

THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

COMPANY NUMBER 1648056

REGISTERED CHARITY NUMBER 285244

REGISTERED OFFICE

Ditcham Park, Petersfield, Hampshire, GU31 5RN

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THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION

Governor's Report for the Year Ending 31st August 2022

The Governors of The Ditcham Park School Charity Association present their annual directors' report and the audited financial statements for the year ended 31 August 2022 and confirm they have also been prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The directors of the charitable company are its Trustees (Governors) for the purpose of charity law. The Memorandum and Articles of Association and this annual report refer to these individuals as the Governors of the School.

This report provides a summary of the charity's objects, describes the benefits which its education brings and explains its admissions and bursaries policies. In addition, the report explains the wider contribution the educational resources of the School make to public benefit, including the pupils and staff of maintained state schools within our local community.

OUR AIMS

The Objects of the Charity, as set out in the Memorandum and Articles of Association, are to promote and provide for the advancement of education and in connection therewith to conduct, carry on, acquire and develop in the UK any School or Schools for the education of both boys and girls. In accordance with the current prospectus, Ditcham Park School currently educates approximately 415 pupils (including Nursery pupils); it is co-educational and provides a continuous education for children aged from 'rising three' to 16 years.

As a charitable trust, Ditcham Park School seeks to benefit the public through the pursuit of its stated aims. We seek to provide a structured and supportive educational environment that develops our pupils' capabilities and competences. Through our academic curriculum, programme of pastoral care, and wide range of sporting and other activities, we promote the academic, moral and physical development of our pupils, building their self-confidence and providing them with the skills and desire to go out into the world and improve it.

Our School Aims

Identify and develop each child's interests and abilities

All children are unique and have a distinct blend of abilities or intelligences. We aim to find the best in every child through an 'all round' approach to education and by identifying and developing their abilities whether they are academic, sporting or in the creative arts.

Promote Academic Excellence

We seek to inspire within our pupils a lifelong love of learning by creating a culture of innovative, dynamic and progressive teaching which ensures that, as our pupils learn, they are excited, curious and, like their teachers, passionate about their interests.

Provide an environment where pupils are happy and where they can flourish

We believe that our relatively small size helps us provide outstanding pastoral care so each child is known and valued. Our physical environment, situated on a beautiful 16 acre site in an Area of Outstanding Natural Beauty, positively influences behaviour and encourages an appreciation of our natural environment and encourages a sense of well-being.

Prepare pupils for the future

We aim to provide our pupils with the academic qualifications, knowledge and skills, including technological and creative skills, to equip them for Further and Higher Education and to take full advantage of the opportunities provided in our Digital Age. We aim to develop self-confident young people with Christian values, a growth mind set and the desire to shape the modern world for the better.

Connect with the Community

We aim to develop strong links with our parents and the local community. We believe that an education at Ditcham Park School should be accessible to children from the local community

Pastoral Care at Ditcham Park School

As a relatively small school we are proud of the high levels of personalised pastoral care we have in place for each pupil. We are able to nurture and develop our pupils in a safe yet stimulating environment. Through our pastoral support system we aim to build each child's self-confidence and can provide the guidance necessary to support pupils through any life challenges they might experience. Alongside the broad curriculum delivered by our team of highly motivated, talented and inspiring teachers, the development of strong relationships and open communication channels between pupils, staff and parents gives us great satisfaction as a school. This is a significant contributing factor in delivering our outstanding academic results and pupils are undeniably happy at Ditcham. They feel safe, secure, valued, supported as well as challenged.

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School. In addition, when setting our objectives and planning our activities our Governors have carefully considered the Charity Commission's public benefit guidance.

Our key objectives for the year included:

- To respond to the ongoing challenges of Covid-19
- To increase and improve the quality of our co-curricular provision including the planning, organisation and delivery of a "Sports Activity Week" during the summer term;
- To further improve pupils' welfare, leadership and personal development opportunities, subject to Covid-19 restrictions;
- To continue to improve our communications with parents, families and the wider community;
- To provide continuing means tested support to pupils through bursaries and hardship awards (including the provision of hardship bursary support to families directly affected by the coronavirus pandemic (Covid-19));
- To complete a Governance survey and skills audit for current Governors.

STRATEGIC REPORT

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The School has, despite the ongoing challenges of Covid-19, enjoyed another stimulating and successful year and further built upon its positive reputation in a wide variety of activities.

Pupil Numbers and Fees

As a result of the School's excellent reputation for academic and non-academic achievement, pastoral care and extra-curricular activities, pupil numbers have increased during the year despite the challenges of Covid-19. Our fees for the current year before the deduction of any means assisted bursaries and scholarships were:

Nursery	- £57.00 per day (non-funded hours)
Early Years	- £2,976 per term
Juniors	- £3,329 to £4,203 per term
Seniors	- £4,456 to £4,990 per term

We can be proud of all the School's successes and achievements this year particularly during the Autumn and Spring Terms when we were still in the grip of Covid-19.

GCSE Exam Results August 2022

The academic year 2021/22 finished with the best GCSE results in the School's history. 51% of all grades were 9-7 (A*/A) and 99% were 9-4 pass grades. All Form 5 leavers will be moving on to their first choice Sixth Form or College. Looking back over the last 5 years we can see a steady improvement in our GCSE results including our 'value added' score; a result of high standards in teaching in both Juniors and Seniors and a commitment to our pupils' development and welfare demonstrated by all teaching and support staff.

Autumn Term 2021

We have enjoyed new spacious catering arrangements in the refurbished South Downs Hall; we have achieved considerable success in sport; we have appreciated some wonderful music events; we have won national awards for Juniors and Seniors artwork; we have completed the 'extension' to the Sports Hall which we can look forward to using fully at the start of next term. We have been ranked 13th best school in the country for smaller schools in the Sunday times Good Schools Guide. A lovely congratulatory letter on this achievement from the Lord Lieutenant of Hampshire has been received.

Spring Term 2022

Despite Covid, we are really pleased we managed to go ahead with the school production of Bugsy Malone in February. Over 45 pupils were involved in this popular musical with acting, singing and dancing roles on stage and supporting roles as musicians, sound and lighting technicians and backstage work. Tickets for this show were in such high demand we put on an extra performance. Everyone who was lucky enough to see the performance was treated to a wonderfully entertaining show which provided a colourful platform for our pupils to demonstrate their many creative talents. Likewise, we enjoyed watching and listening to over 50 pupils in Seniors sing and play at a joyful Seniors Music Concert in March. The day after the .00Seniors Concert, 8 bands performed in the Battle of the Bands. 'Stationary Rocks' were the winners. The following week pupils in Uppers and musicians in Seniors took part in the Petersfield Music Festival.

