

Registered number: 01391805
Charity number: 276787

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

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FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Governors

Mr N F W Longford (appointed 27 March 2021)
Mr A Headland (appointed 1 December 2020)
Mr N Jay
Ms E Lunn (appointed 16 June 2021)
Mrs K Milne
Mrs N Mitchell
Mrs V L Parry (appointed 16 June 2021)
Mr M J Parsons (appointed 2 December 2021)
Mr C M Sanderson (appointed 16 June 2021)

Company registered number 01391805

Charity registered number 276787

Registered office

Fairstead House
Fordham Road
Newmarket
Suffolk
CB8 7AA

Company secretary Mrs C L Freer

Acting Head Mr M. Radford, B.Ed. (Hons.) M.Ed.

Independent auditors

Peters Elworthy & Moore
Chartered Accountants
Salisbury House
Station Road
Cambridge
CB1 2LA

Solicitors

Stone King LLP
82-88 Hills Road
Cambridge
CB2 1LQ

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the audited financial statements of the Charity for the year 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (second edition - October 2019) effective January 2019.

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

OBJECTIVES AND ACTIVITIES

Objectives

On 18 March 2022 the Governors agreed to merge the School with The King's School, Ely. The objectives of The King's School, Ely align closely with Fairstead in providing for the advancement of education of children for the public benefit and in connection therewith to acquire and carry on in the United Kingdom any nursery, preparatory or senior school or schools for the education of children of either sex or both sexes.

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission on Public Benefit.

It is the School's aim to provide a friendly, caring and happy community with its unique family system and ethos. Over the years the School has carefully nurtured this family atmosphere to provide pupils with real leadership challenges, a sense of personal responsibility and the opportunities to grow into mature, intelligent and socially responsible individuals.

The School aims to excite each child's boundless sense of wonder, capture their natural enthusiasms and foster a huge range of talents. A broad, balanced, creative and exciting curriculum develops each pupil's full potential and ensures they are well prepared for the challenges of their next school.

The School aims to also encourage and develop self-discipline and to promote caring, polite and well-mannered children.

The general philosophy of the School is based on Christian values although all faiths are welcomed. The children are encouraged to work as part of the community and to think about others. The School has links with St Mary's Church in Newmarket, where services are held for Christmas and End of Year.

Strategies to achieve this year's objectives

The Board of Governors has met regularly to receive reports from the Head and the Bursar. The Governors have responded to the issues arising from these reports. The main issues raised were the lack of Sports provision and the need for more classroom space. The Governors and the management team have been exploring solutions to these issues and as more information becomes available it will be shared with the parents.

The school year was once again disrupted by the Coronavirus Pandemic which resulted in the closure of the School in January and February at the behest of the Government.

The children continued to be educated via the remote provision that had operated during the prior year closures.

Nursery and School remained open for the children of key workers. This required the School to undertake risk assessments to ensure the safety of the staff and children as far as possible and to enhance the cleaning

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FOR THE YEAR ENDED 31 AUGUST 2021

regimes.

The Governors decided that, to reflect the lower costs due to the partial closure of the School and the Government Grant support for staff, the Lent term fees would be reduced. The amount (£10,858) discounted is shown in the accounts.

Principal activities of the year

Fairstead House School principally provides a co educational day school for children aged from 3 months to 11 years. On entering the main school, each child is placed in a form which normally has the same class teacher for the whole year. That teacher is responsible for day to day pastoral care as well as the academic progress of the children.

Classes are small, and children have the benefit of a teaching assistant in addition to the class teacher, enabling each child to receive individual help and attention. Additional learning support is available for all children who need it. Parents' Evenings are held each term. In September a "Meet the Teacher" evening was held, with parents able to meet as a "class" and hear the routines and expectations of their child's new teacher.

Reports are issued in Michaelmas, Lent and Summer term and, in addition, members of staff are available at all times for informal consultations. During the lockdown period this was via Zoom. Close attention is paid to the standard of achievement and effort of each child. Parents' Evenings are held termly giving teaching staff the opportunity to explain to parents what happens as their children progress through the School.

