

Charity registration number 290237

CRANBROOK SCHOOL TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CRANBROOK SCHOOL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J Peace
Mr P R Thompson
Mr G Young
Mr A Cragg
Ms S Hamilton (KCC Trustee)
Ms N Dowler (Appointed 1 December 2023)
Ms F Whitelaw
Rev R King (Appointed 1 March 2024)

Charity number

290237

Auditor

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

CRANBROOK SCHOOL TRUST

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CRANBROOK SCHOOL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, 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)" (effective 1 January 2019).

Objectives and activities

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.

Achievements and performance

Significant activities and achievements against objectives

Financial review

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)	£7,451 (2023: £57,456)
Property renewal fund (restricted fund)	£150,000 (2023: £150,000)
Prize and gift fund (restricted fund)	£61,527 (2023: £46,959)
Scholarship endowment fund (restricted fund)	£54,619 (2023: £53,915)
Congreve exhibition fund (restricted fund)	£8,623 (2023: £8,623)
Permanent endowment fund	£17,375,666 (2023: £17,343,320)
Unrestricted funds	£1,570,744 (2023: £1,447,684)

Reserves policy

It is the Trustees' policy to maintain the unrestricted funds, which are the free reserves of the trust, at 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.

CRANBROOK SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Major risks

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.

Structure, governance and management

There are nine 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. Rev Richard King is the current vicar, and only one of the Kent County Council nominated positions is vacant, the other position is filled by Ms Sarah Hamilton.

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

Trustees

The Trustees who served during the year were:

Mr J Peace	
Mr P R Thompson	
Mr G Young	
Mr T Mullins	(Resigned 31 August 2023)
Mr A Cragg	
Mr G May	(Resigned 31 December 2023)
Ms S Hamilton (KCC Trustee)	
Ms N Dowler	(Appointed 1 December 2023)
Ms F Whitelaw	
Mr J Wotton	(Resigned 31 August 2023)
Rev R King	(Appointed 1 March 2024)

Recruitment and appointment of trustees

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.

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.

CRANBROOK SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Auditor

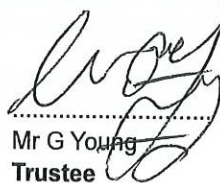
In accordance with the company's articles, a resolution proposing that Baxter & Co. be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.



Mr J Peace
Trustee



Mr G Young
Trustee

Date: 21.01.2025.

CRANBROOK SCHOOL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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

Opinion

We have audited the financial statements of Cranbrook School Trust (the 'Charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 charity's affairs as at 31 March 2024 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

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 Charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report 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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

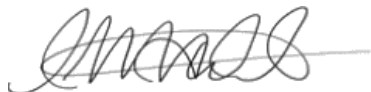
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CRANBROOK SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CRANBROOK SCHOOL TRUST

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

29 January 2025
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Chartered Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

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

CRANBROOK SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year		Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total 2023 £
	Notes					
Income and endowments from:						
Donations and legacies	3	89,585	2,485	-	92,070	3,847
Charitable activities	4	97,487	-	-	97,487	108,032
Other trading activities	5	207,172	-	-	207,172	148,715
Investments	6	28,895	25,733	-	54,628	33,867
Other income	7	1,931	-	-	1,931	184
Total income		425,070	28,218	-	453,288	294,645
Expenditure on:						
Raising funds	8	124,999	-	-	124,999	98,706
Charitable activities	9	170,950	76,820	-	247,770	124,612
Total expenditure		295,949	76,820	-	372,769	223,318
Net gains/(losses) on investments	14	1,357	6,450	32,346	40,153	(22,009)
Net income/(expenditure) and movement in funds		130,478	(42,152)	32,346	120,672	49,318
Reconciliation of funds:						
Fund balances at 1 April 2023		1,429,943	334,694	17,343,320	19,107,957	19,058,639
Fund balances at 31 March 2024		1,560,421	292,542	17,375,666	19,228,629	19,107,957

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 2024

Prior financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes				
Income and endowments from:					
Donations and legacies	3	-	3,847	-	3,847
Charitable activities	4	108,032	-	-	108,032
Other trading activities	5	148,715	-	-	148,715
Investments	6	17,400	16,467	-	33,867
Other income	7	184	-	-	184
Total income		274,331	20,314	-	294,645
Expenditure on:					
Raising funds	8	98,706	-	-	98,706
Charitable activities	9	41,788	82,824	-	124,612
Total expenditure		140,494	82,824	-	223,318
Net gains/(losses) on investments	14	(4,496)	(5,463)	(12,050)	(22,009)
Net income/(expenditure) and movement in funds		129,341	(67,973)	(12,050)	49,318
Reconciliation of funds:					
Fund balances at 1 April 2022		1,300,602	402,667	17,355,370	19,058,639
Fund balances at 31 March 2023		1,429,943	334,694	17,343,320	19,107,957

