

**CRANBROOK SCHOOL TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# CRANBROOK SCHOOL TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

Mr J Peace  
Rev A Pollington  
Mr P R Thompson  
Mr G Young  
Mr J Wotton  
Mr S Holden  
Mr T Mullins  
Mr A Cragg  
Mr C May

**Charity number**

290237

**Principal address**

Cranbrook School  
Waterloo Road  
Cranbrook  
Kent

**Auditor**

Baxter & Co  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

**Bankers**

BR6 8QE  
National Westminster Bank Plc  
High Street  
Cranbrook  
Kent

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# CRANBROOK SCHOOL TRUST

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# CRANBROOK SCHOOL TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

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The Trustees present their report and financial statements for the year ended 31 March 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 2015.

#### Objects of Charity

The object of the charity is to promote the education (including social and physical training) of boys and girls by the conduct and maintenance of a day and boarding school in or near Cranbrook in the County of Kent for boys and girls. The Trust is governed by a Trust Deed dated 11 July 1994.

#### Aims and Objectives

The Trustees aim to provide suitable tuition, boarding and other accommodation and sports facilities for the staff, day and boarding students of Cranbrook School in order that the School can deliver the curriculum and co-curriculum to its students, as well as boarding facilities for those students who wish to board. The Trustees receive no income for the provision of core accommodation but rents are received by the Trust for the provision of housing for some staff on or near the campus.

The Trustees ensure that the buildings and grounds are maintained and aim to enhance the facilities available to the School through refurbishment and provision of additional accommodation and facilities when required. To achieve this the Trustees raise additional funds from parents, former parents, Old Cranbrookians and the wider community through schemes of regular giving and appeals.

The Trustees also support various non curricular activities of the School including the House system, provision of prizes, scholarships and through other grants and spending.

Due to Covid the Trust received minimal income from the rental of facilities while social distancing restrictions were in place. Lettings resumed September 2021.

#### Financial review of the Year

Spendable funds are categorised between those which are available for spending at the discretion of Trustees ("unrestricted funds") and those which are subject to condition or restriction ("restricted funds").

The following balances were held at 31 March:

Building extension fund (restricted fund)	£381,365 (2020: £397,242)
Property renewal fund (restricted fund)	£150,000 (2020: £150,000)
Prize and gift fund (restricted fund)	£69,671 (2020: £60,082)
Scholarship endowment fund (restricted fund)	£42,222 (2020: £30,670)
Congreve exhibition fund (restricted fund)	£7,642 (2020: £7,210)
Permanent endowment fund	£17,319,976 (2020: £17,251,877)
Unrestricted funds	£1,184,523 (2020: £1,090,884)

#### Reserves

It is the Trustees' policy to maintain the unrestricted funds, which are the free reserves of the trust, as a level which equates to approximately six months unrestricted expenditure. This provides sufficient funds to cover management and administration costs and to respond to emergency expenditure which arises from time to time. The Reserves Policy is subject to review on an annual basis.

#### Investment Policy

The Trustees' policy is to maintain income whilst preserving the real value of endowed investments. The Charity's investments have continued to be managed in conformity with policy and the Trust Deed and their performance has matched expectation on the advice of our investment managers. The investment policy is subject to review on an annual basis.

#### Risk Management

The Trustees regular review the risks associated with its functions. The Governing body of Cranbrook School is responsible for the management and operation of the school including the buildings, land, and other facilities owned by the Trust and is responsible for all related risks.

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# CRANBROOK SCHOOL TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### Trustees

The Trustees who served during the year were:

Mr J Peace  
Rev A Pollington  
Mr P R Thompson  
Mr G Young  
Mr S Holden  
Mr J Wotton  
Mr T Mullins  
Mr A Cragg  
Mr C May

There should be eleven Trustees consisting of:

One ex-officio Trustee - being the incumbent for the time being of the benefice of St. Dunstan, Cranbrook.

Four nominated Trustees - being two nominated by Kent County Council, one by the University of Kent and one by the Committee of the Old Cranbrookians Association.

Six co-opted Trustees - who through residence, occupation or employment or otherwise have special knowledge of Cranbrook.

### Organisation

There are eleven Trustees, comprising an ex-officio Trustee who is the incumbent of the present benefice of St Dunstan, two nominated by Kent County Council, one nominated by the Old Cranbrookians Association and one by the University of Kent; the remaining six are co-opted. The nominations for the University of Kent and Kent County Council are currently vacant.