Other highlights this term included World Book Day, Juniors Science Week, a visit from GB elite athlete Adelle Tracey, the ski trip to Italy, a geography trip to Iceland and Charities Week which resulted in £1,227 being raised for House Charities and over £2,300 from fundraising for DEC Ukraine and a non-uniform day. The term finished on a high with the enjoyable Juniors Egg Roll races followed by a whole school Easter Service led by Reverend Will Hughes.

We have enjoyed using the new extension to the Martin Pryce Building which provides us with a second indoor sports hall, more changing rooms, two new classrooms and a wonderful fitness/activities studio. You may have seen images of our Dance Coach Danni putting her growing number of dancers through their paces in the fitness suite. Despite Covid we have enjoyed a full sports schedule and some memorable sporting achievements. The girls' sporting term has been filled with a variety of Hockey and Netball, with some strong performances in every year group. Congratulations to our Form 3 Boys Rugby team who have enjoyed an undefeated season, and to our Uppers Boys Rugby team who were runners up at the Boundary Oak Rugby Festival.

Summer Term 2022

We have finished this academic year on a high with all the excitement, fun and adventure provided by the innovative Summer Sports Festival followed by a joyful Founder's Day and Prize Giving on the last day of term. Set against the challenging backdrop of living with the pandemic and economic and political volatility, we have worked hard to provide a safe, supportive and purposeful learning environment for all our pupils and to re-connect parents with the School. We have crammed so much into this term and taken every opportunity to invite parents into School. **The Queen's Platinum Jubilee Fair in May** was a really well attended and joyful event brilliantly organised by Friends of Ditcham Park School. **Festival 45** was designed to bring together families, pupils and staff past and present to enjoy live outdoor music.

The sun continued to shine for both Juniors and Seniors Sports Days. A separate Junior and Senior Founder's Day and Prize Giving event on the last day of term, attended by our Founder Paddy Holmes, provided an appropriate opportunity to celebrate all our pupils progress and achievements this year.

Our successful **Literacy initiative** and webinars to involve parents in developing their child's literacy skills; the resumption of team sports and fixtures and school trips this year have provided important educational and social experiences for our pupils.

Every age group from Lower (Yr4) up to Form 4 (Yr10) has been on a residential trip this year. The School ski trip took place in February against all the odds. Our first ever geography trip to Iceland took place in March and in June, Forms 3 & 4 on a First World War battlefields trip to Belgium and France.

We have benefitted from the use of our new dining facilities in the South Downs Hall and the extension to the Martin Pryce Building (sports hall) which has enabled us to provide new activities for our pupils such as dance. Ruaridh McConnochie, Olympic and Rugby World Cup silver medallist officially opened the extension as guest of honour for Founder's Day & Prize Giving. The Summer Festival of Sport which involved all our pupils in sport and activities proved to be an unprecedented success.

We have also enjoyed great success with Art, Drama and Music. Our Juniors and Seniors have won national awards with their artwork. There was so much demand for the Senior School production of Bugsy Malone in February that we put on an extra performance. The Uppers' production of the Key Master was outstanding. Huge numbers of our pupils have achieved distinction and merit awards for LAMDA. We have enjoyed a fantastic range of musical events including the Young Voices at O2, Juniors and Seniors concerts, Battle of the Bands, Young Musician, Save the Children concert and many others. We should be pleased we were ranked in 13th place nationally in the Sunday Times Good Schools Guide for our GCSE results for our category of independent schools without a sixth form.

Details of bursary and scholarship awards

Bursaries

This year the value of means tested bursaries totalled £158,431 and represented 3.1% of our gross fees. They provided assistance to 22 of our pupils, of which 3 pupils benefitted from a full remission of fees. During the summer term we accepted 3 pupils from the Ukraine who have relocated to the area. These pupils have been awarded full remission on all fees which totalled £10,100 for the summer term.

Scholarships

In addition, the School awarded scholarships to 53 pupils, based on their educational merit and potential, totalling £79,605 and representing 1.6% of our gross fees. The progress of pupils receiving scholarships is reviewed annually to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of such reviews.

Fundraising and the Outreach Programme

Fundraising

Each year the School's pupils and staff enjoy joining together in support of a variety of charitable organisations, achieved through fundraising House events, termly Whole School Mufti Days (where often visiting speakers will help to raise the children's awareness of particular causes) and the annual "Charity Week" in Seniors. In this academic year the School raised just over £5,865. The annual Harvest Festival Services generated a significant donation of food for disadvantaged families, donated via two local charities and, at Christmas, the "Cans for Christmas" appeal collected food donations to the Petersfield Food Bank and distributed to families in the Petersfield area over the festive season. We also raised a significant amount for the Rural Refugee Network in response to the war in Ukraine.

Outreach and Community Access

The School's Senior Leadership Team seek to promote and support the School's programme of "Outreach" whenever possible by developing strong links with local Infant, Primary and Prep Schools in particular, although activities were inevitably curtailed during the Covid-19 affected year to August 2022. In April 2019 the School organised STEAM Masterclasses for pupils aged 7-13 from local schools. In May 2019 the School held its first "Outdoor Learning Day" for primary and junior children, attended by several maintained sector schools. The children enjoyed Bushcraft sessions in the North Woods and falconry talks and displays in the Walled Garden. Due to its success in bringing together the local school communities and popularity with the children and teaching staff the event will be reinstated annually once Covid-19 restrictions are fully lifted.

Public Benefit

We see Ditcham Park School as a part of a wider community, and we are delighted to assist the community whenever we can. Our School has links with local education institutions. We regularly provide student placements for trainee teachers from the Universities of Chichester and Winchester and Bohunt Sixth Form College, and we accommodate local students who want to do work 'shadowing' in an educational environment. During this financial year, we have worked with a number of local schools who have used our school site to camp as part of their Duke of Edinburgh Award expeditions. A local Hockey club has had use of our sports hall for their winter training sessions. In addition, we held regular webinars for parents of our pupils and others in the community throughout the year on different aspects of school education, such as literacy and reading skills and internet safety. Following the refurbishment of our Junior library we donated a number of items including shelving, books and a piano, to one of our local schools, Harting Junior School.

