

ST. EDWARD'S SCHOOL
STATEMENT OF ACCOUNTS
YEAR ENDED 31 MARCH 2023

Registered Charity No:

1159721

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FLETCHER & PARTNERS

CHARTERED ACCOUNTANTS

SALISBURY

ST. EDWARD'S SCHOOL
GOVERNORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

Property Trustee: Clifton Diocese

Governors: M H Tennant Esq. LLB (Hons.), BA(Hons.), Dip.Mus.(Open) (Chairman)
Mrs B G H Cherry BSc MRICS
A Dewar Esq.
Mrs S Murphy
Mrs S M Peach OBE JP
Rev C Pettet
L Taylor Esq.
M Argenti Esq. (appointed 5 July 2022)

Officers

Headmaster: G Maher Esq. MA

Finance Manager: Mrs K Donlon FMAAT

Address: Melchet Court
Sherfield English
Romsey
Hants SO51 6ZR

Advisers

Auditors: Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury SP1 2LZ

Bankers: Royal Bank of Scotland, 14 Minster Street, Salisbury SP1 1TP
CCLA, 80 Cheapside, London EC2V 6DZ

Solicitors: Paris Smith LLP, Number 1 London Road
Southampton, SO15 2AE

Stockbrokers: Brewin Dolphin Securities Ltd., 9 Colmore Row,
Birmingham B3 2BJ

Registered Number

Charity No: 1159721

ST. EDWARD'S SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 MARCH 2023

The Governing Body present their annual report and the audited accounts of St. Edward's School for the year ended 31 March 2023. These have been prepared to comply with the Charities Act 2011, the charity's constitution and the Statement of Recommended Practice "Accounting and Reporting by Charities (FRS102)".

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School was originally constituted under the control of the Diocese of Clifton (DoC) by Trust Deeds dated 24 October 1962 and 1 June 1978, and in accordance with Statutory Instrument 1978 No. 629. The Trust was modified by a Scheme of the Charity Commission dated 4 April 2023.

The School developed independently, largely free from the control of the DoC, but in accordance with its protocols.

The School is now constituted as a Charitable Incorporated Organisation (CIO) which was registered on 23 December 2014 and to which the School's activities were transferred on 1 September 2015. Within the CIO, the Governors are trustees. The DoC as the freeholder of Melchet Court, has agreed to grant to the CIO, presently a licensee, a lease of 125 years at a peppercorn rent and on other terms to be negotiated.

Appointment and induction of Governors

The school is managed by a very active Board of Governors, whose experience spans many professional disciplines. Governors are appointed at a Meeting of the Board on the basis of nominations generated by existing Governors having regard to eligibility, personal competence, specialist skills and local availability. New Governors are provided with an induction programme relating to the charity and their responsibilities.

Organisational structure

Overall responsibility for the management of the Charity rests with the Governors, who meet monthly. The Governors have established subcommittees for finance and property, whose function is to examine issues in detail and make recommendations to the main Board. An ad hoc committee may be constituted to deal with applications for readmission following exclusion. Day to day management and administration is delegated to the Headmaster.

Key management

The Governors consider that the Headmaster, Deputy Head, the Head of (Pastoral) Care, Head of Education, Finance Manager, Director of Development and the SENCo comprise the key leadership personnel of the School in charge of directing and controlling, running and operating the School on a day to day basis. The remuneration of the key leadership is set by reference to comparative posts in the maintained and independent school sectors and is reviewed annually.

Related parties

Transactions with the Diocese are shown in Note 17 to the accounts.

Public Benefit

The Governors confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

OBJECTIVES AND ACTIVITIES

St Edward's is an independent school for boys who experience social, emotional and mental health difficulties (SEMH).

The school provides day and weekly boarding facilities over thirty-eight weeks of the year. The geographical spread of user local authorities stretches across southern England, London and the eastern Home Counties. In 2022-23 an average of 60 pupils were placed in the school by local authorities. Pupils' placements are subject to the National Contract (or equivalent). Local authorities draw on Ofsted and other reports of the school's performance and are at liberty to conduct additional monitoring visits to confirm the efficient allocation of public resources.

Operating within the Roman Catholic Diocese of Clifton, its purpose is to meet the special educational and care needs of boys aged between 9 and 18 years who, because of the challenges they face, have been unable to cope in mainstream schools and other special educational establishments. The school strives to educate pupils to the maximum of their potential, and to address pupils' difficulties in the terms in which these are described in pupils' Educational, Health and Care Plans.

ST. EDWARD'S SCHOOL
REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

Pupils who attend St Edward's have been assessed by their Local Authority as needing the type of provision which the school provides. The fees charged by the school are therefore borne by the Local Authority and, as a consequence, pupils attend the school irrespective of their, or their families', financial means.

It is the Governors' belief that, by helping its pupils to realise their potential, the school benefits not only its pupils and their families but the whole of society.

