



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>	<ol style="list-style-type: none">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>	<p>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.</p> <p>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.</p>

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance

Strategic Context

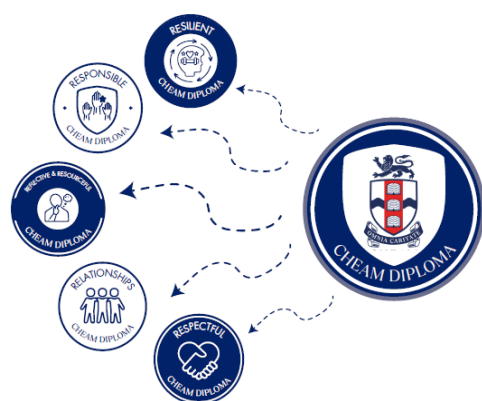
The independent school sector faces several challenges. Structurally, lower birth rates are expected to see the sector consolidate and the advent of VAT on fees will likely accelerate this trend. Affordability continues to be a concern for parents, especially in recent years when higher energy prices 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

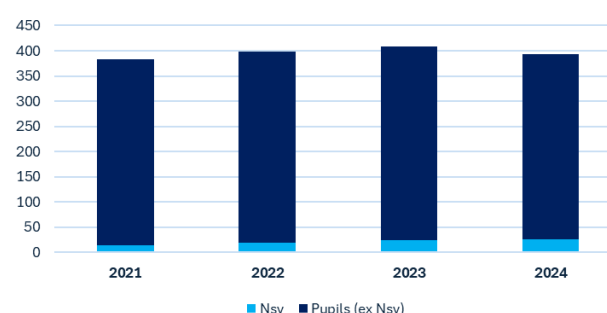
Cheam offers a 'complete education' for pupils. Though Cheam itself is non-selective, it prepares its pupils for some of the most selective secondary schools in the country. It achieves this by developing academic excellence and character education, within an environment of exceptional pastoral care. 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

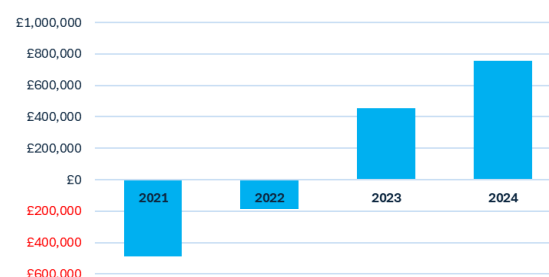
From year-to-year, the School's budget is set to enable an appropriate level of renewal investment. This is balanced against preserving adequate reserves to safeguard the long-term financial health of Cheam. Sector benchmarks, good fiduciary discipline and professional experience helps guide these decisions.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

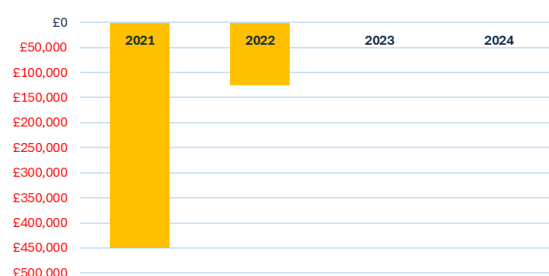
**Reserves Policy**

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)
Net cash generated from operating activities	495,113	1,686,368
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
Net cash used in investing activities	(2,726,292)	(530,113)
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)
Net cash used in financing activities	2,945,604	(206,530)
Increase/(decrease) in cash and cash equivalents	714,425	949,725
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	3,349,752	2,635,327

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	-	-	-
Total	2,635,327	714,425	3,349,752

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
	<u>477,214</u>	<u>458,306</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 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	<u>13,760,369</u>	<u>1,850,177</u>	<u>485,586</u>	<u>16,096,132</u>
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	<u>4,168,914</u>	<u>663,224</u>	<u>240,917</u>	<u>5,073,055</u>
NET BOOK VALUE				
At 31 st August 2024	<u>9,591,455</u>	<u>1,186,953</u>	<u>244,669</u>	<u>11,023,077</u>
At 31 st August 2023	<u>9,793,812</u>	<u>1,175,381</u>	<u>228,777</u>	<u>11,197,970</u>

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><u>851,842</u></u>	<u><u>665,372</u></u>	<u><u>851,843</u></u>	<u><u>665,373</u></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.