All of the children would normally have many opportunities throughout the year to take an active part in a wide range of inter house and inter school sports matches and competitions including football, rugby, cricket, netball, cross country and hockey. This year the opportunities were restricted in the first two terms.

Music plays an important part in the life of the School. Fairstead House School would normally host regular informal concerts. These were curtailed this year. The School produced two productions during the year. KS1 gave us Alice in Wonderland, performed in the Palace gardens and the KS2 children gave us Joseph and his Technicolour Dreamcoat in an al fresco performance at the Horse Racing Museum.

Sports Days took place for Reception, Years 1 and 6 on the Severals again this year and Prize Giving for Year 6 leaving children took place in St Mary's Church in Newmarket.

The many curricular and extra curricular developments were much reduced this year.

Curriculum visits were seriously affected by the pandemic however the following trips took place:

- Reception to Kingfisher Bridge, Wicken Fen, The Jarman Centre and Banham Zoo
- Year 1 went to Sealife Centre, The Hippodrome Circus and The Time and Tide Museum in Great Yarmouth
- Year 2 had an author and drama teacher visit the class
- Years 1 and 2 had a circus day at School
- Years 3 and 4 shared outing to The Olympic Park's Athletic Centre, an Ancient Maya Day at School
- Year 5 went for a Habitat Hunt in Ely and a 'Trip to France' in Exning
- Years 5 and 6 visited Darley Stud and the National Horse Racing Museum, Hilltop Outdoor Centre and Felbrigg Hall
- Years 3-6 went to Hunstanton for the day.
- Residential trips for Years 3, 4, 5 and 6 had to be cancelled.

The school is continuing to invest to strengthen the quality of education provided to the pupils. The Nursery continues to be very successful. It is expected that there will be 116 children on role by the Summer of 2022.

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FOR THE YEAR ENDED 31 AUGUST 2021

Community links

Community links are very strong in School. The School supports several different local charities:

- The Christmas Carol Concert and End of Year Service collection for the upkeep of St Mary's church
- The Harvest Festival donations go to Open Door, a charity for the homeless and vulnerable in Newmarket
- Each Christmas the School Choir takes part in a Carol Service at Tattersalls in aid of Racing Welfare

Through fundraising activities the children have also supported, amongst others:

- The Royal British Legion
- Jeans for Genes Day
- WWF
- Children in Need

The links with the National Horse Racing Museum continued throughout the year and the School were very grateful to the NHRM for the use of the Palace Gardens and the Rothschild Yard at the rear of the museum to stage performances of Alice in Wonderland and Joseph so we could invite parents safely to watch the children perform.

The Governors are continually exploring ways of making the School's facilities available to the local community. A local adult choir, Viva Voices, used the Performing Arts Centre as long as they were able.

Fairstead House Parents' Association

The Parents' Association is very strong and this year organised for parents and children the following events before lockdown:

- A film night
- A Circus Day
- A virtual disco for the children

The aim of the association is to enhance life for the children in school and to provide a social platform for parents.

Unfortunately, other fund raising activities were significantly curtailed due to Covid.

Bursary policy

The Governors' award bursaries to pupils on the basis of advice from an independent bursary company. These awards are reviewed annually by both the company and the Bursary committee. There are also scholarships awarded for merit.

This year the level of support totalled £46,200 for 10 families, including staff discounts.

ACHIEVEMENTS AND PERFORMANCE

Main achievements of the Charity

Progress, both academic and social, is carefully monitored by a variety of regular assessments. The external Music and LAMBDA exams unfortunately had to be cancelled.

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Progression

Fairstead pupils progress to both independent and state schools. They are prepared for these schools as appropriate for the senior school of their choice.

Fundraising policy

The School does not engage in public fundraising. During 2020/21 the School did not engage any external professional fundraisers. Donations in the year totaled £3,018 (2020 - £5,480).

