

CHEAM SCHOOL EDUCATIONAL TRUST

England & Wales · Charity number 290143

Details

Other names	CHEAM SCHOOL
Status	Registered
Legal form	Charitable company
Company number	01843219
Registered	1984-10-22
Register	View on the Charity Commission register

Contact

Address	Cheam School Newbury Road Headley Thatcham RG19 8LD
Phone	01635267800
Email	bursar@cheamschool.co.uk
Website	www.cheamschool.co.uk

Activities

Objects: TO PROMOTE, PROVIDE FOR AND ASSIST IN:- THE ADVANCEMENT OF EDUCATION OF CHILDREN IN THE UNITED KINGDOM AND ELSEWHERE, SUCH EDUCATION TO BE DESIGNED TO GIVE A SOUND CHRISTIAN AND MORAL BASIS TO ALL PUPILS, AND WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, TO EDUCATE BACKWARD AND OTHER HANDICAPPED CHILDREN. THE ADVANCEMENT OF UNDERSTANDING OF THE OPERATION AND APPLICATIONS OF COMPUTERS AND ALL ALLIED FORMS OF INFORMATION TECHNOLOGY; THE CREATION OF A LANGUAGE SCHOOL TO PROVIDE A RANGE OF COURSES FOR BOTH CHILDREN AND ADULTS TO STUDY AND LEARN (I) FOREIGN LANGUAGE AND (II) THE ENGLISH LANGUAGE WHERE THAT IF NOT THE STUDENT'S NATURAL TONGUE; THE SPONSORSHIP AND SUPPLY OF FACILITIES FOR, AND IN GENERAL TO ENCOURAGE THE PURSUIT BY MEMBERS OF THE PUBLIC OF, RECREATIONAL AND CULTURAL ACTIVITIES.

Activities: The education of girls and boys between the ages of 3 and 13.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- Hampshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£8,959,694	£8,486,204	£12,301,370	164
2024-08-31	£8,965,765	£8,830,136	£11,827,880	165
2023-08-31	£8,761,916	£7,908,562	£11,701,158	160
2022-08-31	£7,911,734	£7,368,179	£10,701,304	160
2021-08-31	£7,234,550	£7,129,608	£10,157,749	164

Trustees

Name	Role	Appointed
Camilla Jane Hughes		2025-09-01
Claire Fiona Hamilton-Russell BA		2023-04-18
Elizabeth Anna Ackary Maurency		2025-09-01
James Edward Lenygon Dahl		2024-11-08
Peter Vance Allen		2023-02-07
Prubjyot Kaur Payne-Sahota MSc		2026-04-13
Robert William Harris		2023-02-07
Sir Mark John Harford		2019-08-30
Tara Reeve		2021-04-20
Yuet Yen Sum		2024-06-21

Accounts

CURIOUS MINDS | KIND HEARTS | COMMUNITY SPIRIT



CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT & CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2025

Company Registration No. 01843219
Charity Registration No. 290143
VAT Registration No. 478595619



THURSDAY



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04/12/2025

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COMPANIES HOUSE



CHEAM SCHOOL EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31st AUGUST 2025

Headmaster	N. C. Milbank
Director of Finance & Operations	Ll. D. Jenkins
Clerk to the Governors	Ll. D. Jenkins

Bankers	National Westminster Bank Plc 30 Market Place Newbury, Berkshire, RG14 5AJ
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Auditors	HaysMac LLP Statutory Auditors 10 Queen Street Place London, EC4R 1AG
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Company Registration No.	01843219
Charity Registration No.	290143
VAT Registration No.	478595619

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2025

Preface by Cheam's Headmaster



I am immensely proud of what the Cheam Team has achieved in my first year as Headmaster. It is a privilege now to lead the School I have served for over 25 years.

For me, the happiness of our pupils, the staffroom and our parent body is the key measure of our success. The buzz that permeates Cheam's classrooms, corridors and our playing fields is hard to quantify but is there to feel. It derives from the curious minds, kind hearts and community spirit that fills our School every single day.

Happy children learn more easily. Our role, as a non-selective School, is not only to prepare pupils for some of the most selective senior schools in the country, but also to prepare them for an increasingly uncertain world: our academic focus helps pupils open doors, but it is their own character development that enables them to walk through with confidence. In March 2025 we became the only preparatory school to have achieved the ACE School of Character quality mark, for undertaking character education in an explicit, planned, conscious and reflective way.

This approach is at the heart of the new strategy we set out during the year, focused on the journey of each pupil along their own pathway. From whichever entry point a pupil joins us, through to the end of Year 8, and whether day pupil or boarder, Cheam offers a unique and complete education where every child has the opportunity and support to maximise their potential.

The last 12 months has seen considerable progress in a year characterised by significant change. The imposition of VAT on fees and other cost pressures within a challenging economic environment, coupled with lower birth rates, has created a perfect storm for the independent school sector. Sadly, many prep-schools have already closed in a market which is rapidly consolidating. The schools that endure will be those with a clear identity, purposeful education and outstanding value for money.

Readers of this year's report and accounts should be reassured that Cheam is in a strong position: we continue to invest in the best teachers and operational staff, I am supported by an experienced senior leadership team, and we benefit from the wisdom and commitment of a board of governors that includes leading educationalists and other professionals expert in their field. As we focus every day on each pupil's progress, maintain the beautiful surroundings within which they thrive, we continue to run a sustainable business – in every sense of the word – and have the reserves and resolve to weather any storms ahead.

Cheam is in its 380th year. I am looking forward to celebrating several more milestones and the continued successes of our pupils for many more years to come.

NCLH

28th November 2025

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2025



Foreword by the Chair of Governors

The Board of Governors present their annual report for the year ended 31st August 2025 together with the audited consolidated financial statements for the year. We confirm that they comply with the requirements of the Companies Act 2006 and the Company's Memorandum of Association and the Charities SORP 2005. These financial statements include the results of the School's subsidiary, Cheam Trading Limited.

This report and its consolidated financial statements were approved by the Governors at their Board meeting on 28th November 2025.



28 November 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference & Administrative Information

Cheam School was founded in 1645. It became an educational trust in 1958. The current Cheam School Educational Trust, a charitable company, was established in 1984. Its Company Registration number is 01843219, Charity Registration number is 290143 and from 1st January 2025 its VAT Registration number became 478595619. The liability of its members is limited to £1 each by guarantee. The registered office and principal address of the Company is Cheam School, Newbury Road, Headley, Berkshire, RG19 8LD.

Governing Document

The Charity is governed by the provisions of the Memorandum and Articles of Association last amended on 28th June 2005 and supplementary provisions relating to the Board of Trustees of the Company last amended on 3rd March 2022.

The Governing Body

Members of the Governing body, who are all also Charity Trustees and Directors of the Charitable Company for Companies Act purposes, are elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as diverse a mix as possible of relevant skills, experience and perspective. Members are appointed to serve for a term of three years and are eligible to stand for re-election for two further three-year terms.

Governor Training

New members of the Board are inducted into the workings of the School, and also the Company as a registered charity, including board policy and procedures. Training courses are organised by the Clerk to the Governors and are attended as required. A record of training is kept on the member's file.

Organisational Management

The Board meets at a minimum once each term to determine the general policy for the School and review its overall management and control, for which it is legally responsible. Each sub-committee usually meets at a minimum prior to each termly Board meeting, to review the areas of the School's strategy and operation set out within its Terms of Reference and to make related recommendations as required to the Board.

Organisational Structure & Relationships

The day to day running of the School is delegated to the Headmaster and Director of Finance & Operations who report to the Board each term. The Headmaster is supported by his Senior Leadership Team. Other executive sub-committees exist to provide a forum for the remainder of the staff.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2025

Board Member:		Board Sub-Committees:			
		Finance & Operations	Teaching & Learning	Pastoral & Wellbeing	Marketing & Admissions
Sir M. J. Harford Chair of Governors; Company Director		◆			
Mrs L. J. Moelwyn-Hughes Governor for Safeguarding; Master, Marlborough College	Resigned 31 Aug 2025			◆	
Mrs C. J. Hughes Governor for Safeguarding; Company Director	Appointed 1 Sep 2025	◆		◆	
Mrs C.F. Hamilton-Russell Chair of Pastoral & Wellbeing Committee; Lawyer				◆	
Mr H. Bond-Gunning Company Director	Resigned 14 Mar 2025			◆	
Mr J. Dahl Master, Wellington College	Appointed 8 Nov 2024		◆		
Mr R. W. Harris Chair of Teaching & Learning Committee; Company Director			◆		
Mr N. Adams Housemaster, Eton College			◆		
Mrs E. Stone Headmaster, Winchester College	Appointed 1 Sep 2025		◆		
Mr P.V. Allen Chair of Finance & Operations Committee; Company Director		◆			
Mr S. Miners Company Director		◆			◆
Mrs T. Reeve⁽¹⁾ Chair of MDA Committee; Director of Admissions, Downe House					◆
Mrs Y.Y. Sum⁽¹⁾ Lawyer					

⁽¹⁾ These Directors also serve on the Board of the Cheam Foundation.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the result of the Trust for that period. In preparing financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the principles and methods of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Trust will continue in business.

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

So far as each of the Governors is aware at the time the report is approved:

- There is no relevant audit information of which the Trust's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2025

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

<i>Charitable Object</i>	The principal Object of the Charitable Trust, in accordance with its Memorandum and Articles of Association, is the advancement of education of children.
<i>Strategic Objectives</i>	1. To create a happy environment where pupils can thrive in all aspects of School life. 2. To maintain academic focus and achieve the highest academic results possible for each individual so that all pupils gain entry to the senior school of their choice. 3. To give pupils a broad, rich and balanced education with the opportunity to explore and shine in a wide range of extra-curricular activities. 4. To offer an outstanding programme of character development underpinned by excellent pastoral care to ensure all pupils leave Cheam well equipped to weather future challenges at their next school and beyond. 5. To maintain a sound operational and financial base to enable all of the above.
<i>Principal Activity</i>	The Trust continues to operate a Preparatory and Pre-Preparatory day school with boarding for boys and girls aged from 3 to 13. The fees are set at the minimum level necessary to preserve the ongoing financial viability of the School and to safeguard continued provision of a first-class education.
<i>Key Management Personnel Remuneration</i>	Key management personnel remuneration is determined by the School's Remunerations Committee against sector benchmarking and in consideration of other relevant information. Any revisions to remuneration policy are put by that committee to the Board for approval.
<i>Equality, Diversity and Inclusion</i>	Cheam welcomes individuals from all backgrounds. To admit a prospective pupil, the School must be satisfied that it will be able to educate and develop that prospective pupil to the best of their potential. Familiarisation days and assessments are undertaken to satisfy the School and prospective parents that potential pupils can enjoy and benefit from the style of education we provide. Individual background, sex, race, religion or any other protected characteristic are disregarded in this assessment process. The School will make reasonable adjustments to meet the needs of pupils or staff who have specific needs which require particular support.
<i>Bursaries, Allowances & Remissions</i>	The Governors regard the School's bursary awards as important in helping ensure children from families who would otherwise not be able to afford the fees can access the education the School offers. Bursaries have been available to all who meet our general entry requirements and are made only on the basis of parental means or to relieve hardship. The School does not have large endowments or investments to fund such awards and the imposition of VAT on fees from January 2025 has made funding generally more challenging. Therefore, the School will continue to find a balance between full fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from such awards. This year, the School offered transitional support to existing families facing additional pressure due to VAT. Overall, the School was able to support 47 pupils (2023: 21) through means-tested bursaries. Three of these bursaries were worth 65% or more of the annual fee. For the year the total value of bursaries, allowances and remissions reduced the annual fee income by £587,440 (2024: £513,370).
<i>Future Plans</i>	The Governors review the School's objectives and strategies every year and agree changes if and as required. The purpose of this is to ensure, through sound and regular scrutiny, that the School continues to be a market leader through the provision of modern facilities and first-class teaching staff. The Governors have reviewed and approved the business plan for the next financial year and also reviewed the outlook for future years including appropriate scenario analysis. Following the departure of the prior Headmaster on 31st August 2024 and the appointment from 1st September 2024 of Nick Milbank as Acting Headmaster, the Governors commenced a rigorous process to identify and appoint a suitably accomplished successor. Having concluded this process in December 2024, the Board announced the permanent appointment from January 2025 of the Acting Headmaster, who had proven he was the best candidate to become Cheam's 23rd Headmaster.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance

Strategic Context

The independent school sector continues to face several structural challenges. The imposition of VAT on fees in January 2025 has accelerated school closures and market consolidation, particularly amongst prep-schools. This strong new headwind, combined with the lower birth rates and higher employment costs already afflicting the sector, is straining many schools' finances. Moreover, a stagnant UK economy facing higher taxation and lower investment is leading a material number of families who can afford UK private education to relocate their lives overseas, including their children's education.

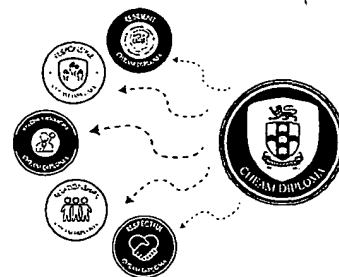
These challenges facing the market are hastening a 'flight to quality' within it. Discerning parents are increasingly focused on securing value-for-money and stability. Cheam has withstood several external shocks and other challenges over its near-400-year history and throughout has remained one of the leading preparatory schools in the country. As a non-selective School, it has a proud record of preparing pupils to secure places at some of the most selective senior schools in the world. The cornerstone of Cheam's education is the character development of its pupils, so that they are equipped to weather future challenges as successfully as Cheam has weathered its own in the past.

The next few years will force change on all of the UK's independent schools. Cheam has shown over the past 12 months that it can sustain and renew itself when change is demanded. Over this period, it has sustained, and in many places improved, how it delivers pedagogical expertise, co-curricular opportunity and exceptional pastoral care in an outstanding countryside setting. It has been able to do so because of effective governance and leadership structures, efficient organisation and execution capability and financial and operational excellence. Whatever the future holds, Cheam intends to remain well-positioned to continue delivering its premium educational product in a calm and consistent manner for many years to come.

Academic & Pastoral

Cheam strives to be a happy School, because happy children learn more easily and happy staff enjoy teaching them. Cheam fosters curiosity that encourages a love of learning in a setting promoting kindness and support. This approach is captured in Cheam's core values: **Curious Minds | Kind Hearts | Community Spirit**. In its last inspection in January 2023, the Independent Schools Inspectorate rated as 'Excellent' both the quality of pupils' academic and other achievements, and the quality of their personal development.

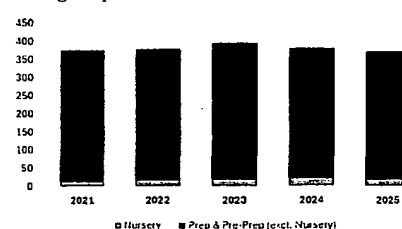
In March 2025, Cheam became the only preparatory school to have achieved the ACE School of Character quality mark, for undertaking character education in an explicit, planned, conscious and reflective way: the School has combined its intellectual property in this area with a proprietary technology platform to create the Cheam Diploma, which allows pupils to measure and track their academic, pastoral and co-curricular progress across several different personal characteristics.



Academic success can be measured in several ways. Historically, scholarships have been a useful indicator, although senior schools are increasingly awarding these during their first year (Year 9) rather than at Year 8. Nonetheless, Cheam's 2025 leavers secured 18 scholarships from senior schools (2024: 14), which included an Academic Exhibition to Winchester College which was an exceptional achievement. As educational institutions progressively dial down academic 'hot housing' in favour of character traits preferred by today's employers, so Cheam is developing other metrics to track the progress of each of its pupils and measure how well the School is preparing its pupils for their next step. We now look less intently at scholarship count and more intently at the number of pupils securing a place at their first-choice destination. We are proud to report that in 2025 all of Cheam's Year 8 pupils left to take up a place at the senior school of their choice.

The quality of Cheam's academic and pastoral offer continues to underpin demand for School places, with Nursery and Pre-Prep numbers acting as a key indicator of future Prep School demand. Average pupil numbers (excluding Nursery) were 353 for the year (2024: 361).

Average Pupil Numbers



CHEAM SCHOOL EDUCATIONAL TRUST

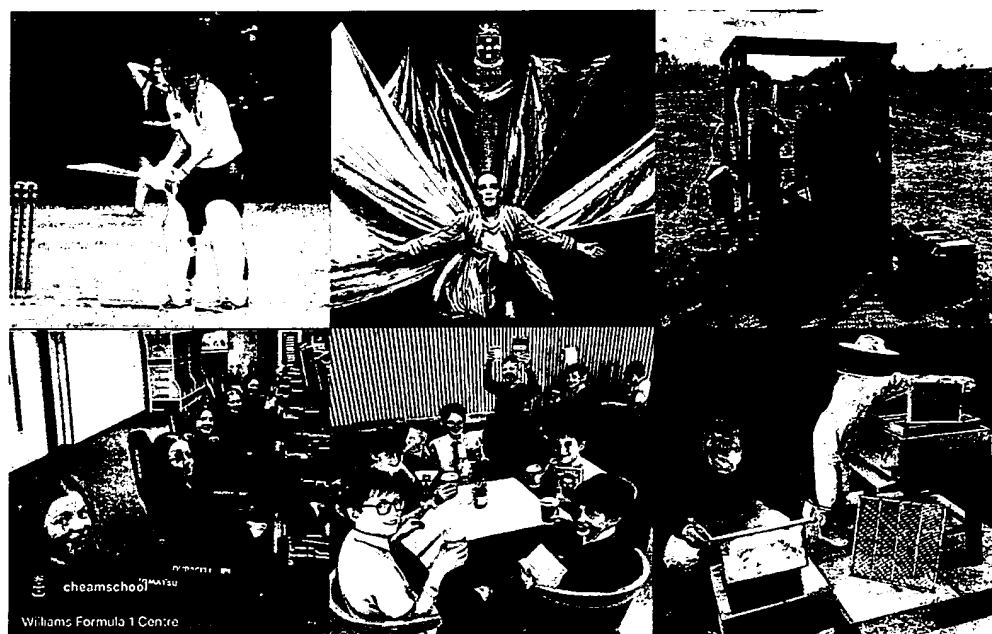
GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

Operational Performance (continued)

Co-curricular Activities

Cheam is renowned for its musicality and sporting prowess, although it is the range and diversity of co-curricular activities available which truly stands out. Opportunities include learning to play golf on Cheam's own 9-hole course, clay-pigeon shooting, climbing, horse riding and even playing the bagpipes, in a wide range of available enrichment activities. Key to all our enrichment activities is that they are purposeful and create ways for pupils to discover new interests and develop broad skills.



The School continues to publish the Cheam Chronicle each year, a publication dating back to the early 1900s, which summarises key events and the achievements across all these enrichment activities.

Facilities

The School offers a broad range of educational facilities to children of varying abilities and interests and as a matter of course reinvests annually in the maintenance and improvement of its infrastructure. A summary of capital expenditure during the 2025 year is provided in the next section of this report.

Following an independent review of its catering provision, a diverse panel of key stakeholders from across the School elected in 2025 to outsource Cheam's catering services to *Chapter One*, part of the Impact Food Group. Existing staff were TUPE transferred on the contract start date of 1 August 2025, and new equipment was provisioned over the summer, including installation of a new oven for homemade bread.

In February 2025 the School submitted a long-planned application for a new access and pedestrian improvements across the site. Once approval has been granted, implementation will be prudently managed in stages over the next few years.

Public Benefit

The Governors have taken heed of the Charity Commission's guidance on public benefit and aim to ensure that the quality of education offered by the School and the facilities that it possesses are, wherever possible, of benefit to the public and in particular the local community. The following organisations and charities have benefited during the 2025 year from donations by the School or by fundraising events held at the School: PACT (Parents and Children Together); Teddy's Wish, Hampshire Medical Fund; Wooden Spoon (The Children's Charity of Rugby); Cancer Research; PALS; West Berkshire Foodbank; Young Art; The Royal British Legion through the Poppy Appeal; and Young Minds.

Community Links

Cheam helps maintain grounds at Headley Community Shop and Village Post Office, as well as the Village Hall. The School also supports and donates to the maintenance fund of the local parish church at Ashford Hill. During the 2025 year, the School also donated a new notice board to the Ashford Hill with Headley Parish Council and hosted a cross-county event and swimming lessons for the local primary school in Kingsclere. Local clubs, sports teams and community groups also benefit from using the School's facilities.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

FINANCIAL REVIEW

Financial Framework

The strategic context outlined above informed the key financial aims in 2025:

- **To deliver a lean but solid level of net income.** To run a sustainable operation from year-to-year, balancing income from all sources against expenditure on staff and non-staff costs in that year, that achieves a sufficient surplus to reinvest in the ongoing upkeep and improvement of the School's infrastructure.
- **To maintain positive net cash flow.** To re-invest in the School's infrastructure only surpluses from its ongoing day to day fee-funded operations. This in order to preserve and augment the School's cash reserves in anticipation of challenging market conditions exacerbated by the imposition of VAT on fees.
- **Retain strong cash reserves.** To preserve the School's resilience to market uncertainty and unplanned and unexpected events; and to retain future optionality for strategic investment, by maintaining a sufficient reserve of realisable funds.

Financial Results

Actual net income was £473,490 (2024: £135,229). Income from charitable activities was £8,674,374 (2024: £8,827,176) and expenditure on charitable activities was £8,471,191 (2024: £8,826,154). Fees receivable were marginally lower following the School's decision to put in place transitional arrangements to support existing families given the earlier than expected imposition of VAT on fees from January 2025. Lower year-on-year expenditure resulted from cost optimisation in teaching staff; improved transport fleet management and new operating models in grounds and maintenance teams that leverage new technology and supply chains. Welfare costs were marginally up as the School invested further in its catering offer. These, and other cost increases due to the government's removal of business rates relief and higher employer's national insurance contributions, were absorbed by the School's proactive measures outlined above.

The full financial results for the year are set out in the statement of financial activities on Page 17.

Other Income

Other sources of non-fee income totalled £285,320, doubling that of the previous year (2024: £138,589). Interest receivable from the School's treasury strategy continued to make a significant contribution, together with notable growth in donation income from the Cheam Foundation, enabling further reinvestment in the School's sporting equipment and wider educational pursuits including outdoor music and beekeeping.

The School continues to collaborate with other organisations to develop new non-fee income streams. The Newbury Netball League renewed its contract within the year, and the newly formed English Prep Schools Cricket Association (with over 100 member schools) selected Cheam to pilot its first residential cricket camps. Further camps are planned in 2026. Other opportunities in 2027 are already being discussed.

Capital Expenditure

During the year, Cheam finalised a five-year major programme of IT infrastructure reinvestment, underpinning its digital learning strategy and operational efficiency and resilience. The School benefits from being fully cloud-based, having a second internet line; and new secure printing architecture. Other technology improvements included robot mowers for the School's extensive grounds that have led to improved cut quality and fewer emissions, lightweighting of vacuum cleaners and integration of security systems. Site safety improvements included replacement paving and stonework in several areas, new signage and further measures to control traffic movements. The School also created new common rooms for its boarders, forming part of the new strategy to reimagine its boarding offer.

Capital expenditure in the year was £254,824 (2024: £310,977).

Cash & Current Asset Investments

The School deposits cash funds at various rates of interest with its bankers. At year-end, cash and cash equivalents were £2,865,780 (2024: £3,349,752) and current asset investments £2,500,000 (2024: £2,500,000). These funds comprise: £2,054,852 related to prepaid fees which are held in separate, ring-fenced accounts (2024: £3,090,067); emergency and strategic reserves of £1,525,000 (2024: £1,525,000); and day-to-day operating cash of £1,779,741 (2024: £1,225,309). There is also £6,187 (2024: £9,376) in an account dedicated to Pre-Prep.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

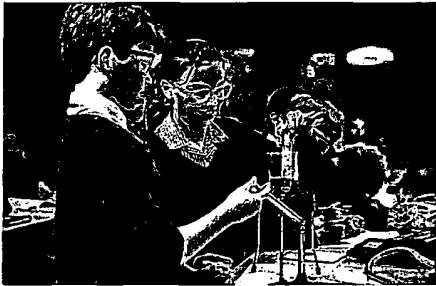
FOR THE YEAR ENDED 31st AUGUST 2025

FINANCIAL REVIEW (continued)

Renewal

From year-to-year, the School's budget is set to enable an appropriate level of renewal investment. This is balanced against preserving adequate reserves to safeguard the long-term financial health of Cheam. Sector benchmarks, good fiduciary discipline and professional experience help guide these decisions. Reinvestment can take many forms:

- *Staff* – to ensure market-competitive compensation reviews for all staff annually to attract, retain and reward high quality individuals. Additionally, to invest in continuous personal development to ensure that across the School staff develop and advance the qualifications, skills and behaviours necessary to deliver an outstanding educational experience.
- *Facilities* – to maintain safe and reliable operations and to improve continuously the quality of all assets used by pupils and staff.
- *Operations* – to optimise systems and processes and procurement strategies to capture efficiencies and secure improved value for money.



In 2025, Cheam strengthened its senior leadership team and School organisation to execute its new strategy. The pupil pathway is the School's framework for enabling the potential of every child on their journey to securing a place at some of the most selective senior schools in the country. With a balanced curriculum focused on academic and co-curricular pursuits and the opportunity to experience a reimagined boarding offer, Cheam provides a unique setting for character development within an environment of exceptional pastoral care.

Behind the scenes, the School continues to optimise systems and processes to drive operational excellence and foster collaborative partnerships and commercial relationships that preserve quality at competitive terms. Cheam also remains focused on developing transformative projects that have both immediate and long-term value for the School. In February 2025, a full planning application was submitted for a new access to enhance site and local highway safety, improve onsite parking, optimise pedestrian movements and enable better use of the School's facilities.