The Governors have complied with their duty, under Section 17(5) of the 2011 Charities Act, to have regard to the Charity Commission guidance when exercising powers or duties to which the guidance is relevant.

FUTURE PLANS

The prime objective of the Governors is to provide, for each individual pupil, a high standard of all-round education, including excellent examination results, strong pastoral care and a broad extra-curricular experience. The Governors intend to continue with their current strategies to make surpluses and generate cash inflows in future periods that will ensure the continuing viability of the charity and enable the School to fund future improvements.

The School's 10-year building and facilities development plan includes a number of projects that will, once complete, benefit the majority of pupils and staff with improvements focussed on three primary areas in the School; Physical Education facilities, School Dining/Assembly areas and the Creative Arts, the latter to include a purpose-built performance auditorium. In the year to August 2022 the Martin Pryce Sports Hall extension was completed providing a further 489m² bespoke sporting resource.

Environmental issues are a priority for the School community and we always consider the energy efficiency and longer-term environmental impact of each new facility as plans are drawn up for their development. Our pupils and staff are invested in protecting the planet's future and in 2021/22 hosted the Nature and Oceans Day and undertook a range of environmentally focused activities in the Summer 2022 Environment Week. Governors are therefore mindful of the need to incorporate sustainability into the School's development plans whenever appropriate and practicable.

OUR FINANCES - Results for the Year Ended 31 August 2022

The financial statements show a net surplus for the year on our Schools activities of £243,577. The principal source of income is fees, accounting for 99.8% of the School's income. The net cash outflow was £604,923. The School does not receive any additional income from endowments. Our Governors are continuing their strategy of deploying all net incoming resources to investing in the educational purposes and fabric of the School.

As an educational Charity, the parents of our pupils have the assurance that all the income of the School must be applied for educational purposes. Our status also lets us enjoy tax exemption on our educational activities and on our investment income and gains provided these are applied to our charitable aims. As a Charity, we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are wholly applied for educational purposes and indirectly help us to maintain our bursary policies and outreach and community links programme, creating a social asset without cost to the Exchequer. Furthermore, we estimate the School saves the UK taxpayer in the region of £2.3m as a result of the attendance at our school by pupils who could otherwise take up a free UK State School place; through direct and indirect tax contributions.

As an educational Charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes.

Facilities Maintenance and Development

In 2018/19 the School undertook a whole site utilisation review to help inform and develop a 10-year masterplan of facility improvements and building developments. During 2019/20 as a result of this review, the School Leadership Team and School Governors refined the agreed programme focusing on three distinct areas of the School, expected to appeal to a wide cross section of the School community including pupils, staff and parents.

One priority identified area was to improve the School's dining facilities in order to provide a comfortable, sociable, well-supervised facility that will be enjoyed by pupils and staff alike. During the year 2020-21, to keep pupils and staff as Covid-19 secure as possible, the School installed a year long temporary "Dining Marquee" facility to the south of the South Downs Hall (SDH). This provided an attractive, safer and popular facility and, with this success in mind, Governors approved the School's request to redevelop the SDH and an adjacent area to provide a permanent solution to allow dining to remain in the same area when the marquee was removed in August 2021. This redevelopment work has been possible due to the construction of the extension to the Martin Pryce Sports Hall which was completed in January 2022 thus allowing the PE department to move from the SDH to their dedicated facility. During 2020-21 the School has worked in conjunction with the appointed architectural practice and a range of specialist consultants to finalise the design of the School's flagship Centre for the Creative Arts complex, a project that will bring together the art, drama and music departments. The planning application was made in the Autumn of 2021 and we await final approval of this exciting development.

Reserves and Investment Powers

The School's main financial instruments comprise bank balances and debtor and creditor balances. The main purpose of these instruments is to finance the School's operations. The nature of the financial instruments used by the School is such that their market value does not fluctuate as a result of changes in market prices. Debtors are managed in respect of credit and cash flow risk by the regular monitoring of outstanding amounts. Creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Reserves

Reserves will be accumulated when possible for the development of the School, whilst retaining a minimum cash holding in general funds of sufficient size to ensure the uninterrupted running of the School and meet the objectives of the charity as set out in the Memorandum and Articles of Association. Currently the School retains the sum of £500,000 in general funds to cover its immediate operational expenses; this amount is regularly assessed against forecast income and expenses for its suitability. In the event of insufficient money being readily available to cover current expenditure, the School will utilise funds from the CBILS loan held from 21st September 2020; as at 31 August 2022 the School had one loan commitment in favour of NatWest bank, related to the CBILS loan. Generally, the School aims to manage its funds prudently to permit further development.

The School intends to continue building reserves to provide funds for its 10-year development plan, as outlined in "Future Plans" on page 4. The cash flows required to generate the funds needed to finance these investments, whilst simultaneously maintaining the day to day operation of the School, are assessed by the School and the Governing Body.

Investments

These are governed by the Memorandum of Association which permits the funds to be invested in or upon such investments, securities or property as may be thought fit by the Governors. At 31 August 2022 investments were held in interest bearing bank accounts with Natwest, Lloyds, and CAF banks. There is no exposure to stock market or other risks.

OUR ETHOS STRATEGIES AND POLICIES

The broad strategy of the School is to provide an excellent all-round education for its pupils and to provide our pupils with the skills, qualifications and the self-confidence to pursue a successful and meaningful life. This is achieved by identifying and developing the abilities that each child possesses using a holistic approach to education. In addition, the charity endeavours to maintain a co-operative relationship with local Schools and the wider local community as far as it is able within its financial means and rural location high on the South Downs.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of his/her potential and in line with the general standards achieved by his or her peers.

Entrance interviews and assessments are undertaken to satisfy the School and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's gender, ethnicity, race, religion or disability do not form part of our assessment processes. Economic status is only taken into consideration when a parent applies for a means-tested bursary. We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation, or disability. We will make reasonable adjustments, within the constraints of the existing School buildings, to maintain accessibility to all areas of the School for any staff or pupils who are or become disabled. As new building developments are planned, accessibility for disabled pupils, staff and visitors is a key consideration.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

Parents are provided with regular information about their children's social and academic progress through parent evenings, end of term and end of year reports. We maintain regular contact with parents throughout the year through informal contacts, electronic weekly newsletters and termly printed colour newsletters. Pupils are supported by Form Tutors, House Captains and a system of staff and pupil mentors.