Aims and objectives for the year

- Educate pupils who have either: previously proved resistant to learning and presented sometimes serious behavioural difficulties in other settings, including other behavioural settings; or: for whom St Edward's is the natural transition from Primary provisions.
- Support and guide pupils' social, emotional, spiritual, moral and cultural development.
- Maintain a safe level of pupil occupancy.
- Maintain and develop the school's facilities to best meet pupil need.
- Meet the budgetary and financial criteria set in order to achieve these objectives.

Strategies

The school maintains a set of common principles and practices in the planning, delivery and evaluation of the National Curriculum; strong emphasis is placed upon the provision of useful and relevant learning experiences within a structured environment. The school's planning for the curriculum is linked to a detailed financial plan. Priorities for funding the school's initiatives are evidenced in the School's Improvement Plan. There is consultation at all levels - staff team, management and the Board of Governors - in determining priorities for improvement.

The National Curriculum is offered to the end of Key Stage 3. GCSE, Functional Skills, ELCs, AQA, ASDAN and BTEC courses are offered in Key Stage 4. An impressive range of vocational and recreational pursuits is offered to pupils. The aim is to encourage and instruct pupils experiencing SEMH difficulties in the productive use of work, leisure and recreational time. Post-16 students can pursue courses in school and/or at local colleges, with a bespoke programme at school including work experience, independent living skills, social skills and further therapeutic support.

The school maintains strong links with professional associations, external organisations and charities. It makes its facilities available for use by local sporting, cultural and recreational clubs and local historical and other groups.

The school continues to maintain extensive communication with parents, carers and local authorities, producing regular informative news publications. The school's new website is now live www.melchetcourt.com

ACHIEVEMENTS AND PERFORMANCE

Charitable activities during the year

The School continued to provide education to pupils aged 9 years to 18 from a wide range of social backgrounds from Hampshire and surrounding counties. The achievements listed below, coupled with a host of other successes in the year, are testimony to the Charity's ongoing commitment to nurture the spiritual, artistic, intellectual and sporting life of pupils with Social, Emotional and Mental Health (SEMH) needs.

- New teaching building; 6 additional classrooms, 6 breakout spaces, 3 offices and 1 sensory room and 6 toilets
- New car park
- New boiler house
- New landscaping
- Additional therapy suite
- Food technology room
- Outdoor classroom
- All weather play pitch
- Additional OT play equipment
- Upgraded residential accommodation to include new bathroom
- Electrical Charging points for vehicles (supports carbon neutral policy)
- New ICT suite

ST. EDWARD'S SCHOOL
REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Charitable activities during the year (continued)

- Upgraded art room
- New admissions brochure
- New app to support communication with stakeholders
- Continued investment in staff CPD
- Curriculum enrichment- additional GCSEs, Outdoor Education Programme, Duke of Edinburgh Award, Forest School Curriculum, Music Provision and Alternative Curriculum for more vulnerable pupils
- Fibre Optic cable – to support investment in assistive technologies
- Leadership review to support school growth
- Continued maintenance of estate and buildings
- Pastoral Care review to support school growth
- New signage
- Continued charity work, at home and abroad
- Use of school grounds to support strong environmental focus
- Staff recruitment to support growth
- Co-ordinators appointed; Assistive Technology

Investments

The Governors' investment policy is to invest in a mixed portfolio of fixed interest and equity investments, subject to a medium degree of risk, with the objective of generating income and capital growth that will maintain real value to finance the charity's expenditure on its charitable objectives. The investments are in keeping with, and have regard for, the views of the Catholic Church and its teachings. During the year the portfolio achieved an overall rate of return (from income and capital) of -4.1%. This compares with a return of -5.0% on the WMA Private Investors Income Index (Total Return), which the school uses as its benchmark.

FINANCIAL REVIEW

Review of financial transactions

Pupils' fees in 2022/23 amounted to £5,021,171, compared with £4,181,437 in the previous year. Investment and other income was £306,862 resulting in total General Fund income of £5,328,033. General Fund expenditure was £4,769,025 resulting in a surplus of £559,008 before investment losses. The school spent £138,399 from its designated funds during the year. Additionally, the school received a restricted donation in the year of £236,546, out of which, £7,424 was spent before the year end. This resulted in net income before investment losses of £649,731.

Review of financial position

After adjusting for the realised and unrealised gains and losses on the school's investments, the net assets at the end of the year were £8,644,122 (2022: £8,216,289) and the Governors expect that with the income from pupils' fees these will be sufficient to fund the school's activities for the foreseeable future.

Principal risks and uncertainties

Through the risk management processes established for the School, the Governors are satisfied that the major risks to which the School is exposed have been reviewed and systems or procedures have been established to mitigate those risks. It is recognised that systems can provide reasonable but not absolute assurance major risks have been eliminated.