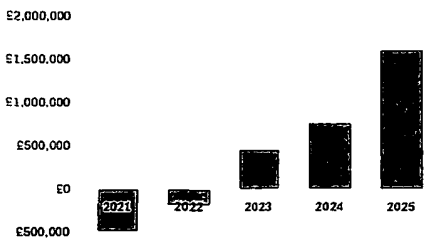
Reserves Policy

Total Reserves (defined here under the accounting regulations for charities to include freehold land and buildings fixed assets) at 31st August 2025 totalled £12,301,370 (2024: £11,827,880), of which £12,253,662 (2024: £11,780,172) were unrestricted. After deducting for fixed assets totalling £10,644,114 (2024: £11,023,077) the level of Free Reserves was £1,609,548 (2024: £757,095). Positive free reserves are an indicator of strong financial health. The School remains debt free.

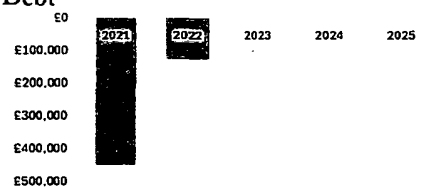
The School's reserves policy:

- To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings and maintenance programme;
- To provide emergency cover for unexpected and unavoidable items of expenditure, over and above a level which can be funded from current income.
- To seek to maintain positive free reserves with a long-term target to reach £1,000,000. As at 31 August 2025 the School's free reserves of £1,609,548 exceeded this target.

Free Reserves



Debt



CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

STREAMLINED ENERGY AND CARBON REPORTING (SECR) DISCLOSURE

Scope

Cheam is not obliged to report its energy use and carbon emissions under SECR but takes the view that voluntary disclosure is an important part of its commitment to understanding and reducing the School's environmental impact.

2023 base year

In 2023 the School baselined its carbon footprint as part of developing its multi-year estates masterplan and carbon reduction strategy.

The School aims to update its report of energy use and carbon emissions every three years. The next report is due in 2026.

Energy consumption used to calculate emissions		kWh	1,626,850
Emissions from combustion of liquified petroleum gas	Scope 1	tCO ₂ e	54
Emissions from combustion of kerosene heating oil	Scope 1	tCO ₂ e	214
Emissions from combustion of fuel for transport purposes	Scope 1	tCO ₂ e	20
Emissions from purchased electricity	Scope 2	tCO ₂ e	75
Total gross tCO ₂ e based on above		tCO ₂ e	363
Intensity ratio		tCO ₂ e/pupil	0.97

2025 energy efficiency actions

Cheam's student-led eco-committee was once again successful in being re-awarded the Eco-Schools Green Flag, with distinction. Other notable achievements were:

- Waste management – the School's fully segregated recycling system (already compliant with new regulations introduced in March 2025) saved over 11 tCO₂e in the last year.
- Reduced diesel usage – the introduction of electric robot mowers and use of HVO within the year is expected to save 20 tCO₂e per annum
- Reuse – the School continued to promote demand reduction generally by participating in a book exchange on World Book Day and redistributing clothes through the Bag2School initiative.
- Beekeeping – the Cheam Foundation funded onsite hives enabling educational opportunities for pupils and the future production of local honey for use by Cheam's catering team in match teas for pupils and parents.

Cheam continues to purchase 100% REGO-backed renewable electricity.



Methodologies used in calculation of disclosures

Cheam commissioned a review of the energy consumption and associated carbon emissions of its facilities by a specialist consultancy as part of the School's development of a multi-year estates masterplan and carbon reduction strategy. Transport emissions were based on actual mileage recorded in fleet logbooks and staff expense claims. Conversion factors for facilities are derived from current grid factors outlined in *SAP10.1*, the Standard Energy Procedure set by the Government for compliance with energy and carbon requirements set out under existing building regulations. Transport emissions are calculated using a methodology aligned with the *WRI/WBCSD GHG Protocol Corporate Standard* which makes use of publicly available, nationally relevant and regularly updated emission factors from reputable and recognised sources. This uses *2021 UK Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting*. Reporting is based on *The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018* and related guidance contained in *HM Government Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance March 2019*.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

PRINCIPAL RISKS AND UNCERTAINTIES

Governors routinely monitor the School's activities and regularly review the major risks faced in each of the principal areas of the School's operations. In the opinion of the Governors the School has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

In particular, the Governors have identified the major current risks as being:

<i>VAT on Fees</i>	Reports suggest between 11,000-13,500 pupils left the independent school sector in the 12-months following the imposition of VAT on fees, representing around 2% of pupils. Over 50 schools have closed. It is expected that the increased cost to parents of private education will continue to see parents delaying when their children join fee-paying schools, trading down or exiting the sector altogether. Coupled with other demographic and market changes, Cheam anticipates that market demand will continue to shrink, leading to localised market consolidation through both vertical and horizontal integration. The Board is monitoring developments carefully, has considered several scenarios and continues to review and appraise options that best meet its charitable objects. Governors remain committed to sustaining Cheam's provision of a premium co-educational preparatory education and supporting existing parents wherever possible using reserves set aside specifically to meet this challenge.
<i>Economic Shock</i>	The economic environment remains challenging both globally and in the UK. Geopolitical uncertainty, stagflation and the risk of higher taxation is constraining growth and investment. Energy and food prices remain volatile. These factors, and the way governments seek to try to control and/or limit their impact, could result in a significant 'Economic Shock' to the world and local economy. This in turn could lead to further financial pressure on parents unable to afford school fees and thus to a decline in pupil numbers. The School manages this risk through a strategy of enacting robust cost control; maintaining a strong understanding of its catchment area, local competition and current and prospective parental body; and rigorously reviewing and stress testing its budgets and longer-term plans.
<i>Global Health Pandemic</i>	Like almost all organisations the School remains vigilant to the potential impact of further outbreaks of new strains of Coronavirus or other similar pandemic illnesses and continues to reinforce the importance of early detection and good hygiene to maintain pupil, staff and parent wellbeing and minimise operational disruption. The School continues to monitor its own and other benchmark data to ensure it can quickly respond to isolated outbreaks using the systems and processes developed during previous lockdowns and respond to guidance from the government and professional bodies to safeguard the health and safety of the School community.
<i>Reputational Damage</i>	Strategies and plans are in place to ensure the School remains an attractive option for future parents both academically and in the provision of excellent facilities. However, the Governors recognise that the reputation of a school can be damaged by past or present events, either real or alleged, in a very short time and which could result in a loss of pupils. To mitigate these risks the School ensures appropriate policies and procedures are in place to respond to a public-relations crisis or other reputation-threatening event which are regularly reviewed by the Governors. Appropriate training is undertaken by all staff and Governors on a regular basis and good communication among staff, parents and Governors is a continuing focus.
<i>Liquidity</i>	Cash flow forecasts, ratio analysis and solvency tests are regularly prepared by the DFO and reviewed by the Finance & Operations Committee to ensure the School maintains sufficient liquidity to operate and meet its liabilities as they fall due. The School has a strong relationship with its bankers including regular communication regarding the financial performance of the School and its budgets and plans for future years. In addition to an Emergency Reserve of £525,000 and a further £1,000,000 future deployment fund held on deposit, the School maintains a £250,000 overdraft facility. Cheam did not need to use this facility during the 2025 year.
<i>Unforeseen Business Interruption</i>	The School regularly reviews its insurance coverage to ensure it has appropriate cover to offset the impact of any serious events occurring that may affect its ability to provide education to its pupils or its financial stability, such as damage to School facilities or access or interruptions to vital services.
<i>Loss of 'key player'</i>	A strong and versatile senior leadership team and practised contingency responsibilities are in place to help mitigate this risk.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

This report and consolidated financial statements were approved by the Governors at their Board meeting on 28th November 2025.



Sir Mark Harford
28th November 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHEAM SCHOOL EDUCATIONAL TRUST

Opinion

We have audited the consolidated financial statements of Cheam School Educational Trust for the year ended 31st August 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheet, the Consolidated 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 Group and parent charitable company's affairs as at 31st August 2025 and of the Group and parent 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 group 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 Group's and of the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

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 Governors Annual Report (which incorporates 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' Annual Report (which incorporates the strategic report and the Directors' report) has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHEAM SCHOOL EDUCATIONAL TRUST (continued)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report (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 returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 5, the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent 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 industry, we identified that the principal risks of non-compliance with laws and regulations, Safeguarding and Education Act, GDPR, company law and charity law applicable in England and Wales, 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.

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 management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspection of correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHEAM SCHOOL EDUCATIONAL TRUST (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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 Group and 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.



Lee Stokes
Senior Statutory Auditor
for and on behalf of HaysMac LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

2 December 2025
Date:.....

CHEAM SCHOOL EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st AUGUST 2025

		General Unrestricted Fund 2025 £	Other Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
INCOME AND EXPENDITURE	Notes				
INCOME FROM:					
Income from charitable activities					
Tuition fees	1	8,341,456	-	8,341,456	8,470,009
Disbursements and extras		286,160	-	286,160	288,825
Other ancillary income	2	46,758	-	46,758	68,342
Investments					
Interest receivable	4	166,752	-	166,752	84,536
Voluntary sources					
Donations and appeal income	5	31,156	48,209	79,365	14,110
Other income					
Other income	6	39,203	-	39,203	39,943
		<u>8,911,485</u>	<u>48,209</u>	<u>8,959,694</u>	<u>8,965,765</u>
EXPENDITURE ON:	7				
Raising funds					
Prepaid fee discount		15,013	-	15,013	4,382
Charitable activities					
<i>School operating costs</i>					
Teaching costs		4,724,087	-	4,724,087	5,126,333
Welfare		916,183	-	916,183	849,700
Premises		1,599,034	-	1,599,034	1,596,482
Support costs of schooling		1,221,831	10,056	1,231,887	1,253,239
Grants		-	-	-	400
		<u>8,476,148</u>	<u>10,056</u>	<u>8,486,204</u>	<u>8,830,536</u>
Net income before transfers		435,337	38,153	473,490	135,229
Transfers between funds		38,153	(38,153)	-	-
(Loss)/Profit on disposal of fixed assets		-	-	-	(8,507)
Net income after transfers		<u>473,490</u>	<u>-</u>	<u>473,490</u>	<u>126,722</u>
Balance brought forward		<u>11,780,172</u>	<u>47,708</u>	<u>11,827,880</u>	<u>11,701,158</u>
Balance carried forward		<u>12,253,662</u>	<u>47,708</u>	<u>12,301,370</u>	<u>11,827,880</u>

All activities are continuing. At the year end, all funds were unrestricted apart from the Other Funds, which comprised the Learning Support Fund. During the year £48,209 Other Funds were received which were to be spent on specific projects/assets. All of this was spent during the year.

No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

The accompanying notes are an integral part of the accounts. The results of the parent company are not presented in accordance with exemptions provided by the Companies Act (2006). The result for the year was a £473,490 surplus (2024: £126,722 surplus).

CHEAM SCHOOL EDUCATIONAL TRUST

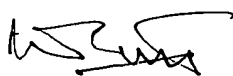
Company Number: 01843219

CONSOLIDATED AND CHARITY BALANCE SHEETS

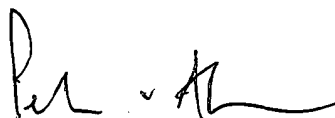
AS AT 31st AUGUST 2025

		Group		School	
	Notes	2025 £	2024 £	2025 £	2024 £
FIXED ASSETS					
Tangible fixed assets	10	10,644,114	11,023,077	10,644,114	11,023,077
Investments	3	-	-	1	1
CURRENT ASSETS					
Investments		2,500,000	2,500,000	2,500,000	2,500,000
Debtors					
Fees and extras in arrears		1,399	4,471	1,399	4,471
Fees and extras per Autumn 2025 bills		1,487,905	-	1,487,905	-
Other debtors, stocks and prepayments		304,914	250,586	304,914	250,586
Cash and cash equivalents		2,865,780	3,349,752	2,865,780	3,349,752
		<u>7,159,998</u>	<u>6,104,809</u>	<u>7,159,998</u>	<u>6,104,809</u>
CREDITORS - due within one year					
Fees and extras for Autumn 2025/24	12	(2,006,630)	(898,021)	(2,006,630)	(898,021)
Prepaid fees	11	(819,600)	(1,035,215)	(819,600)	(1,035,215)
Other creditors	12	(1,036,142)	(851,842)	(1,036,143)	(851,843)
		<u>(3,862,372)</u>	<u>(2,785,078)</u>	<u>(3,862,373)</u>	<u>(2,785,079)</u>
NET CURRENT ASSETS/LIABILITIES		3,297,626	3,319,731	3,297,625	3,319,730
CREDITORS - Due after one year	13	(1,640,370)	(2,514,928)	(1,640,370)	(2,514,928)
TOTAL ASSETS LESS LIABILITIES		<u>12,301,370</u>	<u>11,827,880</u>	<u>12,301,370</u>	<u>11,827,880</u>
UNRESTRICTED FUNDS					
<i>Designated fund</i>					
General Fund	14	12,253,662	11,780,172	12,253,662	11,780,172
Learning Support Fund	15	47,708	47,708	47,708	47,708
		<u>12,301,370</u>	<u>11,827,880</u>	<u>12,301,370</u>	<u>11,827,880</u>

The financial statements were approved and authorised for issue by the Board of Governors on 28th November 2025 and were signed below on its behalf by:



Sir Mark Harford, Chairman



Mr Peter Allen, Governor

The accompanying notes are an integral part of the accounts.

CHEAM SCHOOL EDUCATIONAL TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st AUGUST 2025

	2025	2024
	£	£
Cash flow from operating activities		
Net income for the year	473,490	126,722
Depreciation (including impact of VAT adjustment)	454,809	477,214
Interest receivable	(166,752)	(84,536)
(Increase)/decrease in debtors	(51,256)	(104,380)
Increase/(decrease) in creditors	(249,954)	71,586
Loss/(Profit) on disposal of fixed assets	-	8,507
Net cash generated from operating activities	<u>460,337</u>	<u>495,113</u>
Cash flow from investing activities		
Interest received	166,752	84,536
Purchase of current asset investments	-	(2,500,000)
Purchase of fixed assets	(254,824)	(310,977)
Proceeds from disposal of fixed assets/fixed asset adjustments	178,978	149
Net cash used in investing activities	<u>90,906</u>	<u>(2,726,292)</u>
Cash flows from financing activities		
Increase/(decrease) in prepaid fees	(1,035,215)	2,945,604
Net cash used in financing activities	<u>(1,035,215)</u>	<u>2,945,604</u>
Increase/(decrease) in cash and cash equivalents	<u>(483,972)</u>	<u>714,425</u>
Cash and cash equivalents as at 1 st September 2024/2023	3,349,752	2,635,327
Cash and cash equivalents as at 31 st August 2025/2024	<u>2,865,780</u>	<u>3,349,752</u>

Reconciliation of net debt

	Balance	Cashflows	Balance
	1st September		31st August
	2024		2025
	£	£	£
Cash at bank and in hand	3,349,752	(483,972)	2,865,780
Total	<u>3,349,752</u>	<u>(483,972)</u>	<u>2,865,780</u>

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2025

ACCOUNTING POLICIES

ACCOUNTING POLICIES

Cheam School Educational Trust is a charitable company incorporated in England and Wales. Further company information can be found on page 2.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2019), the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The accounts present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flows and the consolidated and School balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Cheam Trading Limited. No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006.

The School reviews and monitors its financial position closely on a regular basis and also models future scenarios to ensure proactive steps are taken to protect both the financial resilience of its current operations and its longer-term financial stability based on a range of other factors. These forecasts, in addition to normal processes, controls and governance in this area, enable a timely response to emerging issues and contingency planning for uncertainties presented by the wider environment. The School retains strong links with its bankers who continue to make available appropriate facilities to support ongoing activities. Having reviewed its current financial resources, the funding facilities available to the School, and its future projected cash flows, the Governors have a reasonable expectation that the School will have adequate resources to continue its activities for the foreseeable future. The Governors believe there are no material uncertainties relating to going concern and as such continue to adopt the going concern basis in preparing these financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable probability.

c) Expenditure

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised directly to support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d) Pension costs

All staff (teaching and non-teaching) are members of defined contribution schemes, where required by pursuant legislation, which comply with the requirements for a stakeholder pension scheme. The School withdrew from the Teachers' Pension Scheme on 31st December 2019. See Note 8 on page 24.

e) Fixed assets

All items of a capital nature with a combined value of over £600 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Freehold land	Freehold land is not depreciated
Freehold buildings & improvements	2%
Furniture, fixtures and equipment	10% - 20%
Motor vehicles	20%
Computers	25%

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31ST AUGUST 2025

ACCOUNTING POLICIES (continued)

ACCOUNTING POLICIES (continued)

f) Financial Instruments

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

g) Operating Leases

Rental charges are charged on a straight-line basis over the term of the lease.

h) Debtors

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

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School 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 and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Governors. The use of designated funds remains at the discretion of Governors.

l) Critical sources of estimation uncertainty and accounting judgements

The governors consider there to be the following key sources of estimation uncertainty and have therefore applied judgement.

Useful lives of fixed assets

The useful lives over which fixed assets are depreciated are estimated by reference to historical experience of the time assets are retained and utilised by the School.

m) Employee benefits

Employee benefits are accounted for in the period in which the employee's services were provided.

n) Employee termination payments

Employee termination payments are accounted for in the period in which the employee ceased employment with the School.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS

YEAR ENDED 31st AUGUST 2024

1. CHARITABLE ACTIVITIES	2025	2024
	£	£
Fees receivable consist of:		
Boarding and tuition fees	8,928,896	8,983,379
Less scholarships, bursaries and remissions given	(587,440)	(513,370)
	<u>8,341,456</u>	<u>8,470,009</u>
2. OTHER ANCILLARY INCOME	2025	2024
	£	£
Registration fees	8,262	16,293
Other	38,496	52,049
	<u>46,758</u>	<u>68,342</u>
3. SUBSIDIARY	2025	2024
	£	£
Turnover and other income	-	-
Administrative expenditure	-	-
Net (loss)/profit	<u>-</u>	<u>-</u>
Bank Interest Received	-	-
Tax on profit	-	-
(Loss)/profit for the financial period	<u>-</u>	<u>-</u>
Donation to parent undertaking	-	-
Retained in subsidiary	<u>-</u>	<u>-</u>
Net assets	<u>1</u>	<u>1</u>

The Charitable Company has an investment in a subsidiary undertaking which comprises a holding of 1 ordinary share of £1, being the whole of the issued share capital of Cheam Trading Limited (formerly Cheam Asia Limited), a company registered in England. Cheam Trading Limited was dormant during the year ended 31st August 2025. As of 31st August 2025, the company had net assets of £1 (2024: net assets of £1).

4. INTEREST RECEIVABLE	2025	2024
	£	£
Bank interest	<u>166,752</u>	<u>84,536</u>
5. DONATIONS	2025	2024
	£	£
Donations received	<u>79,365</u>	<u>14,110</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

6. OTHER INCOME	2025 £	2024 £
Rent and lettings	<u>39,203</u>	<u>39,943</u>

7a. ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2025 Total £
Cost of generating funds				
Prepaid fee discount	-	15,013	-	15,013
School operating costs				
Teaching	3,942,059	677,981	104,047	4,724,087
Welfare	583,800	299,686	32,697	916,183
Premises	602,525	725,626	270,883	1,599,034
Support	725,328	447,928	47,182	1,220,438
Bad and doubtful debts	-	11,449	-	11,449
Grants	-	-	-	-
Total expenditure	<u>5,853,712</u>	<u>2,177,683</u>	<u>454,809</u>	<u>8,486,204</u>

Depreciation expenditure in the table above includes a credit adjustment of £28,890 arising from the recovery of pre-registration input VAT on fixed assets purchased in the 4 years prior to VAT registration and the associated adjustment to accumulated depreciation (for further details please see note 10, page 25).

7b. COMPARATIVE ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2024 Total £
Cost of generating funds				
Prepaid fee discount	-	4,382	-	4,382
School operating costs				
Teaching	4,346,246	667,483	112,604	5,126,333
Welfare	533,179	284,393	32,128	849,700
Premises	569,769	749,809	276,904	1,596,482
Support	648,762	528,351	55,578	1,232,691
Bad and doubtful debts	-	20,548	-	20,548
Grants	-	400	-	400
Total expenditure	<u>6,097,956</u>	<u>2,255,366</u>	<u>477,214</u>	<u>8,830,536</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

8. STAFF COSTS

	2025 £	2024 £
Wages and salaries	4,695,649	5,031,908
Social security costs	458,949	438,514
Pension contributions	475,199	504,479
Other staff related costs	223,915	123,055
	<u>5,853,712</u>	<u>6,097,956</u>

Termination payments of £26,916 were incurred during the year (2024: £317,689).

	No.	No.
The average number of employees in the year was:		
Teaching	87	96
Others	77	69
	<u>164</u>	<u>165</u>

The number of employees whose emoluments exceeded £60,000

£60,000 - £70,000	4	4
£70,000 - £80,000	1	1
£80,000 - £90,000	-	-
£90,000 - £100,000	-	-
£100,000 - £110,000	2	1
£110,000 - £120,000	-	-
£120,000 - £130,000	-	-
£130,000 - £140,000	-	-
£140,000 - £150,000	-	1
	<u>-</u>	<u>1</u>

Key management personnel remuneration in the year was £263,236 (2024: £303,158).

Teachers' Pension Scheme

The School used to participate in the Teachers' Pension Scheme ("the TPS") for its teaching staff, but withdrew on 31st December 2019 and an alternative defined contribution pension scheme was put in place for the benefit of teaching staff.

Aviva Pension Trust for Independent Schools

As the replacement for the TPS for teaching staff, the School participates in a defined contribution scheme with the Aviva Pension Trust for Independent Schools. During the year £599,988 (2024: £646,879) was recognised as an expense in the Consolidated Statement of Financial Activities.

Incorporated Association of Preparatory Schools Retirement

The School also participates in a defined contribution scheme with the Incorporated Association of Preparatory Schools Retirement Plan for certain non-teaching staff. During the year £136,177 (2024: £134,453) was recognised as an expense in the Consolidated Statement of Financial Activities.

Nest Pension Scheme

The School also participates in the Nest Pension Scheme, a government backed defined contribution scheme, for the benefit of certain non-teaching staff. During the year £32,297 (2024: £30,960) was recognised as an expense in the Consolidated Statement of Financial Activities.

At the year-end £61,201 (2024: £71,959) was payable in respect of contributions to the defined contribution pension schemes that the School participates in for the benefit of its staff.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

None of the Governors received any remuneration. Out of pocket expenses paid to Governors during the year were £42 (2024: £256). The School has purchased Governor's liability insurance. As the premium is included with other insurance costs, it is not separately identifiable.

9. EXPENDITURE	2025 £	2024 £
Expenditure includes:		
Operating lease payments	88,638	100,048
Auditor's remuneration - Audit	21,000	23,670
- Other services	325	4,720
Depreciation	<u>454,809</u>	<u>477,214</u>

Depreciation expenditure above includes the credit adjustment of £28,890 arising from the recovery of pre-registration input VAT on fixed assets purchased in the 4 years prior to VAT registration and the associated adjustment to accumulated depreciation (please see note 10, below).

10. TANGIBLE FIXED ASSETS

The movements of tangible fixed assets are as follows:

Group and School	Freehold land and freehold buildings £	Furniture, Fittings, equipment and motor vehicles £	Computers £	Total £
COST OR VALUATION				
At 1 st September 2024	13,760,369	1,850,177	485,586	16,096,132
Additions	4,216	148,044	102,564	254,824
Adjustment	(21,117)	(119,493)	(38,368)	(178,978)
At 31 st August 2025	<u>13,743,468</u>	<u>1,878,728</u>	<u>549,782</u>	<u>16,171,978</u>
DEPRECIATION				
At 1 st September 2024	4,168,914	663,224	240,917	5,073,055
Charge for the year	201,866	177,950	103,883	483,699
Adjustment	(848)	(16,003)	(12,039)	(28,890)
At 31 st August 2025	<u>4,369,932</u>	<u>825,171</u>	<u>332,761</u>	<u>5,527,864</u>
NET BOOK VALUE				
At 31 st August 2025	<u>9,373,536</u>	<u>1,053,557</u>	<u>217,021</u>	<u>10,644,114</u>
At 31 st August 2024	<u>9,591,455</u>	<u>1,186,953</u>	<u>244,669</u>	<u>11,023,077</u>

Following VAT registration on 1st January 2025, pre-registration input VAT was recovered on certain fixed assets purchased in the 4 years prior to registration. This resulted in adjustments to the cost and accumulated depreciation of these fixed assets as set out in the table above.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

11. PREPAID FEES

The movements on the School's prepaid fees scheme during the year were as follows:

	Group and School	
	2025	2024
	£	£
Balance at 1st September 2024	3,090,067	144,463
New contracts	-	3,106,256
Amount accrued to contracts	15,013	4,382
Refunded to parents	-	-
	<u>3,105,080</u>	<u>3,255,101</u>
Amounts utilised in payment of fees	(1,050,228)	(165,034)
Balance at 31st August 2025	<u><u>2,054,852</u></u>	<u><u>3,090,067</u></u>

Assuming pupils remain with the School, prepaid fees will be applied as follows:

	2025	2024
	£	£
Within one year	819,600	1,035,215
Between two and five years	1,053,815	1,873,415
After five years	181,437	181,437
	<u><u>2,054,852</u></u>	<u><u>3,090,067</u></u>

12. CREDITORS: - Due within one year

	Group		School	
	2025	2024	2025	2024
	£	£	£	£
Fees and extras for Autumn 2025/24	<u>2,006,630</u>	<u>898,021</u>	<u>2,006,630</u>	<u>898,021</u>
	£	£	£	£
Trade creditors	228,389	164,993	228,389	164,993
Other tax and social security	107,366	118,340	107,366	118,340
Other creditors	549,729	209,862	549,729	209,862
Accruals	150,658	358,647	150,658	358,647
Amounts owed to group undertakings	-	-	1	1
	<u>1,036,142</u>	<u>851,842</u>	<u>1,036,143</u>	<u>851,843</u>

'Fees and extras for Autumn 2025/24' relates to fees and extras for the next school year which were invoiced in August. In prior years, Autumn term fee debtors have been netted against 'fees and extras for the Autumn term'. However following VAT registration on 1st January 2025, VAT invoices for the Autumn term are now issued in August creating a fee debtor, and therefore fee debtors and the associated deferred income relating to Autumn 2025 are shown gross in the financial statements. The resulting increase in these balances compared to the prior year, can be seen in the note above and the balance sheets on page 18.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

13. CREDITORS: - Due after one year

	Group		School	
	2025	2024	2025	2024
	£	£	£	£
Prepaid fees	1,235,252	2,054,852	1,235,252	2,054,852
Fee deposits	405,118	460,076	405,118	460,076
	<u>1,640,370</u>	<u>2,514,928</u>	<u>1,640,370</u>	<u>2,514,928</u>

14. GENERAL FUNDS

General funds can be applied to the School's operations at the discretion of the governors.

