PREP SCHOOLS TRUST

England & Wales · Charity number 309639

Details

Other names	COTHILL EDUCATIONAL TRUST, COTHILL HOUSE SCHOOL LIMITED, COTHILL TRUST, ASHDOWN HOUSE, CHANDLINGS, KITEBROOK HOUSE, MOWDEN HALL, OLD MALTHOUSE
Status	Registered
Legal form	Charitable company
Company number	00961616
Registered	1969-10-01
Register	View on the Charity Commission register

Contact

Address	7 Cothill Abingdon OX13 6JN
Phone	01865390720
Email	enquiries@prepschooltrust.org
Website	www.prepschoolstrust.org

Activities

Objects: THE ADVANCEMENT OF EDUCATION AND IN PARTICULAR THE ADVANCEMENT OF PREPARATORY EDUCATION AT MODERATE COST. AS ANCILLARY TO THE ABOVE:- TO CONDUCT COTHILL HOUSE SCHOOL, NEAR ABINGDON. BERKSHIRE, AS A PREPARATORY SCHOOL FOR CHILDREN UP TO THE AGE OF FOURTEEN YEARS.

Activities: Education

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

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Geography

- Dorset
- East Sussex
- Gloucestershire
- Northumberland
- Oxfordshire
- Warwickshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£30,551,000	£35,762,000	£32,067,000	598
2024-08-31	£27,437,000	£25,582,000	£37,278,000	580
2023-08-31	£21,236,000	£21,212,000	£35,439,000	334
2022-08-31	£20,501,000	£19,179,000	£35,415,000	461
2021-08-31	£19,007,000	£18,233,000	£34,093,000	536
2020-08-31	£19,504,000	£21,564,000	£33,334,000	579

Trustees

Name	Role	Appointed
Emma Elizabeth Ann McKendrick	Chair	2022-09-01
Andrew Ashton		2025-09-01
Countess Peta Martine Darnley		2018-10-09

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PREP SCHOOLS TRUST

England & Wales - Charity number 309639

Accounts



Annual Report and Accounts

for the year ended

31 August 2025

Registered Company Number: 961616

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Prep Schools Trust Schools and their Heads

BARFIELD PREP SCHOOL	Andrew Boyle
BEESTON HALL SCHOOL	Fred de Falbe
Chandlings PREP • OXFORD	Christine Cook (Kitebrook from Sept 25) Adam Mallins (Joined Sept 25)
COTHILL HOUSE	George May
Kitebrook PREPARATORY SCHOOL	Bennjamyn Smith (Resigned July 25) Chris Cook (From Sept 25)
Mowden Hall School	Phil Sturt
WEST HILL PARK	Chris Ward

Legal and administrative information

Trustees:

Emma McKendrick (Chair)	J P Spencer (resigned 1 September 2025)
L M E Newcombe (resigned 1 September 2025)	J Stanley (resigned 1 September 2025)
T Gibson (resigned 1 September 2025)	W Pitman (resigned 1 September 2025)
A J Derham (resigned 1 September 2025)	M Beard (resigned 1 September 2025)
J C Pain (resigned 1 September 2025)	C Hargreaves (resigned 1 September 2025)
The Countess of Darnley	F Burkitt (resigned 1 September 2025)
J Barnes (appointed 2 January 2025, resigned 1 September 2025) A Ashton (appointed 1 September 2025)	H Lindsell (resigned 1 September 2025)

Executive Board

Chief Executive:	T Beardmore-Gray (retired 31 August 2025) A Ashton (appointed 1 September 2025)
Chief Operating Officer:	S Meikle
Director of Marketing:	J Fitzroy-Ezzy (resigned 31 August 2025)
Head of HR:	J Wareing
Finance Manager	A Pinana
Finance, Planning & Analysis Manager	S Teeling

Registered Office: 7 Cothill
Abingdon
Oxon
OX13 6JN

Company Number: 961616

Charity Number: 309639

Professional advisors

Auditor: Wenn Townsend
Chartered Accountants and Statutory Auditor
Oxford

Bankers: Barclays Bank plc
Oxford

Handelsbanken
Oxford

Solicitors: Stone King LLP

About us

This is the final annual report for Prep Schools Trust following its merger with Radley College at 1st September 2025 to form Radley Schools Group (www.radleyschoolsgroup.org.uk). All assets, liabilities and staff employment have been transferred to St Peter's College Radley at the merger date.

