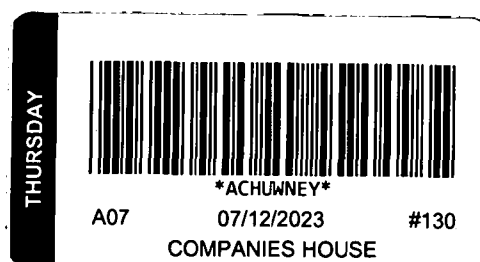


**CHEAM SCHOOL EDUCATIONAL TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT**  
**AND CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> 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 31<sup>st</sup> 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 &amp; Operations</i>	<i>Teaching &amp; Learning*</i>	<i>Pastoral &amp; Wellbeing*</i>	<i>Marketing &amp; 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 31<sup>st</sup> AUGUST 2023**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### ***Governing Document***

The Charity is governed by the provisions of the Memorandum and Articles of Association last amended on 28<sup>th</sup> June 2005 and supplementary provisions relating to the Board of Trustees of the Company last amended on 3<sup>rd</sup> 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 31<sup>st</sup> AUGUST 2023

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#### 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 31<sup>st</sup> AUGUST 2023

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#### 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 31<sup>st</sup> 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 31<sup>st</sup> 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 <sub>2</sub> e	54
Emissions from combustion of kerosene heating oil	Scope 1	tCO <sub>2</sub> e	214
Emissions from combustion of fuel for transport purposes	Scope 1	tCO <sub>2</sub> e	20
Emissions from purchased electricity	Scope 2	tCO <sub>2</sub> e	75
Total gross tCO <sub>2</sub> e based on above		tCO <sub>2</sub> e	363
Intensity ratio		tCO <sub>2</sub> e/pupil	0.97

## CHEAM SCHOOL EDUCATIONAL TRUST

### GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31<sup>st</sup> AUGUST 2023

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#### 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 31<sup>st</sup> AUGUST 2023**

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#### **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 31<sup>st</sup> AUGUST 2023**

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#### **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:

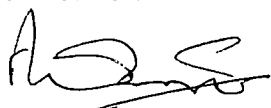
- Select suitable accounting policies and then apply them consistently;
- Observe the principles and methods of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the 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 30<sup>th</sup> November 2023.



**Sir Mark Harford, Chairman**  
**30<sup>th</sup> November 2023**

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

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**Opinion**

We have audited the consolidated financial statements of Cheam School Educational Trust for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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)**

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#### **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)**

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**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](http://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 31<sup>st</sup> AUGUST 2023**

<b>INCOME AND EXPENDITURE</b>	<b>Notes</b>	<b>General Unrestricted Fund 2023 £</b>	<b>Other Funds 2023 £</b>	<b>Total Funds 2023 £</b>	<b>Total Funds 2022 £</b>
<b>INCOME FROM:</b>					
<b>Income from charitable activities</b>					
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
<b>Investments</b>					
Interest receivable	4	16,091	-	16,091	1,562
<b>Voluntary sources</b>					
Donations and appeal income	5	96,322	-	96,322	1,133
<b>Other income</b>					
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>
<b>EXPENDITURE ON:</b>	7				
<b>Raising funds</b>					
Finance costs		1,051	-	1,051	10,421
Prepaid fee discount		3,105	-	3,105	4,530
Trading expenditure		-	-	-	-
<b>Charitable activities</b>					
<i>School operating costs</i>					
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>
<b>Net income before transfers</b>		853,354	-	853,354	543,555
Transfers between funds		-	-	-	-
Profit on disposal of fixed assets		146,500	-	146,500	-
<b>Net income after transfers</b>		<u>999,854</u>	<u>-</u>	<u>999,854</u>	<u>543,555</u>
<b>Balance brought forward</b>		<u>10,653,196</u>	<u>48,108</u>	<u>10,701,304</u>	<u>10,157,749</u>
<b>Balance carried forward</b>		<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

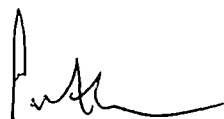
AS AT 31<sup>st</sup> AUGUST 2023

		Group		School	
	Notes	2023 £	2022 £	2023 £	2022 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	10	11,197,970	10,963,572	11,197,970	10,963,572
Investments	3	-	-	1	1
<b>CURRENT ASSETS</b>					
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
		2,786,004	1,880,202	2,786,004	1,880,202
<b>CREDITORS - due within one year</b>					
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)
		(1,809,535)	(1,644,829)	(1,809,536)	(1,644,830)
<b>NET CURRENT ASSETS/LIABILITIES</b>		976,469	235,373	976,468	235,372
<b>CREDITORS - Due after one year</b>	13	(473,281)	(497,641)	(473,281)	(497,641)
<b>TOTAL ASSETS LESS LIABILITIES</b>		11,701,158	10,701,304	11,701,158	10,701,304
<b>UNRESTRICTED FUNDS</b>					
<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
		11,701,158	10,701,304	11,701,158	10,701,304