OTHER FUNDS

15. LEARNING SUPPORT FUND

The fund consists of donations originally of £60,000 that are now reduced to £47,708 which are being used for learning support. £0 was spent during the year.

16a. ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets	Net current assets/ (liabilities)	Creditors: due after one year	2025 Total
	£	£	£	£
General Fund	10,644,114	3,249,918	(1,640,370)	12,253,662
Learning Support Fund	-	47,708	-	47,708
	<u>10,644,114</u>	<u>3,297,626</u>	<u>(1,640,370)</u>	<u>12,301,370</u>

16b. COMPARATIVE ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets	Net current assets/ (liabilities)	Creditors: due after one year	2024 Total
	£	£	£	£
General Fund	11,023,077	3,272,023	(2,514,928)	11,780,172
Learning Support Fund	-	47,708	-	47,708
	<u>11,023,077</u>	<u>3,319,731</u>	<u>(2,514,928)</u>	<u>11,827,880</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

17. OPERATING LEASE COMMITMENTS

The School has the following total operating lease commitments due as follows:

	Group and School	
	2025	2024
	£	£
Less than one year	83,511	98,827
Two to five years	119,209	70,151
Over five years	-	-
	<u>202,720</u>	<u>168,978</u>

18. RELATED PARTY DISCLOSURES

One of the Governors has a child at the School and pays fees in line with other parents (2024: Three). The Director of Finance & Operations has two children at the school (2024: two) and as part of his contract of employment receives staff fee remission in line with the School's Fees Remission Policy.

There were no other related party transactions in the year ended 31st August 2025 or the preceding year.

19. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

Accounts



CHEAM

GOVERNORS' REPORT & CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2024

Curious Minds | Kind Hearts | Community Spirit



CHEAM SCHOOL EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2024

Acting Headmaster	N. C. Milbank	(From September 2024)
Headmaster	W. T. Phelps	(To August 2024)
Director of Finance & Operations	Ll. D. Jenkins	
Clerk to the Governors	Ll. D. Jenkins	

Bankers	National Westminster Bank Plc 30 Market Place Newbury, Berkshire, RG14 5AJ
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Auditors	HaysMac LLP Statutory Auditors 10 Queen Street Place London, EC4R 1AG
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Company Registration No.	01843219
Charity Registration No.	290143



Foreword by the Chair of Governors

The Board of Governors present their annual report for the year ended 31st August 2024 together with the audited consolidated financial statements for the year. We confirm that they comply with the requirements of the Companies Act 2006 and the Company's Memorandum of Association and the Charities SORP 2005. These financial statements include the results of the School's subsidiary, Cheam Trading Limited.

This report and consolidated financial statements were approved by the Governors at their Board meeting on 28th November 2024.

A handwritten signature in blue ink, appearing to read 'Mark Harford', with a horizontal line underneath.

Sir Mark Harford
28th November 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference & Administrative Information

Cheam School was founded in 1645. It became an educational trust in 1958. The current Cheam School Educational Trust, a charitable company, was established in 1984. Its Company Registration number is 01843219 and the Charity Registration number is 290143. The liability of its members is limited to £1 each by guarantee. The registered office and principal address of the Company is Cheam School, Newbury Road, Headley, Berkshire, RG19 8LD.

Governing Document

The Charity is governed by the provisions of the Memorandum and Articles of Association last amended on 28th June 2005 and supplementary provisions relating to the Board of Trustees of the Company last amended on 3rd March 2022.

The Governing Body

Members of the Governing body, who are all also Charity Trustees and Directors of the Charitable Company for Companies Act purposes, are elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as diverse a mix as possible of relevant skills, experience and perspective. Members are appointed to serve for a term of three years and are eligible to stand for re-election for two further three-year terms.

Governor Training

New members of the Board are inducted into the workings of the School, and also the Company as a registered charity, including board policy and procedures. Training courses are organised by the Clerk to the Governors and are attended as required. A record of training is kept on the member's file.

Organisational Management

The Board meets at a minimum once each term to determine the general policy for the School and review its overall management and control, for which it is legally responsible. Each sub-committee usually meets at a minimum prior to each termly Board meeting, to review the areas of the School's strategy and operation set out within its Terms of Reference and to make related recommendations as required to the Board.

Organisational Structure & Relationships

The day to day running of the School is delegated to the (Acting) Headmaster and Director of Finance & Operations who report to the Board each term. The (Acting) Headmaster is supported by the Senior Leadership Team. Other executive sub-committees exist to provide a forum for the remainder of the staff.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2024

Board Member:

Board Sub-Committees:

		Finance & Operations	Teaching & Learning	Pastoral & Wellbeing	Marketing & Admissions
Sir M. J. Harford Chair of Governors; Company Director		◆			
Mrs L. J. Moelwyn-Hughes Governor for Safeguarding; Master, Marlborough College				◆	
Mr J. Dahl Master, Wellington College	Appointed 08 Nov 2024		◆		
Mr N. Adams Housemaster, Eton College			◆		
Mrs T. Reeve Chair of MDA Committee; Director of Admissions, Downe House					◆
Mr P.V. Allen Chair of Finance & Operations Committee; Company Director		◆			
Mr S. Miners Company Director		◆			◆
Mr H. Bond-Gunning Company Director				◆	
Mr R. W. Harris Chair of Teaching & Learning Committee; Company Director			◆		
Mrs C.F. Hamilton-Russell Chair of Pastoral & Wellbeing Committee; Lawyer				◆	
Mrs Y.Y. Sum Lawyer	Appointed 18 Apr 2024				
Mrs A. Jack	Resigned 30 Nov 2023				◆

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the result of the Trust for that period. In preparing financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the principles and methods of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Trust will continue in business.

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

So far as each of the Governors is aware at the time the report is approved:

- There is no relevant audit information of which the Trust's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

<i>Charitable Object</i>	The principal Object of the Charitable Trust, in accordance with its Memorandum and Articles of Association, is the advancement of education of children.
<i>Strategic Objectives</i>	1. To create a safe and happy environment where pupils can thrive and develop in all aspects of School life. 2. To achieve the highest academic results possible for the individual so that all pupils gain entry to the senior school of their choice. 3. Continuous development of existing academic, pastoral, social and sporting activities. 4. To achieve a sound financial base to allow for future development of academic and other activities.
<i>Principal Activity</i>	The Trust continues to operate a Preparatory and Pre-Preparatory boarding and day school for both boys and girls from 3 to 13. The fees are set at the minimum level necessary to preserve the ongoing financial viability of the School and to safeguard continued provision of a first-class education.
<i>Key Management Personnel Remuneration</i>	Key management personnel remuneration is determined by the School's Remunerations Committee against sector benchmarking and in consideration of other relevant information. Any revisions to remuneration policy are put by that committee to the Board for approval.
<i>Equality, Diversity and Inclusion</i>	Cheam welcomes individuals from all backgrounds. To admit a prospective pupil, the School must be satisfied that it will be able to educate and develop that prospective pupil to the best of their potential. Familiarisation days and assessments are undertaken to satisfy the School and prospective parents that potential pupils can enjoy and benefit from the style of education we provide. Individual background, sex, race, religion or any other protected characteristic are disregarded in this assessment process. The School will make reasonable adjustments to meet the needs of pupils or staff who have specific needs which require particular support.
<i>Bursaries, Allowances & Remissions</i>	The Governors regard the School's bursary awards as important in helping ensure children from families who would otherwise not be able to afford the fees can access the education the School offers. Bursaries have been available to all who meet our general entry requirements and are made only on the basis of parental means or to relieve hardship. The School does not have large endowments or investments to fund such awards and the imposition of VAT on fees from January 2025 will make funding generally more challenging. Therefore, the School will increasingly need to find a balance between full fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from such awards. This year the School was able to support 21 pupils (2023: 14) through means-tested bursaries. Three of the bursaries were worth 65% or more of the annual fee. For the year the total value of bursaries, allowances and remissions reduced the annual fee income by £513,370 (2023: £520,149).
<i>Future Plans</i>	The Governors review the School's objectives and strategies every year and agree changes if and as required. The purpose of this is to ensure, through sound and regular scrutiny, that the School continues to be a market leader through the provision of modern facilities and first-class teaching staff. The Governors have reviewed and approved the business plan for the next financial year and also reviewed the outlook for the next five years including appropriate scenario analysis. Following the departure of the prior Headmaster on 31st August 2024, the Governors commenced in September a rigorous process to identify and appoint a suitably accomplished successor. The Board expects to conclude this process and announce the new appointment in good time for the Spring Term 2025. In the interim Autumn Term 2024, the School has benefited from consistently strong and experienced leadership under an Acting Headmaster arrangement.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance

Strategic Context

The independent school sector faces several challenges. Structurally, lower birth rates are expected to see the sector consolidate and the advent of VAT on fees will likely accelerate this trend. Affordability continues to be a concern for parents, especially in recent years when higher energy prices and food inflation in particular have led to larger annual fee increases than in prior years. Increasingly, price-sensitive parents are facing stark choices. Interest in boarding is also waning. As a result, schools need to adapt to these new market dynamics.

Fortunately, Cheam is in a strong position to address these headwinds and has been preparing for them for some time. Its leadership team is better structured; its cost structure is leaner; and it has a stronger balance sheet than five years ago. Accordingly, the School anticipates it can continue to deliver its premium educational product in a calm and consistent manner throughout a near-term future expected to see significant market challenges and resulting change.

Academic & Pastoral

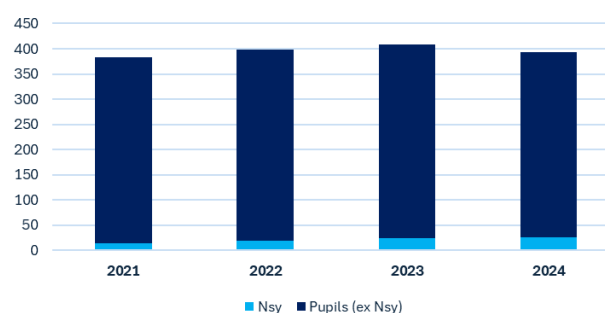
Cheam offers a 'complete education' for pupils. Though Cheam itself is non-selective, it prepares its pupils for some of the most selective secondary schools in the country. It achieves this by developing academic excellence and character education, within an environment of exceptional pastoral care. Cheam fosters curiosity and happiness in its pupils that encourages learning in a setting promoting kindness and support. This approach is captured in our values of: Curious Minds | Kind Hearts | Community Spirit.

In its last inspection of Cheam in January 2023, the Independent Schools Inspectorate rated as "Excellent" each of the quality of pupils' academic and other achievements and the quality of their personal development. Increasingly, Cheam measures a pupil's success not only by the grades they achieve but also by the wider development they make academically and also in their individual character. Recently, the School has combined its intellectual property in this area with a proprietary technology platform to create the Cheam Diploma. The result is a unique tool for pupils to measure and track their academic, pastoral and co-curricular progress across several different personal characteristics.



The quality of Cheam's academic and pastoral offer continues to underpin demand for School places. Cheam's Pre-Prep grew to over 100 pupils in the year, a key indicator of future demand for its Prep School places. Average pupil numbers (excluding Nursery) were **361** (2023: 376). All Year 8 pupils secured a place at a senior school of their choice. In addition, scholarships were awarded by senior schools to **14** of them (2023: 18).

Pupil Numbers



Operational Performance (continued)

Co-curricular Activities

Cheam is renowned for its musicality and sporting prowess, but the array of other co-curricular activities is extensive. Throughout the 2024 year the School continued to add to the variety of enrichment activities its pupils can experience as a core part of their weekly timetable. As the 'carousel' of thinking and practical options revolves each term, pupils can explore ever more activities to develop a range of skills.



Facilities

The School offers a broad range of educational facilities to children of varying abilities and interests and as a matter of course re-invests annually in the maintenance and improvement of its infrastructure. During the 2024 year, Cheam continued its programme of reinvestment in IT infrastructure, to support its digital learning strategy and underpin operational efficiency and resilience. One key initiative included the purchase of several Virtual Reality headsets to pilot in Cheam's Learning Development department.

Public Benefit

The Governors aim to ensure that the School's quality of education offered and the facilities that it possesses should be, wherever possible, of benefit to the public and in particular the local community. The following organisations and charities have benefited during the 2024 year from donations by the School or by fundraising events held at the School: The Southampton Neo-Natal Unit; Time 2 Talk West Berkshire; Cancer Research; War Child UK; British Red Cross Morocco Earthquake Appeal; British Red Cross Libya Floods Appeal, East Africa Character Development Trust; PALS; West Berkshire Foodbank; Kingsclere Community Larder; Young Art; The Royal British Legion through the Poppy Appeal; Hampshire Medical Fund; and Restless Development.



Community Links

Cheam helps maintain grounds at Headley Community Shop and Village Post Office, as well as the Village Hall. The School also supports and donates to the maintenance fund of the local parish church at Ashford Hill. The local primary school in Kingsclere benefits from the services of Cheam's music department. Local clubs, sports teams and community groups also benefit from using the School's facilities. During the year, Cheam partnered with the Newbury Netball League to provide a new home for all their fixtures on the School's first-class all-weather pitches.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2024

FINANCIAL REVIEW

Financial Framework

The strategic context outlined above informed the key financial aims in 2024:

- **To deliver a lean but solid level of net income.** To run a sustainable operation from year-to-year, balancing income from all sources against expenditure on staff and non-staff costs in that year, that achieves a sufficient surplus to reinvest in the ongoing upkeep and improvement of the School's infrastructure.
- **To maintain positive net cash flow.** To re-invest in the School's infrastructure only surpluses from its ongoing day to day fee-funded operations. This in order to preserve and augment the School's cash reserves in anticipation of challenging market conditions induced by the forthcoming imposition of VAT on fees.
- **Retain strong cash reserves.** To preserve the School's resilience to market uncertainty and unplanned and unexpected events; and to retain future optionality for strategic investment, by maintaining a sufficient reserve of realisable funds.

Financial Results

Actual net income was **£135,229** (2023: £853,354). Income from charitable activities was **£8,827,176** (2023: £8,619,632) and expenditure on charitable activities was **£8,826,154** (2023: £7,904,406). Higher year-on-year expenditure derived mainly from maintaining competitive staff compensation; inflation in energy and food costs; one-off costs relating to the restructuring and modernisation of various aspects of the School's operation; and greater reinvestment in the School's premises. Expenditure also included other sums approved to prepare for a new site access which is anticipated to enhance substantially the effectiveness of utilisation of the School's premises.

The full financial results for the year are set out in the statement of financial activities on Page 16.

Other Income

Other sources of non-fee income totalled **£138,589**, broadly similar to the previous year (2023: £142,284). These comprised higher interest receivable from a new treasury strategy coupled with more lettings income and growing popularity of Cheam's After School Club, offset by some decline in donation income.

Capital Expenditure

During the year, Cheam continued its programme of reinvestment in IT infrastructure, to support its digital learning strategy and underpin operational efficiency and resilience. In addition to the Virtual Reality headsets noted above, other investment focused on: classroom improvements; chapel chairs; essential roof works and boiler replacements; and the replacement of heating and circulatory plant equipment in the School's swimming pool. The main staff room was also refurbished to create a modern and collaborative space for working and wellbeing. Capital expenditure in the year was **£310,977** (2023: £1,006,434).

Cash & Current Asset Investments

The School deposits cash funds at various rates of interest with its bankers. At year-end, cash and cash equivalents were **£3,349,752** (2023: £2,635,327) and current asset investments **£2,500,000** (2023: NIL). These funds comprise: £3,090,067 related to prepaid fees which are held in separate, ring-fenced accounts (2023: £144,463); fees received in advance of the start of the Autumn term of £898,021 (2023: £1,030,165); Cheam's emergency and strategic reserves of £1,525,000 (2023: £1,003,448); and day-to-day operating cash of £327,288 (2023: £448,231). There is also £9,376 (2023: £9,020) in an account dedicated to Pre-Prep.

FINANCIAL REVIEW (continued)

Renewal

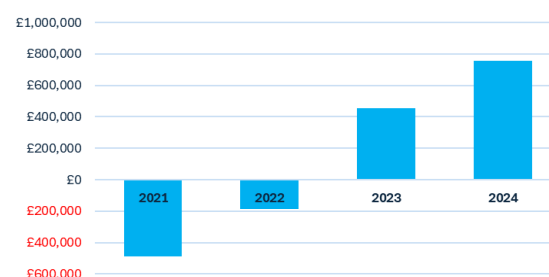
From year-to-year, the School's budget is set to enable an appropriate level of renewal investment. This is balanced against preserving adequate reserves to safeguard the long-term financial health of Cheam. Sector benchmarks, good fiduciary discipline and professional experience helps guide these decisions. Reinvestment can take many forms:

- *Staff* – to ensure market-competitive compensation reviews for all staff annually to attract, retain and reward high quality individuals. Additionally, to invest in continuous personal development to ensure that across the School staff develop and advance the qualifications, skills and behaviours necessary to deliver an outstanding educational experience.
- *Facilities* – to maintain safe and reliable operations and to improve continuously the quality of all assets used by pupils and staff.
- *Operations* – to optimise systems and processes and procurement strategies to capture efficiencies and secure improved value for money.

In 2024, Cheam modernised its senior leadership team structure; completed a full review of staff utilisation, pay and responsibility allowances; launched a new morning minibus service which included trialling an EV; and reorganised several aspects of its operations. In addition to the capital investment outlined earlier in this report, and as part of the Estates Strategy approved by Governors in November 2023, the School has progressed relevant surveys and design work and engaged local highways and planning authorities on proposals for a new site access. This would further enhance site and local highway safety, improve onsite parking and optimise pedestrian movements. The School expects to submit a full planning application in early 2025.

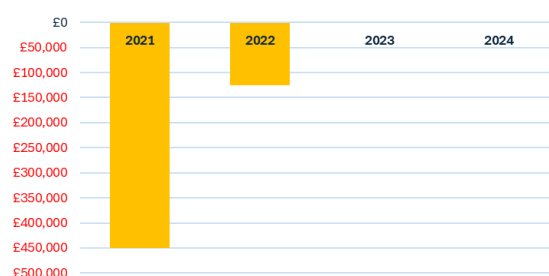
**Reserves Policy**

Total Reserves (defined here under the accounting regulations for charities to include freehold land and buildings fixed assets) at 31st August 2024 totalled **£11,827,880** (2023: £11,701,158), of which £11,780,172 (2023: £11,653,050) were unrestricted. After deducting for fixed assets totalling £11,023,077 (2023: £11,197,970) the level of Free Reserves was **£757,095** (2023: £455,080). Positive free reserves are an indicator of Cheam's strong financial health. The School remains debt free.

Free Reserves

In light of this, Governors updated the School's reserves policy during 2024 as follows:

- To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings and maintenance programme;
- To provide emergency cover for unexpected and unavoidable items of expenditure, over and above a level which can be funded from current income.
- To seek to maintain positive free reserves with a long-term target to reach £1,000,000.

Debt

STREAMLINED ENERGY AND CARBON REPORTING (SECR) DISCLOSURE

Scope

Cheam is not obliged to report its energy use and carbon emissions under SECR but takes the view that voluntary disclosure is an important part of its commitment to understanding and reducing the School's environmental impact.

2023 base year

'Planet' is one of the five dimensions of Cheam's 'Vision' statement. In 2023 the School baselined its carbon footprint as part of developing its multi-year estates masterplan and carbon reduction strategy.

The School aims to update its report of energy use and carbon emissions every three years.

Energy consumption used to calculate emissions		kWh	1,626,850
Emissions from combustion of liquified petroleum gas	Scope 1	tCO ₂ e	54
Emissions from combustion of kerosene heating oil	Scope 1	tCO ₂ e	214
Emissions from combustion of fuel for transport purposes	Scope 1	tCO ₂ e	20
Emissions from purchased electricity	Scope 2	tCO ₂ e	75
Total gross tCO₂e based on above		tCO₂e	363
Intensity ratio		tCO₂e/pupil	0.97

2024 energy efficiency actions

Cheam's student-led eco-committee was successful in being re-awarded the Eco-Schools Green Flag and the School was shortlisted for the Independent Schools' Environmental Achievement Award 2024. Notable initiatives included:

- Trialling our first **electric minibus**
- Launching a **new morning minibus service** to reduce the number of cars on the road and onsite emissions
- Using home grown produce from a newly created **kitchen garden** to reduce food miles
- A **switch off day** which raised awareness about energy usage and saw electricity consumption reduced by 36%

Cheam continues to purchase **100% REGO-backed renewable electricity**.

*Methodologies used in calculation of disclosures*

Cheam commissioned a review of the energy consumption and associated carbon emissions of its facilities by a specialist consultancy as part of the School's development of a multi-year estates masterplan and carbon reduction strategy. Transport emissions were based on actual mileage recorded in fleet logbooks and staff expense claims. Conversion factors for facilities are derived from current grid factors outlined in *SAP10.1*, the Standard Energy Procedure set by the Government for compliance with energy and carbon requirements set out under existing building regulations. Transport emissions are calculated using a methodology aligned with the *WRI/WBCSD GHG Protocol Corporate Standard* which makes use of publicly available, nationally relevant and regularly updated emission factors from reputable and recognised sources. This uses *2021 UK Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting*. Reporting is based on *The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018* and related guidance contained in *HM Government Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance March 2019*.

PRINCIPAL RISKS AND UNCERTAINTIES

Governors routinely monitor the School's activities and regularly review the major risks faced in each of the principal areas of the School's operations. In the opinion of the Governors the School has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

In particular, the Governors have identified the major current risks as being:

<i>VAT on Fees</i>	Having acceded to government in July 2024, the Labour Party has confirmed its intent to introduce VAT on private school fees from January 2025 and has published initial legislation. Business rates relief for private schools with charitable status will also be removed from April 2025. These changes will inevitably increase the cost to parents of private education and may see parents delaying when their children join fee-paying schools, trading down or exiting the sector altogether. Coupled with other demographic and market changes, Cheam anticipates this may shrink demand sufficiently to accelerate localised market consolidation. The Board sub-committee Cheam established over a year ago to study various scenarios, develop options and recommend a response plan has achieved these objectives. Cheam has surveyed parents, conducted detailed analysis, issued regular update letters and maintained close links with ISBA and AGBIS. Relevant finance staff have been trained and systems readied. Governors remain committed to sustaining Cheam's provision of a premium co-educational preparatory education and supporting existing parents wherever possible using reserves set aside specifically to meet this challenge.
<i>Economic Shock</i>	The economic environment continues to be challenging with ongoing uncertainty over inflation, interest rates and utility costs as a result of wider global issues, particularly the impact on global energy prices of ongoing conflict in Ukraine and the Middle East. These factors, and the way the Government acts to try to control and/or limit their impact, could result in a significant 'Economic Shock' to the UK economy. This in turn could lead to parents being unable to afford school fees and thus to a decline in pupil numbers. The School manages this risk through a strategy of enacting robust cost control; maintaining a strong understanding of its catchment area, local competition and current and prospective parental body; and rigorously reviewing and stress testing its budgets and longer-term plan.
<i>Global Health Pandemic</i>	Like almost all organisations the School remains vigilant to the potential impact of further outbreaks of new strains of Coronavirus or other similar pandemic illnesses and continues to reinforce the importance of early detection and good hygiene to maintain pupil, staff and parent wellbeing and minimise operational disruption. The School continues to monitor its own and other benchmark data to ensure it can quickly respond to isolated outbreaks using the systems and processes developed during previous lockdowns and respond to guidance from the government and professional bodies to safeguard the health and safety of the School community.
<i>Reputational Damage</i>	Strategies and plans are in place to ensure the School remains an attractive option for future parents both academically and in the provision of excellent facilities. However, the Governors recognise that the reputation of a school can be damaged by past or present events, either real or alleged, in a very short time and which could result in a loss of pupils. To mitigate these risks the School ensures appropriate policies and procedures are in place to respond to a public-relations crisis or other reputation-threatening event which are regularly reviewed by the Governors. Appropriate training is undertaken by all staff and Governors on a regular basis and good communication among staff, parents and Governors is a continuing focus.
<i>Liquidity</i>	Cash flow forecasts are regularly prepared by the DFO and reviewed by the Finance & Operations Committee to ensure the School has sufficient liquidity to operate and meet its liabilities as they fall due. The School has a strong relationship with its bankers and maintains regular communication regarding the financial performance of the School and its budgets and plans for future years. In addition to an Emergency Reserve of £525,000 and a further £1,000,000 future deployment fund held on deposit, the School maintains a £250,000 overdraft facility. Cheam did not need to use this facility during the 2024 year.
<i>Unforeseen Business Interruption</i>	The School regularly reviews its insurance coverage to ensure that it has appropriate cover to offset the impact of any serious events occurring that may affect its ability to provide education to its pupils or its financial stability, such as damage to School facilities or access or interruptions to vital services.
<i>Loss of 'key player'</i>	A strong and versatile senior leadership team and practised contingency responsibilities are in place to help mitigate this risk.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2024

This report and consolidated financial statements were approved by the Governors at their Board meeting on 28th November 2024.