Investment policy

The Memorandum and Articles of Association govern the School's investment policy, which permits the Governors to invest moneys not immediately required in investments as may be thought fit. The Governors have invested in the Prudential Growth Fund which takes a long term view of investments and has a highly diverse portfolio of holdings, mitigating investment risk. This year the unrealised gain was £45,111 compared to a loss of £7,500 when the market was disrupted by the pandemic.

Going forward the investments will be reviewed by the Governing Board of the newly merged entity. The intention is to utilise a proportion of the funds to facilitate the developments that the School will be going ahead with.

Future developments

The School continues to invest in the infrastructure. There was a site survey performed to provide a basis for the review of the potential to develop the site further.

The School is also exploring, as a priority, a number of opportunities to secure a Games facility appropriate for an independent preparatory school.

Post balance sheet events

On 18 March 2022, the Trustees entered into a merger agreement with The King's School, Ely. Under this agreement, the net assets of the School will transfer to The King's School, Ely on 31 August 2022. Accordingly the financial statements have been prepared on a basis other than going concern as the legal entity will be wound up once the transfer is complete.

FINANCIAL REVIEW

Going concern

The accounts have been prepared on a basis other than going concern. On 18 March 2022, the Governors signed a merger agreement with The King's School, Ely. Under this agreement, the net assets of the School will transfer to The King's School, Ely on 31 August 2022, subsequently the current legal entity of Fairstead House School Trust Limited will be dissolved.

The assets have not been measured at their recoverable amount nor have onerous committed liabilities been recognised as the assets and liabilities will transfer to The King's School, Ely and the operations of the School will continue.

Annual review

The Governors review the finances, budgets and cash flow at the bi-termly meetings. The policy of the School is to reinvest reserves in the School facilities and this policy was maintained for the year.

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The majority of the Trust's income is derived from school and nursery fees. These amounted to £1,050,328 in the year to 31 August 2021 (2020 - £1,086,891) before deducting financial assistance of £48,322, (2020 - £52,800) and the Lent term 2021 rebates of £10,858 (2020 - £59,796).

All expenditure in the year under review arises from the operation of the School and Nursery and in carrying out the educational objectives of the Trust. The Financial Statements illustrate how the funds have been applied.

Financial impact of COVID-19

The pandemic continued to affect the School during the year with the closure of the School through January and February into early March. The remote learning was reactivated during this period. Some small savings were made and a proportion of this was passed to the parents in recognition of their continued support of the School.

Reserves policy

The unrestricted funds as at year end was £1,850,121 (2020 - £1,764,519). There are no restricted funds.

The School seeks to maintain free reserves equivalent to one term's expenditure, we estimate this to be £410,000. Currently, on the basis of the definition of free reserves in the Charities SORP, free reserves are at £444,176.

When the School is merged with The King's School, Ely, reserves will be transferred. The reserves policy will then be assessed by the joint Governing Body.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Fairstead House School Trust Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 8 September 1978 (revised November 2016). It is registered as a charity with the Charity Commission. Once the merger is complete the company and the charity will be wound up.

Fairstead House was founded in 1950 by Rosamonde Taylor and, following her retirement, ownership passed to a charitable trust. Fairstead House School is situated close to the center of historic Newmarket, headquarters of the 'Sport of Kings', and adjacent to the famous gallops.

Until 31 August 2022, every parent or guardian of a child who is accepted as a pupil of the main school shall be qualified to become a member of the Trust. The number of the members of the Trust shall not exceed 150.

Appointment of Governors

Going forward the appointment of Governors will follow the procedures laid down in the Memorandum and Articles of The King's School, Ely.

The Governing Board of the School will be dissolved and two Governors from Fairstead will co-opted to The King's School, Ely Board.

There will be an Education Committee for Fairstead that will be chaired by a former Fairstead Governor and will have two further representatives from Fairstead. This committee will report into the King's Board..

During the year and until 31 August 2022, full board meetings are held twice a term.

