

DR CHALLONER'S SCHOOL EDUCATIONAL TRUST

TRUSTEES REPORT AND ACCOUNTS

YEAR ENDING 31 AUGUST 2021

*Charity Registration Number: 298550*

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**REPORT OF THE TRUSTEES FOR YEAR ENDING 31 AUGUST 2021**

The Trustees present their annual report and financial statements of the charity for the year ended 31<sup>st</sup> August 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

The objects of the Charity are the provision of scholarships, prizes, grants, equipment, buildings, playing fields and other assistance for the benefit of Dr Challoner's Grammar School (or "the School") and its students. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and making grants to the school. The Trust has established its grant making policy to achieve its objects for the public benefit. The beneficiaries of our grant making programme are ultimately the students of Dr Challoner's Grammar School.

The Trust invites applications for funding from Dr Challoner's Grammar School. The award of such grants are determined by the Trustees during Trustee meetings. In determining the award of a grant the Trustees assess whether the students of Dr Challoner's Grammar School will benefit.

**ACHIEVEMENTS AND PERFORMANCE****Grants made in 2020-21**

The Trust made grants both direct to Dr Challoner's Grammar School ("DCGS") and to individual students of the school. These awards can be broken down as follows:

Charitable Donations made to DCGS	Unrestricted Funds	Restricted Funds	Total Funds
Science Project	£0	£499,000	£499,000
New Court Refurbishment	£30,521	£0	£30,521
LED Lighting Project	£24,209	£0	£24,209
Contribution to Cost of Alumni Database	£6,000	£0	£6,000
2024 Book	£5,250	£0	£5,250
Travel Expenses to Fixtures	£8,221	£0	£8,221
Prizes to Students	£2,337	£31	£2,368
Curriculum Facilities and Equipment	£10,534	£813	£11,347
Wellbeing and Drugs Education	£3,507	£0	£3,507
Other Unrestricted Donations	£3,066	£0	£3,066
Student Development	£0	£2,700	£2,700
Other Restricted Donations	£0	£150	£150
<b>Total Cash Donations</b>	<b>£93,644</b>	<b>£502,694</b>	<b>£596,338</b>
Donations of goods for Staff Wellbeing	£341		£341
<b>Total Donations</b>	<b>£93,985</b>	<b>£502,694</b>	<b>£596,679</b>

Other Charitable Donations made.	Unrestricted Funds	Restricted Funds	Total Funds
Longitudinal Study	£5,000	£0	£5,000
Music Scholarships to Students	£5,466	£0	£5,466
Prizes to Students	£0	£150	£150
	£10,466	£150	£10,616

<b>Total Charitable Donations</b>	<b>£104,451</b>	<b>£502,844</b>	<b>£607,295</b>
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### Impacts of Grants Made

All grants made had a beneficial impact on the students of Dr Challoner's Grammar School. Some of the more significant impacts include:

#### Science Matters Campaign:

Donations from the Trust have enabled the school to proceed with phase 1 of its project for extending and refurbishing its science facilities 1 year earlier than planned so that more students will benefit for the spaces. Phase 1 of the project is well underway with the construction of 2 new laboratories and the fit out on one other due to be completed in February 2022.

#### Use of Unrestricted Reserves:

#### New Court Refurbishments

Phase 2 of the New Court Refurbishment project enhanced the teaching and learning spaces in the New Court block by upgrading the lighting throughout the block to LED lighting and redecorating all the classrooms.

#### Other LED Lighting:

£24K upgrading lighting in classrooms across the site.

#### Curriculum Facilities and Equipment

The Trust was able to finance the following facilities for the school in 2020-21:

- Art: Drawing equipment and materials
- Biology: Replacement microscopes
- Electronics: Replacement mouse and keyboards for IT equipment
- Geography: Hydroprop
- Music: Replacement iMac and music stands
- PE: iPads to allow detailed analysis of student techniques.
- Physics: Updated equipment including a rocket factory kit.
- Computer Science: Computers for computer science teaching

### Ongoing Support

The Trust continues to fund ongoing non-core expenditure which adds to the value of the education the school is able to provide its students. This includes funding the cost of transporting students to sports fixtures, supporting the school magazine and enabling extra-curricular wellbeing and drugs education. In addition, the Trust spends a small amount of money on refreshments for end of term school staff events that support staff wellbeing.

