserves to meet contingencies and for this the target is a sum equating to one month's operating costs; this has been broadly achieved. The second objective is to build reserves to meet specific capital projects. This year's financial performance has not permitted such reserves to be increased.

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Governors' report (continued)
for the year ended 31 August 2020

● **Going concern**

The Governors have assessed whether the use of the going concern basis is appropriate for the preparation of the financial statements and have made this assessment for a period of at least one year from the date of their authorisation. The agreement reached towards the end of the 2020/21 academic year with Alpha Schools is expected to deliver operational and financial changes to the School which will lift both pupil numbers and profitability and make sure the School is viable for the future. For this reason, the School remains on a sound financial footing as all deficits are being covered by them whilst the School's reserves are being restored.

In 2020 the Coronavirus pandemic caused a reduction in certain of the School's incomes streams and gave rise to some uncertainty as regards future pupil numbers and fee levels. The economic outlook is now improving, but the Governors have nevertheless taken measures to reduce costs, including reducing the number of staff employed, to position the School for its development under the agreement with Alpha Schools.

Structure, governance and management

● **Constitution**

The Prebendal School Limited is a company limited by guarantee governed by its Memorandum and Articles of Association, which took effect from 1st September 2016 when the School became an incorporated charity with registered company number 09038149. It is a registered charity with the Charity Commission, charity number 1157782.

● **Methods of appointment or election of Governors**

As noted, the Governors act as the trustees for the charitable activities of the School, and are also the Directors of the charitable company for the purposes of Company Law. There is a written policy which lays down the procedure for the appointment and induction of Governors. Effort is made to appoint Governors from a range of backgrounds including the church, education, finance, business, administration and other areas. There is a written analysis of the skills and backgrounds of the members of the Board and agreed priorities in the search for candidates for future appointment with areas of expertise considered in Education, Finance, Child Welfare, Human Resources, Legal and Estates Management.

The Governors are elected at a full board meeting and approved by the process laid down in the Articles of Association. They can be re elected.

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Governors' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

● **Organisational structure and decision-making policies**

During the year, the Governors determined the policy of the School and the day to day management was delegated to the Senior Management Team which comprised the Head, two Deputy Heads and Bursar.

The Board of Governors met each per term to consider matters of policy and strategy. There were also the following committees, each of which is chaired by a Governor and whose membership is drawn from the Governors and appropriate members of staff. These have defined terms of reference and report to the full board:

- A Finance and General Purposes Committee, which also serves as the Strategic Risk Management Committee
- An Education Committee
- A Pastoral and Safety Committee (one Governor is nominated to take the lead on Safeguarding)
- A Bursaries Committee
- A Business Development Committee (to consider the future development of the school)

The School is affiliated with The Independent Association of Prep Schools which represents and promotes around 650 independent preparatory schools. This relationship allows the School access to advice about educational development and legislative changes. This does not impact on the general operating policies of the School but can inform the overall strategic direction.

● **Policies adopted for the induction and training of Governors**

On appointment, Governors undertake an induction process. They are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board structure, committees and decision making processes, the business plan and recent financial and academic performance of the School. During visits to the School, they are encouraged to meet key employees and attend School events, INSET days and other appropriate training opportunities such as events run by external organisations.

● **Pay policy for senior staff**

The School operates banded salary ranges for all staff including senior staff. The banded ranges are benchmarked against those of other independent schools and the maintained school sector. This allows the School to remain an attractive employer in the independent school sector.

The bands are reviewed annually and generally an inflationary increase is applied. This is dependent upon the financial success of the School and also increases being offered in similar schools. Progression within the bands is based upon performance for all levels of staff.

● **Related party relationships**

None of the Governors receives remuneration or other benefit from their work with the charity. Any contractual relationship must be disclosed and notes of interest are retained in written form.

Occasionally, Governors have children attending the School. Generally this does not affect their capability to make independent and fair decisions but if there is a specific situation where there may be a conflict of interests, Governors will remove themselves from meetings.