The most significant risks identified by the Governors are: cutbacks in local authority funding for SEND pupil placements; a serious and unforeseen safeguarding issue; and failure of key IT systems. These risks are managed by detailed strategies including (1) ensuring that the quality of the setting is of the highest level while keeping fees to the minimum; (2) having comprehensive and robust safeguarding policies and procedures and (3) ensuring that there is an effective IT disaster recovery plan.

Reserves policy

The Governors' reserves policy is to maintain the General Fund at a sufficient level to cover the School's working capital requirements, to provide a contingency against an unexpected drop in pupil numbers and to provide funds in the event of the School's needing to be wound up. These translate to a target of between £4m and £5m.

The Major Building Repair Fund is maintained at a sufficient level to enable the School to undertake the anticipated major repair projects.

The West Wing Fund, now renamed as the Declan Building Fund, was established by the Governors in 2012 and was created to provide the funds which have now been used for the redevelopment of the school's West Wing.

ST. EDWARD'S SCHOOL
REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Reserves policy (continued)

The Staff Accommodation Fund was created to provide funds for the repair of staff accommodation.

The Development Fund was created to provide funds for small-scale projects of a capital or one-off nature.

The restricted Bridge Fund was created for the refurbishment and restoration of buildings for the provision of therapeutic services.

The policy is reviewed annually to ensure that it is still appropriate.

PLANS FOR FUTURE PERIODS

The school's objectives for the future are:

- To maintain preferred provider status within local authority strategic planning.
- To return a costs met result with surplus sufficient to justify expansion programmes.
- To maintain an efficient and effective staffing quota, subject to continuing efficiency reviews and the challenges inherent in local authority spending restrictions.
- To develop staff competencies so as best meet the needs and challenges presented by young people attending the school.
- To further improve the quality of the School's provision.
- To maintain and develop the school's ability to provide alternative curriculum opportunities for pupils who experience a greater degree of vulnerability.
- To continue to generate sufficient funds for the proper maintenance and care of the school's wider premises and to facilitate improvement and development.
- To render the school's educational building stock better fit for purpose through an improvement programme.
- To consider new and alternative streams of income which support the mission of the school.
- To exercise diligence in succession management planning, so as to safeguard the future prosperity of St Edward's.

It is intended that these will be met by following the strategies set out above. The provision continues to be considered by the agencies we work with to be of very high quality.

ACCOUNTING AND REPORTING RESPONSIBILITIES

Charity law requires the Governors to prepare financial statements, for each financial year, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) which give a true and fair view of the financial activities of the charity during the year and of its financial position at the end of the year. In preparing those statements, the Governors are required to:

- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgements and estimates that are reasonable and prudent;
- 3) State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- 4) Prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the provisions of the Charities Act 2011. 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.

Signed on behalf of the Governors: M H Tennant - Chairman of Governors

Approved by the Governors: 12 July 2023

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF ST. EDWARD'S SCHOOL

Opinion

We have audited the financial statements of St Edward's School for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the summary of significant accounting policies, set out on pages 9 to 21. 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: -

- i) give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of its incoming resources and application of resources for the year then ended;
- ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- iii) 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 Governors' use of the going concern basis of accounting in the preparation of the accounts 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 School'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 Governors are responsible for the other information. The other information comprises the information included in the Governors' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report.

INDEPENDENT AUDITORS' REPORT TO
THE GOVERNORS OF ST. EDWARD'S SCHOOL (CONTINUED)

We have nothing to report in respect of the following matter where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the Governors

As explained more fully in the Governors' Responsibilities Statement, set out on page 5, the Governors 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 they 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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. Our approach to detecting irregularities, including fraud, is detailed below:

- we ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations and that they remained alert to instances of non-compliance throughout the audit;
- we identified the legal and regulatory requirements applicable to the School, including the review of the latest Ofsted reports, and obtained an understanding of how the School complies with these requirements through discussions with management and those charged with governance;
- we assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur. This was done by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we addressed the risk of fraud through management bias and the over-ride of controls by assessing whether judgements and assumptions made by management were indicative of potential bias and by investigating the rationale behind significant or unusual transactions. In order to address the risk of irregularities we carried out procedures which included agreeing the financial statements to underlying documentation and enquiring of management as to actual and potential litigation and instances of non-compliance;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate to our audit objectives, but not for the purposes of expressing an opinion on the effectiveness of the School's internal control.

INDEPENDENT AUDITORS' REPORT TO
THE GOVERNORS OF ST. EDWARD'S SCHOOL (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance to enquiry of management and inspection of relevant correspondence. Furthermore, misstatements due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment and collusion.

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 auditor's report.

Use of our report

This report is made solely to the Governors, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 assume responsibility to anyone other than the charity's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Crown Chambers
Bridge Street
Salisbury
SP1 2LZ
28 July 2023

Fletcher & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

FLETCHER & PARTNERS
Chartered Accountants
and Statutory Auditors.