A handwritten signature in blue ink, appearing to read 'M Harford', with a horizontal line drawn underneath it.

Sir Mark Harford
28th November 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHEAM SCHOOL EDUCATIONAL TRUST

Opinion

We have audited the consolidated financial statements of Cheam School Educational Trust for the year ended 31st August 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheet, the Consolidated 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 Group and parent charitable company's affairs as at 31st August 2024 and of the Group and parent 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 group 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 Group's and of the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

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 Governors Annual Report (which incorporates 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' Annual Report (which incorporates the strategic report and the Directors' report) has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHEAM SCHOOL EDUCATIONAL TRUST (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report (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 returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 4, the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent 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 industry, we identified that the principal risks of non-compliance with laws and regulations, Safeguarding and Education Act, GDPR, company law and charity law applicable in England and Wales, 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.

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 management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspection of correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHEAM SCHOOL EDUCATIONAL TRUST (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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 Group and 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.



Kathryn Burton
Senior Statutory Auditor
for and on behalf of HaysMac LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 3rd December 2024

CHEAM SCHOOL EDUCATIONAL TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31st AUGUST 2024

INCOME AND EXPENDITURE	Notes	General Unrestricted Fund 2024 £	Other Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
INCOME FROM:					
Income from charitable activities					
Tuition fees	1	8,470,009	-	8,470,009	8,362,504
Disbursements and extras		288,825	-	288,825	214,061
Other ancillary income	2	68,342	-	68,342	43,067
Investments					
Interest receivable	4	84,536	-	84,536	16,091
Voluntary sources					
Donations and appeal income	5	14,110	-	14,110	96,322
Other income					
Government grants	6	-	-	-	-
Other income	6	39,943	-	39,943	29,871
Trading income		-	-	-	-
		<u>8,965,765</u>	<u>-</u>	<u>8,965,765</u>	<u>8,761,916</u>
EXPENDITURE ON:	7				
Raising funds					
Finance costs		-	-	-	1,051
Prepaid fee discount		4,382	-	4,382	3,105
Trading expenditure		-	-	-	-
Charitable activities					
<i>School operating costs</i>					
Teaching costs		5,126,333	-	5,126,333	4,501,339
Welfare		849,700	-	849,700	826,818
Premises		1,596,482	-	1,596,482	1,446,350
Support costs of schooling		1,253,239	-	1,253,239	1,129,899
Grants		-	400	400	-
		<u>8,830,136</u>	<u>400</u>	<u>8,830,536</u>	<u>7,908,562</u>
Net income before transfers		135,629	(400)	135,229	853,354
Transfers between funds		-	-	-	-
(Loss)/Profit on disposal of fixed assets		(8,507)	-	(8,507)	146,500
Net income after transfers		<u>127,122</u>	<u>(400)</u>	<u>126,722</u>	<u>999,854</u>
Balance brought forward		11,653,050	48,108	11,701,158	10,701,304
Balance carried forward		<u>11,780,172</u>	<u>47,708</u>	<u>11,827,880</u>	<u>11,701,158</u>

All activities are continuing. All the funds are unrestricted apart from the Other Funds, which comprises the Learning Support Fund. No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

The accompanying notes are an integral part of the accounts. The results of the parent company are not presented in accordance with exemptions provided by the Companies Act (2006). The result for the year was a £126,722 surplus (2023: £999,854 surplus).

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31st AUGUST 2024

		Group		School	
	Notes	2024 £	2023 £	2024 £	2023 £
FIXED ASSETS					
Tangible fixed assets	10	11,023,077	11,197,970	11,023,077	11,197,970
Investments	3	-	-	1	1
CURRENT ASSETS					
Investments		2,500,000	-	2,500,000	-
Debtors					
Fees and extras in arrears		4,471	-	4,471	-
Other debtors, stocks and prepayments		250,586	150,677	250,586	150,677
Cash and cash equivalents		3,349,752	2,635,327	3,349,752	2,635,327
		<u>6,104,809</u>	<u>2,786,004</u>	<u>6,104,809</u>	<u>2,786,004</u>
CREDITORS - due within one year					
Fees received in advance	12	(898,021)	(1,030,165)	(898,021)	(1,030,165)
Prepaid fees	11	(1,035,215)	(113,998)	(1,035,215)	(113,998)
Other creditors	12	(851,842)	(665,372)	(851,843)	(665,373)
Bank loan	13	-	-	-	-
		<u>(2,785,078)</u>	<u>(1,809,535)</u>	<u>(2,785,079)</u>	<u>(1,809,536)</u>
NET CURRENT ASSETS/LIABILITIES		3,319,731	976,469	3,319,730	976,468
CREDITORS - Due after one year	13	<u>(2,514,928)</u>	<u>(473,281)</u>	<u>(2,514,928)</u>	<u>(473,281)</u>
TOTAL ASSETS LESS LIABILITIES		<u>11,827,880</u>	<u>11,701,158</u>	<u>11,827,880</u>	<u>11,701,158</u>
UNRESTRICTED FUNDS					
<i>Designated fund</i>					
General Fund	14	11,780,172	11,653,050	11,780,172	11,653,050
Learning Support Fund	15	47,708	48,108	47,708	48,108
		<u>11,827,880</u>	<u>11,701,158</u>	<u>11,827,880</u>	<u>11,701,158</u>

The financial statements were approved and authorised for issue by the Board of Governors on 28th November 2024 and were signed below on its behalf by:



Sir Mark Harford, Chairman



Mr Peter Allen, Governor

The accompanying notes are an integral part of the accounts.

CHEAM SCHOOL EDUCATIONAL TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st AUGUST 2024

	2024	2023
	£	£
Cash flow from operating activities		
Net income for the year	126,722	999,854
Depreciation	477,214	458,306
Interest receivable	(84,536)	(16,091)
Interest paid	-	1,051
(Increase)/decrease in debtors	(104,380)	43,923
Increase/(decrease) in creditors	71,586	345,825
Loss/(Profit) on disposal of fixed assets	8,507	(146,500)
	<u>495,113</u>	<u>1,686,368</u>
Cash flow from investing activities		
Interest received	84,536	16,091
Purchase of current asset investments	(2,500,000)	-
Purchase of fixed assets	(310,977)	(1,006,434)
Proceeds from disposal of fixed assets	149	460,230
	<u>(2,726,292)</u>	<u>(530,113)</u>
Cash flows from financing activities		
Bank loan repayments	-	(125,927)
Increase/(decrease) in prepaid fees (net)	2,945,604	(79,552)
Interest paid	-	(1,051)
	<u>2,945,604</u>	<u>(206,530)</u>
Net cash used in investing activities	<u>(2,726,292)</u>	<u>(530,113)</u>
Net cash used in financing activities	<u>2,945,604</u>	<u>(206,530)</u>
Increase/(decrease) in cash and cash equivalents	<u>714,425</u>	<u>949,725</u>
Cash and cash equivalents as at 1 st September 2023	2,635,327	1,685,602
Cash and cash equivalents as at 31 st August 2024	<u>3,349,752</u>	<u>2,635,327</u>

Reconciliation of net debt

	Balance	Cashflows	Balance
	1st September		31st August
	2023		2024
	£	£	£
Cash at bank and in hand	2,635,327	714,425	3,349,752
Debt due within 1 year	-	-	-
Debt due after 1 year	-	-	-
	<u>2,635,327</u>	<u>714,425</u>	<u>3,349,752</u>
Total	<u>2,635,327</u>	<u>714,425</u>	<u>3,349,752</u>

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2024

ACCOUNTING POLICIES

ACCOUNTING POLICIES

Cheam School Educational Trust is a charitable company incorporated in England and Wales. Further company information can be found on page 2.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2019), the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The accounts present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flows and the consolidated and School balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Cheam Trading Limited. No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006.

The School reviews and monitors its financial position closely on a regular basis and also models future scenarios to ensure proactive steps are taken to protect both the financial resilience of its current operations and its longer-term financial stability based on a range of other factors. These forecasts, in addition to normal processes, controls and governance in this area, enable a timely response to emerging issues and contingency planning for uncertainties presented by the wider environment. The School retains strong links with its bankers who continue to make available appropriate facilities to support ongoing activities. Having reviewed its current financial resources, the funding facilities available to the School, and its future projected cash flows, the Governors have a reasonable expectation that the School will have adequate resources to continue its activities for the foreseeable future. The Governors believe there are no material uncertainties relating to going concern and as such continue to adopt the going concern basis in preparing these financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable probability.

c) Expenditure

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised directly to support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d) Pension costs

All staff (teaching and non-teaching) are members of defined contribution schemes, where required by pursuant legislation, which comply with the requirements for a stakeholder pension scheme. The School withdrew from the Teachers' Pension Scheme on 31st December 2019. See Note 8 on page 23.

e) Fixed assets

All items of a capital nature with a combined value of over £600 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Freehold land	Freehold land is not depreciated
Freehold buildings & improvements	2%
Furniture, fixtures and equipment	10% - 20%
Motor vehicles	20%
Computers	25%

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2024

ACCOUNTING POLICIES (continued)

ACCOUNTING POLICIES (continued)

f) Financial Instruments

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

g) Operating Leases

Rental charges are charged on a straight-line basis over the term of the lease.

h) Debtors

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

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School 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 and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Governors. The use of designated funds remains at the discretion of Governors.

l) Critical sources of estimation uncertainty and accounting judgements

The governors consider there to be the following key sources of estimation uncertainty and have therefore applied judgement.

Useful lives of fixed assets

The useful lives over which fixed assets are depreciated are estimated by reference to historical experience of the time assets are retained and utilised by the School.

m) Employee benefits

Employee benefits are accounted for in the period in which the employee's services were provided.

n) Employee termination payments

Employee termination payments are accounted for in the period in which the employee ceased employment with the School.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS

YEAR ENDED 31st AUGUST 2024

1. CHARITABLE ACTIVITIES	2024	2023
	£	£
Fees receivable consist of:		
Boarding and tuition fees	8,983,379	8,882,653
Less scholarships, bursaries and remissions given	(513,370)	(520,149)
	<u>8,470,009</u>	<u>8,362,504</u>
2. OTHER ANCILLARY INCOME	2024	2023
	£	£
Registration fees	16,293	11,600
Other	52,049	31,467
	<u>68,342</u>	<u>43,067</u>
3. SUBSIDIARY	2024	2023
	£	£
Turnover and other income	-	-
Administrative expenditure	-	-
	<u>-</u>	<u>-</u>
Net (loss)/profit	-	-
Bank Interest Received	-	-
Tax on profit	-	-
	<u>-</u>	<u>-</u>
(Loss)/profit for the financial period	-	-
Donation to parent undertaking	-	-
	<u>-</u>	<u>-</u>
Retained in subsidiary	-	-
	<u>-</u>	<u>-</u>
Net assets	<u>1</u>	<u>1</u>

The Charitable Company has an investment in a subsidiary undertaking which comprises a holding of 1 ordinary share of £1, being the whole of the issued share capital of Cheam Trading Limited (formerly Cheam Asia Limited), a company registered in England. Cheam Trading Limited was dormant during the year ended 31st August 2024. As at 31st August 2024, the company had net assets of £1 (2023: net assets of £1).

4. INTEREST RECEIVABLE	2024	2023
	£	£
Bank interest	84,536	16,091
	<u>84,536</u>	<u>16,091</u>
5. DONATIONS	2024	2023
	£	£
Donations received	14,110	96,322
	<u>14,110</u>	<u>96,322</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2024

6.	OTHER INCOME			2024 £	2023 £
	Government grants			-	-
	Rent and lettings			39,943	29,871
7a.	ANALYSIS OF EXPENDITURE				
		Staff Costs £	Other £	Depreciation £	2024 Total £
	Cost of generating funds				
	Finance costs	-	-	-	-
	Prepaid fee discount	-	4,382	-	4,382
	School operating costs				
	Teaching	4,346,246	667,483	112,604	5,126,333
	Welfare	533,179	284,393	32,128	849,700
	Premises	569,769	749,809	276,904	1,596,482
	Support	648,762	528,351	55,578	1,232,691
	Bad and doubtful debts	-	20,548	-	20,548
	Grants	-	400	-	400
	Trading expenditure	-	-	-	-
	Total expenditure	6,097,956	2,255,366	477,214	8,830,536
7b.	COMPARATIVE ANALYSIS OF EXPENDITURE				
		Staff Costs £	Other £	Depreciation £	2023 Total £
	Cost of generating funds				
	Finance costs	-	1,051	-	1,051
	Prepaid fee discount	-	3,105	-	3,105
	School operating costs				
	Teaching	3,691,568	702,117	107,654	4,501,339
	Welfare	505,482	287,757	33,579	826,818
	Premises	561,421	617,350	267,579	1,446,350
	Support	636,165	435,733	49,494	1,121,392
	Bad and doubtful debts	-	8,507	-	8,507
	Grants	-	-	-	-
	Trading expenditure	-	-	-	-
	Total expenditure	5,394,636	2,055,620	458,306	7,908,562

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2024

8. STAFF COSTS	2024 £	2023 £
Wages and salaries	5,031,908	4,377,390
Social security costs	438,514	385,646
Pension contributions	504,479	475,237
Other staff related costs	123,055	156,364
	<u>6,097,956</u>	<u>5,394,636</u>

Termination payments of £317,689 were incurred during the year (2023: £nil).

	No.	No.
The average number of employees in the year was:		
Teaching	96	96
Others	69	64
	<u>165</u>	<u>160</u>

The number of employees whose emoluments exceeded £60,000

£60,000 - £70,000	4	3
£70,000 - £80,000	1	-
£80,000 - £90,000	-	-
£90,000 - £100,000	-	2
£100,000 - £110,000	1	-
£110,000 - £120,000	-	-
£120,000 - £130,000	-	-
£130,000 - £140,000	-	1
£140,000 - £150,000	1	-
	<u> </u>	<u> </u>

Key management personnel remuneration in the year was £303,158 (2023: 285,182).

Teachers' Pension Scheme

The School used to participate in the Teachers' Pension Scheme ("the TPS") for its teaching staff, but withdrew on 31st December 2019 and an alternative defined contribution pension scheme was put in place for the benefit of teaching staff.

Aviva Pension Trust for Independent Schools

As the replacement for the TPS for teaching staff, the School participates in a defined contribution scheme with the Aviva Pension Trust for Independent Schools. During the year £646,879 (2023: £611,844) was recognised as an expense in the Consolidated Statement of Financial Activities.

Incorporated Association of Preparatory Schools Retirement

The School also participates in a defined contribution scheme with the Incorporated Association of Preparatory Schools Retirement Plan for certain non-teaching staff. During the year £134,453 (2023: £128,888) was recognised as an expense in the Consolidated Statement of Financial Activities.

Nest Pension Scheme

The School also participates in the Nest Pension Scheme, a government backed defined contribution scheme, for the benefit of certain non-teaching staff. During the year £30,960 (2023: £30,634) was recognised as an expense in the Consolidated Statement of Financial Activities.

At the year-end £71,959 (2023: £66,920) was payable in respect of contributions to the defined contribution pension schemes that the School participates in for the benefit of its staff.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2024

None of the Governors received any remuneration. Out of pocket expenses paid to Governors during the year were £256 (2023: £240). The School has purchased Governor's liability insurance. As the premium is included with other insurance costs, it is not separately identifiable.

9. EXPENDITURE	2024 £	2023 £
Expenditure includes:		
Operating lease payments	100,048	64,911
Auditor's remuneration - Audit	23,670	19,746
- Other services	4,720	(10)
Depreciation	477,214	458,306

10. TANGIBLE FIXED ASSETS

The movements of tangible fixed assets are as follows:

Group and School	Freehold land and freehold buildings £	Furniture, Fittings, equipment and motor vehicles £	Computers £	Total £
COST OR VALUATION				
At 1 st September 2023	13,760,509	2,407,683	840,629	17,008,821
Additions	-	193,186	117,791	310,977
Disposals	(140)	(750,692)	(472,834)	(1,223,666)
At 31 st August 2024	13,760,369	1,850,177	485,586	16,096,132
DEPRECIATION				
At 1 st September 2023	3,966,697	1,232,302	611,852	5,810,851
Charge for the year	202,249	174,863	100,102	477,214
On disposals	(32)	(743,941)	(471,037)	(1,215,010)
At 31 st August 2024	4,168,914	663,224	240,917	5,073,055
NET BOOK VALUE				
At 31 st August 2024	9,591,455	1,186,953	244,669	11,023,077
At 31 st August 2023	9,793,812	1,175,381	228,777	11,197,970

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2024

11. PREPAID FEES

The movements on the School's prepaid fees scheme during the year were as follows:

	Group and School	
	2024	2023
	£	£
Balance at 1st September 2023	144,463	224,015
New contracts	3,106,256	48,895
Amount accrued to contracts	4,382	3,105
Refunded to parents	-	-
	<u>3,255,101</u>	<u>276,015</u>
Amounts utilised in payment of fees	(165,034)	(131,552)
Balance at 31st August 2024	<u><u>3,090,067</u></u>	<u><u>144,463</u></u>

Assuming pupils remain with the School, prepaid fees will be applied as follows:

	2024	2023
	£	£
Within one year	1,035,215	113,998
Between two and five years	1,873,415	30,465
After five years	181,437	-
	<u><u>3,090,067</u></u>	<u><u>144,463</u></u>

12. CREDITORS: - Due within one year

	Group		School	
	2024	2023	2024	2023
	£	£	£	£
Fees received in advance	<u>898,021</u>	<u>1,030,165</u>	<u>898,021</u>	<u>1,030,165</u>
	£	£	£	£
Trade creditors	164,993	257,173	164,993	257,173
Other tax and social security	118,340	101,323	118,340	101,323
Other creditors	209,862	161,230	209,862	161,230
Accruals	358,647	145,646	358,647	145,646
Amounts owed to group undertakings	-	-	1	1
	<u>851,842</u>	<u>665,372</u>	<u>851,843</u>	<u>665,373</u>

School fees received in advance relates to fees for the next school year, which parents have paid in advance but not under the School's prepaid fees scheme.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2024

13. CREDITORS: - Due after one year

	Group		School	
	2024	2023	2024	2023
	£	£	£	£
Prepaid fees	2,054,852	30,465	2,054,852	30,465
Fee deposits	460,076	442,816	460,076	442,816
	<u>2,514,928</u>	<u>473,281</u>	<u>2,514,928</u>	<u>473,281</u>

14. GENERAL FUNDS

General funds can be applied to the School's operations at the discretion of the governors.

OTHER FUNDS

15. LEARNING SUPPORT FUND

The fund consists of donations originally of £60,000 that are now reduced to £47,708 which are being used for learning support. £400 was spent during the year.

16a. ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets	Net current assets/ (liabilities)	Creditors: due after one year	2024 Total
	£	£	£	£
General Fund	11,023,077	3,272,023	(2,514,928)	11,780,172
Learning Support Fund	-	47,708	-	47,708
	<u>11,023,077</u>	<u>3,319,731</u>	<u>(2,514,928)</u>	<u>11,827,880</u>

16b. COMPARATIVE ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets	Net current assets/ (liabilities)	Creditors: due after one year	2023 Total
	£	£	£	£
General Fund	11,197,970	928,361	(473,281)	11,653,050
Learning Support Fund	-	48,108	-	48,108
	<u>11,197,970</u>	<u>976,469</u>	<u>(473,281)</u>	<u>11,701,158</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2024

17. OPERATING LEASE COMMITMENTS

The School has the following total operating lease commitments due as follows:

	Group and School	
	2024 £	2023 £
Less than one year	98,827	83,986
Two to five years	70,151	133,032
Over five years	-	-
	<u>168,978</u>	<u>217,018</u>

18. RELATED PARTY DISCLOSURES

Three Governors have children at the School and pay fees in line with other parents (2023: Three). The Director of Finance & Operations has two children at the school (2023: two) and as part of his contract of employment receives staff fee remission in line with the School's Fees Remission Policy.

During the year ended 31 August 2024 the Headmaster's wife, Ms Sophie Green, was employed by the School. Until her departure on that date, she also acted as the Clerk to the Board of Governors.

There were no other related party transactions in the year ended 31st August 2024 or the preceding year.

19. POST BALANCE SHEET EVENTS

On 30 October 2024, following consultation on draft legislation, the government confirmed that legislation would be enacted to introduce of VAT on private school fees from 1 January 2025. The government also confirmed that business rates relief would be removed from 1 April 2025 for schools with charitable status.

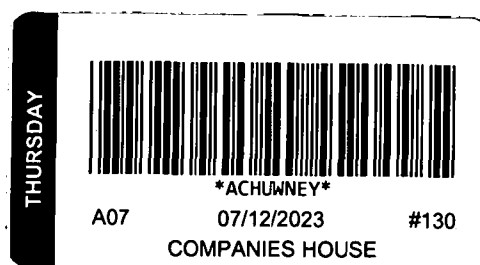
Accounts

CHEAM SCHOOL EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31st AUGUST 2023

Company Registration No. 01843219
Charity Registration No. 290143

Haysmacintyre LLP
Chartered Accountants
London



CHEAM SCHOOL EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

The Board of Governors present their annual report for the year ended 31st August 2023, together with the audited consolidated financial statements for the year and confirm that they comply with the requirements of the Companies Act 2006 and the Company's Memorandum of Association and the Charities SORP 2005. These financial statements include the results of the School's subsidiary, Cheam Trading Limited.

REFERENCE & ADMINISTRATIVE INFORMATION

Cheam School Educational Trust is a charitable company established in 1984 with the School originally founded in 1645. The Company Registration number is 1843219 and the Charity Registration number is 290143. The liability of its members is limited to £1 each by guarantee. The registered office and principal address of the Company is at Cheam School, Newbury Road, Headley, Berkshire, RG19 8LD.

Governors

The School Governors, who are all also Charity Trustees and Directors of the Charitable Company for Companies Act purposes, and also any past Governors who served during the year as indicated, are:

Board Members:

Board Sub-Committees:

		<i>Finance & Operations</i>	<i>Teaching & Learning*</i>	<i>Pastoral & Wellbeing*</i>	<i>Marketing & Admissions</i>
Mr R.D. Marsh	(Res. 31 Aug 2023)	✓			
Mr N. Adams			✓ *		
Dr T. R. Hands	(Res. 31 Aug 2023)				
Mrs L. J. Moelwyn-Hughes				✓ *	
Sir M. J. Harford**		✓			
Mr S. Miners		✓			✓ *
Mrs A. Jack					✓
Mr H. Bond-Gunning		✓		✓ *	
Mrs T. Reeve			✓ *		✓
Mr P.V. Allen***	(App. 7 Feb 2023)	✓			
Mr R.W. Harris	(App. 7 Feb 2023)	✓	✓ *		
Mrs C.F. Hamilton-Russell	(App. 18 Apr 2023)			✓ *	

* from September 2023

** Chair of the Board of Governors

*** Chair of the Finance & Operations Committee

Key Executives and Professional Advisors

Headmaster: W. T. Phelps
Director of Finance and Operations ("DFO"): Ll. D. Jenkins

Bankers: National Westminster Bank Plc
30 Market Place
Newbury, Berkshire, RG14 5AJ

Auditors: Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London, EC4R 1AG

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by the provisions of the Memorandum and Articles of Association last amended on 28th June 2005 and supplementary provisions relating to the Board of Trustees of the Company last amended on 3rd March 2022.

The Governing Body

Members of the Governing body are elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as diverse a mix as possible of relevant skills, experience and perspective. Members are appointed to serve for a term of three years and are eligible to stand for re-election for two further three-year terms.

Governor Training

New members of the Board are inducted into the workings of the School, and also the Company as a registered charity, including board policy and procedures. Training courses are organised by the Clerk to the Governors and are attended as required. A record of training is kept on the member's file.

Organisational Management

The Board meets at a minimum once each term to determine the general policy for the School and review its overall management and control, for which it is legally responsible. Each sub-committee usually meets at a minimum prior to each termly Board meeting, to review the areas of the School's strategy and operation set out within its Terms of Reference and to make related recommendations as required to the Board.

Organisational Structure and Relationships

The day to day running of the School is delegated to the Headmaster and DFO who report to the Board each term. The Headmaster is supported by the Senior Management Team. Other executive sub-committees exist to provide a forum for the remainder of the staff.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The principal Object of the Charitable Trust, in accordance with its Memorandum and Articles of Association, is the education of boys and girls up to the age of 13.

Objectives for the Year

1. To achieve the highest academic results possible so that all pupils gain entry to the senior school of their choice.
2. Continuous development of existing academic, pastoral, social and sporting activities.
3. To achieve a sound financial base to allow for future development of academic and other activities.