ACCESS POLICY

It is important to us that access to the education we offer is not restricted to those who can afford our fees. Our pupils, we believe, benefit from learning within a diverse community. Social interaction, conversation and shared experiences help our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Bursaries Policy

Our Governors view our bursary policy as an important factor in our efforts to widen access to the education we offer and the facilities we enjoy. We believe our bursary awards provide children from families who would otherwise not be able to afford the fees with the opportunity to increase their attainment and significantly improve their life chances. Our bursary awards are open to all who meet our general entry requirements and are made solely on the basis of parental means, or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means, we take several factors into consideration, including family income, investments and savings and family circumstances, such as dependant relatives and the number of siblings.

THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION

Governors' Report 31 August 2022 - continued

However, our School has no endowments and in funding our awards we are mindful to ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. The bursary awards granted range from 10% to 100% remission of fees, in some cases including transportation to site. We advertise the availability of these awards on our website and in our prospectus.

OTHER POLICIES ON ASSISTANCE

Fee Financial Planning Policy

Advance planning for School fees is important for many parents who are hoping to send their children to Ditcham Park. A School Fees Plan is available to help those who wish to fund educational costs through regular contributions, via a third-party provider.

Family Discounts Policy

The School places importance on family continuity amongst our pupil population and we therefore offer discounts to our many parents who have more than one child at the School.

Assistance for our Teaching Staff

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme for staff members who choose to educate their children at our School.

Scholarships Policy

The purpose of our scholarship awards is to recognise high academic potential, or the ability to excel in Music, Sport, Art or Drama. Scholarships are awarded with a fixed remission of fees between 5% and 30%, available for both Juniors and Seniors. We advertise the availability of scholarship awards on our website, in our prospectus and in a printed brochure available at our Open Mornings or by request. Further details are available directly from the School. The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with their abilities.

Learning Difficulties & Learning Disabilities Policy

It is central to the ethos of Ditcham Park School that all pupils are equally valued and share a right to a broad balanced curriculum which promotes personal development preparing them for increasing independence and responsibility. All pupils are offered relevant help and assistance in their learning wherever and whenever a need is identified. In some circumstances, with the agreement of parents, teachers and Learning Support staff, a pupil may receive one to one support from a specialist literacy/numeracy teacher. Ditcham Park can provide specialist support, on site, during the school day delivered by the Head of Learning Support and her team to fit around a pupil's timetable and activity commitments where possible. This support requires a fee paid for by parents.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors, who are also the charity trustees, administer the Charity and are responsible for the overall management and control of The Ditcham Park School Charity Association. The Council of Governors meets not less than four times each year and at such other times as the Chairman shall appoint. The work of implementing most of their policies is carried out by the three sub-committees covering Finance, Buildings and Education. Each meet at least three times each year and work under the chairmanship of a Governor appointed at the AGM each year. The Council makes strategic decisions and ensures that the structure and management arrangements for governance of the School are well defined to provide effective oversight and guidance.

The Bursar is responsible for co-ordinating the work of the Governors and their Committees, preparation of papers and management accounts and the review of matters arising.

All trustees give of their time freely and no remuneration was paid in the year. No Governor or person connected with a Governor received any benefit from a means tested bursary or scholarship awarded to our pupils.

The Governors appoint the Headmaster and the Bursar & Clerk to the Governors to manage the day to day operations of the charity.

Governing Document

The Ditcham Park School Charity Association is a Company Limited by Guarantee and is governed by its Memorandum and Articles of Association dated 2 July 1982 as amended by special resolution on 27 May 2002. It is registered as a charity with the Charity Commission in England.

Organisational Management

Our Governors determine the general policy of our School. The day to day running of the School is delegated to the Headmaster, supported by Senior Staff. The Headmaster undertakes the key leadership role overseeing educational, pastoral, and administrative functions in consultation with the SLT (Senior Leadership Team). The day to day administration of both sections of our School is undertaken within the policies and procedures approved by our Governors which provide for only significant expenditure decisions and major capital projects to be referred to our Governors for prior approval.

The Headmaster oversees the recruitment of all educational staff and teaching support staff, whilst under delegated authority, the Bursar oversees the recruitment of administration, estate and catering staff. The Headmaster, Head of Seniors and Head of Juniors attend our Council of Governors' meetings, accompanied by the Bursar who also acts as Clerk to the Governors.

Other Relationships

The School is a member of the Independent Schools Council, Independent Schools Association, the Independent Schools Bursars Association and AGBIS. These memberships provide an opportunity to share expertise, knowledge and experience across the independent school sector and provides appropriate representation to Government and regulators of the views of the sector when required.

Risk Management

The Governors examine the major risks that the School faces each financial year when preparing and updating the strategic plan. The Charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the School in the future. Governors have prescribed a risk assessment methodology, and the Senior Leadership Team undertakes an annual review. The Senior Leadership Team reported their findings to the Governors during the year; Governors reviewed the findings and were satisfied that procedures were in place to effectively manage all known risks.

Governor Recruitment and Appointment

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background
- A Governor with a financial/accounting background
- A Governor with professional experience of the building industry, ideally a Quantity Surveyor
- A Governor with education experience
- A Governor with senior managerial or business experience
- A Governor with experience of equal opportunities or disability needs
- At least one female Governor and at least one male Governor

Anyone with the approval of a majority of the Council of Governors can become a member of the charity. Each member agrees to contribute £1 in the event of the charity being wound up. The Council has at least two and not more than fifteen elected members, each of whom shall be called a Governor. The Council elects a Chair and Vice Chair. One third of the remaining elected members of the Council, or the nearest number thereto, retire in rotation according to length of service on the Council. They can be re-elected. The Governors retiring by rotation and being eligible for re-election at the next Annual General Meeting (June 2023) are Mr Hall, Mrs Parrett and Mr Seddon.

Governor Induction and Training

New Governors receive an internal induction information pack familiarising them with the School and its operation, including the Memorandum and Articles of Association, the committee and decision-making processes, the governance and financial management procedures of the School, the development plan and recent financial performance. New Governors also receive external induction training to brief them on their legal obligations under charity and company law. All Governors are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. In February 2020 the School engaged AGBIS to provide bespoke training for all Governors in post at that time, on the School premises. Governors have continued with a programme of training updates via online webinars since this time. Governors receive reimbursement for training expenses and associated travel costs.

THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION

Governors' Report 31 August 2022 - continued

Governors' Responsibilities

The Governors (who are also the Directors of The Ditcham Park School Charity Association 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 and Charity law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Governors are responsible for the maintenance and integrity of the corporation and financial information included on the charitable company's website.

Statement as to Disclosure of Information to Auditors

In so far as the Governors are aware at the time of approving our Governors' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the charitable company's Auditors are unaware; and
- the Governors, having made enquiries of fellow Governors and the auditor that they ought to have individually taken, have each taken steps that he/she is obliged to take as a Governor in order to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

GOVERNORS AND CHARITY TRUSTEES

The Governors who served during the financial year and since that year end were:

Mr C J Pickett	(Chair of Governors) (Chair of Building Sub-Committee) (Designated Governor for Health & Safety)
Mr R Overend	(Vice Chair of Governors) (Chair of the Education Sub-Committee) (Creative Arts and Music Link)
Mr G Seddon	(Chair of Finance & Personnel Sub-Committee)
Mrs C Baynes	(Member of the Finance & Personnel Sub-Committee)- appointed 8 March 2022
Mrs L Campbell	(Designated Governor for Child Protection) – appointed 20 January 2022
Mrs N Dentten	(Member of the Finance & Personnel Sub-Committee)
Mr J Hall	(Member of the Building Sub-Committee)
Mr G Hughes	(Member of the Building Sub-Committee)
Mrs R Parrett	(Member of the Education Sub-Committee) (Deputy Designated Governor for Child Protection)
Dr L Pye	(Member of the Building Sub-Committee)
Mr P Symonds	(Member of the Finance & Personnel Sub-Committee)

Patrons:

Mrs P M Holmes
Commander M E Buchanan, RN (retired)
Sir Sherard Cowper-Coles KCMG, LVO
Mr J P Daley
Mrs K S Morton
Mr B H Strugnell
Mrs A Moody
Mr A Dale

THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION

Governors' Report 31 August 2022 - continued

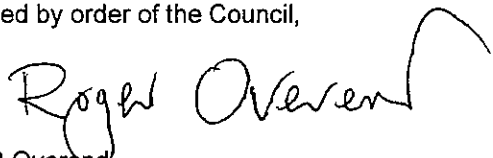
The Headmaster:	Mr G D Spawforth
The Bursar and Clerk to the Governors:	Mr G Jones – Appointed 1 September 2022 Mrs D A Allen – Resigned 27 May 2022
Address and Registered office:	Ditcham Park Petersfield Hampshire GU31 5RN
Registered Charity Number	285244
Registered Company Number	01648056
Principal Bankers:	NatWest Bank Plc 4 High Street Petersfield Hampshire GU32 3JF
Senior Statutory Auditor:	Mrs Julie Watts
Auditors:	Leonard Gold Chartered Accountants Statutory Auditor 24 Landport Terrace Portsmouth Hampshire PO1 2RG

AUDITORS

Leonard Gold will be deemed to continue in office under s487(2) of the Companies Act 2006.

The Governors' Report which includes the Strategic Report was approved by the Council (in their capacity as governors and company directors) on *21 November 2022*

Signed by order of the Council,


Mr R Overend
CHAIRMAN

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION**

Opinion

We have audited the financial statements of The Ditcham Park School Charity Association for the year ending 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 its incoming resources and application of resources for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- 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 charity company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, including the governors' report, other than the financial statements and our auditor's report thereon. The governors are responsible for the other information, contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 governors' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

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 Governors' Annual Report (including the strategic 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 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 obtained all the information and explanations necessary for the purposes of the audit.

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 9 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, 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 to 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 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:

The extent to which the audit was considered capable of detecting irregularities including fraud

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 governors and other management, and from our commercial knowledge and experience of the School sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements of the operations of the charitable company, including Companies Act 2006, Charities Act 2016, data protection, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team maintained alerts to instances of non-compliance throughout the audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION - CONTINUED**

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;
- 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;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note x were indicative of potential bias;
- 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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigations and claims;
- reviewing correspondence with HMRC, 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 regularity and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than this that arise from error as they may involve deliberate concealment or collusion.

Description of the auditor's responsibilities for the audit of the financial statements

The auditor's 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 the auditor's opinion. Reasonable assurance is a high level assurance but is not a guarantee that an audit conducted in accordance with International Standards of Auditing(UK) (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 take n the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the entity's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain certain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher that one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override in internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the governors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION - CONTINUED**

- Conclude on the appropriateness of the governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planning scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Leonard Gold

**Mrs Julie Watts (Senior Statutory Auditor)
for and on behalf of Leonard Gold
Statutory Auditor
Chartered Accountants
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG**

Dated: 13 December 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds		Restricted Funds	Total	Total
		General	Designated	Funds		
		2022	2022	2022	2022	2021
		£	£	£	£	£
INCOME						
Income from charitable activities						
Fee income		4,895,304	(168,503)	-	4,726,801	4,448,515
Other income	3	371,325	-	-	371,325	331,503
Income from generated funds						
Investment income		<u>3,514</u>	<u>-</u>	<u>-</u>	<u>3,514</u>	<u>1,299</u>
Total income		<u>5,270,143</u>	<u>(168,503)</u>	<u>-</u>	<u>5,101,640</u>	<u>4,781,317</u>
EXPENDITURE						
Cost of generating funds						
Fundraising and publicity	4	36,812	-	-	36,812	46,592
Charitable activities						
Direct charitable expenditure	5	4,288,405	675	-	4,289,080	4,100,898
Support and governance costs						
	6	<u>532,171</u>	<u>-</u>	<u>-</u>	<u>532,171</u>	<u>475,533</u>
Total expenditure		<u>4,857,388</u>	<u>675</u>	<u>-</u>	<u>4,858,063</u>	<u>4,623,023</u>
Net income before transfers						
Between funds		<u>412,755</u>	<u>(169,178)</u>	<u>-</u>	<u>243,577</u>	<u>158,294</u>
Transfers between funds		179,497	(179,497)	-	-	-
Net income before other recognised gains and losses						
		592,252	(348,675)	-	243,577	158,294
Loss on revaluation of fixed assets for Charity's own use						
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		592,252	(348,675)	-	243,577	158,294
Total funds brought forward at 1 September 2021						
		<u>4,610,395</u>	<u>3,201,011</u>	<u>4,584</u>	<u>7,815,990</u>	<u>7,657,696</u>
Total funds carried forward at 31 August 2022						
		<u>£5,202,647</u>	<u>£2,852,336</u>	<u>£4,584</u>	<u>£8,059,567</u>	<u>£7,815,990</u>

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

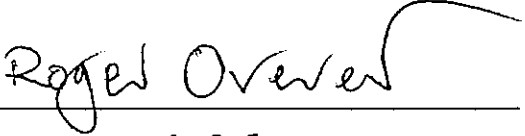
All income and expenditure derive from continuing activities.


