

SHREWSBURY HOUSE SCHOOL TRUST LIMITED

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

Registered Company Number: 01411417

Registered Charity Number: 277324

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are also the Directors of the Company for the purposes of company law, present their annual report, incorporating the strategic report and financial statements for the year ended 31 August 2022. The report covers the activities of Shrewsbury House Preparatory School, Shrewsbury House Pre-Preparatory School and The Rowans School. The Trustees confirm that the financial statements comply with current statutory requirements, those of the governing documents and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2019 – Second edition.

REFERENCE AND ADMINISTRATIVE INFORMATION

Shrewsbury House School Trust Limited (the Trust) is a registered charity (number 277324). The legal status of the charity is a company limited by guarantee, without share capital, company number 01411417. The liability of each of the members of the company is limited to an amount not exceeding £5.

The Registered Office and principal address of the Company is:

107 Ditton Road
 Surbiton
 Surrey
 KT6 6RL
 United Kingdom

Trustees

The Trustees, who are also all members, have held office from 1 September 2021 to the date of this report, unless otherwise stated are as shown below:

D. Johns	Chairman
A.L. Lee	Deputy Chairman
M.A.K. Claeys	retired 06/12/2022
S. Clarke	retired 06/12/2022
P.D. Gibbon	
V. Laville	
J. Le Grice	
H.A. Lowe	
I.S. Muir	
D. Sanders	
C. Thorneycroft	
R. White	appointed 06/12/2022

Key Management Personnel

Executive Head of Shrewsbury House School Trust, Head of Shrewsbury House School	Mrs J.M. Hubbard
Head of Shrewsbury House Pre-Preparatory School	Mr J. Akhurst
Head of The Rowans School	Ms E. Spratt
Director of Finance and Operations, Secretary to the Governors	Mr R.A. Harper (appointed 19/04/2022)
Director of Finance and Resources, Secretary to the Governors	Mr P. Dart (retired 31/05/2022)
Senior Deputy Head	Mr J. Albert
Director of Communications and Compliance	Mrs J. Hand

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Professional Advisers

Bankers

National Westminster Bank plc
5 Market Place
Kingston upon Thames
Surrey
KT1 1JX

Lloyds TSB Bank plc
83 High Street
Walton on Thames
Surrey
KT12 1DU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Lawyers

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Insurance Brokers

Marsh Limited
Capital House
1-5 Perrymount Road
West Sussex
RH16 3SY

Websites

Shrewsbury House School

www.shrewsburyhouse.net

Shrewsbury House Pre-Preparatory School

www.shrewsburyhousepreprep.net

The Rowans School

www.rowans.org.uk

STRATEGIC REPORT

AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The main object of the Trust, as set out in its Articles of Association, is to promote and provide for the advancement of education, including the provision of financial support to those who cannot afford to pay tuition fees. It also provides for and promotes the use of its facilities to develop education and recreation for the local community as well as to support other educational charities and local state schools.

To achieve this, the Trust runs three independent fee-paying day schools which seek to provide the best possible learning environment. These are Shrewsbury House Pre-Preparatory School and The Rowans School for boys and girls aged between 3 and 7, and Shrewsbury House School for boys aged between 7 and 13. For every child, the Trust aims to provide both an academic and a broad education. This is intended to draw out pupils' abilities and academic potential, awaken and develop wider interests in life and motivate them for a successful and happy future. In particular, we aim to live our schools' values and develop positive learning behaviours.

The main objective of the Trustees is to ensure that all pupils are educated to a consistently high standard, which is a key element of the Trust's ethos and historic traditions. This is achieved by employing high quality, committed teachers and relevant support staff to facilitate the teaching and learning experience. The use of technology is a key enabler in delivering these results.

The principal activity of the Trust continues to be the provision of day schools for children aged between 3 and 13 years' old. In the year under review, the Trust provided education for 551 pupils. In determining the Trust's objectives and planning its activities, careful consideration continues to be given to the Charity Commission's general guidance on public benefit. The Trust clearly aims to:

- Offer financial support through bursaries to those pupils who would thrive on the broad education opportunities offered by the Trust, but whose parents are unable to afford the fees. In addition, we look for senior schools who would be prepared to continue financial support;
- Play a part in supporting and assisting local state schools in providing a broad education for their students;
- Support local and overseas charities through fundraising activities; and
- Play a part in the local community, be aware of the needs of our neighbours, and to offer facilities and support where appropriate.

The Trust is committed to working with the community and seeks to increase pupil numbers travelling to school by minibus, coach or bicycle to minimise the impact on local traffic. The sports facility at Shrewsbury House Sports Ground and also the swimming pool, sports hall, music rooms and theatre at 107 Ditton Road are available to the local community.

REVIEW OF ACTIVITIES AND PERFORMANCE FOR THE YEAR

The three schools of the Trust showed strong performances through the year across the curriculum. Pupils received a full curriculum throughout lockdown and through the return to school transition, resulting in good progress being made in and out of the classroom.

The Governors provided support and guidance to the schools throughout the year, particularly in connection with large-scale projects and during inspections. More frequent visits by the Governors to the schools will be arranged to increase their visibility and further build relationships with the staff.

Shrewsbury House School

Despite the challenges of COVID-19 and economic uncertainty, the day-to-day experience of pupils and parents has been exceptionally strong. A full return to events has enabled us to showcase the musical, sporting and creative talents of our pupils. Academic achievements have been equally impressive this year and we are very proud of the fourteen scholarships and awards gained by our senior boys.