The Trustees meet three times during the year to make any decisions necessary. When necessary, extraordinary meetings can be called by the Chairman.

Policies and Procedures adopted for the induction and training of Trustees

All Trustees are inducted by the chairman and are provided with a copy of the Charity Commission booklet "The Essential Trustee: What you need to know".

### Public Benefit

The Trustees have complied with the duty in s17 (5) of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission.



Mr J Peace

Trustee

Dated: 21.12.21



Mr W G Young

Trustee

Dated: 21/12/21

# **CRANBROOK SCHOOL TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2021***

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The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# CRANBROOK SCHOOL TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF CRANBROOK SCHOOL TRUST

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#### Opinion

We have audited the financial statements of Cranbrook School Trust (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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), and the Charities SORP 2015.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter: Analysis of net assets between funds

Attention is drawn to the narrative at the foot of note 20 "Analysis of net assets between funds" which describes the uncertainty as regards to the analysis of tangible fixed assets between funds. Our opinion is not qualified in respect of this matter.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# CRANBROOK SCHOOL TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF CRANBROOK SCHOOL TRUST

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion.

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Baxter & Co**  
**Independent Reporting Accountants**  
**Chartered Certified Accountants**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated: 7 January 2022

Baxter & Co is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006



**CRANBROOK SCHOOL TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Current financial year**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	-	30,663	-	30,663	52,756
Charitable activities	4	93,929	-	-	93,929	103,648
Other trading activities	5	7,691	-	-	7,691	192,935
Investments	6	6,453	8,084	-	14,537	18,477
Other income	7	68	-	-	68	159
<b>Total income</b>		<b>108,141</b>	<b>38,747</b>	<b>-</b>	<b>146,888</b>	<b>367,975</b>
<b><u>Expenditure on:</u></b>						
Raising funds	8	8,338	-	-	8,338	111,127
Charitable activities	9	20,378	54,647	-	75,025	160,586
<b>Total resources expended</b>		<b>28,716</b>	<b>54,647</b>	<b>-</b>	<b>83,363</b>	<b>271,713</b>
 Net gains/(losses) on investments	 13	 14,214	 21,596	 68,099	 103,909	 (45,851)
 <b>Net movement in funds</b>		 93,639	 5,696	 68,099	 167,434	 50,411
 Fund balances at 1 April 2020		 1,090,884	 645,204	 17,251,877	 18,987,965	 18,937,554
<b>Fund balances at 31 March 2021</b>		<b>1,184,523</b>	<b>650,900</b>	<b>17,319,976</b>	<b>19,155,399</b>	<b>18,987,965</b>

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

All income and expenditure derive from continuing activities.

# CRANBROOK SCHOOL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
	Notes				
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	-	52,756	-	52,756
Charitable activities	4	103,648	-	-	103,648
Other trading activities	5	192,935	-	-	192,935
Investments	6	6,676	11,801	-	18,477
Other income	7	159	-	-	159
<b>Total income</b>		<b>303,418</b>	<b>64,557</b>	<b>-</b>	<b>367,975</b>
<b><u>Expenditure on:</u></b>					
Raising funds	8	111,127	-	-	111,127
Charitable activities	9	51,805	108,781	-	160,586
<b>Total resources expended</b>		<b>162,932</b>	<b>108,781</b>	<b>-</b>	<b>271,713</b>
Net gains/(losses) on investments	13	(12,899)	(14,148)	(18,804)	(45,851)
<b>Net movement in funds</b>		<b>127,587</b>	<b>(58,372)</b>	<b>(18,804)</b>	<b>50,411</b>
Fund balances at 1 April 2019		963,297	703,576	17,270,681	18,937,554
<b>Fund balances at 31 March 2020</b>		<b>1,090,884</b>	<b>645,204</b>	<b>17,251,877</b>	<b>18,987,965</b>

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

All income and expenditure derive from continuing activities.