CRANBROOK SCHOOL TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

		2024	2023
	Notes	£	£
Fixed assets			
Tangible assets	16	17,546,190	17,546,190
Investments	17	627,561	587,408
		<u>18,173,751</u>	<u>18,133,598</u>
Current assets			
Stocks	18	4,704	3,519
Debtors	19	7,852	15,751
Cash at bank and in hand		1,083,107	974,033
		<u>1,095,663</u>	<u>993,303</u>
Creditors: amounts falling due within one year	20	(40,785)	(18,944)
Net current assets		<u>1,054,878</u>	<u>974,359</u>
Total assets less current liabilities		<u>19,228,629</u>	<u>19,107,957</u>
The funds of the Charity			
Endowment funds	21	17,375,666	17,343,320
Restricted income funds	22	292,542	334,694
Unrestricted funds	23	1,560,421	1,429,943
		<u>19,228,629</u>	<u>19,107,957</u>

The financial statements were approved by the Trustees on 21/01/2025

Mr J Peace
Trustee

Mr G Young
Trustee

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Cranbrook School Trust is a Charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Trust Deed, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

The Charity has certain restricted funds where specific conditions have been imposed by the donor. Further details can be found in note 22.

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

1.4 Income

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 recognised as income when the donation is received.

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.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

The cost of generating funds comprises costs incurred in encouraging people or organisations 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

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Trustees consider that the estimated residual value of the buildings is equal to the carrying value and as a result depreciation is not provided. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

Freehold land and assets in the course of construction are not depreciated.

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.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	89,585	2,485	92,070	-	3,847	3,847

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable income		
Charitable rental income	97,487	108,032

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Lettings income	149,430	118,128
Queens Hall events income	32,482	11,585
Other income	25,260	19,002
Other trading activities	207,172	148,715

Further details of trading activities undertaken by the Charity can be found in note 26.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

6 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Other income	6,703	10,322	17,025	7,279	9,444	16,723
Interest receivable	22,192	15,411	37,603	10,121	7,023	17,144
	<u>28,895</u>	<u>25,733</u>	<u>54,628</u>	<u>17,400</u>	<u>16,467</u>	<u>33,867</u>

7 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	<u>1,931</u>	<u>184</u>

8 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Trading costs		
Share of governance costs	1,000	1,000
Summer letting expenses	17,285	-
Lettings expenses	74,149	63,045
Advertising	29,733	21,778
Other fundraising costs	2,832	12,883
	<u>124,999</u>	<u>98,706</u>

Further details of trading activities undertaken by the Charity can be found in note 26.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Expenditure on charitable activities

	Charitable expenditure 2024 £	Charitable expenditure 2023 £
Direct costs		
Salary recharge - Clerk to Trustees	15,944	20,247
Cranbrook School Donations	-	36,560
Cranbrook School Facilities Donations	212,985	37,900
Awards and prizes	9,095	8,364
Salary recharge - Development Officer	5,246	17,741
	<u>243,270</u>	<u>120,812</u>
Share of support and governance costs (see note 10)		
Governance	4,500	3,800
	<u>247,770</u>	<u>124,612</u>
Analysis by fund		
Unrestricted funds	170,950	41,788
Restricted funds	76,820	82,824
	<u>247,770</u>	<u>124,612</u>

10 Support costs allocated to activities

	2024 £	2023 £
Governance costs	<u>5,500</u>	<u>4,800</u>
Analysed between:		
Fundraising	1,000	1,000
Charitable expenditure	<u>4,500</u>	<u>3,800</u>
	<u>5,500</u>	<u>4,800</u>

11 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	<u>5,500</u>	<u>4,800</u>

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

12 Trustees

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

During the year, property expenses totalling £nil (2023: £900) were reimbursed directly to 0 Trustee (2023: 1 Trustee).

13 Employees

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.

There were no employees whose annual remuneration was more than £60,000.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Gains and losses on investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Gains/(losses) arising on:								
Revaluation of investments	1,357	6,450	32,346	40,153	(4,496)	(5,463)	(12,050)	(22,009)

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

16 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 April 2023	17,546,190
At 31 March 2024	17,546,190
Carrying amount	
At 31 March 2024	17,546,190
At 31 March 2023	17,546,190

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.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

17 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2023	587,408
Valuation changes	40,153
At 31 March 2024	627,561
Carrying amount	
At 31 March 2024	627,561
At 31 March 2023	587,408

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	
	2024 £	2023 £	2024 £	2023 £
Unrestricted - William Rootes Gift Fund	33,606	34,232	16,818	16,818
Unrestricted - Vickers Fund	47,031	45,050	30,000	30,000
Restricted - Webster Exhibition Fund	33,101	30,353	3,217	3,217
Restricted - SEF	32,079	31,551	12,835	12,835
Restricted - General Fund	58,906	55,731	8,082	8,082
Endowment - Army Prize	1,306	1,198	500	500
Endowment - Joss Prize	5,068	4,647	3,000	3,000
Endowment - SEF	76,403	77,180	21,925	21,925
Endowment - Congreve	13,034	12,483	4,000	4,000
Endowment - Other	327,026	294,983	57,080	57,080