Principal Activity

The Trust continues to operate a Preparatory and Pre-Preparatory boarding and day school for both boys and girls from 3 to 13. The fees are set at a level to ensure the financial viability of the School and at a level that is consistent with providing a first-class education.

Key management personnel remuneration

Key management personnel remuneration is determined by the School's Finance & Operations Committee against sector benchmarking and in consideration of other relevant information (e.g. geographical factors). Any revisions to remuneration or remuneration policy are put by that committee to the Board for approval.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Equality, Diversity and Inclusion

Our School welcomes individuals 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 their potential. Entrance interviews and assessments are undertaken to satisfy the School and prospective parents that potential pupils can enjoy and benefit from the style of education we provide. Individual background, sex, race, religion or any other protected characteristic are disregarded in this assessment process. The School will make reasonable adjustments to meet the needs of pupils or staff who have specific needs which require particular support.

Bursaries, allowances & remissions

The Governors have viewed the School's bursary awards as important in helping ensure children from families who would otherwise not be able to afford the fees can access the education the School offers. Bursaries have been available to all who meet our general entry requirements and are made only on the basis of parental means or to relieve hardship. The School does not have large endowments or investments to fund such awards, and the potential for VAT on fees will only make funding more challenging. Therefore, the School will increasingly need to find a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from such awards. This year the School was able to support 14 pupils (2022: 17) through means-tested bursaries. Two of the bursaries were worth 75% or more of the annual fee with a further two at 50% or more. For the year the total value of bursaries, allowances and remissions reduced the annual fee income by £520,149 (2022: £562,413).

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

Inspection: Cheam achieved the highest possible outcomes in a *Focused Compliance and Educational Quality Inspection* conducted in January 2023 by the Independent Schools Inspectorate (ISI). The School was compliant in all regulatory areas and was awarded judgements of "Excellent" in the quality of pupils' academic and other achievements and "Excellent" in the quality of pupils' personal development.

Academic and Pastoral: Total pupil numbers at the end of the year were 385, excluding 24 Nursery pupils (2022: 378, excluding 20 Nursery pupils). All pupils passed their Common Entrance exam into a senior school of their choice. In addition, scholarships were awarded by senior schools to 18 of them (2022: 19).

Facilities: The Governors are satisfied that the School offers a broad range of educational facilities to children of varying abilities and interests. The School, as a matter of course, continues to invest in the maintenance and improvement of its existing infrastructure. During the year, over £1million was reinvested in the School's facilities (2022: £341,542). The layout of a new servery has improved time and motion which, coupled with the new School timetable, enhances pupils' experience and wellbeing. Moreover, recycling stations enable food waste to be collected for new composting bays on Cheam's estate, which in turn service its greenhouse and ornamental gardens. This integrated approach to sustainability also offers a valuable educational opportunity for pupils. Other pupil-centric initiatives included upgrading sports hall showers to improve privacy; constructing a log-cabin Retreat for Year 8; and adding a canopy to our Year 1 building and renewing the Pre-Prep pagoda to expand outdoor learning space. Cheam continued to invest in its IT infrastructure, including an upgrade of audio-visual equipment in its Chapel to support regular assemblies, weekly services, community events and School performances. A rolling programme of improvements to classrooms and staff accommodation continued, and Cheam's extensive grounds benefited from investment in a new fairway mower and state-of-the-art closed-loop wash-off system. The School also installed a new CCTV system, upgraded various water supply and drainage pipework, and replaced its ground source heat pump.

Strategic developments: The Headmaster launched his new Vision for Cheam, the intention of which is to maintain, evolve and expand the School's place at the forefront of co-educational preparatory education. The 5-dimensional vision centres on Leading by Example; Progressive Learning; Planet; Community and Partnerships; and Re-Investment, with strategic priorities and milestones for each. Endorsed by Cheam's Governors, this vision has been shared with staff, parents and pupils. Separately, the Cheam Foundation was amalgamated with the Cheam School Association during the year.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2023

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Public Benefit: The purpose of the School is the advancement of education for boys and girls from the age of three to thirteen in accordance with its Memorandum and Articles of Association. Save for temporary furlough payments during prior periods of Coronavirus disruption, the School in the normal course of events receives no funding from the State and is therefore obliged to charge fees to its pupils' parents to cover the remuneration of its staff, operating costs and the maintenance costs both present and future associated with the upkeep of the School's fabric and facilities.

The Governors aim to ensure that the School's quality of education offered and the facilities that it possesses should be, wherever possible, of benefit to the public and in particular the local community.

In setting the School's objectives and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. The Governors acknowledge the guidance and will strive, wherever it is reasonably possible, to follow it.

The following organisations and charities have benefited from donations by the School or by fundraising events held at the School: PALS; Kingsclere Walking Group; UK to Ukraine; West Berkshire Foodbank; Kingsclere Community Larder; Young Art; The Leading Edge Sports Foundation; The Royal British Legion through the Poppy Appeal; Kids for Kids; the Hampshire Medical Fund; Restless Development; UNICEF; the British Red Cross Ukraine Appeal; West Berkshire Cost of Living Crisis Appeal; Time 2 Talk West Berkshire; and Swings & Smiles.

Community Links: Our School is part of the local community and as such we are keen to participate in any way we can. The School assisted the local community of Headley village in maintaining the grounds at Headley Community Shop and Village Post Office, as well as the Village Hall. This year, to help Ashford Hill & Headley Parish Council create an adult pitch they could rent out to earn income for the local community, Cheam donated a white line marking machine and part-funded a set of football goals. The School also supports and donates to the maintenance fund of the local parish church at Ashford Hill.

The local primary school in Kingsclere has continued to benefit from the services of Cheam's music department. A previous connection with Ashford Hill primary school ceased after it became an academy and formed a new governing body.

For a small donation to the Cheam Foundation, the School offered the use of its facilities to local clubs, sports teams and community groups, enabling the local community to benefit today as well as creating opportunity for others in the future.

FINANCIAL REVIEW

The financial results for the year are shown in the statement of financial activities on Page 13 which shows net income, before transfers, of £853,354 (2022: £543,555). Included within this result is £0 (2022: £0) attributable to the School's subsidiary, Cheam Trading Limited.

The increase relative to prior year is attributable to fee income growth due to higher pupil numbers and the annual fees increase, as well as donation income for the Y8 Retreat. This net revenue increase more than offset cost inflation most of which comprised the annual staff pay award, alongside substantial food and energy cost rises. Effective budgetary control and targeted cost efficiencies continue to help maintain a sustainable surplus without diminishing the quality of Cheam's premium offer.

The School divested two flats in Newbury in November 2022 that were no longer core to its operations. Combined sale proceeds before fees were £460,000. These, together with the cashflow from the operating performance noted above, meant Cheam was able to reinvest over £1million in its facilities, fully repay its remaining debt of £125,927 and grow its reserves. This places the School in a strong financial position to weather any political, economic or market uncertainty ahead.

Investment performance

The Trust deposits cash funds at variable rates of interest with the Bank.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2023

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Other income

Donations of £96,322 (2022: £1,133) were received during the year. Other funds were raised from lettings and on-site activity camps.

Reserves Policy

Reserves at 31st August 2023 totalled £11,701,158 (2022: £10,701,304), of which £11,653,050 were unrestricted. After deducting for fixed assets totalling £11,197,970 the level of free reserves is £455,080 compared to £(184,449) in 2022.

The reserves policy of the School has been based on the School's objectives. Its main features are:

- a) To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings and maintenance programme; and
- b) To provide emergency cover for unexpected and unavoidable items of expenditure, over and above a level which can be funded from current income. The School maintains an Emergency Reserve of £525,000.

Positive free reserves are an indicator of strong financial health. The Governors are now considering the level of reserves that are appropriate and will update this policy and the School's performance against that target in due course.

STREAMLINED ENERGY AND CARBON REPORTING (SECR) DISCLOSURE

Scope

Cheam is not obligated to report its energy use and carbon emissions under SECR but takes the view that voluntary disclosure is an important part of its commitment to understanding and reducing the School's environmental impact.

Base year

'Planet' is one of the five dimensions of the Headmaster's new Vision for Cheam. Two important milestones were achieved during the year:

- Cheam's student-led eco-committee was successful in being awarded an Eco-Schools Green Flag, an accreditation that demonstrates a commitment to improving the local community and protecting our planet
- The School has baselined its carbon footprint as part of its work over the past 12 months developing its multi-year estates masterplan and carbon reduction strategy.

Since this is the first year the School has reported its energy use and emissions, there is no comparator data.

Summary

Energy consumption used to calculate emissions		kWh	1,626,850
Emissions from combustion of liquified petroleum gas	Scope 1	tCO ₂ e	54
Emissions from combustion of kerosene heating oil	Scope 1	tCO ₂ e	214
Emissions from combustion of fuel for transport purposes	Scope 1	tCO ₂ e	20
Emissions from purchased electricity	Scope 2	tCO ₂ e	75
Total gross tCO ₂ e based on above		tCO ₂ e	363
Intensity ratio		tCO ₂ e/pupil	0.97

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2023

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Energy efficiency action

Cheam retendered its electricity contracts during the year and purchases 100% REGO-backed renewable electricity. Recycling stations in Cheam's upgraded servery enable food waste to be composted and reused onsite. New sportswear reduces laundry energy consumption. Cheam's developing multi-year estates masterplan has identified a series of carbon reduction opportunities that create a potential pathway for the School to achieve its net zero ambition.

Methodologies used in calculation of disclosures

Cheam commissioned a review of the energy consumption and associated carbon emissions of its facilities by a specialist consultancy as part of the School's development of a multi-year estates masterplan and carbon reduction strategy. Transport emissions were based on actual mileage recorded in fleet logbooks and staff expense claims. Conversion factors for facilities are derived from current grid factors outlined in *SAP10.1*, the Standard Energy Procedure set by the Government for compliance with energy and carbon requirements set out under existing building regulations. Transport emissions are calculated using a methodology aligned with the *WRI/WBCSD GHG Protocol Corporate Standard* which makes use of publicly available, nationally relevant and regularly updated emission factors from reputable and recognised sources. This uses *2021 UK Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting*. Reporting is based on *The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018* and related guidance contained in *HM Government Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance March 2019*.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board routinely monitors the School's activities and regularly reviews the major risks faced in each of the principal areas of the School's operations. In the opinion of the Board the School has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

In particular, the Governors have identified the major risks as being:

VAT on fees: The Labour Party has stated that it wishes to introduce VAT on school fees if it is elected to government in the next general election, expected to take place in Autumn 2024 and which must be held by January 2025. Other tax benefits of charitable status (e.g. Business Rates Relief) could also be removed as early as April 2025 via new legislation. Such changes would inevitably increase the cost to parents of private education which may see parents delaying when their children join fee-paying schools, trading down or exiting the sector altogether. Coupled with other demographic and market changes, this could result in localised market consolidation. The School maintains close links with ISBA and AGBIS and Governors have established a specific sub-committee to explore various Labour policy scenarios, develop strategic options and recommend a response plan. The Governors are committed to sustaining Cheam's provision of co-educational preparatory education.

Economic shock: The economic environment continues to be challenging with ongoing uncertainty over inflation, interest rates and utility costs as a result of wider global issues, particularly the recent Covid pandemic and the impact on global energy prices of ongoing conflict in Ukraine and the Middle East. These factors, and the way the Government acts to try to control and/or limit their impact, could result in a significant 'Economic Shock' to the UK economy. This in turn could lead to parents being unable to afford school fees and thus to a decline in pupil numbers. The School manages this risk through a strategy of robust cost control, having a strong understanding of its catchment area, local competition and current and prospective parental body and rigorous review and stress testing of its budgets and longer-term plan.

Global health pandemic: like almost all organisations the School remains vigilant to the potential impact of further outbreaks of new strains of Coronavirus or other similar pandemic illnesses and continues to reinforce the importance of early detection and good hygiene to maintain pupil, staff and parent wellbeing and minimise operational disruption. The School continues to monitor its own and other benchmark data to ensure it can quickly respond to isolated outbreaks using the systems and processes developed during previous lockdowns and respond to guidance from the government and professional bodies to safeguard the health and safety of the School community.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2023

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Reputational damage: strategies and plans are in place to ensure the School remains an attractive option for future parents both academically and in the provision of excellent facilities. However, the Governors recognise that the reputation of a school can be damaged by past or present events, either real or alleged, in a very short time and which could result in a loss of pupils. To mitigate these risks the School ensures appropriate policies and procedures are in place to respond to a public-relations crisis or other reputation-threatening event which are regularly reviewed by the Governors. Appropriate training is undertaken by all staff and Governors on a regular basis and good communication among staff, parents and Governors is a continuing focus.

Liquidity: cash flow forecasts are regularly prepared by the DFO and reviewed by the Finance & Operations Committee to ensure the School has sufficient liquidity to operate and meet its liabilities as they fall due. The School has a strong relationship with its bankers and maintains regular communication regarding the financial performance of the School and its budgets and plans for future years. In addition to an Emergency Reserve of £525,000 and a further £1million future development fund held on deposit, the School maintains a £250,000 overdraft facility. Cheam did not need to use this facility during the year.

Unforeseen business interruption events: the School regularly reviews its insurance coverage to ensure that it has appropriate cover to offset the impact of any serious events occurring that may affect its ability to provide education to its pupils or its financial stability, such as damage to School facilities or access or interruptions to vital services.

Loss of 'key player': a strong and versatile senior management team and practised contingency responsibilities are in place to help mitigate this risk.

FUTURE PLANS

The Governors review the School's objectives and strategies every year and agree changes if and as required. The purpose of this is to ensure, through sound and regular scrutiny, that the School continues to be a market leader through the provision of modern facilities and first-class teaching staff. The Governors have reviewed and approved the business plan for the next financial year and also reviewed the outlook for the next five years including appropriate scenario analysis.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2023

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the result of the Trust for that period. In preparing financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the principles and methods of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Trust will continue in business.

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

So far as each of the Governors is aware at the time the report is approved:

- There is no relevant audit information of which the Trust's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

The Governors' statement, incorporating the Strategic Report is hereby approved on behalf of the Governors on 30th November 2023.



Sir Mark Harford, Chairman
30th November 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHEAM SCHOOL EDUCATIONAL TRUST**

Opinion

We have audited the consolidated financial statements of Cheam School Educational Trust for the year ended 31st August 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheet, the Consolidated 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 Group and parent charitable company's affairs as at 31st August 2023 and of the Group and parent 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 group 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 Group's and of the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

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 Governors Annual Report (which incorporates 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' Annual Report (which incorporates the strategic report and the Directors' report) has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHEAM SCHOOL EDUCATIONAL TRUST (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report (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 returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 7, the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent 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 industry, we identified that the principal risks of non-compliance with laws and regulations, Safeguarding and Education Act, GDPR, company law and charity law applicable in England and Wales, 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.

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 management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspection of correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHEAM SCHOOL EDUCATIONAL TRUST (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

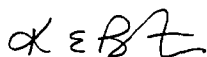
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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 Group and 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.



Kathryn Burton
Senior Statutory Auditor
for and on behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 5th December 2023

CHEAM SCHOOL EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st AUGUST 2023

INCOME AND EXPENDITURE	Notes	General Unrestricted Fund 2023 £	Other Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME FROM:					
Income from charitable activities					
Tuition fees	1	8,362,504	-	8,362,504	7,680,673
Disbursements and extras		214,061	-	214,061	175,191
Other ancillary income	2	43,067	-	43,067	44,769
Investments					
Interest receivable	4	16,091	-	16,091	1,562
Voluntary sources					
Donations and appeal income	5	96,322	-	96,322	1,133
Other income					
Government grants	6	-	-	-	-
Other income	6	29,871	-	29,871	8,406
Trading income		-	-	-	-
		<u>8,761,916</u>	<u>-</u>	<u>8,761,916</u>	<u>7,911,734</u>
EXPENDITURE ON:	7				
Raising funds					
Finance costs		1,051	-	1,051	10,421
Prepaid fee discount		3,105	-	3,105	4,530
Trading expenditure		-	-	-	-
Charitable activities					
School operating costs					
Teaching costs		4,501,339	-	4,501,339	4,125,362
Welfare		826,818	-	826,818	855,296
Premises		1,446,350	-	1,446,350	1,311,079
Support costs of schooling		1,129,899	-	1,129,899	1,060,776
Grants		-	-	-	715
		<u>7,908,562</u>	<u>-</u>	<u>7,908,562</u>	<u>7,368,179</u>
Net income before transfers		853,354	-	853,354	543,555
Transfers between funds		-	-	-	-
Profit on disposal of fixed assets		146,500	-	146,500	-
Net income after transfers		<u>999,854</u>	<u>-</u>	<u>999,854</u>	<u>543,555</u>
Balance brought forward		<u>10,653,196</u>	<u>48,108</u>	<u>10,701,304</u>	<u>10,157,749</u>
Balance carried forward		<u>11,653,050</u>	<u>48,108</u>	<u>11,701,158</u>	<u>10,701,304</u>

All activities are continuing. All the funds are unrestricted apart from the Other Funds, which comprises the Learning Support Fund. No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

The accompanying notes are an integral part of the accounts. The results of the parent company are not presented in accordance with exemptions provided by the Companies Act (2006). The result for the year was a £999,854 surplus (2022: £547,661 surplus).

CONSOLIDATED AND CHARITY BALANCE SHEETS

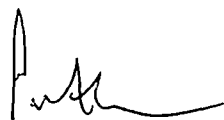
AS AT 31st AUGUST 2023

		Group		School	
	Notes	2023 £	2022 £	2023 £	2022 £
FIXED ASSETS					
Tangible fixed assets	10	11,197,970	10,963,572	11,197,970	10,963,572
Investments	3	-	-	1	1
CURRENT ASSETS					
Debtors					
Fees and extras in arrears		-	-	-	-
Other debtors, stocks and prepayments		150,677	194,600	150,677	194,600
Cash and cash equivalents		2,635,327	1,685,602	2,635,327	1,685,602
		<u>2,786,004</u>	<u>1,880,202</u>	<u>2,786,004</u>	<u>1,880,202</u>
CREDITORS - due within one year					
Fees received in advance	12	(1,030,165)	(763,888)	(1,030,165)	(763,888)
Prepaid fees	11	(113,998)	(128,447)	(113,998)	(128,447)
Other creditors	12	(665,372)	(626,567)	(665,373)	(626,568)
Bank loan	13	-	(125,927)	-	(125,927)
		<u>(1,809,535)</u>	<u>(1,644,829)</u>	<u>(1,809,536)</u>	<u>(1,644,830)</u>
NET CURRENT ASSETS/LIABILITIES		976,469	235,373	976,468	235,372
CREDITORS - Due after one year	13	<u>(473,281)</u>	<u>(497,641)</u>	<u>(473,281)</u>	<u>(497,641)</u>
TOTAL ASSETS LESS LIABILITIES		<u>11,701,158</u>	<u>10,701,304</u>	<u>11,701,158</u>	<u>10,701,304</u>
UNRESTRICTED FUNDS					
<i>Designated fund</i>					
General Fund	14	11,653,050	10,653,196	11,653,050	10,653,196
Learning Support Fund	15	48,108	48,108	48,108	48,108
		<u>11,701,158</u>	<u>10,701,304</u>	<u>11,701,158</u>	<u>10,701,304</u>

The financial statements were approved and authorised for issue by the Board of Governors on 30th November 2023 and were signed below on its behalf by:



Sir Mark Harford, Chairman



Mr Peter Allen, Governor

The accompanying notes are an integral part of the accounts.

CHEAM SCHOOL EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st AUGUST 2023

	2023	2022
	£	£
Cash flow from operating activities		
Net income for the year	999,854	543,555
Depreciation	458,306	336,359
Interest receivable	(16,091)	(1,562)
Interest paid	1,051	10,421
(Increase)/decrease in debtors	43,923	14,188
Increase/(decrease) in creditors	345,825	303,504
Profit on disposal of fixed assets	(146,500)	(3,550)
Fixed asset adjustment	-	89,783
Net cash generated from operating activities	<u>1,686,368</u>	<u>1,292,698</u>
Cash flow from investing activities		
Interest received	16,091	1,562
Purchase of fixed assets	(1,006,434)	(341,542)
Proceeds from disposal of fixed assets	460,230	3,550
Net cash used in investing activities	<u>(530,113)</u>	<u>(336,430)</u>
Cash flows from financing activities		
Bank loan repayments	(125,927)	(324,073)
Increase/(decrease) in prepaid fees (net)	(79,552)	(175,037)
Interest paid	(1,051)	(10,421)
Net cash used in financing activities	<u>(206,530)</u>	<u>(509,531)</u>
Increase/(decrease) in cash and cash equivalents	<u>949,725</u>	<u>446,737</u>
Cash and cash equivalents as at 1 st September 2022	1,685,602	1,238,865
Cash and cash equivalents as at 31 st August 2023	<u>2,635,327</u>	<u>1,685,602</u>

Reconciliation of net debt

	Balance	Cashflows	Balance
	1st September		31st August
	2022		2023
	£	£	£
Cash at bank and in hand	1,685,602	949,725	2,635,327
Debt due within 1 year	(125,927)	125,927	-
Debt due after 1 year	-	-	-
Total	<u>1,559,675</u>	<u>1,075,652</u>	<u>2,635,327</u>

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2023

ACCOUNTING POLICIES

ACCOUNTING POLICIES

Cheam School Educational Trust is a charitable company incorporated in England and Wales. Further company information can be found on page 2.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2019), the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The accounts present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flows and the consolidated and School balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Cheam Trading Limited. No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006.

The School reviews and monitors its financial position closely on a regular basis and also models future scenarios to ensure proactive steps are taken to protect both the financial resilience of its current operations, including the short-term impact of Coronavirus or other unexpected events, and its longer-term financial stability based on a range of other factors. These forecasts, in addition to normal processes, controls and governance in this area, enable a timely response to emerging issues and contingency planning for uncertainties presented by the wider environment. The School retains strong links with its bankers who continue to make available appropriate facilities to support ongoing activities. Having reviewed its current financial resources, the funding facilities available to the School, and its future projected cash flows, the Governors have a reasonable expectation that the School will have adequate resources to continue its activities for the foreseeable future. The Governors believe there are no material uncertainties relating to going concern and as such continue to adopt the going concern basis in preparing these financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable probability.

c) Expenditure

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised directly to support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d) Pension costs

All staff (teaching and non-teaching) are members of defined contribution schemes, where required by pursuant legislation, which comply with the requirements for a stakeholder pension scheme. The School withdrew from the Teachers' Pension Scheme on 31st December 2019. See Note 8 on page 16.

e) Fixed assets

All items of a capital nature with a combined value of over £600 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Freehold land	Freehold land is not depreciated
Freehold buildings & improvements	2%
Furniture, fixtures and equipment	10%
Motor vehicles	20%
Computers	25%

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2023

ACCOUNTING POLICIES (continued)

ACCOUNTING POLICIES (continued)

f) Financial Instruments

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

g) Operating Leases

Rental charges are charged on a straight-line basis over the term of the lease.

h) Debtors

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

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School 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 and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Governors. The use of designated funds remains at the discretion of Governors.

l) Critical sources of estimation uncertainty and accounting judgements

The governors consider there to be the following key sources of estimation uncertainty and have therefore applied judgement.

Useful lives of fixed assets

The useful lives over which fixed assets are depreciated are estimated by reference to historical experience of the time assets are retained and utilised by the School.

m) Employee benefits

Employee benefits are accounted for in the period in which the employee's services were provided.

n) Employee termination payments

Employee termination payments are accounted for in the period in which the employee ceased employment with the School.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS

YEAR ENDED 31st AUGUST 2023

1. CHARITABLE ACTIVITIES	2023	2022
	£	£
Fees receivable consist of:		
Boarding and tuition fees	8,882,653	8,243,086
Less scholarships, bursaries and remissions given	(520,149)	(562,413)
	<u>8,362,504</u>	<u>7,680,673</u>
2. OTHER ANCILLARY INCOME	2023	2022
	£	£
Registration fees	11,600	9,624
Fixed asset disposals	-	3,550
Other	31,467	31,595
	<u>43,067</u>	<u>44,769</u>
3. SUBSIDIARY	2023	2022
	£	£
Turnover and other income	-	-
Administrative expenditure	-	-
	<u>-</u>	<u>-</u>
Net (loss)/profit	-	-
Bank Interest Received	-	-
Tax on profit	-	-
	<u>-</u>	<u>-</u>
(Loss)/profit for the financial period	-	-
Donation to parent undertaking	-	(4,106)
	<u>-</u>	<u>(4,106)</u>
Retained in subsidiary	-	(4,106)
	<u>-</u>	<u>(4,106)</u>
Net assets	<u>1</u>	<u>1</u>
4. INTEREST RECEIVABLE	2023	2022
	£	£
Bank interest	16,091	1,562
	<u>16,091</u>	<u>1,562</u>
5. DONATIONS	2023	2022
	£	£
Donations received	96,322	1,133
	<u>96,322</u>	<u>1,133</u>

The Charitable Company has an investment in a subsidiary undertaking which comprises a holding of 1 ordinary share of £1, being the whole of the issued share capital of Cheam Trading Limited (formerly Cheam Asia Limited), a company registered in England. Cheam Trading Limited was dormant during the year ended 31st August 2023. As at 31st August 2023, the company had net assets of £1 (2022: net assets of £1).