ST. EDWARD'S SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	<u>Note</u>	<u>General Fund</u>	<u>Designated Funds</u>	<u>Restricted Fund</u>	<u>Year to 31/03/2023</u>	<u>Year to 31/03/2022</u>
INCOME FROM:						
Donations and legacies		500	-	236,546	237,046	4,431
Charitable activities						
Pupils' fees		5,021,171	-	-	5,021,171	4,181,437
Other trading activities						
Lettings and wayleaves		5,973	-	-	5,973	5,218
Investments	2	188,826	-	-	188,826	202,980
Other						
Staff rents		95,682	-	-	95,682	88,702
Other income		15,881	-	-	15,881	9,621
Total		<u>5,328,033</u>	<u>-</u>	<u>236,546</u>	<u>5,564,579</u>	<u>4,492,389</u>
EXPENDITURE ON:						
Costs of generating funds						
Investment management charges		21,403	-	-	21,403	30,113
Charitable activities						
Costs of operation of school	3	<u>4,747,622</u>	<u>138,399</u>	<u>7,424</u>	<u>4,893,445</u>	<u>4,322,043</u>
Total		<u>4,769,025</u>	<u>138,399</u>	<u>7,424</u>	<u>4,914,848</u>	<u>4,352,156</u>
Net income/(expenditure) before gains and losses on investments		559,008	(138,399)	229,122	649,731	140,233
Net gains / (losses) on investments						
Unrealised		(362,469)	-	-	(362,469)	188,204
Realised		(64,150)	-	-	(64,150)	37,314
Net income / (expenditure)		<u>132,389</u>	<u>(138,399)</u>	<u>229,122</u>	<u>223,112</u>	<u>365,751</u>
Transfers between funds	14					
Appropriation of surplus		(500,000)	500,000	-	-	-
Capital expenditure		1,347,662	(1,347,662)	-	-	-
Other fund transfers		(311,540)	311,540	-	-	-
Other gains and losses						
Actuarial gains/(losses)	16	(118,410)	-	-	(118,410)	-
Removal of loan provision	12	323,131	-	-	323,131	-
Net movement in funds		<u>873,232</u>	<u>(674,521)</u>	<u>229,122</u>	<u>427,833</u>	<u>365,751</u>
Total funds brought forward		<u>6,689,759</u>	<u>1,526,530</u>	<u>-</u>	<u>8,216,289</u>	<u>7,850,538</u>
Total funds carried forward		<u>£7,562,991</u>	<u>£852,009</u>	<u>£229,122</u>	<u>£8,644,122</u>	<u>£8,216,289</u>

The notes on pages 12 to 21 form part of these accounts

ST. EDWARD'S SCHOOL
BALANCE SHEET
AS AT 31 MARCH 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
FIXED ASSETS			
Tangible assets	6	3,118,377	1,648,166
Investments	8	4,958,859	5,909,817
		<u>8,077,236</u>	<u>7,557,983</u>
CURRENT ASSETS			
Debtors	9	150,210	148,915
Cash at bank and in hand	10	<u>1,147,371</u>	<u>1,447,328</u>
		1,297,581	1,596,243
CREDITORS: Amounts falling due within one year	11	<u>301,942</u>	<u>287,138</u>
NET CURRENT ASSETS		<u>995,639</u>	<u>1,309,105</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,072,875	8,867,088
PROVISIONS FOR LIABILITIES AND CHARGES	12	(428,753)	(650,799)
NET ASSETS		<u><u>£8,644,122</u></u>	<u><u>£8,216,289</u></u>
FUNDS (UNRESTRICTED)			
General Fund		7,562,991	6,689,759
Designated Funds	14	852,009	1,526,530
Restricted Funds	15	229,122	-
TOTAL FUNDS		<u><u>£8,644,122</u></u>	<u><u>£8,216,289</u></u>

Signed on behalf of the Board of Governors M H Tennant - Governor

Approved by the Governors: 12 July 2023

The notes on pages 12 to 21 form part of these accounts

ST. EDWARD'S SCHOOL
CASH FLOW STATEMENT
AS AT 31 MARCH 2023

<u>Note</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash provided by (used in) operating activities	a 613,135	68,132
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends and interest from investments	188,826	202,980
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(1,597,731)	(1,600,601)
Proceeds from sale of investments	1,329,081	1,084,888
Purchase of investments	(857,161)	(198,951)
Net cash provided by (used in) investing activities	(936,985)	(511,684)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	b £(323,850)	£(443,552)

NOTES TO THE CASH FLOW STATEMENT

a. Reconciliation of net income/(expenditure) with net cash flow from operating activities

	<u>2023</u>	<u>2022</u>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	223,112	365,751
Adjustments for:		
Depreciation charges	127,520	75,179
(Gains)/losses on investments	426,619	(225,518)
Dividends and interest from investments	(188,826)	(202,980)
(Profit)/loss on disposal of fixed assets	-	-
(Increase)/decrease in debtors	(1,295)	90,523
Increase/(decrease) in creditors	43,330	21,760
Increase/(decrease) in provisions	(17,325)	(56,583)
Net cash flow from operating activities	£613,135	£68,132

Net cash flow from operating activities includes investment income since this forms part of the Charity's operating income.

b. Analysis of cash and cash equivalents

	<u>At 31.3.23</u>	<u>At 1.4.22</u>
Cash at bank and in hand	1,147,371	1,447,328
Bank overdraft	-	(28,526)
Investment cash deposits	9,258	61,677
	£ 1,156,629	£1,480,479

The notes on pages 12 to 21 form part of these accounts

ST. EDWARD'S SCHOOL
NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2023

1. ACCOUNTING POLICIES

a. Basis of Accounting

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard (FRS) 102 and the Charities Act 2011.