18 Stocks

	2024 £	2023 £
Stationary and other consumables	4,704	3,519

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	717	3,074
Prepayments and accrued income	7,135	12,677
	<u>7,852</u>	<u>15,751</u>

20 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	3,204	1,916
Trade creditors	26,177	8,149
Other creditors	11,404	8,879
	<u>40,785</u>	<u>18,944</u>

21 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 April 2023 £	Gains and losses £	At 31 March 2024 £
Permanent endowments	17,343,320	32,346	17,375,666
Previous year:	At 1 April 2022 £	Gains and losses £	At 31 March 2023 £
Permanent endowments	17,355,370	(12,050)	17,343,320

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2024 £
Building extension fund	57,456	17,720	(67,725)	-	-	7,451
Property renewal fund	150,000	-	-	-	-	150,000
Prize and gift fund	64,700	3,686	(9,095)	-	5,922	65,213
Scholarship endowment fund	53,915	6,381	-	-	528	60,824
Congreve exhibition fund	8,623	431	-	-	-	9,054
	<u>334,694</u>	<u>28,218</u>	<u>(76,820)</u>	<u>-</u>	<u>6,450</u>	<u>292,542</u>

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2023 £
Building extension fund	121,126	10,790	(37,900)	(36,560)	-	57,456
Property renewal fund	150,000	-	-	-	-	150,000
Prize and gift fund	73,751	3,141	(44,924)	36,560	(3,828)	64,700
Scholarship endowment fund	49,674	5,875	-	-	(1,634)	53,915
Congreve exhibition fund	8,115	508	-	-	-	8,623
	<u>402,666</u>	<u>20,314</u>	<u>(82,824)</u>	<u>-</u>	<u>(5,462)</u>	<u>334,694</u>

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Restricted funds

(Continued)

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 recognised university in Great Britain or Northern Ireland.

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

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2024 £
General funds	1,429,943	425,070	(295,949)	1,357	1,560,421
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2023 £
General funds	1,300,602	274,331	(140,494)	(4,496)	1,429,943

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

24 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 March 2024:				
Tangible assets	594,550	-	16,951,640	17,546,190
Investments	79,449	124,086	424,026	627,561
Current assets/(liabilities)	886,422	168,456	-	1,054,878
	<u>1,560,421</u>	<u>292,542</u>	<u>17,375,666</u>	<u>19,228,629</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 March 2023:				
Tangible assets	594,550	-	16,951,640	17,546,190
Investments	78,093	117,635	391,680	587,408
Current assets/(liabilities)	757,300	217,059	-	974,359
	<u>1,429,943</u>	<u>334,694</u>	<u>17,343,320</u>	<u>19,107,957</u>

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.

25 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 £97,487 (2023: £108,032) and other trading income of £1,636 (2023: £3,666). Donations of £212,985 (2023: £74,460) were made to the Academy. In addition expenses were recharged, at cost, by the Academy for other resources amounting to £102,086 (2023: £94,260). At the year end the Charity was owed £6,812 (2023: £9,002) and this is included within debtors within one year. The Academy was owed £28,195 (2023: £6,044) by the Charity and this is included in creditors within one year.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

26 Trading Account

	Lettings	Queen's Hall events	Misc	Total
	2024	2024	2024	2024
	£	£	£	£
Income				
Sales	150,406	32,482	25,260	208,148
	<u>150,406</u>	<u>32,482</u>	<u>25,260</u>	<u>208,148</u>
Direct costs				
Opening stock	3,519	-	-	3,519
Purchases	17,940	-	-	17,940
Closing Stock	(4,705)	-	-	(4,705)
	<u>16,754</u>	<u>-</u>	<u>-</u>	<u>16,754</u>
Gross profit	<u>133,652</u>	<u>32,482</u>	<u>25,260</u>	<u>191,394</u>
Expenses				
Production expenses	-	18,079	1,091	19,170
Salary recharges	35,873	7,574	-	43,447
Catering	29,454	420	-	29,874
Maintenance	-	-	922	922
Cleaning and laundry	2,888	-	-	2,888
Utility charges	5,546	-	-	5,546
Copier charges	-	89	-	89
Advertising/Printing	-	3,359	-	3,359
Worldpay charges	-	3	798	801
Website costs	-	15	-	15
Miscellaneous	388	194	-	582
	<u>74,149</u>	<u>29,733</u>	<u>2,811</u>	<u>106,693</u>
Net surplus of trading activities	<u>59,503</u>	<u>2,749</u>	<u>22,449</u>	<u>84,701</u>

Charity registration number 290237

CRANBROOK SCHOOL TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CRANBROOK SCHOOL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J Peace
Mr P R Thompson
Mr G Young
Mr A Cragg
Ms S Hamilton (KCC Trustee)
Ms N Dowler (Appointed 1 December 2023)
Ms F Whitelaw
Rev R King (Appointed 1 March 2024)

Charity number

290237

Auditor

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

CRANBROOK SCHOOL TRUST

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CRANBROOK SCHOOL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, 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)" (effective 1 January 2019).

Objectives and activities

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.