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Governors' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

• **Risk management**

The Governors have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review, (now the responsibility of Alpha Schools); and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Statement of Governors' responsibilities

The Governors (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial . Under company law, the Governors 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 charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by order of the members of the board of Governors on September 14th, 2021 and signed on their behalf by:



The Very Reverend S Waive
Governor

The Prebendal School
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Independent auditors' report to the Members of The Prebendal School

Opinion

We have audited the financial statements of The Prebendal School (the 'charitable company') for the Year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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Independent auditors' report to the Members of The Prebendal School (continued)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors 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 Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Prebendal School
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Independent auditors' report to the Members of The Prebendal School (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP

9 Donnington Park

Chichester

West Sussex

PO20 7AJ

Date: **16 September 2021**

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The Prebendal School
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Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	2	6,686	-	6,686	600
Charitable activities	3	1,583,736	-	1,583,736	1,849,724
Investments	4	1,257	-	1,257	374
Other income	5	271,797	-	271,797	27,851
Total income		1,863,476	-	1,863,476	1,878,549
Expenditure on:					
Charitable activities	6	2,064,930	-	2,064,930	2,009,337
Total expenditure		2,064,930	-	2,064,930	2,009,337
Net (losses)/gains on investments		(8,002)	-	(8,002)	902
Net expenditure		(209,456)	-	(209,456)	(129,886)
Transfers between funds	16	10,310	(10,310)	-	-
Net movement in funds		(199,146)	(10,310)	(209,456)	(129,886)
Reconciliation of funds:					
Total funds brought forward		883,674	36,286	919,960	1,049,846
Net movement in funds		(199,146)	(10,310)	(209,456)	(129,886)
Total funds carried forward		684,528	25,976	710,504	919,960

The Statement of financial activities includes all gains and losses recognised in the Year.

The notes on pages 18 to 38 form part of these financial statements.

The Prebendal School
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Registered number: 09038149

Balance sheet
as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	1,126,874	1,144,140
		<u>1,126,874</u>	<u>1,144,140</u>
Current assets			
Stocks	11	1,136	104
Debtors	12	194,592	192,382
Investments	13	-	55,220
Cash at bank and in hand		90,386	235,011
		<u>286,114</u>	<u>482,717</u>
Creditors: amounts falling due within one year	14	(308,912)	(360,659)
Net current liabilities / assets		<u>(22,798)</u>	<u>122,058</u>
Total assets less current liabilities		<u>1,104,076</u>	<u>1,266,198</u>
Creditors: amounts falling due after more than one year	15	(393,572)	(346,238)
Net assets excluding pension asset		<u>710,504</u>	<u>919,960</u>
Total net assets		<u><u>710,504</u></u>	<u><u>919,960</u></u>
Charity funds			
Restricted funds	16	25,976	36,286
Unrestricted funds	16	684,528	883,674
Total funds		<u><u>710,504</u></u>	<u><u>919,960</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the Year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

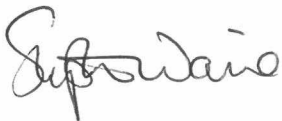
The Prebendal School
(A company limited by guarantee)
Registered number: 09038149

Balance sheet (continued)
as at 31 August 2020

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Governors on September 14th 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'S J Waine', written in a cursive style.

The Very Reverend S J Waine

The notes on pages 18 to 38 form part of these financial statements.

The Prebendal School
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(171,741)	(45,239)
Cash flows from investing activities		
Dividends, interests and rents from investments	1,257	5,932
Proceeds from the sale of tangible fixed assets	1,408	4,900
Purchase of tangible fixed assets	(63,629)	(26,626)
Proceeds from sale of investments	47,219	-
Net cash used in investing activities	(13,745)	(15,794)
Cash flows from financing activities		
Repayments of borrowing	51,142	(16,025)
Interest paid	(10,280)	(13,484)
Net cash provided by/(used in) financing activities	40,862	(29,509)
Change in cash and cash equivalents in the Year	(144,624)	(90,542)
Cash and cash equivalents at the beginning of the Year	235,011	325,553
Cash and cash equivalents at the end of the Year	90,387	235,011

The notes on pages 18 to 38 form part of these financial statements

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Prebendal School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The charity is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

1.2 Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the school to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

During the financial year to 31 August 2020 the school made a deficit of £209,456; after allowing for non cash items such as depreciation the underlying cash deficit was £144,667.