During the year a group of parents called for an E.G.M. as they were not satisfied with the make-up of the Board of Governors and wished to propose that three members of the Board were removed, and three members

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FOR THE YEAR ENDED 31 AUGUST 2021

nominated by them were considered for election.

The then Chair of the Governors had already indicated his intention to step down as a result of a change in his personal circumstances and another, whom those parents had named, decided to step down as well. The Board felt it needed, in those circumstances, to nominate three prospective members they felt were the right fit and asked Victoria Parry (former Bursar), Elaine Lunn and Christopher Sanderson (both former Governors with a wealth of experience in the Education sector) if they would stand.

The meeting was held on the 16 June 2021 and the outcome was that the three members proposed by the Board were unanimously elected and the third member of the Board named by the parents was not removed by those who voted. This still left one vacant post and the Chair, as the three persons had all received the same number of votes (6). The Chair asked the Bursar to contact the solicitor representing the 3 candidates nominated by the parents to ask if one of them would wish to take up a place on the board. No communication was received.

Organisational structure and decision making

In April 2021 the Head resigned her post and Mr Michael Radford (Deputy Head) was invited by the Board of Governors become Acting Head until the recruitment of a new Head.

The day to day management of the School is delegated to the Acting Head and the management team. The Board of Governors may comprise up to 10 members including a maximum of 3 parent governors.

There are sub-committees covering Finance, Education and Premises (including Health and Safety). Governors define, in consultation with the senior management team of the School, individual policies on a wide range of matters to meet the legislative requirements for running the School and to facilitate its operation.

Governor induction and training

On appointment, a new Governor is issued with:

- Policies which set out the legal obligations under the relevant laws relating to the operation of charities and companies;
- Copy of the Memorandum and Articles of Association of the charity; and
- The business plan and details of the recent financial performance of the Trust.

The Board is mindful of its responsibilities to ensure the suitability of its Trustees.

Governor induction and training will be under the jurisdiction of The King's School, Ely going forward.

Pay policy for senior staff

The School considers its key management personnel comprise the Board of Directors, who are the Charity's Trustees, the Head, the Deputy Head and the Bursar. They are in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of the trustees' expenses are disclosed in the notes to the financial statements.

The salary of the all staff is reviewed by the Governors annually. The level of salary is periodically benchmarked to ensure that the remuneration set is fair and in line with that generally paid for similar roles.

Risk management

The Governors examine the major risks that the School faces each financial year, in particular at the time of preparing the School Development Plan and related budgets. Systems have been developed to monitor and

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

control these risks in order to minimise any impact they may have on the School's future operations. Risk Management and the Risk Register follow the Charities Commission and Risk Management (CC26) guidance.

The Governors have identified sustainability of income through maintenance of pupil numbers as the principal risk faced by the School. The merger with the Kings will bring opportunities for the School to develop the marketing for the School and provide other savings through synergies.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

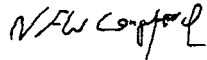
AUDITORS

The auditors, Peters Elworthy & Moore, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021



Mr N Longford
(Chair of Trustees)
Date: 23 May 2022

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIRSTEAD HOUSE SCHOOL TRUST LIMITED

OPINION

We have audited the financial statements of Fairstead House School Trust Limited (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER - FINANCIAL STATEMENTS PREPARED ON A BASIS OTHER THAN GOING CONCERN

We draw attention to note 2.2 in the financial statements which explains that the financial statements have been prepared on a basis other than that of a going concern. On 31 August 2022 the Governors will transfer all assets and liabilities of the charitable company to The King's School, Ely and cease activities. As required by UK accounting standards, the Governors have prepared the financial statements on the basis other than that the charitable company is no longer a going concern. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIRSTEAD HOUSE SCHOOL TRUST LIMITED (CONTINUED)

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Governors' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIRSTEAD HOUSE SCHOOL TRUST LIMITED (CONTINUED)

in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework;
- we obtained an understanding of the charitable company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the charitable company. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid material penalty such as compliance with the Independent School Inspectorate and Ofsted; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, 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.