Visible changes, such as the new reception area and the sports pavilion at Shrewsbury House Sports Ground, mark the arrival of a new era at the School, where efficient processes, good communication and a talented leadership team are making a positive impact. A curriculum review has led to a change of timetable and the introduction of our new 'Discovery Programme' for senior years, which will further enhance the offering for Year 7 and Year 8.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

It has been a very busy period for engagement with our senior schools, both through visits and also with attendance at their events. These visits have served to reinforce some very strong relationships and built on fledgling relationships with a wider range of schools. Many more visits are already planned for the new academic year.

Our inaugural Admissions Directors' Information Sharing Morning was hosted at the School in May. The purpose of this event, was to bring together the Admissions Directors at schools from a wider geographical area to share ideas, best working practices and to emphasise the value of receiving our boys at 13+. The event was very well received by representatives from each of the schools.

We are very proud of all the boys for their diligence through the scholarship process. They have achieved 100% success at entrance on scholarship.

The School has supported several charities over the course of the year with the main charity chosen by pupils being Momentum Children's Charity and, through pupil-focused fund raising and initiatives, the Shrewsbury House Association made a donation to the redecoration of rooms at Kingston Hospital.

Shrewsbury House Pre-Preparatory School

An Independent School Inspectorate regulatory compliance inspection took place in May 2022. The results endorsed the school's policies and procedures and there was extremely positive feedback about the school itself.

We are grateful that COVID-19 restrictions have been lifted: we have taken full advantage of this with many events and opportunities to actively engage the whole school community. It is noticeable how well-supported all of our events have been by parents and wider family, eager to catch up on lost time.

Nursery numbers are still growing and interest in the School remains strong.

The Rowans School

The School has had a busy and productive year. The gradual easing of COVID-19 restrictions allowed for a full return to focusing on in-class teaching as well as a full resumption of termly outings and events.

LAMDA results were, once again, exceptionally strong with 25% of Year 1 achieving Merit and 75% Distinction, and 100% of Year 2 gained Distinction.

We have retained our National Online Safety accredited school status and work with parents, staff and children to educate our community about internet safety. We have also retained our Gold Travel Award from TfL and our Junior Travel Ambassadors have worked with parents and the local community to promote safe and sustainable travel throughout the year.

We have gained reaccreditation with the British Council International Schools Award in recognition of our very strong international ethos and programme that is woven throughout our curriculum. We have also been working on an application for an Artsmark award. Artsmark is the only creative quality standard for schools and education settings, accredited by Arts Council England.

An Independent School Inspectorate Educational Quality and Focused Compliance Inspection took place in February 2022. The School meets all the standards in the schedule to the Education (Independent School Standards) Regulations 2014 and associated requirements and no further actions is required as a result of this inspection. We were delighted to receive 'excellent' judgments for both the 'quality of the pupils' academic and other achievements' and the 'quality of the pupils' personal development.'

We remain actively reflective over our curriculum, taking on board feedback from our recent Independent School Inspectorate inspection and current educational research. Recognising the importance of values, mental health awareness and life skills are all key factors in this area, and The Rowans School has much to showcase in regard to these.

This year the School has supported St George's Hospital Charity and WaterAid through various whole-school fundraising initiatives.

FUNDRAISING

All fundraising activity across the Trust continues to be managed in an open and transparent fashion with the clear objective of being respectful, responsible and accountable so that potential and existing supporters of our work have complete confidence in their giving to the Trust. There were no complaints received by the Trust during the reporting period about its fundraising practices.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

We are grateful to parents who donated towards developing the infrastructure of the schools and also to the planting around the new pavilion at Shrewsbury House Sports Ground, an important contribution to the area's biodiversity.

FINANCIAL RESULTS AND RESERVES POLICY

Shrewsbury House School and The Rowans School continue to see strong pupil numbers. Shrewsbury House Pre-Preparatory School is recovering from the high level of withdrawals caused by COVID-19, but more slowly.

Net income of the Trust for the year amounted to £624,033 (2021: £782,123), the decrease reflecting a shortening of the anticipated useful economic life of some fixed assets and an impairment of the value of construction in progress.

The impact of COVID-19 resulted in the Trust applying for and securing a Coronavirus Business Interruption Loan of £1,450,000 last year. Interest payments and repayments on this loan commenced in July 2022.

At the end of July 2022, in accordance with the asset purchase agreement, the Trust paid deferred consideration of £482,000 (2021: £Nil) to the Corporation of King's College School for the purchase of The Rowans School.

The Board of Governors continues to plan for surplus net income every year, which is added to reserves to enable reinvestment in the future to meet the objectives of the Trust's capital development plans. The funds at the year-end totalled £11,684,402 (2021: £11,060,369), which included £11,668,763 of unrestricted funds (2021: £11,055,669) and £15,639 of restricted funds (2021: £4,700). These include funds for the Shrewsbury House Sports Ground landscaping and major projects.

The Board of Governors continues to monitor the financial risks affecting the Trust to ensure that it continues to meet its charitable objectives, remains financially sustainable and a going concern. Its long-term cash flow is being stress-tested and reviewed periodically. The Board does not see any indication that the Trust is unable to meet its future obligations as they fall due, but recognises that we continue to need bank loans to fund our existing facilities and servicing the obligations as a result of the acquisition of The Rowans School and its site in Wimbledon.