Following the year end the UK and global Coronavirus pandemic has meant a reduction in certain income streams for the school and gives rise to some uncertainty with regard to ongoing pupil numbers and fee levels. The resulting economic outlook is likely to lead to increased instances of parents no longer being able to afford school fees. Despite cost saving and cash flow responses including staff restructuring and the deferral of payroll taxes, the latest financial forecasts show that the school will require external financial support in order to fund working capital for the next twelve months and beyond. With the support of the governing body, the head teacher continues to market to potential new families who may be attracted by an agile and flexible independent offer when comparing the school with a child's existing educational setting given prevailing COVID-19 limitations.

The agreement reached towards the end of the 2020/21 academic year with Alpha Schools is expected to deliver operational and financial changes to the School which will lift both pupil numbers and profitability and make sure the School is viable for the future. Alpha Schools has undertaken to provide £1 million of working capital support until December 2023. For this reason, the School remains on a sound financial footing as all deficits are being covered by them whilst the School's reserves are being restored. Therefore the financial statements have been prepared on the going concern basis and do not include the adjustments that would result if the company was unable to continue as a going concern. If this assumption proves to be inappropriate, then adjustments may have to be made to adjust the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify fixed assets as current assets. This would include significant upward revaluation of land and buildings which within these financial statements are carried under the historic cost convention at £1.1m. The land and buildings are valued for insurance purposes at circa £12.1m as discussed in note 10.

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies (continued)

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Freehold property - buildings on freehold land	- nil - 2% straight line
Buildings on leasehold land	- 5% straight line
Refurbishment costs	- 10% straight line
Motor vehicles	- 20% straight line
General equipment	- 20% straight line
Computer equipment	- 33% straight line
Piano	- 10% straight line

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Long-term employment and termination benefits

Termination benefits are recognised when they become committed, by legislation, by contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments (or provide other benefits) to employees when it terminates their employment. Termination payments do not provide the company with future economic benefits therefore it is their policy to recognise them as an expense in profit or loss immediately.

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies (continued)

1.14 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.15 Pensions

Retirement benefits for teaching employees of the school are provided under the Teachers Pension Scheme (TPS) which is a final salary scheme. There was a similar scheme available under the Church of England Defined Benefits Scheme for administrative employees. Furthermore, the School operates a stakeholder pension scheme for other employees. Contributions for all these schemes are charged to the Statement of Financial Activities in the year in which they are payable. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	6,686	6,686	600
Total 2019	600	600	

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2020

3. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fee income receivable	1,583,736	1,583,736	1,849,724
	<u>1,583,736</u>	<u>1,583,736</u>	
Total 2019	<u>1,849,724</u>	<u>1,849,724</u>	

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest on UK bank deposits	1,257	1,257	374
	<u>1,257</u>	<u>1,257</u>	
Total 2019	<u>374</u>	<u>374</u>	

5. Other income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Facility letting fees	2,720	2,720	6,925
Rent receivable	8,858	8,858	8,946
Other incoming resources	78,982	78,982	11,980
Insurance settlement	60,000	60,000	-
Government grant income	119,799	119,799	-
Uniform income	1,438	1,438	-
	<u>271,797</u>	<u>271,797</u>	<u>27,851</u>
Total 2020	<u>271,797</u>	<u>271,797</u>	<u>27,851</u>
Total 2019	<u>27,851</u>	<u>27,851</u>	

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	2,064,930	2,064,930	2,009,337
Total 2019	2,009,337	2,009,337	

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	992,259	1,072,671	2,064,930	2,009,337
Total 2019	1,017,909	991,428	2,009,337	