Achievements and performance

Significant activities and achievements against objectives

Financial review

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)	£7,451 (2023: £57,456)
Property renewal fund (restricted fund)	£150,000 (2023: £150,000)
Prize and gift fund (restricted fund)	£61,527 (2023: £46,959)
Scholarship endowment fund (restricted fund)	£54,619 (2023: £53,915)
Congreve exhibition fund (restricted fund)	£8,623 (2023: £8,623)
Permanent endowment fund	£17,375,666 (2023: £17,343,320)
Unrestricted funds	£1,570,744 (2023: £1,447,684)

Reserves policy

It is the Trustees' policy to maintain the unrestricted funds, which are the free reserves of the trust, at 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.

CRANBROOK SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Major risks

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.

Structure, governance and management

There are nine 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. Rev Richard King is the current vicar, and only one of the Kent County Council nominated positions is vacant, the other position is filled by Ms Sarah Hamilton.

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

Trustees

The Trustees who served during the year were:

Mr J Peace	
Mr P R Thompson	
Mr G Young	
Mr T Mullins	(Resigned 31 August 2023)
Mr A Cragg	
Mr G May	(Resigned 31 December 2023)
Ms S Hamilton (KCC Trustee)	
Ms N Dowler	(Appointed 1 December 2023)
Ms F Whitelaw	
Mr J Wotton	(Resigned 31 August 2023)
Rev R King	(Appointed 1 March 2024)

Recruitment and appointment of trustees

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.

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.

CRANBROOK SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Auditor

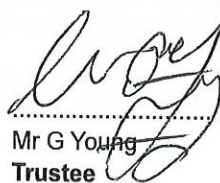
In accordance with the company's articles, a resolution proposing that Baxter & Co. be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.



Mr J Peace
Trustee



Mr G Young
Trustee

Date: 21.01.2025.

CRANBROOK SCHOOL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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

Opinion

We have audited the financial statements of Cranbrook School Trust (the 'Charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 charity's affairs as at 31 March 2024 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

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 Charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report 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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

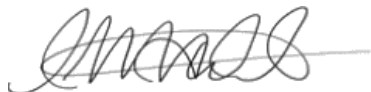
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CRANBROOK SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CRANBROOK SCHOOL TRUST

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

29 January 2025
.....

Chartered Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

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

CRANBROOK SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year		Unrestricted funds	Restricted funds	Endowment funds	Total	Total
	Notes	2024	2024	2024	2024	2023
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	89,585	2,485	-	92,070	3,847
Charitable activities	4	97,487	-	-	97,487	108,032
Other trading activities	5	207,172	-	-	207,172	148,715
Investments	6	28,895	25,733	-	54,628	33,867
Other income	7	1,931	-	-	1,931	184
Total income		425,070	28,218	-	453,288	294,645
Expenditure on:						
Raising funds	8	124,999	-	-	124,999	98,706
Charitable activities	9	170,950	76,820	-	247,770	124,612
Total expenditure		295,949	76,820	-	372,769	223,318
Net gains/(losses) on investments	14	1,357	6,450	32,346	40,153	(22,009)
Net income/(expenditure) and movement in funds		130,478	(42,152)	32,346	120,672	49,318
Reconciliation of funds:						
Fund balances at 1 April 2023		1,429,943	334,694	17,343,320	19,107,957	19,058,639
Fund balances at 31 March 2024		1,560,421	292,542	17,375,666	19,228,629	19,107,957

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 2024

Prior financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes				
Income and endowments from:					
Donations and legacies	3	-	3,847	-	3,847
Charitable activities	4	108,032	-	-	108,032
Other trading activities	5	148,715	-	-	148,715
Investments	6	17,400	16,467	-	33,867
Other income	7	184	-	-	184
Total income		274,331	20,314	-	294,645
Expenditure on:					
Raising funds	8	98,706	-	-	98,706
Charitable activities	9	41,788	82,824	-	124,612
Total expenditure		140,494	82,824	-	223,318
Net gains/(losses) on investments	14	(4,496)	(5,463)	(12,050)	(22,009)
Net income/(expenditure) and movement in funds		129,341	(67,973)	(12,050)	49,318
Reconciliation of funds:					
Fund balances at 1 April 2022		1,300,602	402,667	17,355,370	19,058,639
Fund balances at 31 March 2023		1,429,943	334,694	17,343,320	19,107,957

CRANBROOK SCHOOL TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	16		17,546,190		17,546,190
Investments	17		627,561		587,408
			<u>18,173,751</u>		<u>18,133,598</u>
Current assets					
Stocks	18	4,704		3,519	
Debtors	19	7,852		15,751	
Cash at bank and in hand		1,083,107		974,033	
		<u>1,095,663</u>		<u>993,303</u>	
Creditors: amounts falling due within one year	20	(40,785)		(18,944)	
Net current assets			<u>1,054,878</u>		<u>974,359</u>
Total assets less current liabilities			<u>19,228,629</u>		<u>19,107,957</u>
The funds of the Charity					
Endowment funds	21		17,375,666		17,343,320
Restricted income funds	22		292,542		334,694
Unrestricted funds	23		1,560,421		1,429,943
			<u>19,228,629</u>		<u>19,107,957</u>

The financial statements were approved by the Trustees on 21/01/2025

Mr J Peace
Trustee

Mr G Young
Trustee

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Cranbrook School Trust is a Charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Trust Deed, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

The Charity has certain restricted funds where specific conditions have been imposed by the donor. Further details can be found in note 22.