The School constitutes a public benefit entity as defined by FRS 102.

The governors consider that there are no material uncertainties about the School's ability to continue as a going concern. The most significant areas of future uncertainty that may affect the carrying value of assets held by the School are the level of investment return and the performance of investment markets. In the Governors' opinion there are no significant judgements that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period.

b. Pupils' Fees

Pupils' fees represent the value of services charged to Local Authorities and are accounted for in the period in which the service is provided.

c. Resources Expended

Expenditure is accounted for on an accruals basis. The school is not registered for VAT and all costs include input VAT where this has been charged.

Charitable activities include all expenditure incurred in meeting the educational and care needs of the pupils. The nature of the school is such that this is considered to be one activity.

Support costs are all attributable to the one charitable activity and consist of administration (including salaries, office costs and staff training), information technology and marketing.

Governance costs comprise the costs of audit, legal advice and compliance with constitutional and statutory requirements. They include a proportion of the salaries of members of staff who are engaged in these activities, apportioned on the basis of the time spent. Governance costs are included within charitable activities.

Amounts payable under operating leases are charged as expenditure on a straight-line basis over the lease terms.

d. Tangible Fixed Assets

Educational equipment used directly in carrying out the charitable purposes of the school is written off on acquisition, on the basis that it has no economic value.

Other fixed assets costing more than £5,000 are capitalised and depreciation is calculated to write off the costs over their expected useful economic lives as follows:

Assets under construction	None until assets are brought into use
Declan Building	2% straight line basis
Improvements to property	10% straight line basis
Telephone and computer network	20% to 33 1/3% straight line basis
Fixtures, fittings and garden equipment	25% straight line basis
Motor vehicles	25% straight line basis

A full year's depreciation is charged for assets purchased during the year. Impairment reviews are carried out when there is an indication that an asset's recoverable amount is less than its net book value.

e. Heritage Assets

Heritage assets are capitalised if the acquired cost or acquisition value is greater than £5,000, otherwise the cost is written off at acquisition.

ST. EDWARD'S SCHOOL
NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2023

1. ACCOUNTING POLICIES (CONTINUED)

f. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

g. Debtors

Debtors are measured at the amounts the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

h. Cash at bank and in hand

Cash at bank and in hand includes cash and cash on deposit.

i. Creditors

Creditors are measured at the amounts the charity anticipates it will pay to settle a debt or the amount it has received as an advance payment for goods or services it must provide.

j. Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. They are initially recognised at transaction value and subsequently measured at their settlement value.

k. Pension Costs

Contributions in respect of the Teachers' Pension Scheme and the multi-employer scheme operated on behalf of other staff are charged as expenditure in the period to which they relate.

l. Provisions

Provisions are recognised when the School has a present obligation as a result of a past event and it is probable that the School will be required to settle the obligation. Provisions are measured at the Governors' best estimate of the amount required to settle the obligation.

m. Fund Accounting

Where the Governors have set aside certain amounts out of the school's general funds for specific purposes, these are referred to as 'designated funds' and accounted for separately. Income arising on designated funds is credited to the general fund and capital gains and losses are credited or charged to the designated fund on which they arose. When donations are received for specific purposes they are credited to separate restricted funds and any income arising is credited to the same funds.

ST. EDWARD'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 MARCH 2023

5. STAFF COSTS (continued)

The number of employees whose emoluments (excluding employer pension contributions) over £60,000 were :

	<u>2023</u>	<u>2022</u>
<u>Gross emoluments</u>		
£60,000 - £70,000	1	-
£70,000 - £80,000	1	1
£80,000 - £90,000	1	1
£90,000 - £100,000	-	-
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-
	<u> </u>	<u> </u>

For these four employees (2022: three), retirement benefits are accruing in the Teachers' Pension Scheme.

The contributions amounted to:	<u>£61,415</u>	<u>£43,300</u>
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The average numbers of employees, analysed by function, were:

	<u>2023</u>	<u>2022</u>
Teaching (including Special School Assistants)	40	36
Care	18	19
Administration, domestic and maintenance	30	27
	<u> </u>	<u> </u>
	88	82

The School considers its key management personnel to be the senior leadership team which comprised the Headmaster, Deputy Head, Head of (Pastoral) Care, Head of Education, Finance Manager, Director of Development and the SENCo. The total employee benefits of the key management personnel were £548,325 (2022: £508,768).