# CRANBROOK SCHOOL TRUST

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14	17,546,190		17,546,190	
Investments	15	558,832		454,924	
		<u>18,105,022</u>		<u>18,001,114</u>	
<b>Current assets</b>					
Stocks	16	1,523		2,835	
Debtors	17	6,824		37,097	
Cash at bank and in hand		1,063,755		981,943	
		<u>1,072,102</u>		<u>1,021,875</u>	
<b>Creditors: amounts falling due within one year</b>	18	(21,725)		(35,024)	
Net current assets			<u>1,050,377</u>		<u>986,851</u>
<b>Total assets less current liabilities</b>			<u>19,155,399</u>		<u>18,987,965</u>
<b>Capital funds</b>					
<u>Endowment funds - general</u>					
Endowment funds		13,929,648		13,861,549	
Revaluation reserve		3,390,328		3,390,328	
	19		<u>17,319,976</u>		<u>17,251,877</u>
<b>Income funds</b>					
Restricted funds	19	650,900		645,204	
Unrestricted funds	19	1,184,523		1,090,884	
			<u>19,155,399</u>		<u>18,987,965</u>

The financial statements were approved by the Trustees on

21  
18.12.21

Mr J Peace  
Trustee

Mr W G Young  
Trustee

# CRANBROOK SCHOOL TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		67,275		72,207
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(246,348)	
Dividend and interest received		14,537		18,477	
<b>Net cash generated from/(used in) investing activities</b>			14,537		(227,871)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			81,812		(155,664)
Cash and cash equivalents at beginning of year			981,943		1,137,607
<b>Cash and cash equivalents at end of year</b>			1,063,755		981,943

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# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Charity's Trust Deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

#### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

The Charity's unrestricted funds consist of funds which the Charity may use for its purposes at its discretion.

The Charity has certain restricted funds where specific conditions have been imposed by the donor. Further details can be found in note 19.

The Charity has certain permanent endowments which comprise the land, buildings and foundation investments.

#### **1.4 Incoming resources**

All voluntary income is included in income on receipt except where the donor requires the sum to be invested to provide income for the Charity's purposes, in which case it is treated as an endowment.

Donations under deeds of covenant, and gift aid together with the associated income tax recovery, are recognized as income when the donation is received.

Grants are included in the Statement of Financial Activities on a receivable basis.

Endowments are credited directly to an Endowment Fund balance when received. They are not included as income because they must be invested and do not represent income which the Charity may use directly for its purposes.

Restricted income is included in the restricted income and expenditure account on receipt.

#### **1.5 Resources expended**

The cost of generating funds comprises costs incurred in encouraging people or organizations to contribute financially to the Charity's work. It includes the costs of advertising for funds and the costs of mounting appeals.

Governance costs comprise all costs incurred in ensuring the public accountability of the Charity and its compliance with regulation and good practice.

#### **1.6 Tangible fixed assets**

Freehold land and buildings

The Trustees consider that the estimated residual value of the buildings is in excess of their carrying value and as a result depreciation is not provided.

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

#### 1.7 Fixed asset investments

Investments are included in the accounts at year end market value.

##### Investment Income

Dividends are credited to the income and expenditure account when they are received.

Credit is taken for interest and rental income when the interest or rent falls due for payment.

#### 1.8 Stocks

Stocks consist of items purchased for re-sale through the Charity's trading activities. The stock is included at the lower of cost or net realisable value.

### 2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Restricted funds	Restricted funds
	2021	2020
	£	£
Donations and gifts	30,663	52,756

### 4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Charitable rental income	93,929	93,291
Other income	-	10,357
	93,929	103,648



# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Stationary shop income	192	160
Summer lettings income	-	132,835
Lettings income	5,539	28,628
Queens Hall events income	(37)	18,912
Other income	1,997	12,400
Other trading activities	<u>7,691</u>	<u>192,935</u>

Further details of trading activities undertaken by the Charity can be found in note 23.

### 6 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Dividend income	6,416	7,718	14,134	6,185	10,251	16,436
Interest receivable	37	366	403	491	1,550	2,041
	<u>6,453</u>	<u>8,084</u>	<u>14,537</u>	<u>6,676</u>	<u>11,801</u>	<u>18,477</u>

### 7 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other income	<u>68</u>	<u>159</u>

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 8 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Trading costs</u>		
Stationary shop expenses	(22)	791
Summer lettings expenses	-	72,575
Lettings expenses	2,150	10,583
Queens Hall event expenses	3,541	25,980
Other expenses	1,669	198
Share of governance costs (see note 10)	1,000	1,000
	<u>8,338</u>	<u>111,127</u>

Further details of trading activities undertaken by the Charity can be found in note 23.