**Fundraising:****Science Matters Campaign:**

In August 2019 we embarked on a campaign to raise over £1m to support the extension and refurbishment of the School's Science Facilities. By the end of August 2021, £330K had been raised and passed across to the school. The remaining income is expected in over the course of the next 3 years.

**Annual Giving / Astra Fund**

The level of continuous support from parents continues to be very encouraging. Under the Annual Giving Programme approximately 60% of parents have entered into an Agreement to make regular donations by standing order for the whole of their child's career at the School; others make individual gifts to the Trust. A high proportion of our donors complete a Gift Aid Declaration, thus increasing the value of their gift to the Trust. In 2020-21 the value of income from this source was £183K (2019-20: £186K). This level of performance is very encouraging in the context of both Covid-19 and when running alongside a major capital campaign.

**Perfect Pitch Campaign**

To assist in the school's vision, the Trust launched the 'Perfect Pitch' Campaign with a fundraising target to help provide part of the funding of the improvements of the music building and Astroturf. During 2020-21 the Trust received £20K in addition to the £246K it received in prior years.

**Other Restricted Donations**

In 2019 the Trust received £5K to support VI form students in accessing educational visits. Due to the on-going Covid-19 pandemic the majority of visits have been suspended. Therefore, this donation has been carried forward another year as a restricted fund.

In November we joined in a UK Schools Week of Giving run in conjunction with Graduway (alumni networking platform). This raised £2.7K towards student mental health and wellbeing.

The Trust also received three restricted donations. One was for the Geography Department for resources totalling £813. The other two totalling £5K are to support the PE department to help mitigate the effects on student wellbeing and mental health as a result of the covid pandemic.

**Charity Collection Days**

Dr Challoner's Grammar School runs various charity collection days for the charities supported by the school. These charities are nominated by the students of the school. The Trust administers the banking of this money and is effectively acting as an agent, passing monies collected onto the relevant charity. Therefore, this money is not shown in the Statement of Financial Activities (SOFA). For 2020-21 the total amount collected and passed to charities was £10K. (2019-20 £8K). Charity days are planned for 2021-22 and will be conducted based on a risk assessment regarding the handling of cash.

**FINANCIAL REVIEW****Plans for the Future**

For 2021-22 the Trust will continue to make its regular donations to the school to support activities such as mental health provision, access to sporting fixtures and the school magazine, together with funding specialist curriculum resources. In addition to this it will make a further donation of £50K towards upgrading student toilet facilities to provide appropriate privacy for students

During 2021-22, the school will continue with its major Capital Campaign to support the construction of two new Chemistry classroom and the refurbishment of the existing chemistry classrooms.

The school is developing a number of ways of celebrating its 400<sup>th</sup> anniversary in 2024. To this end, the Trust has commissioned a new book about the history of the school and Amersham which will be published during 2024 with proceeds benefitting the school. The initial costs of this are underwritten by Dr Challoner's School Educational Trust.



### **Reserves Levels**

The Trustees review the level of reserves annually. This review takes into account the stability of likely future voluntary donations, together with gaining an understanding of what the School's future requirements are likely to be. At the end of August 2021 the Trust held £67K of unrestricted reserves (2020: £144K).

As at the end of August 2021 the Trust held restricted funds of £11K (2020: £7K), this was mainly split between a bursary donation to support VI form students accessing educational visits referred to above, and two donations to support the PE Department in relation to the general mental wellbeing of students following the covid-19 pandemic.

The Trustees have decided that a level of unrestricted funds of £67K at 31 August 2021 is appropriate to best assist the school in both the short and long term, having assessed likely donation levels to be received in the future.

