

**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

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<b>Governors</b>	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)
<b>Key management personnel</b>	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	
<b>Charity number</b>	1157782	
<b>Company number</b>	09038149	
<b>Registered office</b>	54 West Street Chichester West Sussex PO19 1RT	
<b>Auditor</b>	Richard Place Dobson Services Limited Ground Floor 1 - 7 Station Road Crawley West Sussex RH10 1HT	
<b>Bankers</b>	Natwest Bank, 5 East Street, Chichester , West Sussex, PO20 7AJ	
<b>Solicitors</b>	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA	

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# 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

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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*

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#### **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*

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### **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*

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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

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#### 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

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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*

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### **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***

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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)

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#### 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)

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#### **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)

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#### 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				
<b>Income and endowments from:</b>					
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
<b>Total income</b>		1,332,827	-	1,332,827	1,526,079
<b>Expenditure on:</b>					
Charitable activities	7	1,671,332	-	1,671,332	1,712,334
<b>Total expenditure</b>		1,671,332	-	1,671,332	1,712,334
<b>Net expenditure</b>		(338,505)	-	(338,505)	(186,255)
<b>Other recognised gains and losses:</b>					
Revaluation of tangible fixed assets		(970,008)	-	(970,008)	-
<b>Net movement in funds</b>	9	(1,308,513)	-	(1,308,513)	(186,255)
<b>Reconciliation of funds:</b>					
Fund balances at 1 September 2022		1,599,701	15,242	1,614,943	1,801,198
<b>Fund balances at 31 August 2023</b>		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			
<b>Income and endowments from:</b>				
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
<b>Total income</b>		1,526,079	-	1,526,079
<b>Expenditure on:</b>				
Charitable activities	7	1,712,334	-	1,712,334
<b>Total expenditure</b>		1,712,334	-	1,712,334
<b>Net income and movement in funds</b>		(186,255)	-	(186,255)
<b>Reconciliation of funds:</b>				
Fund balances at 1 September 2021		1,785,956	15,242	1,801,198
<b>Fund balances at 31 August 2022</b>		1,599,701	15,242	1,614,943



# THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

## BALANCE SHEET

AS AT 31 AUGUST 2023

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

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*

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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 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	29		(320,811)		(280,004)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(599)		(691)	
Proceeds from disposal of tangible fixed assets		400		-	
Investment income received		75		198	
<b>Net cash used in investing activities</b>			(124)		(493)
<b>Financing activities</b>					
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)	
<b>Net cash generated from financing activities</b>			328,582		197,767
<b>Net increase/(decrease) in cash and cash equivalents</b>			7,647		(82,730)
Cash and cash equivalents at beginning of year			(34,950)		47,780
<b>Cash and cash equivalents at end of year</b>			(27,303)		(34,950)
<b>Relating to:</b>					
Cash at bank and in hand			169		214
Bank overdrafts included in creditors payable within one year			(27,472)		(35,164)

# THE PREBENDAL SCHOOL (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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

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#### 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**

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### **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>
Net pupil fee income		
	<u>1,295,864</u>	<u>1,505,153</u>
<b>Analysis by fund</b>		
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 £
<b>Direct costs</b>		
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>
<b>Share of support and governance costs (see note 8)</b>		
Support	32,458	35,155
Governance	62,244	40,818
	<u>1,671,332</u>	<u>1,712,334</u>
<b>Analysis by fund</b>		
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
	£	£
<b>Governance costs comprise:</b>		
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>999,778</u>	<u>48,437</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>
Total	<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**

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### 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
	£	£	£	£	£
<b>Cost or valuation</b>					
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
<b>Depreciation and impairment</b>					
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
<b>Carrying amount</b>					
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
	£	£
<b>Amounts falling due within one year:</b>		
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
	15,242	15,242



# 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 £
<b>At 31 August 2022:</b>			
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**

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### 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

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#### 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)
	<b>Cash absorbed by operations</b>	<b>(320,811)</b>	<b>(280,003)</b>

30	Analysis of changes in net (debt)/funds	At 1 September 2022 £	Cash flows At 31 August 2023 £	£
	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.