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2023

6. OTHER INCOME	2023 £	2022 £
Government grants	-	-
Rent and lettings	29,871	8,436
Miscellaneous	-	(30)
	<u>29,871</u>	<u>8,406</u>

7a. ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2023 Total £
Cost of generating funds				
Finance costs	-	1,051	-	1,051
Prepaid fee discount	-	3,105	-	3,105
School operating costs				
Teaching	3,691,568	702,117	107,654	4,501,339
Welfare	505,482	287,757	33,579	826,818
Premises	561,421	617,350	267,579	1,446,350
Support	636,165	435,733	49,494	1,121,392
Bad and doubtful debts	-	8,507	-	8,507
Grants	-	-	-	-
Trading expenditure	-	-	-	-
Total expenditure	<u>5,394,636</u>	<u>2,055,620</u>	<u>458,306</u>	<u>7,908,562</u>

7b. COMPARATIVE ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2022 Total £
Cost of generating funds				
Finance costs	-	10,421	-	10,421
Prepaid fee discount	-	4,530	-	4,530
School operating costs				
Teaching	3,549,127	522,352	53,883	4,125,362
Welfare	568,625	268,634	18,037	855,296
Premises	540,684	531,159	239,236	1,311,079
Support	600,050	404,796	25,203	1,030,049
Bad and doubtful debts	-	30,727	-	30,727
Grants	-	715	-	715
Trading expenditure	-	-	-	-
Total expenditure	<u>5,258,486</u>	<u>1,773,334</u>	<u>336,359</u>	<u>7,368,179</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2023

8. STAFF COSTS	2023 £	2022 £
Wages and salaries	4,377,390	4,253,458
Social security costs	385,646	381,443
Pension contributions	475,237	450,458
Other staff related costs	156,364	173,127
	<u>5,394,636</u>	<u>5,258,486</u>

Termination payments of £nil were incurred during the year (2022: £37,630).

	No.	No.
The average number of employees in the year was:		
Teaching	96	95
Others	64	65
	<u>160</u>	<u>160</u>

The number of employees whose emoluments exceeded £60,000

£60,000 - £70,000	3	3
£70,000 - £80,000	-	-
£80,000 - £90,000	-	1
£90,000 - £100,000	2	-
£100,000 - £110,000	-	-
£110,000 - £120,000	-	1
£130,000 - £140,000	1	-
	<u>1</u>	<u>-</u>

Teachers' Pension Scheme

The School used to participate in the Teachers' Pension Scheme ("the TPS") for its teaching staff, but withdrew on 31st December 2019 and an alternative defined contribution pension scheme was put in place for the benefit of teaching staff.

Aviva Pension Trust for Independent Schools

As the replacement for the TPS for teaching staff, the School participates in a defined contribution scheme with the Aviva Pension Trust for Independent Schools. During the year £611,844 (2022: £586,536) was recognised as an expense in the Consolidated Statement of Financial Activities.

Incorporated Association of Preparatory Schools Retirement

The School also participates in a defined contribution scheme with the Incorporated Association of Preparatory Schools Retirement Plan for certain non-teaching staff. During the year £128,888 (2022: £124,305) was recognised as an expense in the Consolidated Statement of Financial Activities.

Nest Pension Scheme

The School also participates in the Nest Pension Scheme, a government backed defined contribution scheme, for the benefit of certain non-teaching staff. During the year £30,634 (2022: £32,456) was recognised as an expense in the Consolidated Statement of Financial Activities.

At the year-end £66,920 (2022: £53,552) was payable in respect of contributions to the defined contribution pension schemes that the School participates in for the benefit of its staff.

None of the Governors received any remuneration. Out of pocket expenses paid to Governors during the year were £nil (2022: £240). The School has purchased Governor's liability insurance. As the premium is included with other insurance costs, it is not separately identifiable.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2023

9. EXPENDITURE	2023	2022
	£	£
Expenditure includes:		
Operating lease payments	64,911	65,827
Auditor's remuneration - Audit	19,746	19,200
- Other services	(10)	1,320
Depreciation	<u>458,306</u>	<u>331,634</u>

10. TANGIBLE FIXED ASSETS

The movements of tangible fixed assets are as follows:

Group and School	Freehold land and freehold buildings £	Furniture, Fittings, equipment and motor vehicles £	Computers £	Total £
COST OR VALUATION				
At 1 st September 2022	14,027,894	1,675,034	681,880	16,384,808
Additions	108,441	739,244	158,749	1,006,434
Adjustment				
Disposals	(375,826)	(6,595)	-	(382,421)
At 31 st August 2023	<u>13,760,509</u>	<u>2,407,683</u>	<u>840,629</u>	<u>17,008,821</u>
DEPRECIATION				
At 1 st September 2022	3,829,429	1,057,782	534,025	5,421,236
Charge for the year	201,013	179,466	77,827	458,306
Adjustment	-	-	-	-
On disposals	(63,745)	(4,946)	-	(68,691)
At 31 st August 2023	<u>3,966,697</u>	<u>1,232,302</u>	<u>611,852</u>	<u>5,810,851</u>
NET BOOK VALUE				
At 31 st August 2023	<u>9,793,812</u>	<u>1,175,381</u>	<u>228,777</u>	<u>11,197,970</u>
At 31 st August 2022	<u>10,198,465</u>	<u>617,252</u>	<u>147,855</u>	<u>10,963,572</u>

The loan disclosed in Note 13 below was secured on the above property.

Certain amounts capitalised and accrued for in relation to works expected on Cheam's artificial playing surface were finalised during the year enabling the removal of the associated liability and the adjustment to fixed assets shown above.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2023

11. PREPAID FEES

The movements on the School's prepaid fees scheme during the year were as follows:

	Group and School	
	2023	2022
	£	£
Balance at 1st September 2022	224,015	399,052
New contracts	48,895	74,986
Amount accrued to contracts	3,105	4,530
Refunded to parents	-	-
	<u>276,015</u>	<u>478,568</u>
Amounts utilised in payment of fees	(131,552)	(254,553)
Balance at 31st August 2023	<u>144,463</u>	<u>224,015</u>

Assuming pupils remain with the School, prepaid fees will be applied as follows:

	2023	2022
	£	£
Within one year	113,998	128,447
Between two and five years	30,465	95,568
After five years	-	-
	<u>144,463</u>	<u>224,015</u>

12. CREDITORS: - Due within one year

	Group		School	
	2023	2022	2023	2022
	£	£	£	£
Fees received in advance	<u>1,030,165</u>	<u>763,888</u>	<u>1,030,165</u>	<u>763,888</u>
	£	£	£	£
Trade creditors	257,173	172,507	257,173	172,507
Other tax and social security	101,323	99,906	101,323	99,906
Other creditors	161,230	173,677	161,230	173,677
Accruals	145,646	180,477	145,646	180,477
Amounts owed to group undertakings	-	-	1	1
	<u>665,372</u>	<u>626,567</u>	<u>665,373</u>	<u>626,568</u>

School fees received in advance relates to fees for the next school year, which some parents pay in advance.

CHEAM SCHOOL EDUCATIONAL TRUST**NOTES TO ACCOUNTS (continued)****YEAR ENDED 31st AUGUST 2023**

13a CREDITORS: - Due after one year	Group		School	
	2023 £	2022 £	2023 £	2022 £
Prepaid fees	30,465	95,568	30,465	95,568
Fee deposits	442,816	402,073	442,816	402,073
Bank loans	-	-	-	-
	<u>473,281</u>	<u>497,641</u>	<u>473,281</u>	<u>497,641</u>

13b BANK LOAN	Group and School	
	2023 £	2022 £
Due:		
- between one and two years	-	-
- between two and five years	-	-
	<u>-</u>	<u>-</u>
Creditors due within one year	-	125,927
	<u>-</u>	<u>125,927</u>

The above loan, which was secured on the School's freehold property, bore interest at 2.0% above the Bank of England Base Rate. The loan commenced in February 2022 and was fully repaid in November 2022.

14. GENERAL FUNDS

General funds can be applied to the School's operations at the discretion of the governors.

OTHER FUNDS**15. LEARNING SUPPORT FUND**

The fund consists of donations of £60,000 that are now reduced to £48,108 which are being used for learning support. £nil was spent during the year.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2023

16a. ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets £	Net current assets/ (liabilities) £	Creditors: due after one year £	2023 Total £
General Fund	11,197,970	928,361	(473,281)	11,653,050
Learning Support Fund	-	48,108	-	48,108
	<u>11,197,970</u>	<u>976,469</u>	<u>(473,281)</u>	<u>11,701,158</u>

16b. COMPARATIVE ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets £	Net current assets/ (liabilities) £	Creditors: due after one year £	2022 Total £
General Fund	10,963,572	187,265	(497,641)	10,653,196
Learning Support Fund	-	48,108	-	48,108
	<u>10,963,572</u>	<u>235,373</u>	<u>(497,641)</u>	<u>10,701,304</u>

17. OPERATING LEASE COMMITMENTS

The School has the following total operating lease commitments due as follows:

	Group and School	
	2023 £	2022 £
Less than one year	83,986	65,827
Two to five years	133,032	139,312
Over five years	-	-
	<u>217,018</u>	<u>205,139</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2023

18. RELATED PARTY DISCLOSURES

Three Governors have children at the School and pay fees in line with other parents (2022: Three). The Director of Finance and Operations has two children at the school (2022: nil) and as part of his contract of employment receives staff fee remission in line with the school's Fees Remission Policy.

During the year the Headmaster's fiancée, Ms Sophie Green, taught Latin part-time as maternity cover and was paid on a contractual basis. In April, she was appointed Clerk to the Board of Governors for which she receives a monthly salary.

There were no other related party transactions in the year ended 31st August 2023 or the preceding year.

19. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

Accounts

CHEAM SCHOOL EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31st AUGUST 2022

Company Registration No. 01843219
Charity Registration No. 290143

Haysmacintyre LLP
Chartered Accountants
London



CHEAM SCHOOL EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

The Board of Governors present their annual report for the year ended 31st August 2022, together with the audited consolidated financial statements for the year, and confirm that they comply with the requirements of the Companies Act 2006 and the Company's Memorandum of Association and the Charities SORP 2005. These financial statements include the results of the School's subsidiary, Cheam Trading Limited.

REFERENCE & ADMINISTRATIVE INFORMATION

Cheam School Educational Trust is a charitable company established in 1984 with the School originally founded in 1645. The Company Registration number is 1843219 and the Charity Registration number is 290143. The liability of its members is limited to £1 each by guarantee. The registered office and principal address of the Company is at Cheam School, Newbury Road, Headley, Berkshire, RG19 8LD.

Governors

The School Governors, who are all also Charity Trustees and Directors of the Charitable Company for Companies Act purposes, and also any past Governors who served during the year as indicated, are:

Board

Mr R.D. Marsh
Mrs A. E. H. May (Resigned 24 June 2022)
Mr R. Hornsby (Resigned 24 June 2022)
Mr N. Adams
Dr T R Hands
Mrs L J Moelwyn-Hughes
Sir M. J. Harford
Mr S. Miners
Mrs A. Jack
Mr H. Bond-Gunning
Mrs T. Reeve

Finance Committee

✓

✓

✓

✓

Key Executives and Professional Advisors

Headmaster:
Acting Headmaster:
Director of Finance and Operations ("DFO"):

W. T. Phelps (appointed April 2022)
T. Haigh (resigned March 2022)
L. Jenkins

Bankers:

National Westminster Bank Plc
30 Market Place
Newbury, Berkshire, RG14 5AJ

Auditors:

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London, EC4R 1AG

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by the provisions of the Memorandum and Articles of Association last amended on 28th June 2005.

The Governing Body

The Governing body is elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as wide a mix as possible of relevant expertise. Members usually serve for a term of five years and are eligible to stand for re-election.

Governor Training

New members to the Board are inducted into the workings of the School, and also the Company as a registered charity, including board policy and procedures. Training courses are organised by the DFO and are attended as required. A record of training is kept on the member's file.

Organisational Management

The Board meets at a minimum once each term to determine the general policy for the Trust and review its overall management and control, for which it is legally responsible. The Finance Committee meets at a minimum prior to each termly Board meeting, specifically to review financial management information, and to make recommendations to the Board.

Organisational Structure and Relationships

The day to day running of the School is delegated to the Headmaster and DFO who report to the Board each term. The Headmaster is supported by the Senior Management Team. Other specific sub-committees exist to provide a forum for the remainder of the staff.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The principal Object of the Charitable Trust, in accordance with its Memorandum and Articles of Association, is the education of boys and girls up to the age of 13.

Objectives for the Year

1. To achieve the highest academic results possible so that all pupils gain entry to the senior school of their choice.
2. Continuous development of existing academic, pastoral, social and sporting activities.
3. To achieve a sound financial base to allow for future development of academic and other activities.

Principal Activity

The Trust continues to operate a Preparatory and Pre-Preparatory boarding and day school for both boys and girls from 3 to 13. The fees are set at a level to ensure the financial viability of the School and at a level that is consistent with providing a first-class education to boys and girls.

Key management personnel remuneration

Key management personnel remuneration is determined by the School's Finance Committee against sector benchmarking and in consideration of other relevant information (i.e. geographical factors). Any revisions to remuneration or remuneration policy are put to the Board for approval.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Equal Opportunities

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 their potential. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process. The School will make reasonable adjustments to meet the needs of pupils or staff who are or who become disabled.

Bursaries, allowances & remissions

The Governors view the School's bursary awards as important in helping to ensure children from families, who would otherwise not be able to afford the fees, can access the education the School offers. Bursaries are available to all who meet our general entry requirements and are made only on the basis of parental means or to relieve hardship. The School does not have large endowments or investments to fund any awards and has therefore to ensure that there is a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards. This year the Trust was able to support 17 pupils (2021: 19) through means tested bursaries. Five of the bursaries were worth 75% or more of the annual fee with a further two at 50% or more. The current total value of the bursaries, allowances and remissions reduced the annual fee income by £562,413 (2021: £439,384).

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

Academic and Pastoral: Total pupil numbers at the end of the year were 378, excluding 20 Nursery pupils (2021: 369, excluding 14 Nursery pupils). All pupils passed their Common Entrance exam into a senior school of their choice. In addition, scholarships were awarded by senior schools to 19 of them (2021: 15).

At no point during the year did the School's premises have to close due to Coronavirus restrictions. A return to normal levels of boarding generated £2,796,228 of income (2021: £246,055).

Facilities: The Governors are satisfied that the School offers a broad range of educational facilities to children of varying academic abilities and interests. The School, as a matter of course, continues to invest in the maintenance and improvement of its existing infrastructure. During the year, the School relined its ornamental ponds to prevent water leaks; improved drainage of its artificial playing surface; installed a raised zebra crossing and re-covered road markings to improve traffic safety; relocated and improved its surgery and created a dedicated wellbeing centre for pupils; invested in a Vertidrain® to enhance the quality of its pitches; added a second Reception classroom to accommodate growing pupil numbers and refurbished various other classrooms; installed new fencing and decking and replaced another section of the main school roof; expanded its second hand uniform shop; replaced swimming pool covers to reduce heat losses; repainted its outdoor pavilions; and continued its programme of IT upgrades and enhancements to other health and safety infrastructure, including fire alarms.

Strategic developments: The School welcomed its new Headmaster in the Summer Term after a successful transition period. Cheam also appointed several other key roles within the year to support its continued growth. The School is currently refreshing its vision and strategy which it expects to communicate early in 2023 after appropriate stakeholder engagement and approval by its Governors. As part of this, Cheam will develop a multi-year estates master plan and set ambitious targets to become carbon neutral within 10 years.

The Cheam Foundation, a separate fundraising organisation established in 2019, continues to raise funds for the provision of life changing bursaries and major capital projects at the School. The Foundation is a separate charity with a separate board of Trustees, though there is close communication and cooperation with the School's Governors and the Cheam School Association.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31ST AUGUST 2022

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Public Benefit: The purpose of the School is the advancement of education for boys and girls from the age of three to thirteen in accordance with its Memorandum and Articles of Association. Save for temporary furlough payments during prior periods of Coronavirus disruption, the School in the normal course of events receives no funding from the State and is therefore obliged to charge fees to its pupils' parents to cover the remuneration of its staff, operating costs and the maintenance costs both present and future associated with the upkeep of the School's fabric and facilities.

The Governors aim to ensure that the School's quality of education offered and the facilities that it possesses should be, wherever possible, of benefit to the public and in particular the local community.

In setting the School's objectives and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. The Governors acknowledge the guidance and will strive, wherever it is reasonably possible, to follow it.

The following organisations and charities have benefited from donations by the School or by fundraising events held at the School: PALS; Naomi House; Jeans for Genes; Macmillan Cancer Support; The Royal British Legion through the Poppy Appeal; Harrison's Fund; Disability Snowsport UK; Alzheimer's Society; Kingsclere Walking Group; Forget Me Not Chorus; the Louise Purton Toy Appeal; Kids for Kids; the Hampshire Medical Fund; Restless Development; the British Red Cross Ukraine Appeal; Parachute Regiment and Airborne Forces Charity, Dementia UK, Children with Cancer UK, Parkinson's UK and the Basingstoke Foodbank.

Community Links: Our School is part of the local community and as such we are keen to participate in any way we can. The School has assisted the local community of Headley village in maintaining the grounds at Headley Community Shop and Village Post Office, as well as the Village Hall and local bus shelters. The School also supports and donates to the maintenance fund of the local parish church at Ashford Hill.

Close relations continue to be fostered between the School and two local primary schools, Ashford Hill and Kingsclere primary schools. The School continues to assist Ashford Hill with teaching and learning objectives. Kingsclere Primary School has benefited from the services of the School's Head of Music.

For a small donation to the Cheam Foundation, the School also offers the use of its facilities to local clubs, sports teams and community groups, enabling the local community to benefit today as well as creating opportunity for others in the future.

FINANCIAL REVIEW

The financial results for the year are shown in the statement of financial activities on Page 11 which shows net income, before transfers, of £543,555 (2021: £104,942). Included within this result is £0 (2021: loss of £4,335) attributable to the School's subsidiary, Cheam Trading Limited.

The significant improvement in performance is attributable to encouraging in-year growth in pupil numbers coupled with effective budgetary control and targeted cost efficiencies that have not diminished the quality of the Cheam School offer. Surpluses will continue to be reinvested in the School to benefit current and future pupils and the local community, whilst retaining sufficient reserves to weather the impact of macroeconomic and (geo)political uncertainties. Currently these uncertainties include continuing energy-led inflationary pressures impacting the cost-of-living for staff and parents and the School's operational costs.

The School refinanced its remaining LIBOR-linked debt in February 2022 and expects to be debt-free within 12 months.

Investment performance

The Trust deposits cash funds at variable rates of interest with the Bank.

Other income

Donations of £1,133 (2021: £4,315) were received during the year. Other funds were raised from lettings and on-site activity camps.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2022

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Reserves Policy

Reserves at 31st August 2022 totalled £10,701,304 (2021: £10,157,749), of which £10,653,196 were unrestricted. After deducting for fixed assets totalling £10,963,572 and the related secured loan of £125,927 the level of free reserves is £(184,449) compared to £(489,246) in 2021.

The reserves policy of the School has been based on the School's objectives. Its main features are:

- a) To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings and maintenance programme; and
- b) To provide emergency cover for unexpected and unavoidable items of expenditure, over and above a level which can be funded from current income. The School also maintains an Emergency Reserve of £525,000.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board routinely monitors the School's activities and regularly reviews the major risks faced in each of the principal areas of the School's operations. In the opinion of the Board the School has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

In particular, the Governors have identified the major risks as being:

Economic shock: The economic environment continues to be challenging with ongoing uncertainty over inflation, interest rates and utility costs as a result of wider global issues, particularly the recent Covid pandemic and the impact on global energy prices of the current war in Ukraine. These factors, and the way the Government acts to try to control and/or limit their impact, could result in a significant 'Economic Shock' to the UK economy. This in turn could lead to parents being unable to afford school fees and a decline in pupil numbers. The School manages this risk through a strategy of robust cost control, having a strong understanding of its catchment area, local competition and current and prospective parental body and rigorous review and stress testing of its budgets and longer-term plan.

Global health pandemic: like almost all organisations the School remains vigilant to the potential impact of further outbreaks of new strains of Coronavirus or other similar pandemic illnesses and continues to reinforce the importance of early detection and good hygiene to maintain pupil, staff and parent wellbeing and minimise operational disruption. The School continues to monitor its own and other benchmark data to ensure it can quickly respond to isolated outbreaks using the systems and processes developed during previous lockdowns and respond to guidance from the government and professional bodies to safeguard the health and safety of the School community.

Dramatic fall in pupil numbers: strategies and plans are in place to ensure the School remains an attractive option for future parents both academically and in the provision of excellent facilities. However, the Governors recognise that the reputation of a school can be damaged by past or present events, either real or alleged, in a very short time and which could result in a loss of pupils. To mitigate these risks the School ensures appropriate policies and procedures are in place, which are regularly reviewed by the Governors. Appropriate training is undertaken by all staff and Governors on a regular basis and good communication among staff, parents and Governors is a continuing focus.

Withdrawal of capital project loan financing: cash flow forecasts are regularly prepared by the DFO and reviewed by the Finance Committee to ensure the School has sufficient liquidity to operate and meet its liabilities as they fall due. The School has a strong relationship with its bankers and maintains regular communication regarding the financial performance of the School and its budgets and plans for future years.

Unforeseen events: the School regularly reviews its insurance coverage to ensure that it has appropriate cover to offset the impact of any serious events occurring that may affect its ability to provide education to its pupils or its financial stability.

Loss of 'key player': a strong senior management team is in place to help mitigate the impact of the loss of a key player.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2022

FUTURE PLANS

The Governors review the School's objectives and strategies every year and agree changes if and as required. The purpose of this is to ensure, through sound and regular scrutiny, that the School continues to be a market leader through the provision of modern facilities and first-class teaching staff. The Governors have reviewed and approved the business plan for the next financial year and also reviewed the outlook for the next five years including appropriate scenario analysis.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the result of the Trust for that period. In preparing financial statements, the Governors are required to:

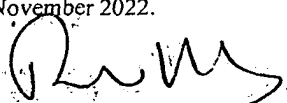
- Select suitable accounting policies and then apply them consistently;
- Observe the principles and methods of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Trust will continue in business.

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

So far as each of the Governors is aware at the time the report is approved:

- There is no relevant audit information of which the Trust's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

The Governors' statement, incorporating the Strategic Report is hereby approved on behalf of the Governors on 18th November 2022.


R Marsh, Chairman

18th November 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHEAM SCHOOL EDUCATIONAL TRUST

Opinion

We have audited the consolidated financial statements of Cheam School Educational Trust for the year ended 31st August 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheet, the Consolidated 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 Group and parent charitable company's affairs as at 31st August 2022 and of the Group and parent 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 group 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 Group's and of the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

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 Governors Annual Report (which incorporates 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' Annual Report (which incorporates the strategic report and the Directors' report) has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHEAM SCHOOL EDUCATIONAL TRUST (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report (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 returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 7, the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent 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 industry, we identified that the principal risks of non-compliance with laws and regulations, Safeguarding and Education Act, GDPR, company law and charity law applicable in England and Wales, 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.

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 management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspection of correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHEAM SCHOOL EDUCATIONAL TRUST (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

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 Group and 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.



Kathryn Burton
Senior Statutory Auditor
for and on behalf of Haysmacintyre LLP
Statutory Auditors

Date: 23rd November 2022

10 Queen Street Place
London
EC4R 1AG

CHEAM SCHOOL EDUCATIONAL TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31st AUGUST 2022

INCOME AND EXPENDITURE	Notes	General Unrestricted Fund 2022 £	Other Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOME FROM:					
Income from charitable activities					
Tuition fees	1	7,680,673	-	7,680,673	6,845,770
Disbursements and extras		175,191	-	175,191	181,841
Other ancillary income	2	44,769	-	44,769	19,528
Investments					
Interest receivable	4	1,562	-	1,562	911
Voluntary sources					
Donations and appeal income	5	1,133	-	1,133	4,315
Other income					
Government grants	6	-	-	-	177,783
Other income	6	8,406	-	8,406	4,402
Trading income		-	-	-	-
		<u>7,911,734</u>	<u>-</u>	<u>7,911,734</u>	<u>7,234,550</u>
EXPENDITURE ON:	7				
Raising funds					
Finance costs		10,421	-	10,421	18,826
Prepaid fee discount		4,530	-	4,530	5,190
Trading expenditure		-	-	-	4,336
Charitable activities					
School operating costs					
Teaching costs		4,125,362	-	4,125,362	4,233,827
Welfare		855,296	-	855,296	651,972
Premises		1,311,079	-	1,311,079	1,306,207
Support costs of schooling		1,060,723	-	1,060,776	908,467
Grants		-	715	715	783
		<u>7,367,464</u>	<u>715</u>	<u>7,368,179</u>	<u>7,129,608</u>
Net income before transfers		544,270	(715)	543,555	104,942
Transfers between funds		-	-	-	-
Net income after transfers		544,270	(715)	543,555	104,942
Balance brought forward		10,108,926	48,823	10,157,749	10,052,807
Balance carried forward		<u>10,653,196</u>	<u>48,108</u>	<u>10,701,304</u>	<u>10,157,749</u>

All activities are continuing. All the funds are unrestricted apart from the Other Funds, which comprises the Learning Support Fund. No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

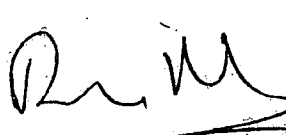
The accompanying notes are an integral part of the accounts. The results of the parent company are not presented in accordance with exemptions provided by the Companies Act (2006). The result for the year was a £547,661 surplus (2021: £109,277 surplus).