The Governors received no remuneration in either of these years.

6. TANGIBLE FIXED ASSETS

	<u>Improvements to property</u>	<u>Declan Building</u>	<u>Telephone and computer network</u>	<u>Fixtures, Fittings and Garden Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
COST						
At 1 April 2022	981,490	1,567,540	263,063	474,444	87,017	3,373,554
Additions	106,966	1,347,662	62,539	59,688	20,876	1,597,731
Disposals	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2023	1,088,456	2,915,202	325,602	534,132	107,893	4,971,285
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION						
At 1 April 2022	967,148	-	250,993	420,230	87,017	1,725,388
Charge for the year	12,395	34,011	28,768	47,127	5,219	127,520
Disposals	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2023	979,543	34,011	279,761	467,357	92,236	1,852,908
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE						
At 31 March 2023	<u>£ 108,913</u>	<u>£ 2,881,191</u>	<u>£ 45,841</u>	<u>£66,775</u>	<u>£15,657</u>	<u>£3,118,377</u>
At 31 March 2022	<u>£ 14,342</u>	<u>£ 1,567,540</u>	<u>£ 12,070</u>	<u>£54,214</u>	<u>£0</u>	<u>£1,648,166</u>

Capital Commitments

	<u>2023</u>	<u>2022</u>
Contracted for but not provided for in the accounts	<u>£179,994</u>	<u>£1,361,266</u>
Authorised by Governors but not contracted for	<u>£0</u>	<u>£0</u>

ST. EDWARD'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 MARCH 2023

7. HERITAGE ASSETS

The school has a collection of artefacts from the First World War which are considered to be heritage assets. No items were acquired for an amount of more than £5,000 and consequently in accordance with School's accounting policy no value is attributed to their costs in the Balance Sheet.

8. INVESTMENTS

Listed investments, at market value, and cash managed by Brewin Dolphin Securities Ltd. were invested as follows :-

	General Fund 2023	General Fund 2022
Market value at 1 April 2022	5,909,817	6,715,593
Acquisitions at cost	857,161	198,951
Disposals at opening market value	(1,393,232)	(1,047,573)
Increase/(decrease) in cash balances	(52,418)	(145,358)
Net unrealised gains / (losses)	(362,469)	188,204
Market value at 31 March 2023	<u>£4,958,859</u>	<u>£5,909,817</u>
Investments at market value comprised:		
UK Bonds	838,230	784,623
UK Equities	964,096	1,181,490
Overseas Bonds	370,282	455,359
Overseas Equities	1,506,883	2,123,907
Other Investments	1,270,110	1,302,760
Cash Deposits	9,258	61,677
	<u>£4,958,859</u>	<u>£5,909,816</u>
Historical cost	<u>£4,537,148</u>	<u>£4,876,625</u>

At 31 March 2023 there were no (2022: one) individual investments where the market value was greater than 5% of the total market value of the portfolio.

9. DEBTORS

	2023	2022
Local Authority fees	84,856	62,595
Investment income receivable	17,139	8,937
Other debtors	5,432	1,580
Prepayments	42,783	75,803
	<u>£150,210</u>	<u>£148,915</u>

10. CASH AT BANK AND IN HAND

	2023	2022
Bank current and deposit accounts	1,146,638	1,446,989
Cash in hand	729	339
	<u>£1,147,367</u>	<u>£1,447,328</u>

ST. EDWARD'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 MARCH 2023

11. CREDITORS: Amounts falling due within one year

	<u>2023</u>	<u>2022</u>
Bank overdraft	-	28,526
Trade creditors	67,713	72,792
Other creditors	41,782	33,312
Pension contributions	51,502	49,005
Accruals	70,115	42,184
Tax & social security	70,830	61,319
	<u>£301,942</u>	<u>£287,138</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred loan</u>	<u>Pension liability</u>	<u>Holiday pay accrued</u>	<u>Total provisions</u>
Brought forward provisions at 1 April 2022	323,131	268,068	59,600	650,799
Additions	-	-	-	-
Reduction	(323,131)	134,174	(33,089)	(222,046)
Carried forward provisions at 31 March 2023	<u>£0</u>	<u>£402,242</u>	<u>£26,511</u>	<u>£428,753</u>

Deferred loan

During the year ended 31 March 2023 it was confirmed that the lender has no recourse to the School's assets for the repayment of the deferred loan.

Pension liability

This is set out in more detail in Note 15.

Holiday pay accrual

A provision has been made for the value of any holiday which staff have accrued at each year end but not yet taken. The movement in the provision is charged to staff costs.