### **Investment policy**

The Trustees' investment powers are set down in its Declaration of Trust Deed. The deed permits the investment of monies in financial instruments and property to best meet the charity's objects.

The Trustees' current policy is to invest surplus funds in interest bearing accounts with banks. Periodically, the Trustees will review interest rates and compare with other investment opportunities.

### **Risk Management**

The nature of the Trust is such that the main financial instruments that it deals in are mainly bank balances, and cash, with limited creditors. The Trust has not made any investments in the period other than holding the cash in its bank accounts. As such there is limited risk in the nature of the Trust's transactions.

The Trustees have assessed the risk profile of realising future income streams to ensure that it has sufficient reserves to pass across the donations to the school during 2021-22 that will support its plans. They have satisfied themselves that the relevant donations can be made.

For 2020-21 cash flow risk was low. The level of risk in 2021-22 will depend on the decision of the school as to whether to proceed with Phase 2 of the Science Matters Campaign in that academic year. In the absence of this project it is expected that levels of free reserves will be approximately £45K by the end of the year. If this project is undertaken it is likely that reserves at the end of the year will be closer to £10K.

The school itself, currently has healthy levels of reserves and the liquidity risk, credit risk and cash flow risk to the school for the next 12 months is low.

The biggest ongoing risk facing the Trust is donor's ability to continue to give in the face of the Covid-19 pandemic. This risk will continue to be closely monitored throughout 2021-22 as the national furlough scheme comes to an end.

For 2020-21 there was little impact on our donations from donations reducing in the Annual Fund and we have had a successful start to our capital fundraising campaign. We will review the impact that Covid-19 had on the capital campaign (including not being able to have face to face meetings with donors due to Covid-19 lockdowns) to learn lessons to inform future fundraising.

Outside of the impact of Covid-19 the principal risk faced by the Trust lie in the operational risks would be from either:

- ineffective grant making; or
- immoral fundraising practices

Either of the above would have the potential to cause reputational damage to the school or Trust thus reducing potential future fundraising capabilities.

Regarding ineffectual grant making, this risk is mitigated by having non-Trustee representatives from the school including the Chief Financial and Strategy Officer and Development Director present at Trustee meetings.

Regarding Fundraising Practice the Trust has voluntarily subscribed to registration by the Fundraising Regulator and abides by its code of conduct. Over the year, it has complied fully with these standards. It also abides by the Institute of Fundraising Code of Practice. The school is a member of the Institute of Development Professionals, with the Development Director currently serving as Deputy-Chair.

As per the Data Sharing Agreement and Financial Regulations, fundraising operations are delegated to staff at Dr Challoner's Grammar School who report regularly to the Trustees on all fundraising activities. During the last year, no complaints regarding the operation of the charity or Fundraising by the charity have been received.

The Trust only contacts parents and former students of Dr Challoner's Grammar School in line with the School's Privacy Notices. It may also contact other local businesses or charitable trusts. It does not purchase mailing lists or pass on data to other organisations unless there is a statutory reason for doing so.

The Trust recognises that it may come into contact with a number of vulnerable people as part of its fundraising activities and has a policy in place to effectively manage this. However, fundraising activities are not carried out in an intrusive manner. Approaches are made only in line with preferred communication preferences. The Trust asks for support during the Autumn Term for its Astra Fund and only on an ad hoc basis for other capital campaigns. No complaints about this procedure have been received and those who request to be removed from the database are done so in a timely manner. In the past year, no telephone campaigns have taken place.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Trust was established under a Declaration of Trust Deed dated 12 December 1987. The Trust obtained charitable status from the Charity Commission in March 1988. The objects of the Charity are the provision of scholarships, prizes, grants, equipment, buildings, playing fields and other assistance for the benefit of Dr Challoner's Grammar School and its students.

On 6 February 2012 the Trustees signed a Deed of Variation to the Declaration of Trust Deed that clarified the rules and relationships regarding the appointment and retirement of Trustees, the correction of inconsistencies in the Trust's name within the deed and codifying the circumstances under which the Educational Trust could be wound up (including clearly specifying that any assets of the Trust would pass to a charity with similar Objects).