PUBLIC BENEFIT

The Trust has adopted a multi-faceted approach to public benefit as is reflected in its Articles of Association, providing education to pupils who would otherwise be educated at public expense. The Trust is committed to providing bursaries to those families whose children, whilst being of the ability and personality to thrive at Shrewsbury House School, may not be able to afford to send their children here. Fundamental to the bursary policy, enshrined in the Trust's ethos, is that the child is placed first and the parents' means second. The approach to bursaries covers new and existing pupils and has been used to provide financial assistance in the event of unforeseen financial difficulties faced by existing parents. Bursaries are normally awarded each academic year and are means-tested. Further details are included in the 'About us' section of Shrewsbury House School's website and interested parents should contact the School for additional information. Currently 6 (2021: 10) pupils hold means-tested bursaries, varying in value from 30% to 100% of annual fees, of which 3 are life-changing at 80% or above. In total terms, concessions inclusive of staff fee discounts have been accorded to 18 (2021: 24) pupils at a cost to the Trust of £155,691 (2021: £137,522).

The Trust aims to use school facilities for education and recreation for the local community. The use of school facilities increased this year due to the lifting of COVID-19 restrictions and the Trust has continued to support its wide range of community and commercial clients. The Trust has maintained its relationship with two local state schools and use of the swimming pool facility is provided free of charge, supporting around 90 children per week, with potential to widen its availability further. Our transport service provides minibuses and coach use to local scout groups, supporting over 127 children. Commercial clients use the sports facilities at each site and a local dance school is now based at schools within the Trust, supporting over 400 children each week. Shrewsbury House School's facilities in particular are used by many clubs during school holidays. New business remains a focus for members of the lettings team, who continues to forge local links with state schools and community groups.

PLANS FOR THE FUTURE

We have secured planning consent for the master plans submitted for all three sites from the Royal Borough of Kingston, the Royal Borough of Merton and Elmbridge Borough Council. However, given the continuing uncertain economic landscape, the Trustees have paused the development at 107 Ditton Road and at The Rowans School for the time being. The Trustees will continue to assess the timing of the commencement of works.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The Trust continues to invest significantly in ensuring that the IT infrastructure and hardware in all our schools is fit for purpose and creates the enabling learning environment needed to equip our pupils for a fast-changing technological world. The Trust has a robust platform for the delivery of the curriculum via distance learning should this prove necessary again.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors is responsible for the management of all risks faced by the Trust. Governors are supported by the Trust Executive Committee. Risks are identified, assessed and controls established to mitigate the risks identified. The Trust's Risk Register is reviewed by the Legal & Estates Committee on a termly basis and a summary tabled to the Board of Governors.

The principal risks identified by the Governors are categorised under the following headings:

- External factors including political, environmental, legal and regulatory and economic;
- Financial;
- Operational;
- Compliance;
- Human Resources; and
- Governance.

External factors

The Trust is constantly assessing the effects of the changes in political and economic factors that may affect the operation of the schools and delivery of its offering in the short, medium and longer term. The key responsibilities of the sub committees are set out under the section 'Organisation and Management'. The Finance Committee, in conjunction with the Director of Finance and Operations, is responsible for developing and stress-testing financial models, which are regularly reviewed.

There are factors outside the control of the Trust such as political uncertainty, Brexit, COVID-19 and the war in Ukraine. The Board of Governors, Legal & Estates Committee and the Trust Executive Committee closely monitor the potential impact of these risks. The Trust follows Government guidance with regards to restrictions and preventative measures. Comprehensive risk assessments have been developed and published on each of the schools' websites.

The major risks are that pupil numbers will fall and/or that parents will be unable to continue paying the schools' fees. Pupil numbers and outstanding fees are closely monitored. The Trust continues to look for indicators of financial hardship and offer assistance where possible.

Financial

There is a risk that pupil numbers may not be sufficient to maintain the Trust's long-term plan. The Trust mitigates this risk by producing a 10-year cash flow projection, reviewed at least termly. This is supported by bank borrowing, repayable in between 2- and 10-years' time.

Another key risk is the expected increase in employer contributions to the Teachers' Pension Scheme (TPS). Employer contribution rates increased from 16.48% to 23.68% from 1 September 2019, an increase of 43.7%. This had a significant impact on the Trust's 2020-21 and 2021-22 performance. There is a very strong likelihood of a further material increase in employer contributions once the actuarial valuation has been completed. This is likely to be implemented from April 2024. As a result, the Board of Governors decided that a withdrawal from the TPS is prudent. After an extensive consultation process, it was agreed that this would take place at 31 August 2023, with the TPS replaced by a defined contribution scheme with a combined contribution and benefit rate of 16.5%.

Operational

Educational success across the curriculum demands employing committed staff with current, up-to-date teaching and learning facilities to ensure that pupils are able to progress in a learning-friendly environment. The risk of not achieving educational success is managed by partnering with parents, encouraging regular communication as the child progresses, combining attractive salaries for staff and on-going investment in the estate and infrastructure.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Compliance

The Trust's success has been built upon its reputation for the education and wellbeing of its pupils. The risk of damage to the Trust's reputation is managed through the regular implementation and monitoring of safeguarding and staff recruitment policies, pastoral support for both pupils and staff plus the active identification and resolution of health and safety issues.

The Trust also takes its compliance with General Data Protection Regulation (GDPR) and UK Data Protection Regulations very seriously. All staff are briefed in how to minimise the risk of losses or accidental release of personal data on a regular basis.

Human Resources

Recruitment and retention of high-quality staff members is a top priority for the Trust Executive Committee. The terms and conditions for teaching staff are reviewed regularly to ensure that these are in line with those of similar independent schools. A full programme of staff development is in place to ensure that staff are kept abreast of the best possible practice and they have scope to fully develop their experience whilst at the Trust.

Governance

Details of the recruitment, training, skills and structure of the Board of Governors and its sub-committees are provided under the 'Structure, Governance and Management' section.