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

1.4 Income

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 recognised as income when the donation is received.

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.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

The cost of generating funds comprises costs incurred in encouraging people or organisations 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

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Trustees consider that the estimated residual value of the buildings is equal to the carrying value and as a result depreciation is not provided. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

Freehold land and assets in the course of construction are not depreciated.

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.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	89,585	2,485	92,070	-	3,847	3,847

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable income		
Charitable rental income	97,487	108,032

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Lettings income	149,430	118,128
Queens Hall events income	32,482	11,585
Other income	25,260	19,002
Other trading activities	207,172	148,715

Further details of trading activities undertaken by the Charity can be found in note 26.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

6 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Other income	6,703	10,322	17,025	7,279	9,444	16,723
Interest receivable	22,192	15,411	37,603	10,121	7,023	17,144
	<u>28,895</u>	<u>25,733</u>	<u>54,628</u>	<u>17,400</u>	<u>16,467</u>	<u>33,867</u>

7 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	<u>1,931</u>	<u>184</u>

8 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Trading costs		
Share of governance costs	1,000	1,000
Summer letting expenses	17,285	-
Lettings expenses	74,149	63,045
Advertising	29,733	21,778
Other fundraising costs	2,832	12,883
	<u>124,999</u>	<u>98,706</u>

Further details of trading activities undertaken by the Charity can be found in note 26.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Expenditure on charitable activities

	Charitable expenditure 2024 £	Charitable expenditure 2023 £
Direct costs		
Salary recharge - Clerk to Trustees	15,944	20,247
Cranbrook School Donations	-	36,560
Cranbrook School Facilities Donations	212,985	37,900
Awards and prizes	9,095	8,364
Salary recharge - Development Officer	5,246	17,741
	<u>243,270</u>	<u>120,812</u>
Share of support and governance costs (see note 10)		
Governance	4,500	3,800
	<u>247,770</u>	<u>124,612</u>
Analysis by fund		
Unrestricted funds	170,950	41,788
Restricted funds	76,820	82,824
	<u>247,770</u>	<u>124,612</u>

10 Support costs allocated to activities

	2024 £	2023 £
Governance costs	<u>5,500</u>	<u>4,800</u>
Analysed between:		
Fundraising	1,000	1,000
Charitable expenditure	<u>4,500</u>	<u>3,800</u>
	<u>5,500</u>	<u>4,800</u>

11 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	<u>5,500</u>	<u>4,800</u>

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

12 Trustees

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

During the year, property expenses totalling £nil (2023: £900) were reimbursed directly to 0 Trustee (2023: 1 Trustee).

13 Employees

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.

There were no employees whose annual remuneration was more than £60,000.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Gains and losses on investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Gains/(losses) arising on:								
Revaluation of investments	1,357	6,450	32,346	40,153	(4,496)	(5,463)	(12,050)	(22,009)

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

16 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 April 2023	17,546,190
At 31 March 2024	17,546,190
Carrying amount	
At 31 March 2024	17,546,190
At 31 March 2023	17,546,190

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.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

17 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2023	587,408
Valuation changes	40,153
At 31 March 2024	627,561
Carrying amount	
At 31 March 2024	627,561
At 31 March 2023	587,408

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	
	2024 £	2023 £	2024 £	2023 £
Unrestricted - William Rootes Gift Fund	33,606	34,232	16,818	16,818
Unrestricted - Vickers Fund	47,031	45,050	30,000	30,000
Restricted - Webster Exhibition Fund	33,101	30,353	3,217	3,217
Restricted - SEF	32,079	31,551	12,835	12,835
Restricted - General Fund	58,906	55,731	8,082	8,082
Endowment - Army Prize	1,306	1,198	500	500
Endowment - Joss Prize	5,068	4,647	3,000	3,000
Endowment - SEF	76,403	77,180	21,925	21,925
Endowment - Congreve	13,034	12,483	4,000	4,000
Endowment - Other	327,026	294,983	57,080	57,080

18 Stocks

	2024 £	2023 £
Stationary and other consumables	4,704	3,519

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	717	3,074
Prepayments and accrued income	7,135	12,677
	<u>7,852</u>	<u>15,751</u>

20 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	3,204	1,916
Trade creditors	26,177	8,149
Other creditors	11,404	8,879
	<u>40,785</u>	<u>18,944</u>

21 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 April 2023 £	Gains and losses £	At 31 March 2024 £
Permanent endowments	17,343,320	32,346	17,375,666
Previous year:	At 1 April 2022 £	Gains and losses £	At 31 March 2023 £
Permanent endowments	17,355,370	(12,050)	17,343,320