To address the risk of fraud through management bias and override of controls, we;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the charitable company's legal advisors.

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 with laws and regulations to enquiry of the Governors and other management and the inspection of regulatory and legal correspondence, if

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIRSTEAD HOUSE SCHOOL TRUST LIMITED (CONTINUED)

any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jayne Rowe (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 31 May 2022

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:				
Donations and legacies	4	3,018	3,018	5,480
Charitable activities	5	1,930,955	1,930,955	1,720,233
Investments	6	4	4	182
Other income	7	23,824	23,824	93,945
TOTAL INCOME		1,957,801	1,957,801	1,819,840
EXPENDITURE ON:				
Raising funds	8	3,646	3,646	5,284
Charitable activities	9	1,926,970	1,926,970	1,731,539
TOTAL EXPENDITURE		1,930,616	1,930,616	1,736,823
NET INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS				
		27,185	27,185	83,017
Net gains/(losses) on investments	13	45,111	45,111	(7,500)
NET MOVEMENT IN FUNDS		72,296	72,296	75,517
RECONCILIATION OF FUNDS:				
Total funds brought forward		1,764,519	1,764,519	1,689,002
Net movement in funds		72,296	72,296	75,517
TOTAL FUNDS CARRIED FORWARD		1,836,815	1,836,815	1,764,519

The notes on pages 17 to 35 form part of these financial statements.

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 01391805

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	1,409,945	1,443,702
Investments	13	310,195	265,084
		<u>1,720,140</u>	<u>1,708,786</u>
CURRENT ASSETS			
Debtors	14	371,155	381,658
Cash at bank and in hand		333,124	329,883
		<u>704,279</u>	<u>711,541</u>
Creditors: amounts falling due within one year	15	(505,213)	(540,838)
NET CURRENT ASSETS		<u>199,066</u>	<u>170,703</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,919,206</u>	<u>1,879,489</u>
Creditors: amounts falling due after more than one year	16	(82,391)	(114,970)
TOTAL NET ASSETS		<u><u>1,836,815</u></u>	<u><u>1,764,519</u></u>
CHARITY FUNDS			
Unrestricted funds	17	1,836,815	1,764,519
TOTAL FUNDS		<u><u>1,836,815</u></u>	<u><u>1,764,519</u></u>

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

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

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



Mr N Longford
Chair
Date: 23 May 2022

The notes on pages 17 to 35 form part of these financial statements.

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	19	32,427	139,875
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		4	182
Purchase of tangible fixed assets		(20,564)	(60,855)
NET CASH USED IN INVESTING ACTIVITIES		(20,560)	(60,673)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from new borrowing		-	100,000
Repayments of finance leases		(8,626)	-
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		(8,626)	100,000
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		3,241	179,202
Cash and cash equivalents at the beginning of the year		329,883	150,681
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20	333,124	329,883

The notes on pages 17 to 35 form part of these financial statements

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. GENERAL INFORMATION

The Company is a company limited by guarantee and incorporated in England and Wales. The members of the company are the governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019) effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Fairstead House School Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 GOING CONCERN

On 18 March 2022, the Trustees entered into a merger agreement with The King's School, Ely. Under this agreement, the net assets of the School will transfer to The King's School, Ely on 31 August 2022. Accordingly the financial statements have been prepared on a basis other than going concern.

The assets have not been measured at their recoverable amounts nor have onerous committed liabilities been recognised as the assets and liabilities will transfer to The King's School, Ely and the operations of the School will continue.

2.3 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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.

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 EXPENDITURE

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

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 GOVERNMENT GRANTS

Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure is incurred.

2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- no depreciation charged where, in the opinion of the Governors, the estimated residual value is in excess of the net book value
Leasehold property	- over the term of the lease
Motor vehicles	- 5 years
Fixtures & fittings	- 5 to 10 years
Computer equipment	- 3 years

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 LIABILITIES AND PROVISIONS

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

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 FINANCE LEASES AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.14 PENSIONS

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

Retirement benefits to teachers are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit pension scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

2.15 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investments are measured at fair value for financial reporting purposes. Information about the valuation technique is included in accounting policy 2.8.