Key controls used by the Trust to manage risk include:

- Formal agendas for all committee and Board activity;
- Detailed terms of reference for all committees;
- Comprehensive strategic planning, budgeting and management accounting information;
- Established organisational structure and lines of reporting;
- Formal written policies on all aspects of activity; and
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the Trust, the Governors are satisfied that the major risks identified have been adequately mitigated where possible. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been suitably managed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The governing document of the Trust is its Articles of Association.

Governing Body

A Board of Governors, whose members are also Directors of the Company (herein referred to as "Trustees"), governs the Trust. The Trustees meet regularly in the manner prescribed in the Articles of Association and meet as a full board at least once a term. The sub-committees (Finance, Strategy, Education and Legal & Estates) meet at least once a term.

The normal term of office for a Governor is three years. A Governor is eligible for re-election for further terms of office. The Trustees are authorised to appoint new members provided they do not exceed the maximum of 15 prescribed by the Articles of Association. The Board of Governors aims to recruit Trustees who have a range of specialist skills, in order to maintain a strong balance of expertise. Current members include experts in education, financial management, law, banking, property and estates, risk and insurance. No Trustee has any beneficial interest in the company.

Trustee Induction and Training

All new Trustees receive an induction pack, which explains their role, the role of the Board of Governors, and details of Charity Commission and Companies House requirements. They are also given background information on previous Board decisions, Board papers and general information about the schools. The new Governor's Induction Programme includes a meeting with the Executive Head, the Designated Safeguarding Lead and the Clerk to the Governors to ensure that there is a thorough understanding of how the schools fulfil their regulatory obligations. All Governors are informed of relevant courses available to them throughout the year, including courses and conferences run by the Independent School Inspectorate, Association of Governing Bodies of Independent Schools, the Independent Association of Prep Schools, the Independent Schools' Bursars Association, the Independent Schools Council and our auditors.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

Organisation and Management

The Trustees determine the general policy of the Trust, meeting each term to receive reports from the heads of each school and the chairs of the sub-committees.

The Education Committee reviews all matters relating to the delivery of the curricula within each school and policies which are entirely pupil-centred. The Legal & Estates Committee reviews a wide range of topics including estates development, health and safety, supplier and staff contractual matters, general regulatory matters, complaints and the single central register of appointments. The Finance Committee reviews the Trust's on-going financial position and examines recommendations from the other committees for development projects prior to seeking main board approval. It manages, at an executive level, the budgets of the Trust, including remuneration policy and fee levels which are approved by the main Board.

Key Management Personnel

The day-to-day running of the Trust is delegated to the Executive Head and the Director of Finance and Operations, who are supported by the Trust Executive Committee and the Governors; together this group are the key management personnel, as set out on page 1 of this document.

The Governors give of their time freely and the remuneration of the senior staff is set by the Finance Committee and kept under annual review. The Executive Head's remuneration is also reviewed annually, but by the Chairman and Deputy Chairman who submit their proposals for consideration to the full Board of Governors. The criteria used in reviewing and setting pay are:

- The nature of the role and breadth of responsibilities;
- Participation in salary surveys providing a range of relevant comparable data;
- Competitor salaries in the region where this is available; and
- Overall trends in pay.

Group Structure and Relationships

The Trust is the corporate structure through which the schools are organised and managed. There is an Executive Head, who is also the head of Shrewsbury House School in Surbiton, and two other heads, one at Shrewsbury House Pre-Preparatory School in Esher and another who manages the affairs of The Rowans School in Wimbledon.

Shrewsbury House School benefits from the support of the Shrewsbury House Association, Shrewsbury House Pre-Preparatory School from the support of Shrewsbury Pre-Preparatory Association and The Rowans School from the support of Friends of The Rowans School. These bodies are organised by representatives of the parents and raise funds to provide additional benefits to the pupils.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Shrewsbury House School Trust Limited for the purpose of Company Law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

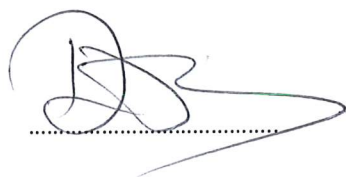
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

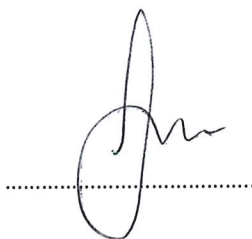
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

ON BEHALF OF THE BOARD

The Trustees' Report incorporating the Strategic Report was approved and authorised for issue by the Board of Trustees on 6 December 2022 and signed on their behalf by:



D. Johns



A.L. Lee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHREWSBURY HOUSE SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Shrewsbury House School Trust Limited for the year ended 31 August 2022 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash flows and notes to the financial statements, 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 2022 and of the charitable company's net movement in funds, including the 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 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHREWSBURY HOUSE SCHOOL TRUST LIMITED

Matters on which we are required to report by exception

In the light of the 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 Report of the Trustees (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities Act 2011, and considered other factors such as payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings with unusual amounts or descriptions, and postings with unusual date characteristics; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHREWSBURY HOUSE SCHOOL TRUST LIMITED

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 20 December 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

(incorporating income and expenditure account)