The notes on pages 19 to 28 form part of these financial statements.

BALANCE SHEET AS AT 31 AUGUST 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible Assets	9	<u>7,188,864</u>	<u>7,077,916</u>
Current assets			
Stocks		20,634	10,770
Debtors	10	5,638	6,501
Prepayments	10	39,583	28,673
Cash at Bank and In Hand		<u>3,024,465</u>	<u>3,629,388</u>
		3,090,320	3,675,332
Creditors:			
Amounts falling due within one year	11	<u>(1,009,988)</u>	<u>(990,530)</u>
Net current assets:		<u>2,080,332</u>	<u>2,684,802</u>
Total assets less current liabilities		9,269,196	9,762,718
Creditors: Amounts falling due after more than one year	11	(889,000)	(1,126,700)
Accruals and deferred income	11	<u>(320,629)</u>	<u>(820,028)</u>
		<u>£8,059,567</u>	<u>£7,815,990</u>
Unrestricted funds	15		
Designated Funds		2,852,336	3,201,011
General Funds		3,913,338	3,321,086
Revaluation Reserve		<u>1,289,309</u>	<u>1,289,309</u>
		8,054,983	7,811,406
Restricted funds	15	<u>4,584</u>	<u>4,584</u>
Total charity funds	15	<u>£8,059,567</u>	<u>£7,815,990</u>

The financial statements were approved by the Council of Governors on *21 NOVEMBER 2022* and signed on its behalf by

 Mr R Overend - Governor

 Mr G Seddon - Governor

The notes on pages 19 to 28 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	<u>2022</u>	<u>2021</u>
	£	£
Cash flows from operating activities	<u>(24,895)</u>	<u>660,981</u>
Cash flows from investing activities		
Interest income	3,514	1,299
Purchase of tangible fixed assets	<u>(363,542)</u>	<u>(677,292)</u>
Net cash from investing activities	<u>(360,028)</u>	<u>(675,993)</u>
Cash flows from finance activities		
New loan in year	-	1,200,000
Repayment of bank loans	<u>(220,000)</u>	<u>-</u>
Net cash from financing activities	<u>(220,000)</u>	<u>1,200,000</u>
Increase(Decrease) in cash and cash equivalents in the year	<u>(604,923)</u>	<u>1,184,988</u>
Cash and cash equivalents at the beginning of the year	<u>3,629,388</u>	<u>2,444,400</u>
Total cash and cash equivalents at the end of the year	<u>£3,024,465</u>	<u>£3,629,388</u>

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

	<u>2022</u>	<u>2021</u>
	£	£
Net movement in funds	243,577	158,294
Add back depreciation charges	243,893	211,798
Add loss on disposal of tangible fixed assets	536	-
Deduct interest income shown in investing activities	(3,514)	(1,299)
(Increase)/Decrease in stock	(9,864)	(5,006)
Decrease/(Increase) in debtors	(10,047)	(9,559)
(Decrease)/Increase in creditors	<u>(489,476)</u>	<u>306,753</u>
Cash generated from operating activities	<u>£(24,895)</u>	<u>£660,981</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 August 2022

	31.8.22	1.9.21
	£	£
Cash and cash equivalents	<u>3,024,465</u>	<u>3,629,388</u>

Year ended 31 August 2021

	31.8.21	1.9.20
	£	£
Cash and cash equivalents	<u>3,629,388</u>	<u>2,444,400</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.21 £	Cash flow £	At 31.08.22 £
Net cash			
Cash at bank and in hand	<u>3,629,388</u>	<u>(604,923)</u>	<u>3,024,465</u>
	<u>3,629,388</u>	<u>(604,923)</u>	<u>3,024,465</u>
Debt			
Debts falling due within 1 year	(220,000)	(20,000)	(240,000)
Debts falling due after 1 year	<u>(980,000)</u>	<u>240,000</u>	<u>(740,000)</u>
	<u>(1,200,000)</u>	<u>220,000</u>	<u>(980,000)</u>
Total	<u>2,429,388</u>	<u>(384,923)</u>	<u>2,044,465</u>

1. STATUTORY INFORMATION

The Ditcham Park School Charity Association is a private company limited by guarantee, registered in England and Wales. The charity's registered number and registered office address can be found in the Governors' Report.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Preparation of Accounts

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Ditcham Park School Charity Association meets the definition of a public benefit entity under FRS102.

Significant accounting judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date and that affect the reported amounts of revenue and expenses during the reporting period. In this period, the Governors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below:

Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Fee Income

Fee income and charges for services are accounted for in the period in which the service is provided.

Donations

Donations received for the general purposes of the charity are credited to the Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to the Restricted Funds where these wishes are legally binding on the school's Governors.

Government Grants

Interest paid by the Government on finance acquired by the charity under the Coronavirus Business Interruption Loan Scheme (CBILS) has been recognised in the Statement of Financial Activities as income in the period to which the underlying interest charge relates.

Grants have been received from the Government relating to the Coronavirus Job Retention Scheme during the year. The income is recognised as Grant Income, within Other Income under the accruals method.

Resources Expended

Resources expended are accounted for on an accruals basis.

Support and Governance Costs

Only those costs specifically identified as for the support and governance of the charity are included in the financial statements as such costs.

Tangible Fixed Assets

Assets are capitalised as tangible fixed assets when they are intended for use on a continuing basis in the charity's activities, and where their cost exceeds £500.