On 18 October 2017 the Trustees signed a further Deed of Variation to the Declaration of Trust Deed that clarified various governance arrangements for the Trust including the appointment of the Chair and amended the length of time a Trustee can be absent from meetings without permission.

It is important to note that there were no changes to the Objects of the Trust during the year and that there is no intention of the Trustees to wind up the Trust.

The Deed of Variation clarifies the composition of the Trustees. There should be up to 6 Trustees comprising:

- 3 ex-officio Trustees as set out in clause 4 A (2) ("Ex-Officio Trustees"); and
- Up to 3 other Trustees appointed in accordance with clause 4 A (3) ("Appointed Trustees").

The 3 Ex-Officio Trustees are the Chair of Governors of Dr. Challoner's Grammar School, The Chair of the Governors' Finance, Audit and Risk Committee of Dr. Challoner's Grammar School; and the Headteacher of Dr. Challoner's Grammar School. Each Ex-Officio Trustee shall be entitled to hold office for so long as he or she holds the position listed above.

Appointed Trustees are appointed for terms of office of 4 years by resolution of the Trustees.

New Trustees attend a brief meeting with the Headteacher, at which the Charity's purposes and objectives are explained, and the procedures involved are summarised. Their attention is also drawn to the information available on the Charity Commission website, in particular the newsletter Charity Commission News.

New Trustees are given on their appointment:

- a copy of the Declaration of Trust and any amendments made to it; and
- a copy of the Trust fund's latest report and statement of accounts.



- The financial regulations manual.

The Trustees must meet at least twice a year to decide on the various projects to which the Trust will contribute and also to discuss the finances of the Trust.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake and specifically they have complied with their duty to have due regard to the commission's public benefit guidance when exercising powers or duties to which the guidance is relevant.

### **Key Management Personnel**

The Trustees consider the board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

All Trustees give of their time freely and no Trustee remuneration was paid in the year.

To minimise the administrative burden on the Educational Trust, the Trustees authorise Dr Challoner's Grammar School and its staff to carry out the operational decisions of the Trustees under authority delegated in a document agreed by both the Trust and the School that incorporates a data sharing agreement and the delegation of financial authorities to the School. This agreement defines the responsibilities of each person and organisation involved in the administration of the Trust's affairs to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and Dr Challoner's Grammar School Staff. In summary:

The Trustees have overall responsibility for the administration of the Trust's finances. The main responsibilities include:

- ensuring that any grants or funds that are received are used only for the purposes intended;
- approval of the annual budget and reserves policy;
- approval of larger virements;
- approval of entering into the data sharing agreement and delegation of financial authorities agreement between the Trust and the School;
- approval of the Fundraising Strategy

The main responsibilities of the school's officers include:

- the initial review and recommendation to the Trustees of the draft annual income and expenditure budgets, the regular monitoring of actual expenditure and income against budget;
- the approval of virements;
- ensuring the annual accounts are produced in accordance with charity law and current recognized accounting principles;
- the drafting of the Fundraising Strategy
- ensuring the contents of the Fundraising Strategy are discharged as directed by the Trustees
- the processing of all financial transactions
- the processing of all donor details in accordance with the UK Data Protection Act 2018 and the terms of the data sharing agreement.
- highlighting and reporting to the Trustees on any significant issues regarding the effectiveness of the financial procedures and controls

All Trustees and school staff that have significant financial or spending powers in relation to the Trust are required to declare any financial interests they have in companies or individuals from which the Trust may purchase goods or services. The register is open to public inspection. Details of Trustee expenses and related party transactions are disclosed in note 2 to the accounts.