	Notes	Unrestricted General Fund £	Restricted Fund £	Total 2022 £	Total 2021 £
INCOME FROM:					
Income from charitable activity					
School fees	3	9,597,047	-	9,597,047	9,051,987
Ancillary trading income	4	897,306	-	897,306	590,928
Other trading activities					
Rental and lettings income		111,291	-	111,291	91,419
Investment income					
Bank and other interest		3,475	-	3,475	1,910
Voluntary sources					
Grants and donations	5	3,744	16,179	19,923	44,793
Coronavirus Job Retention Scheme		-	-	-	33,412
Other Income					
Other Income		16,607	-	16,607	4,501
Total Income		<u>10,629,470</u>	<u>16,179</u>	<u>10,645,649</u>	<u>9,818,950</u>
EXPENDITURE:					
Costs of raising funds:					
Financing costs		254,179	-	254,179	198,199
Charitable activity:					
Education		<u>9,766,897</u>	<u>540</u>	<u>9,767,437</u>	<u>8,838,628</u>
Total Expenditure	6	<u>10,021,076</u>	<u>540</u>	<u>10,021,616</u>	<u>9,036,827</u>
NET INCOME		608,394	15,639	624,033	782,123
Transfers between funds		<u>4,700</u>	<u>(4,700)</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		613,094	10,939	624,033	782,123
Fund balance brought forward at 1 September 2021		<u>11,055,669</u>	<u>4,700</u>	<u>11,060,369</u>	<u>10,278,246</u>
Fund balances carried forward at 31 August 2022	14	<u>11,668,763</u>	<u>15,639</u>	<u>11,684,402</u>	<u>11,060,369</u>

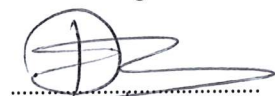
The results for the year and the prior year are derived from continuing activities.

The comparative statement of financial activities is note 21.

The notes on pages 16 to 27 form part of these financial statements.

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	9	17,601,836	15,365,915
Current assets			
Debtors	10	322,276	221,252
Cash at bank		1,810,375	4,614,619
		<u>2,132,651</u>	<u>4,835,871</u>
Current liabilities			
Creditors – due within one year	11	(2,726,427)	(2,670,855)
		<u>(593,776)</u>	<u>2,165,016</u>
Net current (liabilities)/assets		17,008,060	17,530,931
Total assets less current liabilities			
Creditors – due after more than one year	12	(5,323,658)	(6,470,562)
		<u>11,684,402</u>	<u>11,060,369</u>
Net assets			
Represented by:			
Unrestricted funds	14	11,668,763	11,055,669
Restricted funds	14	15,639	4,700
		<u>11,684,402</u>	<u>11,060,369</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 6 December 2022.
and were signed below on its behalf by:



D. Johns



A.L. Lee

)
)
)
) Trustees
)
)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	16.A	1,249,495	1,731,996
Cash flows from investing activities:			
Bank interest		3,475	1,910
Purchase of tangible fixed assets		(3,607,097)	(1,002,527)
Sales proceeds from sale of tangible fixed assets		3,500	-
<i>Net cash provided by/(used in) investing activities</i>		(3,600,122)	(1,000,617)
Cash flows from financing activities:			
New borrowing		-	1,450,000
Repayments of borrowing		(453,616)	(420,289)
<i>Net cash provided by/(used in) financing activities</i>		(453,616)	1,029,711
<i>Change in cash and cash equivalents in the reporting period</i>		(2,804,244)	1,761,090
Cash and cash equivalents at the beginning of the reporting period		4,614,619	2,853,529
Cash and cash equivalents at the end of the reporting period	16.B	1,810,375	4,614,619

The notes on pages 16 to 27 form part of these financial statements.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

1. CHARITABLE STATUS

The Trust is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee and does not have any share capital. It was incorporated on 25 January 1979 (company number: 01411417) and registered as a charity on 20 February 1979 (charity number: 277324).

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019. The financial statements are drawn up under the historical cost convention.

The functional currency of the Trust is considered to be GBP because that is the currency of the primary economic environment in which the Trust operates.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, in particular, the carrying value of the construction in progress totalling £4,862,685 (2021: £1,696,924). Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, other than those identified above, no other assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Going concern

As highlighted in the Report of the Trustees, having assessed the Trust's financial position, the plans for the foreseeable future, the risks to which the Trust is exposed and the detailed cash projections, the Trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

The following principal accounting policies have been applied:

Income

All income is recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

Fees and similar income

Fees receivable and charges for services and use of the premises are accounted for in the year in which the services are provided. Fees receivable are stated after deducting bursaries, scholarships and other remissions allowed by the Trust.

Registration fees are non-refundable and are credited to income when received.

Deposits are included as a liability until refunded or, on ceasing to be refundable, are credited to income.

Advance fees are credited to income as and when the fees fall due.

Rental and investment income

Rents are stated gross and are included on an accruals basis. Interest received represents gross interest derived from cash deposits held and credit balances and is accounted for on a receivable basis.

Donations and legacies and other voluntary income

All donations, legacies and other voluntary income are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Trust is considered probable.

Donations received for the general purposes of the Trust are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds.

Government grants

The Coronavirus Job Retention Scheme (CJRS) resulted in cash payments from government to compensate employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who were placed on furlough (that is, placed on a temporary leave of absence from working for the employer). This is accounted for in accordance with Section 24 of FRS 102 and the performance model is used to recognise these grants.

Expenditure

Expenditure is accounted for on an accruals basis where there is a legal or constructive obligation to make a payment to a third party and the amount of the obligation can be measured reliably. Charitable expenditure represents the costs of running the Trust including salaries, catering, premises and welfare costs. Costs of raising funds include financing costs. Charitable expenditure is allocated to the appropriate headings relevant to the charitable activities on a direct basis. Support costs mainly represent office administration. Irrecoverable VAT is charged to the Statement of Financial Activities as incurred. Governance costs comprise the costs of running the Trust, including strategic planning for its future development, external audit, legal advice and all the costs of complying with constitutional and statutory requirements.