### 9 Charitable activities

	Charitable Expenditure	Charitable Expenditure
	2021	2020
	£	£
Salary recharge- Clerk to Trustees	11,028	11,103
Fees remission claim	-	22,397
Cranbrook School Donations	52,750	104,090
Awards and prizes	7,747	17,997
Other expenses	-	494
	<u>71,525</u>	<u>156,081</u>
Share of governance costs (see note 10)	3,500	4,505
	<u>75,025</u>	<u>160,586</u>
<b>Analysis by fund</b>		
Unrestricted funds	20,378	51,805
Restricted funds	54,647	108,781
	<u>75,025</u>	<u>160,586</u>

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 10 Support costs

	Support costs £	Governance costs £	2021 Support costs £	Governance costs £	2020 £
Audit fees	-	4,500	4,500	-	4,505
Other	-	-	-	-	1,000
	-	4,500	4,500	-	5,505
Analysed between					
Fundraising	-	1,000	1,000	-	1,000
Charitable activities	-	3,500	3,500	-	4,505
	-	3,500	4,500	-	5,505

### 11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

### 12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

The Charity does not employ any staff, however resources from the Cranbrook School Academy Trust are used and costs are recharged to the Charity on a time spent basis.

### 13 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds general 2021 £	Total 2021 £
Valuation of investments	14,214	21,596	68,099	103,909
	14,214	21,596	68,099	103,909

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 13 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Endowment funds general	Total
	2020	2020	2020	2020
	£	£	£	£
Valuation of investments	(12,899)	(14,148)	(18,804)	(45,851)
	<u>(12,899)</u>	<u>(14,148)</u>	<u>(18,804)</u>	<u>(45,851)</u>

### 14 Tangible fixed assets

	Freehold land and buildings £
<b>Cost</b>	
At 1 April 2020	17,546,190
At 31 March 2021	<u>17,546,190</u>
<b>Carrying amount</b>	
At 31 March 2021	<u>17,546,190</u>
At 31 March 2020	<u>17,546,190</u>

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 14 Tangible fixed assets

The sale proceeds in 1988 of part of Rammell Garden and part of Scott Field were credited to the Capital Fund. In 1987 and 1989, the Charity Commissioners approved that the Trustees could expend out of the capital of the Charity a sum of not more than £200,000 towards the cost of constructing a new science block extension (overbuilding) and also a sum of not more than £162,144 towards the cost of constructing a new sports hall. This expense was authorised on condition that the sum was recouped from charitable income at a yearly rate of £1.55 for each £100 spent. £3,100 per annum was payable from 1989 for thirty years and £2,513 per annum from 1990 for thirty years. These sums were invested in Charishare Common Investment Fund Accumulation shares included in the Foundation Investments on the Balance Sheet.

On 19 July 2017, the Charity Commission directed that the recoupment ceased to have effect. The Charity Commission also authorised the Trustees to spend the funds from selling the investments held using the proceeds from the sale of part of Rammell Garden in 1988 from the Charity's permanent endowment for the purpose of funding building works at Cranbrook School. As a result, the Trustees have made donations from the Charity's permanent endowment totalling £577,828 to fund building work at the School which has enhanced the value of the Charity's assets as reflected in the increase in valuation of the property.

The properties were valued in 1997 by Robert Ingram & Company, Chartered Surveyors, on an existing use basis. As noted in prior year accounts, the Trustees were of the opinion that the true value is in excess of the £13,909,514 shown in the accounts.

As a result, during 2018, the Trustees reviewed the valuation of the properties and consider that, based on the increase in Commercial Property Price Index, the properties held within the permanent fund had increased in value by 25% on an existing use basis since 1997 and this increase of £3.39m has been reflected in the accounts.

During the year to 31 March 2017, the Trust started to make VATable supplies on some land it had acquired in 2013. As a result the Trust was able to make a claim for recovery VAT of £30,200 from HM Revenue & Customs which was reflected in debtors at the previous year end and the cost of this land, which is recorded in unrestricted funds, was adjusted to reflect this VAT recovery.

#### Inalienable assets

The Trust also owns certain assets of historic or scientific interest which are not included above, but which are an intrinsic part of the school's history. The Trustees consider that there is no reliable cost or value which can be attributable to these items and accordingly they have not been capitalised in the financial statements.