## REFERENCE AND ADMINISTRATIVE DETAILS

### Trustees

#### Ex officio Trustees

- Mr David Atkinson
- Mrs Stephanie Hyde
- Mr Shaun Kennedy

#### Appointed Trustees:

##### Appointed Trustees:

- Mr Peter Millins
- Mr Mark Haines
- Ms Jane Penton

### Principal Office

- Dr Challoner's Grammar School, Chesham Road, Amersham, Buckinghamshire. HP6 5HA

### Charity Number

- 298550

### Auditors

- Landau Baker Limited. Mountcliff House, 154 Brent Street, London NW4 2DR

### Bankers

- Barclays Bank PLC, 4 Sycamore Road, Amersham, Buckinghamshire. HP6 5DT

### Trustees' responsibilities in relation to the financial statements:

The charity Trustees are responsible for preparing a Trustees' annual report and 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 charity Trustees to prepare financial statements for each 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 period. In preparing the financial statements, the Trustees are required to:

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

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

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the Trustees on 23 November 2021  
and signed on their behalf by:

  
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Mr David Atkinson  
Trustee

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted Funds £	Restricted Funds £	Actual to 31 August 2021 £	Year to 31 August 2020
<b>INCOMING RESOURCES FROM GENERATED FUNDS</b>					
Income from donations and legacies	3	£182,997	£357,750	£540,747	£218,771
Investment income	3	£120	£0	£120	£89
<b>Total Income</b>		<b>£183,117</b>	<b>£357,750</b>	<b>£540,867</b>	<b>£218,860</b>
<b>RESOURCES EXPENDED</b>					
Expenditure on Raising Funds		£0	£0	£0	£0
Expenditure on Charitable Activities	4	£104,451	£502,844	£607,295	£134,692
Other Expenditure	5	£6,651	£518	£7,169	£5,679
<b>Total Expenditure</b>		<b>£111,102</b>	<b>£503,362</b>	<b>£614,464</b>	<b>£140,371</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
		<b>£72,015</b>	<b>-£145,612</b>	<b>-£73,597</b>	<b>£78,489</b>
Transfers between funds		-£149,056	£149,056	£0	£0
<b>NET MOVEMENT IN FUNDS</b>		<b>-£77,041</b>	<b>£3,444</b>	<b>-£73,597</b>	<b>£78,489</b>
Surplus Funds brought forward		£144,068	£7,179	£151,247	£72,758
<b>SURPLUS FUNDS CARRIED FORWARD</b>		<b>£67,027</b>	<b>£10,623</b>	<b>£77,650</b>	<b>£151,247</b>

The notes at pages 13 to 19 form part of these accounts.



# Accounts for year ending 31 August | 2021

BALANCE SHEET		At 31 August 2021		At 31 August 2020	
	Note	£	£	£	£
<b>CURRENT ASSETS</b>					
Debtors	7	£33,342		£12,652	
Cash in bank and in hand	7	£46,228		£140,515	
			<u>£79,570</u>		<u>£153,167</u>
Creditors falling due within 1 year	8	£1,920		£1,920	
			<u>£77,650</u>		<u>£151,247</u>
<b>NET ASSETS</b>					
<b>FUNDS:</b>					
Restricted Income Funds	9	£10,623		£7,179	
Unrestricted Income Funds	9	£67,027		£144,068	
			<u>£77,650</u>		<u>£151,247</u>
<b>TOTAL CHARITY FUNDS</b>					

The notes at pages 13 to 19 form part of these accounts.

Approved by the Trustees on 23 November 2021 and signed on their behalf.



Mr David Atkinson  
Trustee

**STATEMENT OF CASH FLOWS AND ASSOCIATED NOTE:**

**STATEMENT OF CASHFLOWS**

	Year to 31 August 2021	Year to 31 August 2020
	£	£
<b>Net Cash used in operating activities</b>	-£94,407	£85,343
<b>Cash flows from investing activities</b>		
Interest	£120	£89
<b>Change in Cash and Cash Equivalents during the year</b>	<b>-£94,287</b>	<b>£85,432</b>
Cash and cash equivalents brought forward	£140,515	£55,083
<b>Cash and cash equivalents carried forward</b>	<b>£46,228</b>	<b>£140,515</b>