Critical areas of judgement:

Useful economic lives of tangible fixed assets

Depreciation is charged annually based on the management's estimate of economic useful life of the asset per the accounting policies above.

Provision of fee debtors

Management consider whether fee debtors are recoverable. Where there is indication that recoverability is unlikely, the amounts are recognised as a provision for bad debts. This assessment required an estimation of likely future cash flows.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	3,018	3,018	5,480
	<hr/>	<hr/>	<hr/>
TOTAL 2020	5,480	5,480	
	<hr/>	<hr/>	

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Tuition fees	1,050,328	1,050,328	1,086,891
Fee rebates	(10,858)	(10,858)	(59,796)
Bursaries and scholarships	(48,322)	(48,322)	(52,800)
Nursery fees	869,050	869,050	676,517
Specialist teaching	35,227	35,227	31,098
Registration fees	5,168	5,168	3,900
After school club	12,982	12,982	14,833
Fee insurance	-	-	(1,332)
Holiday club	17,380	17,380	20,922
	<u>1,930,955</u>	<u>1,930,955</u>	<u>1,720,233</u>
TOTAL 2020	<u>1,720,233</u>	<u>1,720,233</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	4	4	182
	<u>182</u>	<u>182</u>	
TOTAL 2020	<u>182</u>	<u>182</u>	

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Government grants	23,824	23,824	93,945
	<u>23,824</u>	<u>23,824</u>	<u>93,945</u>
TOTAL 2020	93,945	93,945	
	<u>93,945</u>	<u>93,945</u>	

The Charity received a government grant under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff of £20,674 (2020 - £93,945). It also received a government grant of £3,150 (2020 - £nil) in respect of interest payments covered under the Coronavirus Business Interruption Loan Scheme (CBILs).

8. EXPENDITURE ON RAISING FUNDS

COSTS OF RAISING VOLUNTARY INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest, charges and investment management fees	3,646	3,646	5,284
	<u>3,646</u>	<u>3,646</u>	<u>5,284</u>
TOTAL 2020	5,284	5,284	
	<u>5,284</u>	<u>5,284</u>	

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
School running costs	1,423,209	503,761	1,926,970	1,731,539
	<u>1,316,800</u>	<u>414,739</u>	<u>1,731,539</u>	
TOTAL 2020	<u>1,316,800</u>	<u>414,739</u>	<u>1,731,539</u>	

ANALYSIS OF DIRECT COSTS

	School running costs 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	1,339,807	1,339,807	1,240,678
Classroom resources	20,765	20,765	16,305
Catering supplies	60,633	60,633	54,919
School trips	2,004	2,004	4,898
	<u>1,423,209</u>	<u>1,423,209</u>	<u>1,316,800</u>
TOTAL 2020	<u>1,316,800</u>	<u>1,316,800</u>	

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	School running costs 2021 £	Governance 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	157,458	-	157,458	121,733
Property expenses	97,340	-	97,340	112,320
Administrative expenses	101,846	10,314	112,160	49,160
Transport and travel expenses	4,189	465	4,654	9,413
Equipment repairs and renewals	1,745	-	1,745	1,291
Classroom support	8,968	-	8,968	9,622
General expenses	6,634	-	6,634	10,877
Depreciation	54,321	-	54,321	66,096
Health and safety	16,835	-	16,835	11,387
Inspection	2,712	-	2,712	4,514
Management information	12,643	-	12,643	8,523
Audit and Accountancy	-	9,500	9,500	8,541
Bad debts	-	-	-	1,262
Development projects	9,332	-	9,332	-
Interest payable on finance	9,459	-	9,459	-
	<u>483,482</u>	<u>20,279</u>	<u>503,761</u>	<u>414,739</u>
TOTAL 2020	<u>400,361</u>	<u>14,378</u>	<u>414,739</u>	

10. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	6,700	5,865
All non-audit services	<u>1,200</u>	<u>2,676</u>

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	1,261,124	1,146,567
Social security costs	99,496	90,491
Contribution to defined contribution pension schemes	136,645	125,353
	<u>1,497,265</u>	<u>1,362,411</u>

The average number of persons employed by the Charity during the year was as follows:

	2021	2020
	No.	No.
Teaching staff and assistants	59	55
Other	12	11
	<u>71</u>	<u>66</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £60,001 - £70,000	2	1

The key management personnel of the Charity comprise the Governors, Head, Deputy Head and Bursar. No Governors received any remuneration or benefits in kind from the Charity (2020 - £Nil). The total employee benefits (including employer's pension contributions and employer's national insurance contributions) received by key management personnel of the Charity were £176,359 (2020 - £175,101). Governors received reimbursement of expenses amounting to £Nil (2020 - £Nil).

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2020	1,241,266	55,104	473,843	41,000	1,811,213
Additions	-	-	20,564	-	20,564
Disposals	-	-	(93,187)	-	(93,187)
At 31 August 2021	<u>1,241,266</u>	<u>55,104</u>	<u>401,220</u>	<u>41,000</u>	<u>1,738,590</u>
DEPRECIATION					
At 1 September 2020	-	48,349	278,162	41,000	367,511
Charge for the year	-	2,755	51,566	-	54,321
On disposals	-	-	(93,187)	-	(93,187)
At 31 August 2021	<u>-</u>	<u>51,104</u>	<u>236,541</u>	<u>41,000</u>	<u>328,645</u>
NET BOOK VALUE					
At 31 August 2021	<u><u>1,241,266</u></u>	<u><u>4,000</u></u>	<u><u>164,679</u></u>	<u><u>-</u></u>	<u><u>1,409,945</u></u>
At 31 August 2020	<u><u>1,241,266</u></u>	<u><u>6,755</u></u>	<u><u>195,681</u></u>	<u><u>-</u></u>	<u><u>1,443,702</u></u>

The Charity owns assets which are held under hire purchased contracts. The related assets are secured against the net obligations under hire purchase contracts (note 15).

The net book value of assets held under hire purchase contracts is £8,241 (2020 - £14,315). This is included within fixtures and fittings above.

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1 September 2020	265,084
Revaluations	45,111
AT 31 AUGUST 2021	<u>310,195</u>

The entire investment is held with the Prudential Growth Fund. The Governors believe that the carrying value of the investment is supported by the underlying net assets within the fund. The risk to the investment is mitigated by the highly diverse portfolio of holdings contained within the fund which takes a long term view of investments.

14. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	265,244	335,442
Other debtors	55	633
Prepayments and accrued income	105,856	45,583
	<u>371,155</u>	<u>381,658</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans	20,000	-
Trade creditors	28,132	92,875
Other taxation and social security	25,069	21,320
Obligations under hire purchase contracts	5,689	8,626
Other creditors	49,014	41,709
Accruals and deferred income	377,309	376,308
	<u>505,213</u>	<u>540,838</u>

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
Deferred income at 1 September 2020	323,412	377,842
Resources deferred during the year	332,417	323,412
Amounts released from previous periods	(323,412)	(377,842)
	<u>332,417</u>	<u>323,412</u>

Deferred income comprises school fees and music tuition fees received in advance.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans	80,000	100,000
Net obligations under hire purchase contracts	-	5,689
Trade creditors	2,391	9,281
	<u>82,391</u>	<u>114,970</u>

Bank loans include a Government backed Coronavirus Business Interruption Loan (CBILs) which was drawn down in August 2020. This loan is 100% guaranteed by the Government and there are no fees or interest payable in the first 12 months. After this 12 month period, interest will be charged at 3.15% above the base rate. The loan is repayable in 60 equal monthly installments from August 2021.

Amounts due under hire purchase agreements are secured on the related assets acquired.