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2024 £
Building extension fund	57,456	17,720	(67,725)	-	-	7,451
Property renewal fund	150,000	-	-	-	-	150,000
Prize and gift fund	64,700	3,686	(9,095)	-	5,922	65,213
Scholarship endowment fund	53,915	6,381	-	-	528	60,824
Congreve exhibition fund	8,623	431	-	-	-	9,054
	<u>334,694</u>	<u>28,218</u>	<u>(76,820)</u>	<u>-</u>	<u>6,450</u>	<u>292,542</u>

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2023 £
Building extension fund	121,126	10,790	(37,900)	(36,560)	-	57,456
Property renewal fund	150,000	-	-	-	-	150,000
Prize and gift fund	73,751	3,141	(44,924)	36,560	(3,828)	64,700
Scholarship endowment fund	49,674	5,875	-	-	(1,634)	53,915
Congreve exhibition fund	8,115	508	-	-	-	8,623
	<u>402,666</u>	<u>20,314</u>	<u>(82,824)</u>	<u>-</u>	<u>(5,462)</u>	<u>334,694</u>

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Restricted funds

(Continued)

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 recognised university in Great Britain or Northern Ireland.

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

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2024 £
General funds	1,429,943	425,070	(295,949)	1,357	1,560,421
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2023 £
General funds	1,300,602	274,331	(140,494)	(4,496)	1,429,943

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

24 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 March 2024:				
Tangible assets	594,550	-	16,951,640	17,546,190
Investments	79,449	124,086	424,026	627,561
Current assets/(liabilities)	886,422	168,456	-	1,054,878
	<u>1,560,421</u>	<u>292,542</u>	<u>17,375,666</u>	<u>19,228,629</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 March 2023:				
Tangible assets	594,550	-	16,951,640	17,546,190
Investments	78,093	117,635	391,680	587,408
Current assets/(liabilities)	757,300	217,059	-	974,359
	<u>1,429,943</u>	<u>334,694</u>	<u>17,343,320</u>	<u>19,107,957</u>

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.

25 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 £97,487 (2023: £108,032) and other trading income of £1,636 (2023: £3,666). Donations of £212,985 (2023: £74,460) were made to the Academy. In addition expenses were recharged, at cost, by the Academy for other resources amounting to £102,086 (2023: £94,260). At the year end the Charity was owed £6,812 (2023: £9,002) and this is included within debtors within one year. The Academy was owed £28,195 (2023: £6,044) by the Charity and this is included in creditors within one year.

CRANBROOK SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

26 Trading Account

	Lettings	Queen's Hall events	Misc	Total
	2024	2024	2024	2024
	£	£	£	£
Income				
Sales	150,406	32,482	25,260	208,148
	<u>150,406</u>	<u>32,482</u>	<u>25,260</u>	<u>208,148</u>
Direct costs				
Opening stock	3,519	-	-	3,519
Purchases	17,940	-	-	17,940
Closing Stock	(4,705)	-	-	(4,705)
	<u>16,754</u>	<u>-</u>	<u>-</u>	<u>16,754</u>
Gross profit	<u>133,652</u>	<u>32,482</u>	<u>25,260</u>	<u>191,394</u>
Expenses				
Production expenses	-	18,079	1,091	19,170
Salary recharges	35,873	7,574	-	43,447
Catering	29,454	420	-	29,874
Maintenance	-	-	922	922
Cleaning and laundry	2,888	-	-	2,888
Utility charges	5,546	-	-	5,546
Copier charges	-	89	-	89
Advertising/Printing	-	3,359	-	3,359
Worldpay charges	-	3	798	801
Website costs	-	15	-	15
Miscellaneous	388	194	-	582
	<u>74,149</u>	<u>29,733</u>	<u>2,811</u>	<u>106,693</u>
Net surplus of trading activities	<u>59,503</u>	<u>2,749</u>	<u>22,449</u>	<u>84,701</u>

Cranbrook School Trust

Audit Findings and Management Letter

Audit for the year ended 31 March 2024

Prepared on 30 August 2024

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Introduction

Following completion of our audit fieldwork, we present our audit findings report and management letter for the attention of the Trustees and those charged with governance of Cranbrook School Trust on the financial statements for the year ended 31 March 2024. This report summarises key issues in connection with the audit of financial statements, which we consider should be drawn to the attention of the Trustees.

The report has been prepared for the purpose of recording the audit scope, approach and risk areas and for communicating audit issues raised with those charged with governance.

We have listed possible improvements to accounting and internal control systems. This does not comprise a comprehensive statement of all weaknesses that may exist or of all improvements that could be made. It addressed only those matters that have come to our attention as a result of the audit procedures we have performed for the purpose of expressing an opinion on the financial statements. As required by International Standards on Auditing (UK and Ireland) the audit included consideration of internal controls relevant to the preparation of the financial statements in order to design appropriate audit procedures but not for the purpose of expressing an opinion on the effectiveness of internal control.