Analysis of direct costs

	Charitable activities 2020 £	Total funds 2020 £	Total funds 2019 £
Teaching staff salaries	974,128	974,128	995,178
Books, printing and stationery	18,131	18,131	22,731
Total 2020	992,259	992,259	1,017,909
Total 2019	1,017,909	1,017,909	

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2020 £	Total funds 2020 £	Total funds 2019 £
Matron, domestic and grounds staff salaries	115,655	115,655	142,948
Administration staff salaries	201,184	201,184	166,494
Rent and rates	80,679	80,679	90,180
Insurance	26,378	26,378	20,075
Light and heat	35,813	35,813	43,694
Grounds and playing field	75,155	75,155	5,830
Amortisation and depreciation	79,455	79,455	75,631
(Profit)/ loss on sale of fixed assets	(960)	(960)	7,221
Repairs and maintenance	29,549	29,549	41,194
Bank charges	5,446	5,446	5,930
Audit and accountancy	11,500	11,500	11,513
Advertising	24,428	24,428	17,446
Telephone and postage	10,144	10,144	15,626
Subscriptions	8,321	8,321	7,099
Transport and travel	8,690	8,690	9,161
Staff recruitment, training and welfare	10,593	10,593	17,164
Legal and professional	62,261	62,261	11,227
Computer costs	19,045	19,045	16,831
Security	12,593	12,593	13,014
Music, sport and misc	21,253	21,253	24,506
Inspections	3,782	3,782	936
Contract cleaning	1,194	1,194	498
Household and medical	10,570	10,570	11,853
Contract catering	174,538	174,538	185,426
Bad and doubtful debts	35,125	35,125	36,447
Bank loan interest	10,280	10,280	13,484
	<u>1,072,671</u>	<u>1,072,671</u>	<u>991,428</u>
Total 2019	<u>991,428</u>	<u>991,428</u>	

Included within support costs are governance costs. These costs comprise the public accountability of the School and its compliance with regulation and good practice. They are principally administration costs relating to matters such as preparation of the financial statements and administrative support provided to the Trustees. Governance costs also include the cost of the independent audit.

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2020

8. Auditors' remuneration

	2020 £	2019 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	5,500	5,500
Fees payable to the charity's auditor in respect of: All non-audit services not included above	<u>6,000</u>	<u>6,013</u>

9. Staff costs

The average number of persons employed by the charity during the Year was as follows:

	2020 No.	2019 No.
Teachers - full time	18	18
Teachers - part time	6	6
Matrons	2	2
Domestics - part time	5	6
Grounds and maintenance	2	2
Administration - full time	3	4
Administration - part time	3	3
	<u>39</u>	<u>41</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1

The school considers its key management personnel comprise the Head teacher Mrs L Salmond Smith, the Deputy Head Academic teacher Mr T Bromfield, Deputy Head of Pastoral Mr I Richardson and the Bursar Mr M Chapman. The total employment benefits including employer pension contributions of the key management personnel were £257,700 (2019: £244,865).

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2020

Salaries

Employees benefits in kind totalled £1,179 (2019: £296).

The ratio of teaching staff to pupils was 1:6 (2019: 1:6).

During the year, no Governors received any remuneration (2019: £nil)

During the year, no Governors received any benefits in kind (2019: £nil)

During the year, no Governors received any reimbursement of expenses (2019: £nil)

10. Tangible fixed assets

	Freehold land £	Freehold property £	Motor vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2019	41,889	1,829,405	441,568	2,312,862
Additions	-	12,893	50,736	63,629
Disposals	-	(1,905)	(2,400)	(4,305)
At 31 August 2020	41,889	1,840,393	489,904	2,372,186
Depreciation				
At 1 September 2019	-	749,012	419,710	1,168,722
Charge for the Year	-	61,552	17,903	79,455
On disposals	-	(1,905)	(960)	(2,865)
At 31 August 2020	-	808,659	436,653	1,245,312
Net book value				
At 31 August 2020	41,889	1,031,734	53,251	1,126,874
At 31 August 2019	41,889	1,080,393	21,858	1,144,140

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

10. Tangible fixed assets (continued)

Freehold land is not depreciated.