The financial statements were approved and authorised for issue by the Board of Governors on 30<sup>th</sup> 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 31<sup>st</sup> AUGUST 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flow from operating activities</b>		
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>
<b>Cash flow from investing activities</b>		
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>
<b>Cash flows from financing activities</b>		
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>
<b>Increase/(decrease) in cash and cash equivalents</b>	<u>949,725</u>	<u>446,737</u>
Cash and cash equivalents as at 1 <sup>st</sup> September 2022	1,685,602	1,238,865
Cash and cash equivalents as at 31 <sup>st</sup> August 2023	<u>2,635,327</u>	<u>1,685,602</u>

**Reconciliation of net debt**

	<b>Balance</b>	<b>Cashflows</b>	<b>Balance</b>
	<b>1<sup>st</sup> September</b>		<b>31<sup>st</sup> August</b>
	<b>2022</b>		<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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 31<sup>st</sup> AUGUST 2023

### ACCOUNTING POLICIES

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#### 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 31<sup>st</sup> 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 31<sup>st</sup> AUGUST 2023**

**ACCOUNTING POLICIES (continued)**

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**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 31<sup>st</sup> AUGUST 2023**

<b>1. CHARITABLE ACTIVITIES</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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>
<b>2. OTHER ANCILLARY INCOME</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Registration fees	11,600	9,624
Fixed asset disposals	-	3,550
Other	31,467	31,595
	<u>43,067</u>	<u>44,769</u>
<b>3. SUBSIDIARY</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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>
<b>4. INTEREST RECEIVABLE</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank interest	16,091	1,562
	<u>16,091</u>	<u>1,562</u>
<b>5. DONATIONS</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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 31<sup>st</sup> August 2023. As at 31<sup>st</sup> August 2023, the company had net assets of £1 (2022: net assets of £1).

**CHEAM SCHOOL EDUCATIONAL TRUST**

**NOTES TO ACCOUNTS (continued)**

**YEAR ENDED 31<sup>st</sup> AUGUST 2023**

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

**7a. ANALYSIS OF EXPENDITURE**

	<b>Staff Costs £</b>	<b>Other £</b>	<b>Depreciation £</b>	<b>2023 Total £</b>
<b>Cost of generating funds</b>				
Finance costs	-	1,051	-	1,051
Prepaid fee discount	-	3,105	-	3,105
<b>School operating costs</b>				
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**

	<b>Staff Costs £</b>	<b>Other £</b>	<b>Depreciation £</b>	<b>2022 Total £</b>
<b>Cost of generating funds</b>				
Finance costs	-	10,421	-	10,421
Prepaid fee discount	-	4,530	-	4,530
<b>School operating costs</b>				
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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> AUGUST 2023**

<b>9. EXPENDITURE</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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:

<b>Group and School</b>	<b>Freehold land and freehold buildings £</b>	<b>Furniture, fittings, equipment and motor vehicles £</b>	<b>Computers £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>				
At 1 <sup>st</sup> 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 <sup>st</sup> August 2023	<u>13,760,509</u>	<u>2,407,683</u>	<u>840,629</u>	<u>17,008,821</u>
<b>DEPRECIATION</b>				
At 1 <sup>st</sup> 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 <sup>st</sup> August 2023	<u>3,966,697</u>	<u>1,232,302</u>	<u>611,852</u>	<u>5,810,851</u>
<b>NET BOOK VALUE</b>				
At 31 <sup>st</sup> August 2023	<u>9,793,812</u>	<u>1,175,381</u>	<u>228,777</u>	<u>11,197,970</u>
At 31 <sup>st</sup> 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 31<sup>st</sup> AUGUST 2023**

**11. PREPAID FEES**

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

	<b>Group and School</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Balance at 1<sup>st</sup> September 2022</b>	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)
<b>Balance at 31<sup>st</sup> August 2023</b>	<u>144,463</u>	<u>224,015</u>

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Within one year</b>	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**

	<b>Group</b>		<b>School</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fees received in advance	<u>1,030,165</u>	<u>763,888</u>	<u>1,030,165</u>	<u>763,888</u>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> AUGUST 2023**

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**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 31<sup>st</sup> August 2023 or the preceding year.

**19. POST BALANCE SHEET EVENTS**

There have been no significant post balance sheet events.