Depreciation is calculated to write off the cost or valuation of assets less their expected residual values, over their useful economic lives. The following rates are used:-

Land	Not depreciated
Freehold Buildings	Between 2% straight line and 10% straight line
IT Equipment and Software	5%, 10%, 20% and 33 1/3% straight line
Fixtures, Fittings and Other Equipment	10% and 20% straight line and 25% reducing balance

In the past the land was included with freehold buildings and depreciated, however due to the valuation that was carried out in August 2018 the land element is now separately identified and therefore not depreciated. The reduction in the depreciation charge is not material.

Stocks

Stocks are valued at the lower of cost based on normal levels of activity, and net realisable value.

Debtors

Fees receivable are recognised at their recoverable amount. Prepayments are valued at the amount prepaid net of any discounts.

Cash at Bank and In Hand

Cash at bank and cash in hand includes cash and short term highly liquid accounts.

Creditors

Creditors are recognised where the charity 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 or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

Pensions

Retirement benefits for the employees of The Ditcham Park School are separated between teaching and support staff pension schemes.

Teachers Pension Scheme

Until April 2021 the School participated solely in the Teachers' Pension Scheme ("the TPS") for its teaching staff. From 1st April 2021, due to the rising costs of the employer's Teachers Pension contributions (ERS) the school has introduced an alternative Aviva APTIS pension scheme which is a defined contribution scheme. From 1st April 2021 the School has contributed a maximum of 16.48% into each teacher's chosen scheme. Teachers electing to remain in the TPS do so by self-funding the additional cost of the higher Employers Contribution of 23.68% prescribed by the TPS. From 1st October 2021 the School has moved to a "Phased Withdrawal Status School" with the TPS. The pension charge for the year includes contributions payable to the TPS and Aviva Aptis of £335,645 (2021: £361,755) and at the year-end £40,254 (2021 - £37,720) 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 at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed an 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 wither 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 to the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

Support Staff

Contributions are made into a defined contribution scheme for the non-academic staff. The employer's contribution for the year is a maximum of 10%, in direct correlation to the employees own contribution rate of choice.

The total pension commitment at the balance sheet date was £48,780 (2021: £47,050) which includes TPS and Aviva Aptis.

Leasing Commitments

Rentals paid under operating leases are charged to the statement of financial activities account on a straight line basis over the lease term.

Financial Instruments

Financial Assets

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

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial Liabilities

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

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

Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are subsequently measured at amortised cost using the effective interest method.

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

Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Governors.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

3. OTHER INCOME

	<u>2022</u> £	<u>2021</u> £
Transport Fees	188,487	143,610
Miscellaneous Income	181,643	122,079
Government Grants	-	24,090
Coronavirus Job Retention Scheme Grant	<u>1,195</u>	<u>41,724</u>
	<u>£371,325</u>	<u>£331,503</u>

4. FUNDRAISING AND PUBLICITY

	<u>2022</u> £	<u>2021</u> £
Marketing Costs	<u>36,812</u>	<u>46,592</u>
	<u>£36,812</u>	<u>£46,592</u>

THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 - continued

5. DIRECT CHARITABLE EXPENDITURE

	Staff Costs £	Depreciation & Loss on Disposal of Fixed Assets £	Other Costs £	Total 2022 £	Total 2021 £
Teaching Salaries and Costs	2,801,669	106,986	267,382	3,176,037	3,030,924
Estate Salaries and Costs	132,874	135,926	272,936	541,736	597,285
Transport Costs	-	-	257,929	257,929	209,961
Catering Salaries and Costs	116,261	1,517	104,399	222,177	179,860
Utilities Costs	-	-	91,201	91,201	82,868
	<u>£3,050,804</u>	<u>£244,429</u>	<u>£993,847</u>	<u>£4,289,080</u>	<u>£4,100,898</u>

6. SUPPORT AND GOVERNANCE COSTS

	2022 £	2021 £
Support Costs:		
Salaries and Office Costs	475,123	405,301
Finance	33,635	17,167
Governance Costs:		
Legal and Professional Fees	9,613	37,141
Audit and Accountancy Fees	13,800	15,924
	<u>£532,171</u>	<u>£475,533</u>
	2022 £	2021 £
Total Staff Costs Comprised:		
Wages and Salaries	2,723,202	2,543,140
Social Security Costs	289,173	258,055
Pension Costs	413,121	437,296
	<u>£3,425,496</u>	<u>£3,238,491</u>

One employee earned between £70,000 and £80,000 per annum

One employee earned between £90,000 and £100,000 per annum

The average number of employees, analysed by function, was:

	2022	2021
Teaching	53	52
Estate	4	4
Management and Administration of Charity	8	6
Catering	4	4
	<u>69</u>	<u>66</u>

7. OPERATING SURPLUS

The operating surplus is stated after charging:

	<u>2022</u> £	<u>2021</u> £
Depreciation of Tangible Fixed Assets and loss on disposal of fixed assets	244,429	211,798
Coach Hire	257,929	209,961
Auditors' - Remuneration	6,200	6,100
- Accountancy	<u>7,600</u>	<u>9,824</u>

8. TAXATION

Due to the nature of the charity's activities there is no corporation tax liability arising on the charity's surplus for the year.

9. TANGIBLE FIXED ASSETS

	<u>Freehold Land</u> £	<u>Freehold Buildings</u> £	<u>Fixtures Fittings & Other Equipment</u> £	<u>IT Equipment & Software</u> £	<u>Totals</u> £
COST/VALUATION					
At 1 September 2021	1,925,000	5,149,774	468,734	482,733	8,026,241
Additions	-	301,368	21,709	56,503	379,580
Disposals	-	(56,808)	(1,170)	-	(57,978)
	<u>1,925,000</u>	<u>5,394,334</u>	<u>489,273</u>	<u>539,236</u>	<u>8,347,843</u>
DEPRECIATION					
At 1 September 2021	-	351,681	299,324	297,319	948,324
Charge for Year	-	131,684	47,272	64,937	243,893
Eliminated on disposal	-	(32,604)	(634)	-	(33,238)
	<u>-</u>	<u>450,761</u>	<u>345,962</u>	<u>362,256</u>	<u>1,158,979</u>
NET BOOK VALUES					
At 31 August 2022	<u>1,925,000</u>	<u>4,943,573</u>	<u>143,311</u>	<u>176,980</u>	<u>7,188,864</u>
At 31 August 2021	<u>1,925,000</u>	<u>4,798,093</u>	<u>169,410</u>	<u>185,414</u>	<u>7,077,916</u>

The freehold property and property under construction was professionally revalued on 14 August 2018 by Savills (UK) Limited Chartered Surveyors (Regulated by RICS) on the fair value basis. The freehold property was valued at £5,500,000, of which £1,925,000 was deemed to be the land.