All the assets are held for the furtherance of the School's objects.

Prior to 1972 expenditure on land and buildings was not treated as capital expenditure and such expenditure was written off in the year it was incurred. As a consequence, only expenditure incurred since 1972 on new buildings is included on the balance sheet and is depreciated over its useful economic life.

The two major items of value which are not included in the financial statements are :

- Freehold land and buildings at 52 and 53 West Street, Chichester

Some assets which have been written down to a nil position are not included in the books of account although such assets may still be in use.

Insured value:

Based on indicative valuations the Trustees believe the open market value of freehold land and buildings is substantially in excess of their carrying value. The insured value of the buildings is £12.1m.

The net book value of assets held under hire purchase contracts, included above is £13,660 (2019: £Nil).

11. Stocks

	2020 £	2019 £
Finished goods and goods for resale	1,136	104

12. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	111,581	100,600
Other debtors	16,627	446
Prepayments and accrued income	66,384	91,336
	<u>194,592</u>	<u>192,382</u>

13. Current asset investments

	2020 £	2019 £
Unlisted investments	-	55,220

The historical cost of these investments is £Nil (2019: £11,385).

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	23,526	19,718
Trade creditors	31,679	54,280
Obligations under finance lease and hire purchase contracts	4,608	-
Other creditors	79,168	89,264
Accruals and deferred income	169,931	197,397
	<u>308,912</u>	<u>360,659</u>

	£
Deferred income	
Deferred income at 1 September 2019	162,357
Amounts released to income	139,314
Movement in deposits and fees paid in advance	(156,984)
	<u>144,687</u>

Fees paid in advance comprises fees for the Michaelmas term received in advance of £116,087 (2019: £133,364) and pupil deposits of £28,600 (2019: £28,992).

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2020

15. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	382,390	346,238
Net obligations under finance lease and hire purchase contracts	11,182	-
	<u>393,572</u>	<u>346,238</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Repayable by instalments	7,035	260,402
	<u>7,035</u>	<u>260,402</u>

A bank loan together with the bank overdraft, is secured over the property at 53 West Street, Chichester. The bank overdraft is repayable on demand. The bank loan is for a period of 10 years from 18 August 2015. The loan is being repaid by instalments calculated to repay the full amount of the loan over a period of nineteen years and three months. After 120 repayments a final instalment is due to repay the outstanding balance.

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2020

16. Statement of funds

Statement of funds - current Year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Accumulated fund	883,674	1,863,476	(2,064,930)	10,310	(8,002)	684,528
Restricted funds						
Prize Fund	6,691	-	-	-	-	6,691
Scholarship Fund (Tanner Trust)	2,658	-	-	-	-	2,658
Ernest and David Myers Award Fund	26,937	-	-	(10,310)	-	16,627
	<u>36,286</u>	<u>-</u>	<u>-</u>	<u>(10,310)</u>	<u>-</u>	<u>25,976</u>
Total of funds	<u>919,960</u>	<u>1,863,476</u>	<u>(2,064,930)</u>	<u>-</u>	<u>(8,002)</u>	<u>710,504</u>

The Prize Fund is to fund the award of small annual prizes to outstanding pupils. The balance of this fund is held separately in two bank accounts.

The Scholarship Fund (Tanner Trust) is to assist in the payment of fees by families of limited means or in time of hardship.

The Ernest and David Myers award fund is monies received in order to fund a Chorister bursary.

The Accumulated Fund represents those funds which are unrestricted.