Operating leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Staff Benefits including pension costs

The Trust contributes to the following schemes:

- i. The Trust contributes to the Teachers' Pension Scheme. This is a multi-employer pension scheme and it is not possible to identify the Trust's share of the underlying assets and liabilities on a consistent and reasonable basis. Therefore, as required by FRS 102, the Trust accounts for the scheme as if it were a defined contribution scheme. The Trust's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.
- ii. The Trust also operates a defined contribution scheme – Aviva pension scheme. Contributions to the plan are made in accordance with the rules of the plan and are charged to expenditure when they are payable.

Short term benefits

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accruals basis and in accordance with FRS 102.

Funds

Restricted - where the purpose for which the funds may be used has been restricted by donors; and

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objects.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

Fixed Assets

All assets purchased are included at their purchase price. Assets with a cost below £500 are not capitalised.

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation has been provided on the straight-line method by reference to the anticipated useful lives of the assets concerned at the following rates:

Land	-	Not depreciated
Freehold property buildings	-	2% per annum
Property improvements	-	Up to 15 years
Motor vehicles	-	20% per annum
Plant, equipment and computers	-	20% to 25% per annum

No depreciation is charged to assets under construction.

Assets are reviewed for impairment on an annual basis and any charges are expensed to the Statement of Financial Activities.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and cash equivalents, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and cash equivalents is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Cash and cash equivalents

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

Debtors

Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

Creditors

Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Amounts are recognised at their settlement amount.

Deferred consideration

Shrewsbury House School Trust Limited has agreed to pay a deferred consideration to The Corporation of King's College Wimbledon following the acquisition of The Rowans School on 31 July 2017. The deferred consideration has been discounted to present value and is shown under Creditors.

Bank borrowings

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

3. CHARITABLE ACTIVITY - SCHOOL FEES RECEIVABLE

	2022 £	2021 £
Gross school fees	9,752,738	9,339,020
Less: COVID-19 summer term discounts	-	(130,176)
	<u>9,752,738</u>	<u>9,208,844</u>
Less: Total bursaries, grants and allowances	(155,691)	(156,857)
	<u>9,597,047</u>	<u>9,051,987</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

4. ANCILLARY INCOME

	2022 £	2021 £
Registration fees	45,900	42,900
School fees insurance	15,307	17,454
School fees draw	16,575	19,964
Extras	560,015	326,121
Minibus charges	259,509	184,489
	<u>897,306</u>	<u>590,928</u>

5. INCOME FROM VOLUNTARY SOURCES

	2022 £	2021 £
Donations and grants	19,923	59,444
Less: Hardship discounts offered to parents	-	(14,651)
	<u>19,923</u>	<u>44,793</u>

6. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £	Other £	Depreciation /Impairment £	Total 2022 £	Total 2021 £
Costs of raising funds:					
Financing costs	-	254,179	-	254,179	198,199
Charitable activity:					
Teaching	4,434,708	689,891	200,191	5,324,790	5,267,164
Premises	352,959	1,049,965	1,135,344	2,538,268	1,893,283
Welfare	-	494,097	-	494,097	382,653
Support costs – other	1,141,701	252,150	-	1,393,851	1,280,125
Support costs – governance	-	16,431	-	16,431	15,403
Total	<u>5,929,368</u>	<u>2,756,713</u>	<u>1,335,535</u>	<u>10,021,616</u>	<u>9,036,827</u>

2021 COMPARATIVES

	Staff Costs £	Other £	Depreciation £	Total 2021 £
Costs of raising funds:				
Financing costs	-	198,199	-	198,199
Charitable activity:				
Teaching	4,497,923	555,099	214,142	5,267,164
Premises	359,386	1,019,799	514,098	1,893,283
Welfare	-	382,653	-	382,653
Support costs – other	1,047,643	232,482	-	1,280,125
Support costs – governance	-	15,403	-	15,403
Total	<u>5,904,952</u>	<u>2,403,635</u>	<u>728,240</u>	<u>9,036,827</u>

Support costs include the costs borne by the Trust for the administrative functions and include Compliance, Human Resources, Facilities, Finance, Information Technology, Marketing and Minibuses.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

6. ANALYSIS OF TOTAL EXPENDITURE (Continued)

	2022 £	2021 £
GOVERNANCE COSTS		
Audit fees	16,090	15,050
Trustee expenses	341	353
	<u>16,431</u>	<u>15,403</u>

7. NET INCOME FOR THE YEAR

	2022 £	2021 £
This is stated after charging:		
- Auditors' remuneration - Audit (excluding VAT)	16,090	15,050
- Other fees (excluding VAT)	4,900	1,500
Operating leases (excluding VAT)	<u>139,914</u>	<u>134,956</u>

8. STAFF COSTS

	2022 £	2021 £
Wages and salaries	4,641,124	4,620,320
Social security costs	487,594	472,964
Other pension costs	767,368	778,520
Other staff costs	25,018	22,665
Redundancy and termination payments	8,264	10,483
	<u>5,929,368</u>	<u>5,904,952</u>

	2022 Number	2021 Number
The average number of persons employed by the school during the year was:		
Teaching staff and teaching assistants	85	88
Support and other staff and gap students	45	38
Minibus drivers – part-time	15	14
	<u>145</u>	<u>140</u>

The number of employees who received emoluments and benefits in the following ranges were:

£60,001 - £70,000	7	10
£70,001 - £80,000	3	1
£80,001 - £90,000	-	2
£90,001 - £100,000	-	1
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-

The school made employer's pension contributions totalling £164,045 (2021: £219,107) on behalf of the higher paid employees.