CONSOLIDATED AND CHARITY BALANCE SHEETS

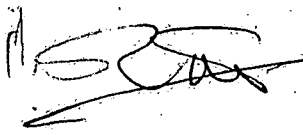
AS AT 31st AUGUST 2022

	Notes	Group 2022 £	2021 £	School 2022 £	2021 £
FIXED ASSETS					
Tangible fixed assets	10	10,963,572	11,048,172	10,963,572	11,048,172
Investments	3	-	-	1	1
CURRENT ASSETS					
Debtors					
Fees and extras in arrears		-	6,224	-	6,224
Other debtors, stocks and prepayments		194,600	202,564	194,600	202,564
Cash and cash equivalents		1,685,602	1,238,865	1,685,602	1,232,508
		1,880,202	1,447,653	1,880,202	1,441,296
CREDITORS - due within one year					
Fees received in advance	12	(763,888)	(594,983)	(763,888)	(594,983)
Prepaid fees	11	(128,447)	(250,024)	(128,447)	(250,024)
Other creditors	12	(626,567)	(544,655)	(626,568)	(542,405)
Bank loan	13	(125,927)	(450,000)	(125,927)	(450,000)
		(1,644,829)	(1,839,662)	(1,644,830)	(1,837,412)
NET CURRENT ASSETS/LIABILITIES		235,373	(392,009)	235,372	(396,116)
CREDITORS - Due after one year	13	(497,641)	(498,414)	(497,641)	(498,414)
TOTAL ASSETS LESS LIABILITIES		10,701,304	10,157,749	10,701,304	10,153,643
UNRESTRICTED FUNDS					
<i>Designated fund</i>					
General Fund	14	10,653,196	10,108,926	10,653,196	10,104,820
Learning Support Fund	15	48,108	48,823	48,108	48,823
		10,701,304	10,157,749	10,701,304	10,153,643

The financial statements were approved and authorised for issue by the Board of Governors on 18th November 2022 and were signed below on its behalf by:



R Marsh, Chairman



Sir M Harford, Governor

The accompanying notes are an integral part of the accounts.

CHEAM SCHOOL EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2022

	2022	2021
	£	£
Cash flow from operating activities		
Net income for the year	543,555	104,942
Depreciation	336,359	351,382
Interest receivable	(1,562)	(911)
Interest paid	10,421	18,826
(Increase)/decrease in debtors	14,188	178,710
Increase/(decrease) in creditors	303,504	17,607
Profit on disposal of fixed assets	(3,550)	-
Fixed asset adjustment	89,783	-
Net cash generated from operating activities	1,292,698	670,556
Cash flow from investing activities		
Interest received	1,562	911
Purchase of fixed assets	(341,542)	(225,731)
Proceeds from disposal of fixed assets	3,550	-
Net cash used in investing activities	(336,430)	(224,820)
Cash flows from financing activities		
Bank loan repayments	(324,073)	(100,000)
Increase/(decrease) in prepaid fees (net)	(175,037)	(276,761)
Interest paid	(10,421)	(18,826)
Net cash used in financing activities	(509,531)	(395,587)
Increase/(decrease) in cash and cash equivalents	446,737	£50,149
Cash and cash equivalents as at 1 st September 2021	1,238,865	1,188,716
Cash and cash equivalents as at 31 st August 2022	1,685,602	1,238,865

Reconciliation of net debt

	Balance	Cashflows	Balance
	1st September		31st August
	2021		2022
	£	£	£
Cash at bank and in hand	1,238,865	446,737	1,685,602
Debt due within 1 year	(450,000)	324,073	(125,927)
Debt due after 1 year	-	-	-
Total	788,865	770,810	1,559,675

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2022

ACCOUNTING POLICIES

ACCOUNTING POLICIES

Cheam School Educational Trust is a charitable company incorporated in England and Wales. Further company information can be found on page 2.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2019), the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The accounts present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flows and the consolidated and School balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Cheam Trading Limited. No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006.

The School reviews and monitors its financial position closely on a regular basis and also models future scenarios to ensure proactive steps are taken to protect both the financial resilience of its current operations, including the short-term impact of Coronavirus or other unexpected events, and its longer-term financial stability based on a range of other factors. These forecasts, in addition to normal processes, controls and governance in this area, enable a timely response to emerging issues and contingency planning for uncertainties presented by the wider environment. The School retains strong links with its bankers who continue to make available appropriate facilities to support ongoing activities. Having reviewed its current financial resources, the funding facilities available to the School, and its future projected cash flows, the Governors have a reasonable expectation that the School will have adequate resources to continue its activities for the foreseeable future. The Governors believe there are no material uncertainties relating to going concern and as such continue to adopt the going concern basis in preparing these financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable probability.

c) Expenditure

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised directly to support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d) Pension costs

All staff (teaching and non-teaching) are members of defined contribution schemes, where required by pursuant legislation, which comply with the requirements for a stakeholder pension scheme. The School withdrew from the Teachers' Pension Scheme on 31st December 2019. See Note 8 on page 16.

e) Fixed assets

All items of a capital nature with a combined value of over £600 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Freehold land	Freehold land is not depreciated
Freehold buildings & improvements	2%
Furniture, fixtures and equipment	10%
Motor vehicles	20%
Computers	25%

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2022

ACCOUNTING POLICIES (continued)

ACCOUNTING POLICIES (continued)

f) Financial Instruments

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

g) Operating Leases

Rental charges are charged on a straight-line basis over the term of the lease.

h) Debtors

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

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School 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 and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves; spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Governors. The use of designated funds remains at the discretion of Governors.

l) Critical sources of estimation uncertainty and accounting judgements

The governors consider there to be the following key sources of estimation uncertainty and have therefore applied judgement:

Useful lives of fixed assets

The useful lives over which fixed assets are depreciated are estimated by reference to historical experience of the time assets are retained and utilised by the School.

m) Employee benefits

Employee benefits are accounted for in the period in which the employee's services were provided.

n) Employee termination payments

Employee termination payments are accounted for in the period in which the employee ceased employment with the School.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS

YEAR ENDED 31st AUGUST 2022

1. CHARITABLE ACTIVITIES	2022	2021
	£	£
Fees receivable consist of:		
Boarding and tuition fees	8,243,086	7,285,154
Less scholarships, bursaries and remissions given	(562,413)	(439,384)
	<u>7,680,673</u>	<u>6,845,770</u>
2. OTHER ANCILLARY INCOME	2022	2021
	£	£
Registration fees	9,624	8,720
Fixed asset disposals	3,550	-
Other	31,595	10,808
	<u>44,769</u>	<u>19,528</u>
3. SUBSIDIARY	2022	2021
	£	£
Turnover and other income	-	-
Administrative expenditure	-	(4,336)
Net (loss)/profit	-	(4,336)
Bank Interest Received	-	1
Tax on profit	-	-
(Loss)/profit for the financial period	-	(4,335)
Donation to parent undertaking	(4,106)	-
Retained in subsidiary	<u>(4,106)</u>	<u>(4,335)</u>
Net assets	<u>1</u>	<u>4,107</u>

The Charitable Company has an investment in a subsidiary undertaking which comprises a holding of 1 ordinary share of £1, being the whole of the issued share capital of Cheam Trading Limited (formerly Cheam Asia Limited), a company registered in England.

As at 31st August 2022, the company had net assets of £1 (2021: net assets of £4,107).

4. INTEREST RECEIVABLE	2022	2021
	£	£
Bank interest	1,562	911
	<u>1,562</u>	<u>911</u>
5. DONATIONS	2022	2021
	£	£
Donations received	1,133	4,315
	<u>1,133</u>	<u>4,315</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2022

6. OTHER INCOME	2022 £	2021 £
Government grants	-	177,783
Rent and lettings	8,436	3,103
Miscellaneous	(30)	1,299
	<u>8,406</u>	<u>4,402</u>

7a. ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2022 Total £
Cost of generating funds				
Finance costs	-	10,421	-	10,421
Prepaid fee discount	-	4,530	-	4,530
School operating costs				
Teaching	3,549,127	522,352	53,883	4,125,362
Welfare	568,625	268,634	18,037	855,296
Premises	540,684	531,159	239,236	1,311,079
Support	600,050	404,796	25,203	1,030,049
Bad and doubtful debts	-	30,727	-	30,727
Grants	-	715	-	715
Trading expenditure	-	-	-	-
Total expenditure	<u>5,258,486</u>	<u>1,773,334</u>	<u>336,359</u>	<u>7,368,179</u>

7b. COMPARATIVE ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2021 Total £
Cost of generating funds				
Finance costs	-	18,826	-	18,826
Prepaid fee discount	-	5,190	-	5,190
School operating costs				
Teaching	3,598,159	572,247	63,421	4,233,827
Welfare	453,601	182,469	15,902	651,972
Premises	561,414	498,930	245,863	1,306,207
Support	565,917	316,354	26,196	908,467
Grants	-	783	-	783
Trading expenditure	-	4,336	-	4,336
Total expenditure	<u>5,179,091</u>	<u>1,599,135</u>	<u>351,382</u>	<u>7,129,608</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2022

8. STAFF COSTS	2022 £	2021 £
Wages and salaries	4,253,458	4,071,043
Social security costs	381,443	371,715
Pension contributions	450,458	464,664
Other staff related costs	173,127	271,669
	<u>5,258,486</u>	<u>5,179,091</u>

Termination payments of £37,630 were incurred during the year (2021: £50,000).

	No.	No.
The average number of employees in the year was:		
Teaching	95	100
Others	65	64
	<u>160</u>	<u>164</u>

The number of employees whose emoluments exceeded £60,000

£60,000 - £70,000	3	5
£70,000 - £80,000	-	-
£80,000 - £90,000	1	-
£90,000 - £100,000	-	-
£100,000 - £110,000	-	1
£110,000 - £120,000	1	1
	<u>1</u>	<u>1</u>

Teachers' Pension Scheme

The School used to participate in the Teachers' Pension Scheme ("the TPS") for its teaching staff, but withdrew on 31st December 2019 and an alternative defined contribution pension scheme was put in place for the benefit of teaching staff.

Aviva Pension Trust for Independent Schools

As the replacement for the TPS for teaching staff, the School participates in a defined contribution scheme with the Aviva Pension Trust for Independent Schools. During the year £586,536 (2021: £608,315) was recognised as an expense in the Consolidated Statement of Financial Activities.

Incorporated Association of Preparatory Schools Retirement

The School also participates in a defined contribution scheme with the Incorporated Association of Preparatory Schools Retirement Plan for certain non-teaching staff. During the year £124,305 (2021: £137,891) was recognised as an expense in the Consolidated Statement of Financial Activities.

Nest Pension Scheme

The School also participates in the Nest Pension Scheme, a government backed defined contribution scheme, for the benefit of certain non-teaching staff. During the year £32,456 (2021: £30,842) was recognised as an expense in the Consolidated Statement of Financial Activities.

At the year-end £53,552 (2021: £70,294) was payable in respect of contributions to the defined contribution pension schemes that the School participates in for the benefit of its staff.

None of the Governors received any remuneration. Out of pocket expenses paid to Governors during the year were £240 (2021: £639). The School has purchased Governor's liability insurance. As the premium is included with other insurance costs, it is not separately identifiable.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2022

9. EXPENDITURE	2022	2021
	£	£
Expenditure includes:		
Operating lease payments	65,827	65,959
Auditor's remuneration - Audit	19,200	17,580
- Other services	1,320	1,320
Depreciation	<u>331,634</u>	<u>351,382</u>

10. TANGIBLE FIXED ASSETS

The movements of tangible fixed assets are as follows:

Group and School	Freehold land and freehold buildings £	Furniture, Fittings, equipment and motor vehicles £	Computers £	Total £
COST OR VALUATION				
At 1 st September 2021	13,980,088	1,611,950	582,910	16,174,948
Additions	142,314	100,258	98,970	341,542
Adjustment	(94,508)	-	-	(94,508)
Disposals	-	(37,174)	-	(37,174)
At 31 st August 2022	<u>14,027,894</u>	<u>1,675,034</u>	<u>681,880</u>	<u>16,384,808</u>
DEPRECIATION				
At 1 st September 2021	3,626,090	1,020,435	480,251	5,126,776
Charge for the year	208,064	74,521	53,774	336,359
Adjustment	(4,725)	-	-	(4,725)
On disposals	-	(37,174)	-	(37,174)
At 31 st August 2022	<u>3,829,429</u>	<u>1,057,782</u>	<u>534,025</u>	<u>5,421,236</u>
NET BOOK VALUE				
At 31 st August 2022	<u>10,198,465</u>	<u>617,252</u>	<u>147,855</u>	<u>10,963,572</u>
At 31 st August 2021	<u>10,353,998</u>	<u>591,515</u>	<u>102,659</u>	<u>11,048,172</u>

The loan disclosed in Note 13 below is secured on the above property.

Certain amounts capitalised and accrued for in relation to works expected on Cheam's artificial playing surface were finalised during the year enabling the removal of the associated liability and the adjustment to fixed assets shown above.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2022

11. PREPAID FEES

The movements on the School's prepaid fees scheme during the year were as follows:

	Group and School	
	2022	2021
	£	£
Balance at 1st September 2021	399,052	675,813
New contracts	74,986	105,145
Amount accrued to contracts	4,530	5,190
Refunded to parents	-	-
	<u>478,568</u>	<u>786,148</u>
Amounts utilised in payment of fees	(254,553)	(387,096)
Balance at 31st August 2022	<u><u>224,015</u></u>	<u><u>399,052</u></u>

Assuming pupils remain with the School, prepaid fees will be applied as follows:

	2022	2021
	£	£
Within one year	128,447	250,024
Between two and five years	95,568	149,028
After five years	-	-
	<u><u>224,015</u></u>	<u><u>399,052</u></u>

12. CREDITORS: - Due within one year

	Group		School	
	2022	2021	2022	2021
	£	£	£	£
Fees received in advance	<u>763,888</u>	<u>594,983</u>	<u>763,888</u>	<u>594,983</u>
	£	£	£	£
Trade creditors	172,507	116,683	172,507	116,683
Other tax and social security	99,906	115,996	99,906	115,996
Other creditors	173,677	240,826	173,677	240,826
Accruals	180,477	71,150	180,477	68,900
Amounts owed to group undertakings	-	-	1	-
	<u><u>626,567</u></u>	<u><u>544,655</u></u>	<u><u>626,568</u></u>	<u><u>542,405</u></u>

School fees received in advance relates to fees for the next school year, which some parents pay in advance:

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2022

13a CREDITORS: - Due after one year	Group		School	
	2022 £	2021 £	2022 £	2021 £
Prepaid fees	95,568	149,029	95,568	149,029
Fee deposits	402,073	349,385	402,073	349,385
Bank loans	-	-	-	-
	<u>497,641</u>	<u>498,414</u>	<u>497,641</u>	<u>498,414</u>

13b BANK LOAN	Group and School	
	2022 £	2021 £
Due:		
- between one and two years	125,927	-
- between two and five years	-	-
	<u>125,927</u>	<u>-</u>
Creditors due within one year	-	450,000
	<u>125,927</u>	<u>450,000</u>

The above loan, which is secured on the School's freehold property, bears interest at 2.0% above the Bank of England Base Rate. The loan commenced in February 2022 and was fully repaid in November 2022.

14. GENERAL FUNDS

General funds can be applied to the School's operations at the discretion of the governors.

OTHER FUNDS

15. LEARNING SUPPORT FUND

The fund consists of donations of £60,000 that are now reduced to £48,108 which are being used for learning support. £715 was spent during the year.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2022

16a. ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets £	Net current assets/ (liabilities) £	Creditors: due after one year £	2022 Total £
General Fund	10,963,572	187,265	(497,641)	10,653,196
Learning Support Fund	-	48,108	-	48,108
	<u>10,963,572</u>	<u>235,373</u>	<u>(497,641)</u>	<u>10,701,304</u>

16b. COMPARATIVE ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets £	Net current assets/ (liabilities) £	Creditors: due after one year £	2021 Total £
General Fund	11,048,172	(440,832)	(498,414)	10,108,926
Learning Support Fund	-	48,823	-	48,823
	<u>11,048,172</u>	<u>(392,009)</u>	<u>(498,414)</u>	<u>10,157,749</u>

17. OPERATING LEASE COMMITMENTS

The School has the following total operating lease commitments due as follows:

	Group and School	
	2022 £	2021 £
Less than one year	65,827	55,515
Two to five years	139,312	108,380
Over five years	-	648
	<u>205,139</u>	<u>164,543</u>

18. RELATED PARTY DISCLOSURES

Three Governors have children at the School and pay fees in line with other parents (2021: Three).

There were no other related party transactions in the year ended 31st August 2022 or the preceding year.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2022

19. POST BALANCE SHEET EVENTS

In November 2022 the School completed on the sale of two residential properties it owned in Jago Court, Newbury, for cash consideration of £460,000. Some of the consideration received was used to repay the School's bank loan in November 2022.

No consideration relating to the sale of these properties has been recognised in the balance sheet as at 31 August 2022.

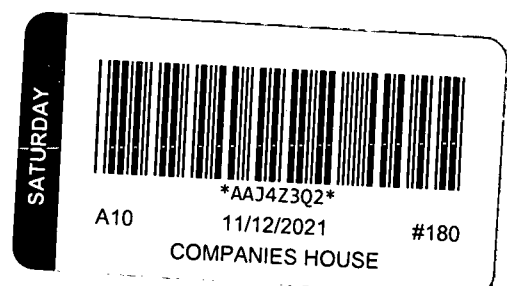
Accounts

CHEAM SCHOOL EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31st AUGUST 2021

Company Registration No. 01843219
Charity Registration No. 290143

Haysmacintyre LLP
Chartered Accountants
London



CHEAM SCHOOL EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

The Board of Governors present their annual report for the year ended 31st August 2021, together with the audited consolidated financial statements for the year, and confirm that they comply with the requirements of the Companies Act 2006 and the Company's Memorandum of Association and the Charities SORP 2005. These financial statements include the results of the School's subsidiary, Cheam Trading Limited.

REFERENCE & ADMINISTRATIVE INFORMATION

Cheam School Educational Trust is a charitable company established in 1984 with the School originally founded in 1645. The Company Registration number is 1843219 and the Charity Registration number is 290143. The liability of its members is limited to £1 each by guarantee. The registered office and principal address of the Company is at Cheam School, Newbury Road, Headley, Berkshire, RG19 8LD.

Governors

The School Governors, who are all also Charity Trustees and Directors of the Charitable Company for Companies Act purposes, and also any past Governors who served during the year as indicated, are:

Board	Finance Committee
Mr R.D. Marsh	✓
Mrs W. Batchelor (resigned June 2021)	
Mr B. J. Reid (resigned March 2021)	✓
Mrs A. E. H. May	
Mr R. Hornsby	
Mr N. Adams	
Dr T R Hands	
Mrs L J Moelwyn-Hughes	
Sir M. J. Harford	✓
Mr S. Miners	✓
Mrs A. Jack (appointed November 2020)	
Mr H. Bond-Gunning (appointed April 2021)	✓
Mrs T. Reeve (appointed April 2021)	

Key Executives and Professional Advisors

The Head:	M. Harris (resigned August 2021)
Acting Head:	T. Haigh (appointed August 2021)
Director of Finance and Operations ("DFO"):	T. Tabrah (resigned July 2021)
	L. Jenkins (appointed July 2021)
Bankers:	National Westminster Bank Plc 30 Market Place Newbury, Berkshire, RG14 5AJ
Auditors:	Haysmacintyre LLP Statutory Auditors 10 Queen Street Place London, EC4R 1AG

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by the provisions of the Memorandum and Articles of Association last amended on 28th June 2005.

The Governing Body

The Governing body is elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as wide a mix as possible of relevant expertise. Members usually serve for a term of five years and are eligible to stand for re-election.

Governor Training

New members to the Board are inducted into the workings of the School, and also the Company as a registered charity, including board policy and procedures. Training courses are organised by the DFO and are attended as required. A record of training is kept on the members file.

Organisational Management

The Board meets at a minimum once each term to determine the general policy for the Trust and review its overall management and control, for which it is legally responsible. The Finance Committee meets at a minimum prior to each termly Board meeting, specifically to review financial management information, and to make recommendations to the Board.

Organisational Structure and Relationships

The day to day running of the School is delegated to the Head and DFO who report to the Board each term. The Head is supported by the Senior Management Team. Other specific sub-committees exist to provide a forum for the remainder of the staff.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The principal Object of the Charitable Trust, in accordance with its Memorandum and Articles of Association, is the education of boys and girls up to the age of 13.

Objectives for the Year

1. To achieve the highest academic results possible so that all pupils gain entry to the senior school of their choice.
2. Continuous development of existing academic, pastoral, social and sporting activities.
3. To achieve a sound financial base to allow for future development of academic and other activities.

Principal Activity

The Trust continues to operate a Preparatory and Pre-Preparatory boarding and day school for both boys and girls from 3 to 13. The fees are set at a level to ensure the financial viability of the School and at a level that is consistent with providing a first class education to boys and girls.

Key management personnel remuneration

Key management personnel remuneration is determined by the School's Finance Committee against sector benchmarking and in consideration of other relevant information (i.e. geographical factors). Any revisions to remuneration or remuneration policy are put to the Board for approval.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Equal Opportunities

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 their potential. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process. The School will make reasonable adjustments to meet the needs of pupils or staff who are or who become disabled.

Bursaries, allowances & remissions

The Governors view the School's bursary awards as important in helping to ensure children from families, who would otherwise not be able to afford the fees, can access the education the School offers. Bursaries are available to all who meet our general entry requirements and are made only on the basis of parental means or to relieve hardship. The School does not have large endowments or investments to fund any awards and has therefore to ensure that there is a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards. This year the Trust was able to support 19 pupils (2020: 18) through means tested bursaries. Four of the bursaries were worth 75% or more of the annual fee with a further four at 50% or more. The current total value of the bursaries, allowances and remissions reduced the annual fee income by £439,384 (2020: £531,004). The School also provided a 100% scholarship to Kingsclere Performing Arts College (previously JLD School of Dancing) for a child from the local community to have professional dancing lessons.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

Academic and Pastoral: Total pupil numbers at the end of the year were 369 (excluding 14 Nursery pupils). Because of Coronavirus, only flexi-boardings arrangements were offered when the School's premises were open, generating £246,055 of income (2020: £51,484, which was heavily Coronavirus-affected). All pupils passed their Common Entrance exam into a senior school of their choice. In addition, scholarships were awarded by senior schools to 15 of them (2020: 13).

In line with government restrictions in relation to Coronavirus, the School's premises were closed to pupils from 14th January to 8th March 2021, covering most of the Spring term (although they did remain open to the children of key workers). Whilst the School's premises were closed, pupils were educated remotely via a virtual platform which incorporated live, teacher led, lessons. Just before Easter, in line with government guidance, all pupils returned to the School premises to be educated onsite, benefiting from the facilities on offer and time with peers.

Facilities: The Governors are satisfied that the School's facilities offer a broad range of educational facilities to children of all academic ability and interests. The School, as a matter of course, continues to invest in the maintenance and improvement of existing facilities and infrastructure. During the year, the School resurfaced its tennis courts, re-laid another of its cricket net systems, revitalised the main dining room and continued a programme of upgrades to its IT infrastructure and enhancements to various health and safety infrastructure, including fire alarms.

Strategic developments: During the year the School continued to progress its relationship with its corporate partners in China to develop jointly Cheam branded schools in that country (in the prior year progression of this franchising arrangement had been on hold due to Coronavirus). Since the Summer though, regulatory changes in China have made the pursuit of such ventures substantially more challenging and shortly after the end of the year the School agreed to the termination of its existing franchise agreement with its Chinese partner. The Governors continue to view franchising as a way to diversify the School's income streams and they remain open to other opportunities that may present themselves in other markets (not least because of the cultural exchange experiences such partnerships could present for pupils). However, they view a temporary pause on such activities as the best position to take at least while Cheam is transitioning to a new Headmaster.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2021

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

The Cheam Foundation, a separate fundraising organisation established in 2019, continues to raise funds for the provision of life changing bursaries and major capital projects at the School. The Foundation is a separate charity with a separate board of Trustees, though there is close communication with the Governors of the School.

Public Benefit: The purpose of the School is the advancement of education for boys and girls from the age of three to thirteen in accordance with the Memorandum and Articles of Association. Save for temporary furlough payments during recent periods of Coronavirus disruption, the School in the normal course of events receives no funding from the State and is therefore obliged to charge fees to its customers (the parents) to cover the remuneration of its staff, operating costs and the maintenance costs both present and in the future associated with the upkeep of the School's fabric and facilities.

The Governors aim to ensure that the School's quality of education offered and the facilities that it possesses should be, wherever possible, of benefit to the public and in particular the local community.

In setting the School's objectives and planning its activities, our Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. The Governors acknowledge the guidance and will strive, wherever it is reasonably possible, to follow it.

The following organisations and charities have benefited from donations by the School or by fundraising events held at the School: PALS; the Honey Pot Children's Charity; The Royal British Legion through the Poppy Appeal; the Louise Purton Toy Appeal; the Red Cross War Memorial Children's Hospital; UCL Great Ormond Street Institute of Child Health through Young Art 2021; the Hampshire Medical Fund; the Basingstoke Foodbank.

Community Links: Our School is part of the local community and as such we are keen to participate in any way we can. The School has assisted the local community of Headley village in maintaining the grounds at Headley Community Shop and Village Post Office, as well as the Village Hall and local bus shelters. The School also supports and donates to the maintenance fund of the local parish church at Ashford Hill.

Close relations continue to be fostered between the School and two local primary schools, Ashford Hill and Kingsclere primary schools and two pre-schools, St John's and St Joseph's, Newbury. The School continues to assist Ashford Hill with teaching and learning objectives. Kingsclere Primary School has benefited from the services of the School's Head of Music.

Due to Coronavirus, the use of the School's facilities by the local community was necessarily restricted. The School is pleased that since the year end it is better placed to resume supporting local organisations and groups whenever it is safe and able to do so.