**Reconciliation of net movement in funds to net cash flow**

	Year to 31 August 2021	Year to 31 August 2020
	£	£
Net movement in funds	-£73,597	£78,489
Deduct interest income shown in investing activities	-£120	-£89
Decrease (Increase) in debtors	-£20,690	£6,943
Increase (Decrease) in creditors	£0	£0
<b>Net Cash used in operating activities</b>	<b>-£94,407</b>	<b>£85,343</b>

**NOTES TO THE ACCOUNTS****1 Accounting Policies****(a) Basis of preparation and assessment of going concern**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

**(b) Funds structure**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Further details of each fund are disclosed in note 9.

**(c) Income recognition**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the Administrator / executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**(d) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.



Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

**(e) Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**(f) Allocation of support and governance costs**

Support and governance costs for the Trust include all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit fees together with other minor administrative expenses.

Unless directly attributable to a specific fund, all these costs are met out of unrestricted funds. Further details of these costs can be seen in note 5

**(g) Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in notes 4 and 5.

**(h) Debtors and prepayments**

Debtors and prepayments are recognised at the settlement amount due or amount prepaid net of any discounts due.

**(i) Creditors and accruals**

Creditors and accruals are recognised at their settlement amount after allowing for any discounts due.

**(j) Contingent liabilities**

The Trust does not have any contingent liabilities.

## 2 Related Party Transactions and Trustees' Expenses and Remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil). No expenses were paid to the Trustees in the year (2020: £nil).

The following Trustees were governors of Dr Challoner's Grammar School during 2020-21:

- Mr David Atkinson
- Mrs Stephanie Hyde
- Mr Shaun Kennedy

The following Trustees were members of staff at Dr Challoner's Grammar School during the year:

- Mr David Atkinson

The Trust made grants totalling £596,679 (2020: £132,212) to Dr Challoner's Grammar School in line with its prime objectives and a further £3,000 (2020: £3,000) contribution towards staff time spent on governance. There were no other related party transactions during the year.

### 3a Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Year to 31/08/2021	Year to 31/08/2020
	£	£	£	£
Donations 2021	£182,997	£357,750	<b>£540,747</b>	
Donations 2020	£185,849	£32,922		£218,771

### 3b Investment Income

	Unrestricted Funds	Restricted Funds	Year to 31/08/2021	Year to 31/08/2020
	£	£	£	£
Interest on Cash Deposits	£120	£0	<b>£120</b>	£89

Interest on Cash deposits for year to 31 August 2021 were all unrestricted funds

## 4 Analysis of Charitable Expenditure

	Grant Funded Activity	Year to 31/08/2021	Year to 31/08/2020
	£	£	£
<b>Funded from Unrestricted Funds:</b>			
Grants to Dr Challoner's Grammar School	£99,005	<b>£99,005</b>	£94,497
Grants to Others	£5,446	<b>£5,446</b>	£2,330
<b>Funded from Restricted Funds:</b>			
Grants to Dr Challoner's Grammar School	£502,694	<b>£502,694</b>	£37,715
Grants to Others	£150	<b>£150</b>	£150
<b>Total</b>	<b>£607,295</b>	<b>£607,295</b>	<b>£134,692</b>

Grants to others represents direct payments to prize recipients and music scholars – all of whom are students at the school.

## 5 Analysis of Other Expenditure

Support and governance costs for the Trust include all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit fees together with other minor administrative expenses broken down as follows:

	Year to 31/08/2021	Year to 31/08/2020
	£	£
Auditor's Remuneration	<b>£1,920</b>	£1,920
Contribution to Dr Challoner's Grammar School for staff time on Governance	<b>£3,000</b>	£3,000
Insurance for Trustee Indemnity	<b>£1,198</b>	£499
Other Costs	<b>£1,051</b>	£260
	<b>£7,169</b>	£5,679

There has been an increase in Other Costs regarding transaction fees as more donations are received via an on-line card donation facility for the Astra Fund and as well as the Science Campaign.