The Prebendal School
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Notes to the financial statements
for the year ended 31 August 2020

16. Statement of funds (continued)

Statement of funds - prior Year

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Accumulated fund	1,006,130	1,885,634	(2,026,159)	7,430	902	873,937
Unallocated amounts	-	(7,085)	16,822	-	-	9,737
	<u>1,006,130</u>	<u>1,878,549</u>	<u>(2,009,337)</u>	<u>7,430</u>	<u>902</u>	<u>883,674</u>
Restricted funds						
Prize Fund	6,691	-	-	-	-	6,691
Scholarship Fund (Tanner Trust)	2,658	-	-	-	-	2,658
Ernest and David Myers Award Fund	34,367	-	-	(7,430)	-	26,937
	<u>43,716</u>	<u>-</u>	<u>-</u>	<u>(7,430)</u>	<u>-</u>	<u>36,286</u>
Total of funds	<u><u>1,049,846</u></u>	<u><u>1,878,549</u></u>	<u><u>(2,009,337)</u></u>	<u><u>-</u></u>	<u><u>902</u></u>	<u><u>919,960</u></u>

The Prebendal School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,126,874	-	1,126,874
Current assets	260,138	25,976	286,114
Creditors due within one year	(308,912)	-	(308,912)
Creditors due in more than one year	(393,572)	-	(393,572)
Total	684,528	25,976	710,504

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,144,140	-	1,144,140
Current assets	446,431	36,286	482,717
Creditors due within one year	(360,659)	-	(360,659)
Creditors due in more than one year	(346,238)	-	(346,238)
Total	883,674	36,286	919,960

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18. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(209,456)	(129,886)
Adjustments for:		
Depreciation charges	75,994	75,631
Gains/(losses) on investments	8,002	(902)
Dividends, interests and rents from investments	(374)	(5,932)
Decrease/(increase) in stocks	(1,032)	490
Increase in debtors	(2,210)	(14,970)
Increase/(decrease) in creditors	(52,945)	26,583
Interest payable	10,280	13,484
Net cash used in operating activities	(171,741)	(35,502)

19. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	90,387	235,011
Total cash and cash equivalents	90,387	235,011

20. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	235,011	(144,625)	90,386
Debt due within 1 year	(19,718)	(3,808)	(23,526)
Debt due after 1 year	(346,238)	(36,152)	(382,390)
Finance leases	-	(15,790)	(15,790)
Liquid investments	55,220	(55,220)	-
	(75,725)	(255,595)	(331,320)

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21. Contingent liabilities

During the year ended 31 August 2016 the school received £600,000 from the Dean and Chapter of Chichester Cathedral in respect of the school's interest in a larger donation of property from a third party donor. The restrictions imposed upon the underlying donation were such that in order to receive funds the school was required to enter into a deed with the Dean and Chapter of Chichester Cathedral. Under the deed the school has covenanted, for a period of ten years to 2026, that it will repay monies back to the Dean and Chapter of Chichester Cathedral on the occurrence of any of the following circumstances:

- a) That the charity ceases to provide choristers to the Chichester Cathedral provided that such cessation was at the behest of the charity and not imposed by Chapter.
- b) That the undertaking of the School is sold or otherwise disposed of (as the case may be) by the Charity.
- c) That the charity is put or otherwise goes into liquidation or ceases to trade.

In the case of B) repayment shall be made in full on completion of the sale or disposal (as the case may be) of the undertaking of the School to a third party except for in the event that such sale or disposal is made to Alpha Schools (Holdings) Limited (registered company number 07391840) in which case Chapter shall waive any and all requirements for repayment of the payment in full.

In the case of c) any repayment will only be made after the settlement of all other debts of the school secured or unsecured.

Contingent assets

The School is the remainderman of the Mrs WE Shoemith MBE Will Trust subject to the life interest of Mr W Sprunt. The value of the residuary interest is believed to be in the region of £135,000. This value is subject to fluctuation until such time as it crystallises and cannot therefore be reliably estimated for the purpose of recognition in these accounts.

22. Pension commitments

The School operates two defined benefit pension schemes (Teacher's Pension Scheme and Church of England Scheme) and one defined contribution scheme (Stakeholder Scheme). The assets of those schemes are held separately from those of the School in independently administered funds. The pension cost charge represents contributions payable by the School to the funds and amounted to £169,237 (2019: £126,755). Included in creditors is an amount of £5,000 (2019: £5,000) in respect of the shortfall in the funds of the Church of England scheme.