The report has been prepared in compliance for reporting to the and to comply with the provisions of International Standards on Auditing. No reports may be provided to third parties, without our prior consent. Consent will only be granted on the basis that such reports are not prepared with the interest of anyone other than the Trust in mind and we accept no duty of care or responsibility to any other party. The report may not be relied upon for any other purpose. No responsibilities are accepted by Baxter & Co. towards any party acting or refraining from acting as a result of this report.

For ease of reference, we have summarised and prioritised our findings below:

High priority recommendations	1
Medium priority recommendations	1
Low priority recommendations	0
Total	2

High risk: issues where there is a risk of significant financial impact on the Trust that must be addressed immediately.

Medium risk: issues where there is a risk of moderate financial impact on the Trust that should be addressed soon; and

Low risk: issues that relate to minor control deficiencies or enhancements in control efficiency. These should be addressed within an agreed timescale.

If you have any queries regarding the matters raised in this report, or other issues of concern, please contact us as soon as possible.

Finally, we would like to express our thanks to all of the Trust's staff that assisted us in carrying out our work.

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

The Audit Process

Audit approach and scope

Our general audit approach is determined by our assessment of the audit risk, both in terms of the potential misstatement in the financial statements and of the control environment in which the Trust operates. Our outlined approach is summarised as follows.

- we will update our understanding of the Trust and its environment through discussions with management and a review of available financial information.
- we will obtain evidence to support material balance sheet accounts and perform analytical review procedures of income and expenditure streams.
- we will review the design and implementation of key internal financial control systems, including reviewing the reports issued from the internal assurance reviewer.
- we will review the adequacy of material disclosures in the financial statements in accordance with FRS102 and the Charities SORP;
- we will review the information in the Trustees' Report for the financial year ensuring it is consistent with the financial statements; and
- we will form an opinion whether the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2024.

Overall audit strategy

We performed a risk based audit, focusing our work on key audit areas.

ISAs assume that "significant" risks will arise on most audits. Significant risks are often derived from business risks that may result in a material misstatement, relate to unusual transactions that occur infrequently, or judgemental matters where measurement is uncertain. We held an initial planning meeting with key management and finance staff to ascertain management's own view of potential audit risk and to gain an understanding of the Trust's activities. We also developed an in depth understanding of the

accounting systems and controls so that we may ensure their adequacy as a basis for the preparation of the financial statements and that proper accounting records have been maintained.

ISAs also state that "routine, non-complex transactions that are subject to systematic processing are less likely to give rise to significant risks because they have lower inherent risks". Our work in these areas will be proportionally less than in the significant risk areas.

In areas where we identify the potential for significant risk, we will extend our audit testing to include more detailed substantive work.

Significant risks

As part of our audit procedures, we are required to consider significant risks that require our attention including:

- Whether there is a fraud risk.
- The complexity of transactions.
- Significance of transactions with related parties.
- Degree of subjectivity in the measurement of financial information; and
- Transactions outside the normal course of the Trust's business.

The identified significant audit risks were communicated to you in our audit planning letter issued before our main fieldwork began. We now note the work performed and conclusions drawn on the following pages:

Significant risk audit areas

	Significant Risk	Explanation of the risk	Audit work performed	Conclusion
1.	Revenue recognition	<p>There is an assumption that revenue recognition is a fraud risk.</p> <p>Income from contracts should be recognised in the period to which entitlement exists.</p> <p>Classification of income between restricted and unrestricted funds potentially relies on managements decisions.</p>	<p>We documented systems and controls carrying out our audit procedures to ensure income is recorded correctly in the period.</p> <p>We discussed with Trust finance staff whether any cases of fraud had occurred during the period. We also reviewed governors' minutes of meetings. We have not been made aware of any fraud during the period.</p> <p>Consideration of whether income had been correctly classified between restricted and unrestricted funds by reviewing and terms and/or conditions was undertaken.</p>	Our audit work has not identified any material errors relating to income recognition, whether relating to fraud or error.
2.	Management override	<p>The trustees and management have the primary responsibility for detection of fraud as part of their role in preventing fraudulent activity. They should ensure a robust system of internal controls exist to facilitate prevention.</p> <p>Auditing Standards presume a significant risk of management override of the system of internal controls.</p> <p>Our audit work is designed to provide reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error.</p> <p>Our audit may serve to act as a deterrent, but we are not responsible for preventing fraud or corruption.</p>	During our audit we considered the possibility of manipulation of financial results, for example the use of journals or management estimates, such as provisions and accruals. These have been reviewed as part of our substantive audit work.	Our audit procedures have not identified any instances of management override.

	Significant Risk	Explanation of the risk	Audit work performed	Conclusion
3.	Related and connected parties	We are required to consider whether disclosures in the financial statements concerning related party transactions are complete and comply with the Charities SORP.	<p>A Charity Commission search was completed for each of the trustees to identify possible related parties with which the trust may have transacted.</p> <p>We reviewed trustee and other senior management declarations to ensure there no potential related party transactions have not been disclosed.</p> <p>We have requested written management representations from you confirming the full disclosure of related party transactions.</p>	Our audit work has provided assurance that the related party transactions disclosed in the financial statements are complete.

Materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and the impact of uncorrected misstatements.

Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. An item will be considered material if its omission would reasonably influence the decisions of those using the financial statements.

Auditors examine financial statements on a test basis. The level of testing we will carry out is based on our assessment of the risk that an item in the financial statements may be materially misstated. As such, it is neither practical nor appropriate to give an indication of the value of an item we would consider to be material although, clearly, we do relatively more work in areas where the risk of misstatement is considered to be high.

We have assessed the materiality by considering the total income of the Trust, net of capital income together with other relevant indicators. A lower measure of materiality was set for those specific areas where the nature of the transactions requires this.

Individual errors or accumulated errors, found during the course of the audit that are in excess of materiality were discussed with you and adjustments were made to the financial statements. If the adjustments had not been made, our audit report would be modified. Any adjustments found during the audit that are below the relevant materiality level have been sent for consideration by the Trustees.

Objectivity and Independence

As agreed with you, the provision of non-audit services to you results in a potential threat to our independence. We can confirm that, as required by professional ethical standards, we have implemented appropriate safeguards

to deal with this threat, in accordance with the guidance issued by our professional body.

We note that in addition to performing the statutory audit, we also provide the following non-audit services:

- a) Preparation of statutory financial statements from the Trusts trial balance.
- b) Provision of general advice as required.

The following safeguards are in place in respect of providing of the above non-audit services to ensure our independence:

- a) Preparation of statutory financial statements from the Trusts trial balance is carried out by a dedicated accounts production team separate from audit and is a mechanical function presenting the Trust's results for the period in the required format. Any adjustments to the figures will be made following discussion and approval by the Trust. The process of preparation of the financial statements is reviewed by an independent manager prior to completion.
- b) General advice and assistance with accounting queries during the period is not considered significant for this Trust.

Amendments to financial statements

It is considered good practice to inform you of any material adjustments within the financial statements presented for audit that have been discovered during the audit process as well as adjustments notified to us by you. Set out below is a list of audit adjustments for which you have authorised adjustment to the financial statements, and the impact of those adjustments.

	Effect on Fund Reserves (£'000)
Funds per ledger	19,218
Accruals identified	(6)
Bank interest	18
Movement on investments	(3)
Funds per Accounts	19,227

In addition to the above, some presentation adjustments have been included in the financial statements although these have had no impact on the total of fund balances:

- 1) Allocation of income and expenditure to relevant funds
- 2) Transfers between funds have been included in the financial statements, where required (e.g. to reflect the source of funding for fixed asset additions).

Other than the listed adjustments, we have not identified any misstatements or omissions (unless clearly trivial) from the financial statements, which have not been adjusted by you.

Recommendations for the current year

Accounting system and Internal control

We set out below a summary of the matters identified from our audit work relating to the accounting system and internal control weaknesses. We have included our view of the priority (low, medium, or high) of each point. In arriving at our view of priority we have considered both the potential impact of the weakness identified and the likelihood of the related risk materialising.

Description and impact	Recommendation	Management Response	Priority
For three expenditure samples, no documentation was retained on file. Impact: insufficient supporting evidence/lack of audit trail.	All supporting documentation should be kept for all items.	All expenditure will be supported by documentary evidence.	Medium

Status of Previous year Recommendations

Description and impact reported in prior year	Status in current year	Management Response	Priority
<p>The Trust revalued the land and buildings as at 31 March 2018 and prior to this, a formal valuation was undertaken in 1997. The Trust should consider undertaking a valuation on a regular basis as the balance sheet should reflect the 'fair value' of these assets.</p> <p>The 2023/24 Insurance rebuild cost is significantly greater than the balance sheet value and the reinstatement valuation undertaken in May 2024 shows an even greater figure.</p> <p>Impact: The value included in the accounts may be significantly different to the market/fair value.</p>	<p>Recommendation remains and additional matter re insurance and rebuild cost being greater than balance sheet value.</p>	<p>This is being looked into by the Trust.</p>	<p>High</p>

Expected modifications to the auditor's report

We have substantially completed our work and intend to issue a qualified audit opinion unless we can establish the 'fair value' of land and buildings agreeing to the amount in the balance sheet. This is subject to the trustees' approving the financial statements and any minor outstanding items being received and/or completed.

There is also a modification with reference to the emphasis of matter on analysis of net assets between funds as referred to in our cover email.

Other matters to be communicated with those charged with Governance

Significant difficulties encountered during the audit

We did not encounter any significant difficulties during the audit.

Significant matters, if any arising from the audit

There are no further significant matters that we need to bring to your attention.

Going Concern

The Trustees need to give consideration to the level of reserves maintained and consider going concern for a period being at least 12 months from the approval of the accounts.

Other action points – Reminders and Submissions

- 1) A written reply should be prepared in response to this report. Please return it to us keeping a signed copy for your own records.
- 2) On return to us of the signed statutory accounts and the signed letter of representation which must be on the Trusts headed paper, we will

certify the audit report(s) and send you the certified accounts for submission to the Charity Commission (the filing deadline is 31 January 2025).