13.1 ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2023

	<u>General Fund</u>	<u>Designated Funds</u>	<u>Total Funds</u>
Tangible fixed assets	3,118,377	-	3,118,377
Investments	4,958,859	-	4,958,859
Net current assets	143,630	852,009	995,639
Long term liabilities	(428,753)	-	(428,753)
	<u>£7,792,113</u>	<u>£852,009</u>	<u>£8,644,122</u>

13.2 ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2022

	<u>General Fund</u>	<u>Designated Funds</u>	<u>Total Funds</u>
<i>Tangible fixed assets</i>	<i>1,648,166</i>	<i>-</i>	<i>1,648,166</i>
<i>Investments</i>	<i>5,909,817</i>	<i>-</i>	<i>5,909,817</i>
<i>Net current assets</i>	<i>(217,425)</i>	<i>1,526,530</i>	<i>1,309,105</i>
<i>Long term liabilities</i>	<i>(650,799)</i>	<i>-</i>	<i>(650,799)</i>
	<u>£6,689,759</u>	<u>£1,526,530</u>	<u>£8,216,289</u>

ST. EDWARD'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 MARCH 2023

14.1 DESIGNATED FUNDS - 2023

	<u>At 1.4.22</u>	<u>Expended</u> <u>(revenue)</u>	<u>Expended</u> <u>(capital)</u>	<u>Transfers</u>	<u>At 31.3.23</u>
Major Building Repairs Fund	856,122	(138,399)		-	717,723
Declan Building (formerly West Wing) Fund	658,817		(1,347,662)	623,131	(65,714)
Staff Accommodation Fund	11,591			(11,591)	-
Development Fund	-			200,000	200,000
	<u>£1,526,530</u>	<u>£(138,399)</u>	<u>£(1,347,662)</u>	<u>£811,540</u>	<u>£852,009</u>

The funds have been designated by the Governors for specific school purposes as follows :-

MAJOR BUILDING REPAIRS FUND

The fund was created to provide funds for the repairs, refurbishment and restoration of the Grade II listed buildings at Melchet Court, together with monuments, gardens and walls and other buildings within the curtilage of the estate.

DECLAN BUILDING (FORMERLY WEST WING) FUND

The fund was created to provide funds for the redevelopment of the West Wing.

STAFF ACCOMMODATION FUND

This fund was created to provide funds for the repair of staff accommodation.

DEVELOPMENT FUND

This fund was created to provide funds for small-scale projects of a capital or one-off nature.

14.2 DESIGNATED FUNDS - 2022

	<u>At 1.4.21</u>	<u>Expended</u> <u>(revenue)</u>	<u>Expended</u> <u>(capital)</u>	<u>Transfers</u>	<u>At 31.3.22</u>
Major Building Repairs Fund	924,596	(68,474)	-	-	856,122
West Wing Fund	2,026,357	-	(1,567,540)	200,000	658,817
Staff Accommodation Fund	11,591	-	-	-	11,591
Development Fund	-	-	-	-	-
	<u>£2,962,544</u>	<u>(£68,474)</u>	<u>£(1,567,540)</u>	<u>£200,000</u>	<u>£1,526,530</u>

15 RESTRICTED FUND

	<u>At 1.4.22</u>	<u>Incoming</u> <u>Resources</u>	<u>Expended</u> <u>(revenue)</u>	<u>Transfers</u>	<u>At 31.3.23</u>
The Bridge Fund	-	236,546	(7,424)	-	229,122

The Bridge Fund was created for the refurbishment and restoration of buildings for the provision of therapeutic services.

16.1 PENSION COSTS - 2023

Teaching staff belong to the Teachers' Pension Scheme. This is an unfunded defined benefit scheme operated by the Government with contributions calculated on an actuarial basis, but set in relation to the current service period only. In accordance with FRS 102 the contributions have been accounted for as if this were defined contribution scheme. The employer's contribution is 23.68% of contributory salary with effect from 1 September 2019. During the year to 31 March 2023, the employer's contributions were £176,147 (2022: £151,971). £22,321 was owed to the scheme at the year end and included in creditors (2022: £18,710).

Certain other staff belong to the Hampshire County Council scheme. This is a funded defined benefit multiple employer scheme, in which the individual assets and liabilities of the member employers are identified separately and the actuarial assumptions used for the valuations were tailored to the individual employers rather than averaged across the whole scheme.

ST. EDWARD'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 MARCH 2023

16.1 PENSION COSTS (continued)

During the year ended 31 March 2023 the scheme actuary carried out a full revaluation of the scheme as at 31 March 2022. The School's liability at 31 March 2023 is therefore the calculated liability at 31 March 2022 as adjusted by subsequent contributions and increases in earned member benefits, and with both assets and liabilities assumed to increase from the March 2022 figure in accordance with the discount rate used by the actuary for the purposes of the March 2022 revaluation. The basis of calculation was also changed to the attained aged methodology, reflecting the School's participation in the scheme.