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICT- ED FUNDS						
DESIGNATED FUNDS						
Fixed Assets Fund	1,443,702	-	(54,321)	20,564	-	1,409,945
GENERAL FUNDS						
General Funds	320,817	1,957,801	(1,876,295)	(20,564)	45,111	426,870
TOTAL UNRESTRIC- TED FUNDS	1,764,519	1,957,801	(1,930,616)	-	45,111	1,836,815

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICT- ED FUNDS						
DESIGNATED FUNDS						
Fixed Assets Fund	1,444,054	-	(66,096)	65,744	-	1,443,702
GENERAL FUNDS						
General Funds	244,948	1,819,840	(1,670,727)	(65,744)	(7,500)	320,817
TOTAL UNRESTRIC- TED FUNDS	<u>1,689,002</u>	<u>1,819,840</u>	<u>(1,736,823)</u>	<u>-</u>	<u>(7,500)</u>	<u>1,764,519</u>

The Fixed Assets Fund represents the balance of the Trust's funds that are invested in fixed assets. A transfer is made each year from General Funds to reflect the net additions to fixed assets.

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,409,945	1,409,945
Fixed asset investments	310,195	310,195
Current assets	704,279	704,279
Creditors due within one year	(505,213)	(505,213)
Creditors due in more than one year	(82,391)	(82,391)
TOTAL	1,836,815	1,836,815

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,443,702	1,443,702
Fixed asset investments	265,084	265,084
Current assets	711,541	711,541
Creditors due within one year	(540,838)	(540,838)
Creditors due in more than one year	(114,970)	(114,970)
TOTAL	1,764,519	1,764,519

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	72,296	75,517
ADJUSTMENTS FOR:		
Depreciation charges	54,321	66,096
(Gains)/losses on investments	(45,111)	7,500
Dividends, interests and rents from investments	(4)	(182)
Loss on the sale of fixed assets	-	9,426
Decrease in debtors	10,503	15,862
(Decrease)/increase in creditors	(59,578)	(34,344)
NET CASH PROVIDED BY OPERATING ACTIVITIES	32,427	139,875

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	333,124	329,883
TOTAL CASH AND CASH EQUIVALENTS	333,124	329,883

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	329,883	3,241	-	333,124
Debt due within 1 year	-	-	(20,000)	(20,000)
Debt due after 1 year	(100,000)	-	20,000	(80,000)
Finance leases	(14,315)	8,626	-	(5,689)
	215,568	11,867	-	227,435

FAIRSTEAD HOUSE SCHOOL TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. PENSION COMMITMENTS

Teaching staff

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff.

The pension charge for the year includes contributions payable to the TPS of £103,696 (2020 - £96,136) and at the year end £10,195 (2020 - £10,776) was accrued in respect of contributions to this scheme. This balance is disclosed in other creditors.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Foundation has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Foundation has set out above the information available on the scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

22. PENSION COMMITMENTS (CONTINUED)

Non-teaching staff

The school also contributes to the personal pension arrangements of non-teaching staff via the Pensions Trust or via a group stakeholder pension scheme with Scottish Widows.

The pension charge for the year includes contributions of £32,949 (2020 - £29,217) and at the year end £5,495 (2020 - £4,890) was accrued in respect of contributions to this scheme. This balance is disclosed in other creditors.

23. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	730	730
Later than 1 year and not later than 5 years	365	1,095
	<u>1,095</u>	<u>1,825</u>

24. RELATED PARTY TRANSACTIONS

In the normal course of funding its activities, the majority of the charity's income is derived from education fees paid by parents, some of whom are members and/or Governors of the school.

In the ordinary course of business the charity has acquired professional indemnity and Governors' liability cover at a cost of £308 (2020 - 308).

25. POST BALANCE SHEET EVENTS

On 18 March 2022, the Trustees entered into a merger agreement with The King's School, Ely. Under this agreement, the net assets of the School will transfer to The King's School, Ely on 31 August 2022. Accordingly the financial statements have been prepared on a basis other than going concern as the legal entity will be wound up once the transfer is complete.