Aggregate employee benefits of key management personnel – Senior management team	<u>885,182</u>	<u>879,604</u>
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

9. TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Property	Freehold Property Improvements	Construction in Progress	Equipment, Computers and vehicles	Total
	£	£	£	£	£	£
Cost or Valuation						
At 1 September 2021	14,021,072	82,350	3,921,851	2,715,086	2,100,622	22,840,981
Additions	-	-	84,973	3,279,273	242,851	3,607,097
Disposals	-	-	(268,538)	-	(117,279)	(385,817)
At 31 August 2022	14,021,072	82,350	3,738,286	5,994,359	2,226,194	26,062,261
Depreciation						
At 1 September 2021	2,970,637	-	1,818,836	1,018,163	1,667,430	7,475,066
Charge for the year	179,387	-	591,365	-	200,191	970,943
Impairment	-	-	251,081	113,511	-	364,592
Disposals	-	-	(244,155)	-	(106,021)	(350,176)
At 31 August 2022	3,150,024	-	2,417,127	1,131,674	1,761,600	8,460,425
Net Book Value						
At 31 August 2022	10,871,048	82,350	1,321,159	4,862,685	464,594	17,601,836
At 31 August 2021	11,050,435	82,350	2,103,015	1,696,924	433,192	15,365,915

National Westminster Bank plc hold a first legal charge over the freehold property dated 19 July 1994 in respect of 107 Ditton Road, Surbiton, KT6 6RL.

Lloyds TSB Bank Plc hold a first legal charge over the freehold property dated September 2011 in respect of 22 Milbourne Lane, Esher, KT10 9EA.

Lloyds Bank plc hold a first legal charge over the freehold property dated 31 July 2017 in respect of 19 Drax Avenue, Wimbledon Common, London, SW20 0EG. Lloyds Bank plc also has a debenture dated 12 March 2021 in the form of a floating charge over all the properties of the Trust and a negative pledge.

The Corporation of King's College School holds a first legal charge over the freehold property dated 31 July 2017 in respect of 54 Ditton Road, Surbiton, KT6 6RB.

10. DEBTORS

	2022 £	2021 £
Due within one year:		
Trade debtors	99,731	24,784
Other debtors	62,348	34,863
Prepayments and accrued income	160,197	161,605
	<u>322,276</u>	<u>221,252</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

11. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Bank loans (see note 13)	734,142	513,311
Deferred consideration	465,006	463,462
Trade creditors	364,549	404,918
Social security costs and other taxation	119,211	140,335
Other creditors	118,037	191,008
Accruals	172,752	313,497
Pupil deposits	214,287	200,682
Fees in advance	538,443	443,642
	<u>2,726,427</u>	<u>2,670,855</u>

12. CREDITORS: Amounts falling due after one year

	2022	2021
	£	£
Bank loans (see note 13)	4,290,997	4,965,444
Deferred consideration	-	445,652
Pupil deposits	1,032,661	1,059,466
	<u>5,323,658</u>	<u>6,470,562</u>

Pupil deposits are refundable when a pupil leaves the school.

Shrewsbury House School Trust Limited has agreed to pay a deferred consideration to The Corporation of King's College Wimbledon following the acquisition of The Rowans School on 31 July 2017. An amount of £482,000 was paid on 31 July 2022 and a further £482,000 is payable on or before 31 July 2023. The total deferred consideration has been discounted to present value at a discount rate of 4%. An amount of £465,006 is shown under Creditors falling due within one year.

13. BANK LOANS

	2022	2021
	£	£
The bank loans are repayable by instalments		
Due after five years	1,870,347	2,063,420
Due within two to five years	1,682,162	2,017,755
Due within one to two years	738,488	884,269
	<u>4,290,997</u>	<u>4,965,444</u>
Due within one year (note 11)	734,142	513,311
	<u>5,025,139</u>	<u>5,478,755</u>

Shrewsbury House School Trust Limited has a bank loan with NatWest Bank which was taken out in March 2004. The current rate of interest paid is Base Rate plus 1% and the loan is repayable in termly instalments until May 2024 when the loan will be fully repaid.

Shrewsbury House School Trust Limited has a Coronavirus Business Interruption Loan (CBIL) with Lloyds Bank which was drawn down on 17 May 2021. The current rate of interest paid on the loan is fixed at 3.91%. The loan is repayable in monthly instalments starting June 2022 until May 2027 when the loan will be fully repaid.

Shrewsbury House School Trust Limited has a bank loan with Lloyds Bank which was drawn down on 31 July 2017. The current rate of interest paid on the loan is fixed at 4.12%. The loan is repayable in termly instalments starting in September 2019 until July 2032 when the loan will be fully repaid.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

14. FUNDS

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2022 £
<i>Unrestricted fund:</i>					
General fund	11,055,669	10,629,470	(10,021,076)	4,700	11,668,763
<i>Restricted fund:</i>					
Infrastructure & equipment	4,700	16,179	(540)	(4,700)	15,639
TOTAL FUNDS	11,060,369	10,645,649	(10,021,616)	-	11,684,402

The transfer of funds relates to a laser cutter for Shrewsbury House School.