The movements in the net liability during the year ended 31 March 2023 are as follows:

	<u>Plan assets</u>	<u>Obligations</u>	<u>Net liability</u>
Liability at 1 April 2022	6,532,316	(6,800,384)	(268,068)
Revaluation of fund assets at 1 April 2022	254,684	-	254,684
Effect of change in actuarial assumptions at 1 April 2022	-	(396,093)	(396,093)
	<hr/>	<hr/>	<hr/>
Contributions in year	6,787,000	(7,196,477)	(409,477)
(Increase)/decrease in defined benefit liability	224,370	-	224,370
Interest	-	(201,371)	(201,371)
	<hr/>	<hr/>	<hr/>
Liability at 31 March 2023	£7,272,670	(£7,674,912)	(£402,242)

The total employer's contributions during the year were £178,597 (2022: £192,638). A total of £18,839 was outstanding at the year end and included in creditors (2022: £18,578).

The principal actuarial assumptions used in the valuations are

Discount rate	3.85%
Future salary increases	3.30%

In the event that the school were to leave the scheme it would be liable to make a termination payment to the scheme calculated on more conservative actuarial assumptions than the overall scheme deficit. This payment was calculated at £3.398 million as at 31 March 2022 although it is possible that the payment could be mitigated depending on the circumstances.

The school also operates a defined contribution scheme on behalf of other employees. The assets of these schemes are held separately from those of the school in an independently administered funds. During the year to 31 March 2023, the employer's contributions amounted to £61,835 (2022: £56,627). There was £10,342 unpaid to the scheme at the year end (2022: £11,717).

16.2 PENSION COSTS - 2022

The movements in the net liability during the year ended 31 March 2022 are as follows:

	<u>Plan assets</u>	<u>Obligations</u>	<u>Net liability</u>
<i>Liability at 1 April 2021</i>	<i>6,064,435</i>	<i>(6,344,982)</i>	<i>(280,547)</i>
<i>Contributions in year</i>	<i>240,465</i>	<i>-</i>	<i>240,465</i>
<i>(Increase)/decrease in defined benefit liability</i>	<i>-</i>	<i>(217,465)</i>	<i>(217,465)</i>
<i>Interest</i>	<i>227,416</i>	<i>(237,937)</i>	<i>(10,521)</i>
	<hr/>	<hr/>	<hr/>
<i>Liability at 31 March 2022</i>	<i>£6,532,316</i>	<i>(£6,800,384)</i>	<i>(£268,068)</i>

17. RELATED PARTY AND CONTROL

The school land and buildings are owned by Clifton Diocese and occupied by the school which maintains them. The school pays the buildings insurance of £25,893 (2022: £20,244) and core services and other services of £257 (2022: £278) to the Clifton Diocese.

The school received £4,705 from the Clifton Diocese in the year in respect to farm tenancy agreements (2022: £4,705).

ST. EDWARD'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 MARCH 2023

18. OPERATING LEASES

At 31 March 2023 the School had future minimum lease payments under non-cancellable operating leases as follows:

	Equipment		Motor Vehicles	
	2023	2022	2023	2022
Amounts due within one year	3,394	2,439	4,032	7,344
Amounts due between two and five years	12,162	-	-	3,696
	<u>£15,556</u>	<u>£2,439</u>	<u>£4,032</u>	<u>£11,040</u>

The total amounts charged as an expense during the year for operating leases were £11,251 (2022: £11,642)

ST. EDWARD'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 MARCH 2023

19. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	<u>Note</u>	<u>General Fund</u>	<u>Designated Funds</u>	<u>Year to 31/03/2022</u>
INCOME FROM:				
Donations and legacies		4,431	-	4,431
Charitable activities				
Pupils' fees		4,181,437	-	4,181,437
Other trading activities				
Lettings and wayleaves		5,218	-	5,218
Investments	2	202,980	-	202,980
Other				
Staff rents		88,702	-	88,702
Other income		9,621	-	9,621
Total		<u>4,492,389</u>	<u>-</u>	<u>4,492,389</u>
EXPENDITURE ON:				
Costs of generating funds				
Investment management charges		30,113	-	30,113
Charitable activities				
Costs of operation of school	3.2	4,253,569	68,474	4,322,043
Total		<u>4,283,682</u>	<u>68,474</u>	<u>4,352,156</u>
Net income/(expenditure) before gains and losses on investments		208,707	(68,474)	140,233
Net gains / (losses) on investments				
Unrealised		188,204	-	188,204
Realised		37,314	-	37,314
Net income / (expenditure)		<u>434,225</u>	<u>(68,474)</u>	<u>365,751</u>
Transfers between funds	14.2			
Appropriation of surplus		(200,000)	200,000	-
Capital expenditure		1,567,540	(1,567,540)	-
Other gains and losses				
Actuarial gains	15.2	-	-	-
Net movement in funds		<u>1,801,765</u>	<u>(1,436,014)</u>	<u>365,751</u>
Total funds brought forward		4,887,994	2,962,544	7,850,538
Total funds carried forward		<u><u>£6,689,759</u></u>	<u><u>£1,526,530</u></u>	<u><u>£8,216,289</u></u>