#### 15 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 April 2020	454,924
Valuation changes	103,908
	<hr/>
At 31 March 2021	558,832
	<hr/>
<b>Carrying amount</b>	
At 31 March 2021	558,832
	<hr/>
At 31 March 2020	454,924
	<hr/>

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 15 Fixed asset investments

#### Fixed asset investments revalued

Fixed asset investments are recorded in the accounts at their open market value, any movements in value are recorded in the Statement of Financial Activities. Below are details of the original cost and split by fund:

#### Fair value of financial assets carried at amortised cost

Except as detailed below the Trustees believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

#### Financial assets

	Carrying amount		Original cost	
	2021	2020	2021	2020
	£	£	£	£
Unrestricted - William Rootes Gift Fund	33,983	27,591	16,818	16,818
Unrestricted - Vickers Fund	43,795	35,973	30,000	30,000
Restricted - Webster Exhibition Fund	29,041	24,067	3,217	3,217
Restricted - SEF	30,926	23,829	12,835	12,835
Restricted - General Fund	53,940	44,415	8,082	8,082
Endowment - Army Prize	1,146	950	500	500
Endowment - Joss Prize	4,446	3,685	3,000	3,000
Endowment - SEF	76,410	62,132	21,925	21,925
Endowment - Congreve	12,135	9,968	4,000	4,000
Endowment - Other	273,010	222,314	57,080	57,080
	<u>558,832</u>	<u>454,924</u>	<u>157,457</u>	<u>157,457</u>

### 16 Stocks

	2021	2020
	£	£
Stationery and other stock	<u>1,523</u>	<u>2,835</u>

### 17 Debtors

Amounts falling due within one year:	2021	2020
	£	£
Trade debtors	1,185	9,626
Other debtors	<u>5,639</u>	<u>27,471</u>
	<u>6,824</u>	<u>37,097</u>



# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 18 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	13,368	3,336
Other creditors	8,357	31,688
	<u>21,725</u>	<u>35,024</u>

#### 19 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	Balance at 31 March 2021 £
<b>Restricted funds</b>						
Building extension fund	397,242	31,025	(46,902)	-	-	381,365
Property renewal fund	150,000	-	-	-	-	150,000
Prize and gift fund	60,082	2,836	(7,745)	-	14,498	69,671
Scholarship endowment fund	30,670	4,454	-	-	7,098	42,222
Congreve exhibition fund	7,210	432	-	-	-	7,642
	<u>645,204</u>	<u>38,747</u>	<u>(54,647)</u>	<u>-</u>	<u>21,596</u>	<u>650,900</u>
<b>Endowment funds</b>						
Permanent endowment fund	17,251,877	-	-	-	68,099	17,319,976
	<u>17,251,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,099</u>	<u>17,319,976</u>
<b>Unrestricted funds</b>						
Unrestricted general fund	1,090,884	108,141	(28,716)	-	14,214	1,184,523
	<u>1,090,884</u>	<u>108,141</u>	<u>(28,716)</u>	<u>-</u>	<u>14,214</u>	<u>1,184,523</u>
<b>Total funds</b>	<u>18,987,965</u>	<u>146,888</u>	<u>(83,363)</u>	<u>-</u>	<u>103,909</u>	<u>19,155,399</u>

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 19 Funds

Comparative information in respect of the preceding period is as follows:

	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2020
	£	£	£	£	£	£
<b>Restricted funds</b>						
Building extension fund	433,682	54,345	(90,785)	-	-	397,242
Property renewal fund	150,000	-	-	-	-	150,000
Prize and gift fund	79,009	4,407	(17,996)	-	(5,338)	60,082
Scholarship endowment fund	34,171	5,309	-	-	(8,810)	30,670
Congreve exhibition fund	6,714	496	-	-	-	7,210
	<u>703,576</u>	<u>64,557</u>	<u>(108,781)</u>	<u>-</u>	<u>(14,148)</u>	<u>645,204</u>
<b>Endowment funds</b>						
Permanent endowment fund	17,270,681	-	-	-	(18,804)	17,251,877
	<u>17,270,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,804)</u>	<u>17,251,877</u>
<b>Unrestricted funds</b>						
Unrestricted general fund	963,297	303,655	(163,169)	-	(12,899)	1,090,884
	<u>963,297</u>	<u>303,655</u>	<u>(163,169)</u>	<u>-</u>	<u>(12,899)</u>	<u>1,090,884</u>
<b>Total funds</b>	<u>18,937,554</u>	<u>368,212</u>	<u>(271,950)</u>	<u>-</u>	<u>(45,851)</u>	<u>18,987,965</u>

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 19 Funds

The Charity's unrestricted funds consist of funds which the Charity may use for its purposes at its discretion.

The Charity has certain restricted funds where specific conditions have been imposed by the donor. These are as follows: -

#### Building extension fund (BEF)

Funds donated for the planning and construction of buildings, the purchase of land, the payment of loan charges and such other purposes that the Trustees may decide from time to time.