2021 COMPARATIVES

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
<i>Unrestricted fund:</i>					
General fund	10,265,133	9,797,937	9,033,354	25,953	11,055,669
<i>Restricted fund:</i>					
Infrastructure & equipment	3,700	15,775	3,473	(11,302)	4,700
Hardship	9,413	5,238	-	(14,651)	-
Total Restricted fund	13,113	21,013	3,473	(25,953)	4,700
TOTAL FUNDS	10,278,246	9,818,950	9,036,827	-	11,060,369

15. NET ASSETS OF THE FUNDS

	Fixed Assets £	Net Current Assets (Liabilities) £	Long-Term Liabilities £	Total £
Unrestricted fund	17,601,836	(609,415)	(5,323,658)	11,668,763
Restricted fund	-	15,639	-	15,639
TOTAL FUNDS	17,601,836	(593,776)	(5,323,658)	11,684,402

2021 COMPARATIVES

	Fixed Assets £	Net Current Assets £	Long-Term Liabilities £	Total £
Unrestricted fund	15,365,915	2,160,316	(6,470,562)	11,055,669
Restricted fund	-	4,700	-	4,700
TOTAL FUNDS	15,365,915	2,165,016	(6,470,562)	11,060,369

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

16. NOTES TO STATEMENT OF CASH FLOW

NOTES TO STATEMENT OF CASH FLOW

	2022 £	2021 £		
Reconciliation of net income to net cash flow from operating activities				
A. Net income for the reporting period (as per the Statement of Financial Activities)	624,033	782,123		
Adjustments for:				
Depreciation charges	970,942	728,240		
Impairment charges	364,593	-		
Loss/(profit) on disposal of fixed assets	32,137	(665)		
Bank interest	(3,475)	(1,910)		
(Increase)/decrease in debtors	(101,021)	13,849		
(Decrease)/increase in creditors excluding bank loans	(637,714)	210,359		
Net cash provided by operating activities	<u>1,249,495</u>	<u>1,731,996</u>		
B. Analysis of cash and cash equivalents				
Cash at bank and in hand	<u>1,810,375</u>	<u>4,614,619</u>		
Total cash and cash equivalents	<u>1,810,375</u>	<u>4,614,619</u>		
C. Analysis of changes in net debt				
	Balance at 1 September 2021 £	Cash Flows £	Transfers £	Balance at 31 August 2022 £
Cash	4,614,619	(2,804,244)	-	1,810,375
Loans falling due within one year	(513,311)	-	(220,831)	(734,142)
Loans falling due after more than one year	(4,965,444)	453,616	220,831	(4,290,997)
TOTAL	<u>(864,136)</u>	<u>(2,350,628)</u>	<u>-</u>	<u>(3,214,764)</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

17. PENSION COMMITMENTS

The Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £672,862 (2021: £680,175) and at the year-end £77,750 (2021: £67,510) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The Trust also contributed to a pension scheme administered by Aviva for non-teaching staff. The charge totalled £87,618 (2021: £86,249) and at year-end £11,827 (2021: £12,618) was accrued in respect of contributions to this scheme. The Trust also makes contributions towards the private scheme of a member of staff.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

18. COMMITMENTS UNDER OPERATING LEASES AND CAPITAL COMMITMENTS

	Assets other than land & buildings	
	2022 £	2021 £
Due within one year	134,990	128,817
Due between one to five years	134,990	128,377
	<u>269,980</u>	<u>257,194</u>

Capital commitments contracted for but not provided in these accounts at 31 August 2022 were £Nil (2021: £680,703).

19. INDEMNITY INSURANCE

The Trust purchased insurance, at a cost of £798 (2021: £798) for the Trustees during the year to indemnify them against any liabilities arising as a result of negligence on the Trust's behalf.

20. RELATED PARTY TRANSACTIONS

No payments were made to Trustees during the year for reimbursement of expenses (2021: £Nil). Amounts paid directly to third parties on behalf of Trustees during the year amounted to £341 (2021: £353). These expenses consisted of a working dinner for Trustees. During the year, payments made by a Trustee towards school fees amounted to £6,201 (2021: £10,237). The amount billed by Shrewsbury House School to the Trustee was £9,009 (2021: £7,859). An amount of £926 (2021: £322) was billed to a company related to a Trustee for the hire of the Sports Hall. Payments made by the company were £926 (2021: £322).

During the year, the Shrewsbury House Association donated £6,260 towards the landscaping at Shrewsbury House School Sports Ground (of which £540 was spent in the year) and £2,016 to projects at Shrewsbury House School. The Friends of Rowans donated £7,903 towards projects at The Rowans School.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted General Fund £	Restricted Fund £	Total 2021 £
INCOME FROM:				
Income from charitable activity				
School fees	3	9,051,987	-	9,051,987
Ancillary trading income	4	590,928	-	590,928
Other trading activities				
Rental and lettings income		91,419	-	91,419
Investment income				
Bank and other interest		1,910	-	1,910
Voluntary sources				
Grants and donations	5	23,780	21,013	44,793
Coronavirus Job Retention Scheme		33,412	-	33,412
Other Income				
Other Income		4,501	-	4,501
Total Income		<u>9,797,937</u>	<u>21,013</u>	<u>9,818,950</u>
EXPENDITURE:				
Costs of raising funds:				
Financing costs		198,199	-	198,199
Charitable activity:				
Education		8,835,155	3,473	8,838,628
Total Expenditure	6	<u>9,033,354</u>	<u>3,473</u>	<u>9,036,827</u>
NET INCOME		764,583	17,540	782,123
Transfers between funds		25,953	(25,953)	-
NET MOVEMENT IN FUNDS		790,536	(8,413)	782,123
Fund balance brought forward at 1 September 2020		<u>10,265,133</u>	<u>13,113</u>	<u>10,278,246</u>
Fund balances carried forward at 31 August 2021	14	<u>11,055,669</u>	<u>4,700</u>	<u>11,060,369</u>