To the best of the knowledge and belief of the Governors the valuation of the freehold property carried out on 14 August 2018 is not materially different to the value of the freehold property at the 31 August 2022 (taking into account the cost of additions since the valuation was carried out). The Governors believe that it is appropriate to reflect this valuation in the financial statements for the year ended 31 August 2022.

Revaluations of the freehold land and buildings will be carried out with sufficient regularity to ensure that the fair value is reflected in the accounts.

THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 - continued

10. DEBTORS

	<u>2022</u> £	<u>2021</u> £
Due within one year:		
Fees Receivable	5,638	6,501
Prepayments and Accrued Income	<u>39,583</u>	<u>28,673</u>
	<u>£45,221</u>	<u>£35,174</u>

There were no amounts falling due after more than one year.

11. CREDITORS

Amounts falling due within one year

	<u>2022</u> £	<u>2021</u> £
Bank Loan (see note 12)	240,000	220,000
Fees in Advance	653,687	661,776
Social Security and Pension Costs	116,301	108,754
	<u>1,009,988</u>	<u>990,530</u>

Other Creditors and Accruals

320,629	820,028
<u>£1,330,617</u>	<u>£1,810,558</u>

Amounts falling due after one year:-

Bank loan	740,000	980,000
Other creditors	149,000	146,700
	<u>£889,000</u>	<u>£1,126,700</u>

12. LOANS

An analysis of the maturity of loans is given below:

	<u>2022</u> £	<u>2021</u> £
Amounts falling due within one year or on demand:		
Bank loan	<u>240,000</u>	<u>220,000</u>
Amounts falling due between one and two years:		
Bank loan - 1-2 years	<u>240,000</u>	<u>240,000</u>
Amounts falling due between two and five years:		
Bank loan - 2-5 years	<u>500,000</u>	<u>720,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan more than 5 years by instalments	<u>-</u>	<u>20,000</u>
	<u>-</u>	<u>20,000</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	980,000	1,200,000
	<u>980,000</u>	<u>1,200,000</u>

The bank loan is secured against the School's assets.

14. COMPANY STRUCTURE AND CONTROLLING PARTY

The charity is a company limited by guarantee and does not have any share capital. The Governors are the controlling party of The Ditcham Park School Charity Association. At the close of 31 August 2022 there are eleven Governors who are limited to £1 liability each.

15. STATEMENT OF FUNDS

	Balance at 1 September 2021 £	Incoming Resources £	Outgoing Resources (inc losses) £	Transfers £	Balance at 31 August 2022 £
General Funds					
Unrestricted Fund	3,321,086	5,270,143	(4,857,388)	179,497	3,913,338
Revaluation Reserve	1,289,309	-	-	-	1,289,309
Designated Funds					
Bursaries and Scholarships	98,000	(168,503)	-	220,503	150,000
Miscellaneous	3,011	-	(675)	-	2,336
Capital Equipment					
Replacement Fund	100,000	-	-	-	100,000
Development Fund	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>2,600,000</u>
Total Unrestricted Funds	7,811,406	5,101,640	(4,858,063)	-	8,054,983
Restricted Funds					
Miscellaneous	<u>4,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,584</u>
Total Restricted Funds	<u>4,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,584</u>
Total Funds	<u>£7,815,990</u>	<u>£5,101,640</u>	<u>£(4,858,063)</u>	<u>-</u>	<u>£8,059,567</u>

THE DITCHAM PARK SCHOOL CHARITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 - continued

ASSETS OF THE FUNDS

	<u>Tangible fixed assets</u> £	<u>Current assets</u> £	<u>Liabilities</u> £	<u>Total</u> £
Unrestricted Funds				
General Fund	5,899,555	233,400	(2,219,617)	3,913,338
Revaluation Reserve	1,289,309	-	-	1,289,309
Designated Funds	-	2,852,336	-	2,852,336
Restricted Funds	<u>-</u>	<u>4,584</u>	<u>-</u>	<u>4,584</u>
	<u>£7,188,864</u>	<u>£3,090,320</u>	<u>(2,219,617)</u>	<u>£8,059,567</u>

The General Fund represents the free funds of the Charity which are not designated for any particular purposes.

The Revaluation Reserve is required by the Companies Act 2006 and represents the amount by which the freehold property exceeds its historical cost. Revaluations of the freehold land and buildings will be carried out with sufficient regularity to ensure that the fair value is reflected in the accounts.

The Bursaries and Scholarships Fund – The purpose of this designated fund is to provide support for parents of children at the school who are able to demonstrate financial hardship, in accordance with procedures and criteria laid down by Governors, and in years when the provision within the revenue budget for Bursary Support has been fully committed. The School and Governing body assess the balance of this fund annually, with the target level set at 2% of gross fees.

Development Fund – This fund relates to potential projects that are being evaluated by the School. Following the construction of the extension to the Martin Pryce Sports Hall in 2021, the School is now reviewing its options during a time of global economic instability.

Capital Equipment Replacement Fund – The purpose of this fund is ensure adequacy of monies available to replace large items of capital equipment deemed necessary for the efficient operation of the School, its buildings and grounds.

16. OPERATING LEASE COMMITMENTS

At 31 August 2022 the total of the Charity's future committed payments are:

	<u>2022</u>	<u>2021</u>
Less than one year	-	4,131
One to five years	31,062	248
More than five years	<u>6,750</u>	<u>-</u>

17. INSURANCE

The charity is covered for Governors' liability to the value of £5,000,000 per claim per period of insurance. The cost is £102 (2021: £98 which included costs for public liability).

18. TRANSACTIONS WITH GOVERNORS

During the year four governors had children at the school and paid normal fees. £3,647 was spent purchasing trophies and services from a business owned by a Governor.

19. GOVERNORS' REMUNERATION AND EXPENSES

The Governors neither received nor waived any remuneration in relation to their Governor role during the year (2021: nil).

20. POST BALANCE SHEET EVENTS

The financial statements take into consideration events occurring between 31 August 2022 and the date of their approval by the Council of Governors.

21. CAPITAL COMMITMENTS

At 31 August 2022 there was a capital commitment of £Nil. (2021 – £357,751).