FINANCIAL REVIEW

The financial results for the year are shown in the statement of financial activities on Page 11 which shows net income, before transfers, of £104,942 (2020: £219,670). Included within this result is a loss of £4,335 (2020: loss of £204,879) attributable to the School's subsidiary, Cheam Trading Limited, deriving from its ongoing administrative expenditure.

As a result of the necessary move to remote learning in the Spring term, together with recognition of the financial difficulties that parents may have been facing as a result of Coronavirus, the School implemented discounts to its normal fees for that term, which were applied based on year group. As a result of the shutdown of the School's premises, there was impaired boarding income. There was a degree of natural reduction in expenditure whilst the School site was closed and other cost saving measures were also implemented to mitigate the reduced level of income. In addition, the School utilised furlough grants made available from the government in relation to Coronavirus that allowed it to support employees who were unable to work during the period of lockdown.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2021

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Investment performance

The Trust deposits cash funds at variable rates of interest with the Bank.

Other income

£4,315 of Donations (2020: £5,000) were received during the year. Other funds were raised from lettings and on-site activity camps.

Reserves Policy

Reserves at 31st August 2021 totalled £10,157,749 (2020: £10,052,807), of which £10,108,926 were unrestricted. After deducting amounts applied towards fixed assets totalling £11,048,172 and the related secured loan of £450,000 the level of free reserves is £(489,246) compared to £(620,623) in 2020.

The reserves policy of the School has been based on the School's objectives. Its main features are:

- a) To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings and maintenance programme; and
- b) To provide emergency cover for unexpected and unavoidable items of expenditure, over and above a level which can be funded from current income.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board continues to keep the School's activities under review and consider the major risks faced in each of the principal areas of the School's operations. In the opinion of the Board the School has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

In particular, the Governors have identified the major risks as being:

Global health pandemic: like almost all organisations the School has continued to be impacted by Coronavirus and this year experienced another imposed lockdown during the Spring term. The School continues to implement plans and follow guidance from the government and professional bodies to safeguard the health and safety of the School community (pupils, staff and parents). These plans are reviewed and amended on a regular basis to reflect the latest guidance and the evolving circumstances related to Coronavirus. The School has a remote learning platform for pupils who are unable to attend school because of Coronavirus and older pupils have devices which better facilitate their access to it. The remote learning platform and offering continues to develop and improve as experience of using it matures amongst both staff and pupils. From a financial perspective, the short-term impact of Coronavirus has been closely managed and the School has performed a detailed review of the potential longer-term impact of Coronavirus or a similar repeat episode on its financial position. The School continues to have substantial emergency reserves at its disposal on its own balance sheet; additionally it continues to liaise closely with its bankers regarding the level of additional facilities necessary to manage any financial interruptions, should they arise. From an operational perspective, the Governors are satisfied that the School has adequate systems and processes in place in order to protect the safety and wellbeing of its staff and pupils and continue to provide quality education in the face of any resumed disruption resulting from the Coronavirus epidemic.

Dramatic fall in pupil numbers: strategies and plans are in place to ensure the School remains an attractive option for future parents both academically and in the provision of excellent facilities. However, the Governors recognise that the reputation of a school can be destroyed through the actions of others both past and present in a very short time and could result in a dramatic loss of pupils. To mitigate these risks the School ensures appropriate policies are in place, which are regularly reviewed by the Governors and procedures are monitored by Governors. Appropriate training is undertaken by all staff on a regular basis and good communication among staff, parents and Governors is a continuing focus.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2021

Withdrawal of capital project loan financing: cash flow forecasts are regularly prepared by the DFO and reviewed by the Finance Committee at their meetings to ensure the School has sufficient liquidity to operate and meet its liabilities as they fall due. The School has a strong relationship with its bankers and maintains regular communication regarding the financial performance of the School and its budgets and plans for future years.

Unforeseen events: the School regularly reviews its insurance coverage to ensure that it has appropriate cover to offset the impact of any serious events occurring that may impact either the ability to provide education to its pupils or a significant detrimental impact on its financial stability.

Loss of 'key player': a strong senior management team is in place to help mitigate the impact of the loss of a key player.

FUTURE PLANS

The Governors' objectives and strategies are reviewed every year. The majority remain unchanged and they continue to be to ensure, through sound financial diligence, that the School continues to be a market leader through the provision of modern facilities and first class teaching staff. The Governors have reviewed and approved the business plan for the next financial year and also reviewed the outlook for the next five years including appropriate scenario analysis.

Although the Coronavirus epidemic has had a short-term negative impact on the School's operations, the Governors do not believe there is a material impact on the School's longer term objectives, plans and overall strategy. However, the Governors acknowledge that the current operating environment remains uncertain and therefore they regularly review the impact on strategy and, in particular, the School's long-term financial stability.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the result of the Trust for that period. In preparing financial statements, the Governors are required to:

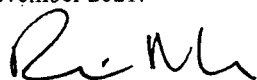
- Select suitable accounting policies and then apply them consistently;
- Observe the principles and methods of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Trust will continue in business.

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

So far as each of the Governors is aware at the time the report is approved:

- There is no relevant audit information of which the Trust's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

The Governors' statement, incorporating the Strategic Report is hereby approved on behalf of the Governors on 12th November 2021.



R Marsh, Chairman

12th November 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHEAM SCHOOL EDUCATIONAL TRUST

Opinion

We have audited the consolidated financial statements of Cheam School Educational Trust for the year ended 31st August 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheet, the Consolidated 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 Group and parent charitable company's affairs as at 31st August 2021 and of the Group and parent 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 group 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 trustee's 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 Group's and of the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

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 Governors Annual Report (which incorporates 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' Annual Report (which incorporates the strategic report and the Directors' report) has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHEAM SCHOOL EDUCATIONAL TRUST (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report (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 returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 7, the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent 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 industry, we identified that the principal risks of non-compliance with laws and regulations, Safeguarding and Education Act, GDPR, company law and charity law applicable in England and Wales, 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.

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 management bias in accounting estimates. Audit procedures performed by the engagement team included:

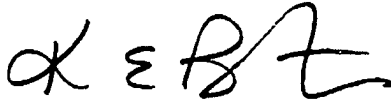
- Inspection of correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHEAM SCHOOL EDUCATIONAL TRUST (continued)**

Use of our report

This report is made solely to the Group and 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.



Kathryn Burton
Senior Statutory Auditor
for and on behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 22 November 2021

CHEAM SCHOOL EDUCATIONAL TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31st AUGUST 2021

		General Unrestricted Fund 2021 £	Other Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND EXPENDITURE					
	Notes				
INCOME FROM:					
<i>Income from charitable activities</i>					
Tuition fees	1	6,845,770	-	6,845,770	6,777,037
Disbursements and extras		181,841	-	181,841	111,410
Other ancillary income	2	19,528	-	19,528	16,713
<i>Investments</i>					
Interest receivable	4	911	-	911	9,506
<i>Voluntary sources</i>					
Donations and appeal income	5	4,315	-	4,315	5,000
<i>Other income</i>					
Government grants	6	177,783	-	177,783	402,863
Other income	6	4,402	-	4,402	3,149
Trading income		-	-	-	2,358
		<u>£7,234,550</u>	<u>-</u>	<u>£7,234,550</u>	<u>£7,328,036</u>
EXPENDITURE ON:					
<i>Raising funds</i>					
Finance costs		18,826	-	18,826	26,883
Prepaid fee discount		5,190	-	5,190	8,834
Trading expenditure		4,336	-	4,336	2,800
<i>Charitable activities</i>					
<i>School operating costs</i>					
Teaching costs		4,233,827	-	4,233,827	4,252,624
Welfare		651,972	-	651,972	635,189
Premises		1,306,207	-	1,306,207	1,282,427
Support costs of schooling		908,467	-	908,467	895,498
Grants		-	783	783	4,111
		<u>£7,128,825</u>	<u>£783</u>	<u>£7,129,608</u>	<u>£7,108,366</u>
Net income before transfers		105,725	(783)	104,942	219,670
Transfers between funds		-	-	-	-
Net income after transfers		105,725	(783)	104,942	219,670
Balance brought forward		10,003,201	49,606	10,052,807	9,833,137
Balance carried forward	16	<u>£10,108,926</u>	<u>£48,823</u>	<u>£10,157,749</u>	<u>£10,052,807</u>

All activities are continuing. All the funds are unrestricted apart from the Other Funds, which comprises the Learning Support Fund. No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

The accompanying notes are an integral part of the accounts. The results of the parent company are not presented in accordance with exemptions provided by the Companies Act (2006). The result for the year was a £109,277 surplus (2020: £423,811 surplus).

CONSOLIDATED AND CHARITY BALANCE SHEETS

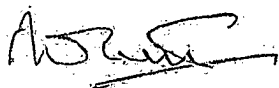
AS AT 31st AUGUST 2021

		Group		School	
	Notes	2021 £	2020 £	2021 £	2020 £
FIXED ASSETS					
Tangible fixed assets	10	11,048,172	11,173,823	11,048,172	11,173,823
Investments	3	-	-	1	1
CURRENT ASSETS					
Debtors					
Fees and extras in arrears		6,224	4,787	6,224	4,787
Other debtors, stocks and prepayments		202,564	382,711	202,564	382,711
Cash and cash equivalents		1,238,865	1,639,810	1,232,508	1,627,387
		<u>1,447,653</u>	<u>2,109,416</u>	<u>1,441,296</u>	<u>1,892,500</u>
CREDITORS - due within one year					
Fees received in advance	12	(594,983)	(522,723)	(594,983)	(522,723)
Prepaid fees	11	(250,024)	(367,641)	(250,024)	(367,641)
Other creditors	12	(544,655)	(601,301)	(542,405)	(601,301)
Bank loan	13	(450,000)	(300,000)	(450,000)	(300,000)
		<u>(1,839,662)</u>	<u>(1,791,665)</u>	<u>(1,837,412)</u>	<u>(1,791,665)</u>
NET CURRENT ASSETS/LIABILITIES		(392,009)	(215,451)	(396,116)	(223,894)
CREDITORS - Due after one year	13	(498,414)	(905,565)	(498,414)	(905,565)
TOTAL ASSETS LESS LIABILITIES		<u>£10,157,749</u>	<u>£10,052,807</u>	<u>£10,153,643</u>	<u>£10,044,365</u>
UNRESTRICTED FUNDS	16				
<i>Designated fund</i>					
General Fund	14	10,108,926	10,003,201	10,104,820	9,994,759
Learning Support Fund	15	48,823	49,606	48,823	49,606
		<u>£10,157,749</u>	<u>£10,052,807</u>	<u>£10,153,643</u>	<u>£10,044,365</u>

The financial statements were approved and authorised for issue by the Board of Governors on 12th November 2021 and were signed below on its behalf by:



R Marsh, Chairman



Sir M Harford, Governor

The accompanying notes are an integral part of the accounts.

CHEAM SCHOOL EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st AUGUST 2021

	2021 £	2020 £
Cash flow from operating activities		
Net income for the year	104,942	219,670
Depreciation	351,382	347,638
Interest receivable	(911)	(9,506)
Interest paid	18,826	26,883
(Increase)/decrease in debtors	178,710	82,107
Increase/(decrease) in creditors	17,607	(279,296)
Net cash generated from operating activities	670,556	387,496
Cash flow from investing activities		
Interest received	911	4,201
Purchase of fixed assets	(225,731)	(240,999)
Net cash used in investing activities	(224,820)	(231,493)
Cash flows from financing activities		
Bank loan repayments	(100,000)	(200,000)
Increase/(decrease) in prepaid fees (net)	(276,761)	(380,214)
Interest paid	(18,826)	(26,883)
Net cash used in financing activities	(395,587)	(607,097)
Increase/(decrease) in cash and cash equivalents	£50,149	£(451,094)
Cash and cash equivalents as at 1 st September 2020	1,188,716	1,639,810
Cash and cash equivalents as at 31 st August 2021	£1,238,865	£1,188,716

Reconciliation of net debt

	Balance 1 st September 2020 £	Cashflows £	Balance 31 st August 2021 £
Cash at bank and in hand	1,188,716	50,149	1,238,865
Debt due within 1 year	(450,000)	-	(450,000)
Debt due after 1 year	(100,000)	100,000	-
	£638,716	£150,149	£788,865

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2021

ACCOUNTING POLICIES

ACCOUNTING POLICIES

Cheam School Educational Trust is a charitable company incorporated in England and Wales. Further company information can be found on page 2.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2019), the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The accounts present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flows and the consolidated and School balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Cheam Trading Limited. No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006.

The School reviews and monitors its financial position closely on a regular basis and also models future scenarios to ensure proactive steps are taken to protect both the financial resilience of its current operations, including the short-term impact of Coronavirus or other unexpected events, and its longer-term financial stability based on a range of other factors. These forecasts, in addition to normal processes, controls and governance in this area, enable a timely response to emerging issues and contingency planning for uncertainties presented by the wider environment. The School retains strong links with its bankers who continue to make available appropriate facilities to support ongoing activities. Having reviewed its current financial resources, the funding facilities available to the School, and its future projected cash flows, the Governors have a reasonable expectation that the School will have adequate resources to continue its activities for the foreseeable future. The Governors believe there are no material uncertainties relating to going concern and as such continue to adopt the going concern basis in preparing these financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable probability.

c) Expenditure

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised directly to support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d) Pension costs

All staff (teaching and non-teaching) are members of defined contribution schemes, where required by pursuant legislation, which comply with the requirements for a stakeholder pension scheme. The School withdrew from the Teachers' Pension Scheme on 31st December 2019. See Note 8 on page 16.

e) Fixed assets

All items of a capital nature with a combined value of over £600 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Freehold land	Freehold land is not depreciated
Freehold buildings & improvements	2%
Furniture, fixtures and equipment	10%
Motor vehicles	20%
Computers	25%

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2021

ACCOUNTING POLICIES (continued)

ACCOUNTING POLICIES (continued)

f) Financial Instruments

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

g) Operating Leases

Rental charges are charged on a straight-line basis over the term of the lease.

h) Debtors

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

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School 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 and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Governors. The use of designated funds remains at the discretion of Governors.

l) Critical sources of estimation uncertainty and accounting judgements

The governors consider there to be the following key sources of estimation uncertainty and have therefore applied judgement.

Useful lives of fixed assets

The useful lives over which fixed assets are depreciated are estimated by reference to historical experience of the time assets are retained and utilised by the School.

m) Employee benefits

Employee benefits are accounted for in the period in which the employee's services were provided.

n) Employee termination payments

Employee termination payments are accounted for in the period in which the employee ceased employment with the School.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS

YEAR ENDED 31ST AUGUST 2021

1. CHARITABLE ACTIVITIES	2021	2020
	£	£
Fees receivable consist of:		
Boarding and tuition fees	7,285,154	7,308,041
Less scholarships, bursaries and remissions given	(439,384)	(531,004)
	<u>£6,845,770</u>	<u>£6,777,037</u>
2. OTHER ANCILLARY INCOME	2021	2020
	£	£
Registration fees	8,720	5,150
Other	10,808	11,563
	<u>£19,528</u>	<u>£16,713</u>
3. SUBSIDIARY	2021	2020
	£	£
Turnover and other income	-	1,620
Administrative expenditure	(4,336)	(12,022)
Net (loss)/profit	<u>(4,336)</u>	<u>(10,402)</u>
Bank Interest Received	1	203
Tax on profit	-	-
(Loss)/profit for the financial period	<u>(4,335)</u>	<u>(10,199)</u>
Gift Aid donation to parent undertaking	-	(193,942)
Retained in subsidiary	<u>(4,335)</u>	<u>(204,141)</u>
Net assets	<u>£4,107</u>	<u>£8,442</u>

The Charitable Company has an investment in a subsidiary undertaking which comprises a holding of 1 ordinary share of £1, being the whole of the issued share capital of Cheam Trading Limited (formerly Cheam Asia Limited), a company registered in England.

As at 31st August 2021, the company had net assets of £4,107 (2020: net assets of £8,442).

4. INTEREST RECEIVABLE	2021	2020
	£	£
Bank interest	911	9,506
	<u>£911</u>	<u>£9,506</u>
5. DONATIONS	2021	2020
	£	£
Donations received	4,315	5,000
	<u>£4,315</u>	<u>£5,000</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2021

6. OTHER INCOME	2021 £	2020 £
Government grants	<u>177,783</u>	<u>402,863</u>
Rent and lettings	3,103	5,041
Miscellaneous	<u>1,299</u>	<u>(1,892)</u>
	<u>£4,402</u>	<u>£3,149</u>

7a. ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2021 Total £
Cost of generating funds				
Finance costs	-	18,826	-	18,826
Prepaid fee discount	-	5,190	-	5,190
School operating costs				
Teaching	3,598,159	572,247	63,421	4,233,827
Welfare	453,601	182,469	15,902	651,972
Premises	561,414	498,928	245,863	1,306,207
Support	565,917	316,354	26,196	908,467
Grants	-	783	-	783
Trading expenditure	-	4,336	-	4,336
Total expenditure	<u>£5,179,091</u>	<u>£1,599,135</u>	<u>£351,382</u>	<u>£7,129,608</u>

7b. COMPARATIVE ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2020 Total £
Cost of generating funds				
Finance costs	-	26,883	-	26,883
Prepaid fee discount	-	8,834	-	8,834
School operating costs				
Teaching	3,759,914	412,794	79,916	4,252,624
Welfare	457,498	177,691	-	635,189
Premises	603,054	438,290	241,083	1,282,427
Support	537,260	331,599	26,639	895,498
Grants	-	4,111	-	4,111
Trading expenditure	-	2,800	-	2,800
Total expenditure	<u>£5,357,726</u>	<u>£1,403,002</u>	<u>£347,638</u>	<u>£7,108,366</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2021

8. STAFF COSTS

	2021	2020
	£	Restated £
Wages and salaries	4,071,043	4,394,962
Social security costs	371,715	391,025
Pension contributions	464,664	512,369
Other staff related costs	271,669	59,370
	<u>£5,179,091</u>	<u>£5,357,726</u>

Termination payments of £50,000 were incurred during the year (2020: £19,865).

Other staff related costs were previously included in wages and salaries and have been separately disclosed within the staff costs note for the year ended 31st August 2021. Prior year figures have been restated accordingly.

	No.	No.
The average number of employees in the year was:		
Teaching	100	98
Others	64	67
	<u>164</u>	<u>165</u>

The number of employees whose emoluments exceeded £60,000

£60,000 - £70,000	5	3
£70,000 - £80,000	-	1
£80,000 - £90,000	-	-
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-
£110,000 - £120,000	1	1
	<u>1</u>	<u>1</u>

Teachers' Pension Scheme

The School used to participate in the Teachers' Pension Scheme ("the TPS") for its teaching staff, but has since left. The pension charge for this year includes £nil (2020: £184,768) contributions payable to the TPS and at the year-end £nil (2020: £nil) 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 31st 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 1st 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 31st 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 5th March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2021

8. STAFF COSTS (continued)

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 27th 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 4th 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 1st April 2015 and 31st 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 24th June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19th August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31st March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review 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.

An alternative defined contribution pension scheme was put in place for the benefit of teaching staff at the School following withdrawal from the TPS.

Aviva Pension Trust for Independent Schools

As the replacement for the TPS for teaching staff, the School has participated in a defined contribution scheme with the Aviva Pension Trust for Independent Schools. During the year £608,315 (2020: £252,709) was recognised as an expense in the Consolidated Statement of Financial Activities.

Incorporated Association of Preparatory Schools Retirement

The School also participates in a defined contribution scheme with the Incorporated Association of Preparatory Schools Retirement Plan for certain non-teaching staff. During the year £137,891 (2020: £58,597) was recognised as an expense in the Consolidated Statement of Financial Activities.

Nest Pension Scheme

The School also participates in the Nest Pension Scheme, a government backed defined contribution scheme, for the benefit of certain non-teaching staff. During the year £30,842 (2020: £16,295) was recognised as an expense in the Consolidated Statement of Financial Activities.

At the year-end £70,294 (2020: £64,439) was payable in respect of contributions to the defined contribution pension schemes that the School participates in for the benefit of its staff.

None of the Governors received any remuneration. Out of pocket expenses paid to Governors during the year were £639 (2020: £nil). The School has purchased Governor's liability insurance. As the premium is included with other insurance costs, it is not separately identifiable.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2021

9. EXPENDITURE	2021	2020
	£	£
Expenditure includes:		
Operating lease payments	65,959	117,566
Auditor's remuneration - Audit	17,580	15,600
- Other services	1,320	630
Depreciation	351,382	347,638
	<u> </u>	<u> </u>

10. TANGIBLE FIXED ASSETS

The movements of tangible fixed assets are as follows:

Group and School	Freehold land and freehold buildings £	Furniture, Fittings, equipment and motor vehicles £	Computers £	Total £
COST OR VALUATION				
At 1 st September 2020	13,977,208	1,445,640	526,369	15,949,217
Additions	2,880	166,310	56,541	225,731
Disposals	-	-	-	-
At 31 st August 2021	<u>13,980,088</u>	<u>1,611,950</u>	<u>582,910</u>	<u>16,174,948</u>
DEPRECIATION				
At 1 st September 2020	3,419,479	917,704	438,211	4,775,394
Charge for the year	206,611	102,731	42,040	351,382
On disposals	-	-	-	-
At 31 st August 2021	<u>3,626,090</u>	<u>1,020,435</u>	<u>480,251</u>	<u>5,126,776</u>
NET BOOK VALUE				
At 31 st August 2021	<u>£10,353,998</u>	<u>£591,515</u>	<u>£102,659</u>	<u>£11,048,172</u>
At 31 st August 2020	<u>£10,557,729</u>	<u>£527,936</u>	<u>£88,158</u>	<u>£11,173,823</u>

The loan disclosed in Note 13 below is secured on the above property.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2021

11. PREPAID FEES

The movements on the School's prepaid fees scheme during the year were as follows:

	Group and School	
	2021	2020
	£	£
Balance at 1 st September 2020	675,813	1,056,027
New contracts	105,145	327,060
Amount accrued to contracts	5,190	8,834
Refunded to parents	-	(291,593)
	<u>786,148</u>	<u>1,100,328</u>
Amounts utilised in payment of fees	(387,096)	(424,515)
Balance at 31 st August 2021	<u>£399,052</u>	<u>£675,813</u>

Assuming pupils remain with the School, prepaid fees will be applied as follows:

	2021	2020
	£	£
Within one year	250,024	367,641
Between two and five years	149,028	308,172
After five years	-	-
	<u>£399,052</u>	<u>£675,813</u>

12. CREDITORS: - Due within one year

	Group		School	
	2021	2020	2021	2020
	£	£	£	£
Fees received in advance	<u>£594,983</u>	<u>£522,723</u>	<u>£594,983</u>	<u>£522,723</u>
	£	£	£	£
Trade creditors	116,683	119,393	116,683	119,393
Other tax and social security	115,996	101,488	115,996	101,488
Other creditors	240,826	241,585	240,826	241,585
Accruals	71,150	138,836	68,900	108,836
Amounts owed to group undertakings	-	-	-	-
	<u>£544,655</u>	<u>£601,301</u>	<u>£542,405</u>	<u>£601,301</u>

School fees received in advance relates to fees for the next school year, which some parents pay in advance.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2021

13a CREDITORS: - Due after one year	Group		School	
	2021 £	2020 £	2021 £	2020 £
Prepaid fees	149,029	308,172	149,029	308,172
Fee deposits	349,385	347,393	349,385	347,393
Bank loans	-	250,000	-	250,000
	<u>£498,414</u>	<u>£905,565</u>	<u>£498,414</u>	<u>£905,565</u>

13b BANK LOAN	Group and School	
	2021 £	2020 £
Due:		
- between one and two years	-	250,000
- between two and five years	-	-
	<u>-</u>	<u>250,000</u>
Creditors due within one year	450,000	300,000
	<u>£450,000</u>	<u>£550,000</u>

The above loan, which is secured on the School's freehold property, consists of £225,000 which bears interest at 2.3% above the LIBOR rate and £225,000 which now bears interest at a fixed rate of 3.26%. The loans commenced in February 2013 with a 9-year term and are therefore both finally repayable in February 2022.

14. GENERAL FUNDS

General funds can be applied to the School's operations at the discretion of the governors.

OTHER FUNDS

15. LEARNING SUPPORT FUND

The fund consists of donations of £60,000 that are now reduced to £48,823 which are being used for learning support. £783 was spent during the year.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2021

16a. ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets £	Net current assets/ (liabilities) £	Creditors: due after one year £	2021 Total £
General Fund	11,048,172	(440,833)	(498,414)	10,108,926
Learning Support Fund	-	48,823	-	48,823
	<u>£11,048,172</u>	<u>£(392,010)</u>	<u>£(498,414)</u>	<u>£10,157,749</u>

16b. COMPARATIVE ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets £	Net current assets/ (liabilities) £	Creditors: due after one year £	2020 Total £
General Fund	11,173,823	(265,058)	(905,565)	10,003,200
Learning Support Fund	-	49,606	-	49,606
	<u>£11,173,823</u>	<u>£(215,452)</u>	<u>£(905,565)</u>	<u>£10,052,806</u>

17. OPERATING LEASE COMMITMENTS

The School has the following total operating lease commitments due as follows:

	Group and School	
	2021 £	2020 £
Less than one year	55,515	65,959
Two to five years	108,380	153,684
Over five years	648	10,860
	<u>£164,543</u>	<u>£230,503</u>

18. RELATED PARTY DISCLOSURES

Three Governors have children at the School and pay fees in line with other parents.

There were no other related party transactions in the year ended 31st August 2021.