#### Property renewal fund

A provision made from the Building Extension Fund towards the replacement of the astro turf.

#### Prize and gift fund

Funds donated for the purchase of prizes to be awarded to pupils and for leaving exhibitions for pupils going to a university.

#### Scholarship endowment fund (SEF)

Funds donated for the granting of Scholarships and bursaries and for the general promotion and encouragement of education at the school.

#### Congreve exhibition

Funds donated for the purposes of providing a leaving exhibition for pupils going to a recognized university in Great Britain or Northern Ireland.

The Charity has certain permanent endowments which comprise land, buildings and foundation investments.

### 20 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	594,550	-	16,951,640	17,546,190
Investments	77,778	113,907	367,147	558,832
Current assets/(liabilities)	512,195	536,993	1,189	1,050,377
Total net assets	1,184,523	650,900	17,319,976	19,155,399

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 20 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	594,550	-	16,951,640	17,546,190
Investments	63,564	92,311	299,049	454,924
Current assets/(liabilities)	432,770	552,893	1,188	986,851
Total net assets	1,090,884	645,204	17,251,877	18,987,965

In preparing these accounts, the Trust have analysed Tangible Fixed Assets of £16,951,640 to the Permanent Endowment Fund and £594,550 to Unrestricted Funds. The Trustees have used the best of their knowledge and belief about the Trust's history and the status of each property to arrive at the current analysis. Due to the age of some of the properties concerned, it is not always possible to support the Trustees' knowledge and belief with documentation and hence there remains an element of uncertainty about the accuracy of the classification. This treatment is currently under review by the Trustees.

### 21 Related party transactions

The Cranbrook School Academy Trust (Company number: 07794423) (the "Academy") is a related party by virtue of the fact that some of the Trustees of the Charity are also Governors of the Academy. During the year rental income was received from the Academy of £96,273 (2020: £93,291) and donations of £52,750 (2020: £104,090) were made to the Academy. In addition expenses were recharged, at cost, by the Academy for other resources amounting to £28,757 (2020: £138,766). At the year end the Academy was owed £16,683 (2020: £15,451) by the Charity and this is included in creditors within one year.

### 22 Cash generated from operations

	2021 £	2020 £
Surplus for the year	167,434	50,411
Adjustments for:		
Investment income recognised in statement of financial activities	(14,537)	(18,477)
Fair value gains and losses on investments	(103,909)	45,851
Movements in working capital:		
Decrease in stocks	1,312	449
Decrease/(increase) in debtors	30,273	(5,333)
(Decrease) in creditors	(13,298)	(694)
Cash generated from operations	67,275	72,207

# CRANBROOK SCHOOL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 23 Trading Account

	Stationary shop	Summer lettings	Lettings	Queen's Hall events	Misc	Total
	2021	2021	2021	2021	2021	2021
	£	£	£	£	£	£
<b>Income</b>						
Sales	192	-	5,539	(37)	1,997	7,691
	<u>192</u>	<u>-</u>	<u>5,539</u>	<u>(37)</u>	<u>1,997</u>	<u>7,691</u>
<b>Direct costs</b>						
Opening stock	-	-	2,835	-	-	2,835
Purchases	(22)	-	1,940	-	-	1,918
Closing Stock	-	-	(1,523)	-	-	(1,523)
	<u>(22)</u>	<u>-</u>	<u>3,252</u>	<u>-</u>	<u>-</u>	<u>3,230</u>
<b>Gross profit</b>	<u>214</u>	<u>-</u>	<u>2,287</u>	<u>(37)</u>	<u>1,997</u>	<u>4,461</u>
<b>Expenses</b>						
Salary recharges	-	-	-	1,980	-	1,980
Catering	-	-	-	-	1,165	1,165
Utility charges	-	-	70	-	-	70
Advertising/Printing	-	-	-	1,123	-	1,123
Accountancy and audit	-	-	-	-	1,000	1,000
Worldpay charges	-	-	-	-	358	358
Website costs	-	-	-	290	-	290
Miscellaneous	-	-	140	148	146	434
	<u>-</u>	<u>-</u>	<u>210</u>	<u>3,541</u>	<u>2,669</u>	<u>6,420</u>
<b>Net surplus of trading activities</b>	<u>214</u>	<u>-</u>	<u>2,077</u>	<u>(3,578)</u>	<u>(672)</u>	<u>(1,959)</u>