During this year and the previous year, the Trust had no full time or part time employees.

## 6 Auditors Remuneration

The auditor's remuneration comprises an audit fee of £1,920 in relation to 2020-21 (2020: £1,920)

## 7 Analysis of Current Assets

	At 31 August 2021	At 31 August 2020
	£	£
Prepayments and Accrued Income	£33,342	£12,652
Cash at Bank	£46,228	£140,515
	<b>£79,570</b>	<b>£153,167</b>

Accrued income related to gift aid due on both restricted and unrestricted funds.

- Unrestricted Funds      £10,888      (2020: £10,675)
- Restricted Funds      £22,454      (2020: £1,977)

Cash at bank related to:

- Unrestricted Funds:      £35,605      (2020: £133,336)
- Restricted Funds:      £10,623      (2020: £7,179)



## 8 Analysis of Current Liabilities

	At 31 August 2021	At 31 August 2020
	£	£
Audit Fee	£1,920	£1,920
	<b>£1,920</b>	<b>£1,920</b>

Audit fees relate to unrestricted funds

## 9 Analysis of Charitable Funds

	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers between funds	Balance at 31 August 2021
	£	£	£	£	£
<b>Unrestricted Funds</b>	£144,068	£183,117	-£111,102	-£149,056	<b>£67,027</b>
<b>Restricted Funds:-</b>					
Perfect Pitch Fund	£0	£20,432	£0	-£20,432	<b>£0</b>
Prize Funds	£773	£31	-£181		<b>£623</b>
Student Development Fund	£0	£2,698	-£2,700	£2	<b>£0</b>
Science Fund	£1,406	£328,626	-£499,518	£169,486	<b>£0</b>
Bursary Fund	£5,000	£0	£0		<b>£5,000</b>
Other Restricted Funds	£0	£5,963	-£963		<b>£5,000</b>
	<b>£151,247</b>	<b>£540,867</b>	<b>-£614,464</b>	<b>£0</b>	<b>£77,650</b>

### Transfers between funds:

The Educational Trust funds major school projects by a combination of running specific fundraising campaigns and using unrestricted reserves. In practice it sets up a specific fund from which it will pass all expenditure in relation to the project to the school.

Income received direct from a campaign is directly credited to the fund. Where unrestricted reserves are used to fund this expenditure, this is transferred to the restricted fund to match the expenditure.

The nature of capital campaigns is such that part of the income will be received after all expenditure is incurred by the school. To manage this the Educational Trust makes a transfer from unrestricted reserves to the specific campaign fund to allow the total donation to be passed to the school at the time the project completes. In future years, where campaign specific income is received this is credited direct to the fund and then transferred back to unrestricted reserves.

For 2020-21 unrestricted funds supported the science campaign with a £169K transfer which will be repaid in future years. In 2016-17 the Perfect Pitch Fund was set up to fund the refurbishment of the School's Astroturf Pitch and Music Extension Project. All expenditure in relation to this campaign has been made in prior years. £20K of donations in relation to this campaign were received 2020-21 and transferred back unrestricted reserves.

**10 Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Fund balances at 31 August 2021 are represented by:			
Current Assets	£68,947	£10,623	<b>£79,570</b>
Creditors due within 1 year	-£1,920	£0	<b>-£1,920</b>
<b>Total incoming resources</b>	<b>£67,027</b>	<b>£10,623</b>	<b>£77,650</b>

**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF DR CHALLONER'S SCHOOL  
EDUCATIONAL TRUST**

**OPINION**

We have audited the financial statements of Dr Challoner's School Educational Trust (the 'charity') for the year ended 31 August 2021 set out on pages 10 to 19. 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- ☐ give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources for the year then ended;
- ☐ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ☐ have been prepared in accordance with the requirements of the Charities Act 2011.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

**USE OF OUR REPORT**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

- ☐ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or



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

## OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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

*Landau Baker Limited*

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

*23rd November 2021*

Landau Baker Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.