In the case of the Teachers Pension Scheme it is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 represents the employer contributions payable.

Teachers' Pension Scheme:

Until 31st July 2020, the School participated in the Teachers' Pension Scheme (England and Wales) (TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £148,138 (2019: £115,193) and at the year-end £nil (2019 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (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 the Government.

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22. Pension commitments (continued)

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 31st 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 1st September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31st 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, as they applied at 5th March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the McCloud/Sargeant case. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27th June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

As at 31st August 2020, the School withdrew from the TPS (England and Wales).

Church of England Scheme:

The school also participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund. At the year end, the school had no active members and no deferred pensioner members. The school is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. However, a valuation of the Fund was carried out as at 31 December 2007. As a result, an under funding liability for the school of £60,940 arose. That liability was met by the school paying additional contributions.

The last active member of this defined benefit scheme retired in December 2008. Thereafter the scheme remains operative but only to receive subscriptions in respect of a defined contribution scheme, for which the school has one active member.

Stakeholder Scheme:

The School also operates a stakeholder pension scheme. The assets of the scheme are administered by trustees in funds independent from those of the School.

General:

Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

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23. Operating lease commitments

At 31 August 2020 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	53,992	50,628
Later than 1 year and not later than 5 years	148,453	147,569
Later than 5 years	5,000	25,500
	<u>207,445</u>	<u>223,697</u>

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24. Related party transactions

Chichester Cathedral Choristers Associations Scholarship Trust:

A charity in which The Reverend Canon N T Schofield and Mr J F Attwater are trustees.

During the year the school received £17,005 (2019: £18,536) for chorister fees.

As at the year end £nil (2019: £nil) was owed from Chichester Cathedral Choristers Associations Scholarship Trust.

The Morse - Boycott Bursary Fund:

A charity in which The Reverend Canon N T Schofield and The Reverend Canon Dr A W Cane are trustees. During the year the school received £25,940 (2019: £44,580) for chorister fees. As at the year end £nil (2019: £nil) was owed from The Morse - Boycott Bursary Fund.

Southern Cathedrals Festival Society:

A charity in which The Very Reverend S J Waine is a trustee.

During the year the school paid £nil (2019: £234) for advertising expenditure.

As at the year end £nil (2019: £nil) was owed to Southern Cathedrals Festival Society.

The Dean and Chapter Of Chichester Cathedral:

The Dean The Very Reverend S Waine acts as an ex officio Governor of Prebendal along with his role of the Dean of Chichester. The Reverend C T Schofield is the Precentor of Chichester Cathedral and The Reverend Canon Dr A Cane is the Chancellor of Chichester Cathedral. The Dean and Chapter also have the ability to appoint governors.

During the year the school paid £36,353 (2019: £36,353) of rent and £450 (2019: £nil) for insurance costs. The school also received £171,558 (2019: £161,805) from the Dean and Chapter for chorister fees, £8,695 (2019: £8,880) for piano lessons, and £1,710 (2019: £2,185) for out of term bed and breakfast for choristers

As at the year end £nil (2019: £nil) was owed from The Dean and Chapter of Chichester Cathedral.

J Schofield (Wife of T Schofield):

During the year J Schofield received income of £1,510 (2019: £3,170) for providing peripatetic music lessons, for the school. There were no amounts outstanding as at the year end (2019: £nil).

Cobnor Activities Centre Trust:

A company in which Mr M Camps is a director.

During the year the school paid £2,550 (2019: £5,566) for sailing expenditure.

As at the year end £nil (2019: £nil) was owed to Cobnor Activities Centre Trust.

25. Post balance sheet events

Following the year end, an agreement with Alpha Schools was reached in order to deliver operational and financial changes to the School. They have undertaken to provide the school with £1 million working capital support until December 2023. It is intended that these measures will lift both pupil numbers and profitability and make sure the School is viable for the future.

Under the terms of the agreement the school will continue to operate under the name of the charitable company, however management services will be provided by Alpha Schools including strategic leadership and oversight of the operation of the school.