This merger, to date the largest within the charitable independent schools sector, brings together eight schools united by a shared commitment to educational excellence, character and charitable purpose. The Prep Schools continue to be independent entities within the wider group, each having its own unique context and character as it prepares boys and girls for the world of senior school education at a wide variety of schools.

Objectives and activities

PST's mission has been to deliver outstanding preparatory education and pastoral care as a family of schools, giving pupils the opportunity, skills and confidence to prepare them for their future.

The Trust provided support and expertise to its schools in support of this mission. Our ethos has been to celebrate individuality and the freedom of childhood; the best traditions of British primary education and deliver exceptional academic teaching and pastoral care as a family of schools.

Each school has its own unique personality but all our schools share consistent values: putting pupils first; performing to the highest standards; pooling our strengths to collaborate and achieve more; innovating by anticipating change and adapting to it; and looking beyond the school gates to support the wider local communities.

Most importantly, we prioritise the development of our pupils and we treat each pupil as an individual.

Structure, governance and management

Until 31 August 2025, Prep Schools Trust operated seven Prep Schools, Cothill House (boys boarding and day, 7 to 13+), Chandlings Preparatory (co-educational day, nursery to 11+), Kitebrook Preparatory (Co-educational day, nursery to 8+ and day and boarding 8 to 13+), Mowden Hall School (co-educational day, nursery to 13+ and co-educational boarding 8 to 13+), Barfield School (co-educational day nursery to 11). Beeston Hall School (co-educational day, Reception to Y2 and co-educational day and boarding Y3 to 13+). West Hill Park School joined in January 2025 (co-educational day, Nursery to 8+ and day and boarding 8 to 13+).

During the year, Prep Schools Trust was governed by a Board of Trustees who delegated management responsibility for schools to the Chief Executive. The Board met at least four times annually, assisted by three sub-committees: Finance, Education and Nominations & Governance Committees. The Board of Trustees comprised experts in education and a range of professional disciplines. Each school has a Head Teacher responsible for day to day operations and each school is supported by a Local Advisory Board, the Chair of which was a PST trustee (now member of the Prep Schools Committee). Regular management meetings were held between the schools' senior leadership teams and staff at Trust Office.

Trustees were appointed in accordance with the Memorandum and Articles of Association. Their principal responsibilities were to:

- Set the Trust's strategy
- Monitor performance against key performance indicators
- Ensure that the Trust has policies that provide adequate internal control and mitigate risk
- Maintain the financial stability of the Trust.

Trustees' induction and training

Trustees were briefed on their obligations under charity and company law, the content of the Memorandum and Articles of Association, the Code of Governance, the decision-making processes and the strategic plan. Trustees were encouraged to attend appropriate external training events where these will facilitate the performance of their role

Strategic report

The Trustees present their report and the audited financial statements of the charity for the year ended 31st August 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees serving during the year and since the year-end are listed on page 4. While not now PST Trustees, most continue as members of the Prep Schools Committee for Radley Schools Group. However, Mark Beard and William Pitman decided not to continue within the new structure and we thank them for their commitment and expertise as Trustees.

The Board of Trustees set the strategy for the Trust, focusing on the provision of an outstanding education for pupils in the Trust's schools.

The Trustees have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006.

Achievements and performance

The Trust's performance can be measured by progress against its 6 strategic objectives.

Grow school fee income: School fee income has increased due to the addition of a 7th school.

Acquire new Prep schools: West Hill Park School joined the Trust in January 2025, PST's seventh school.

Refine services provided by Trust Office: The Trust continuously reviews the level of expertise and service provided to our schools by Trust Office, which has refined or enhanced its capability in various functions during the year, including staff recruitment processes.

Invest in our estate: Each of our schools continued to work through programmes of work determined by recent condition surveys. Plans started for the refurbishment of Beeston Hall's Music School, for the redevelopment of the Prep-Prep playground at Mowden Hall as well as the refurbishment of an adjoining building in preparation for their new Nursery (the Nest).

Diversification of income: Further to last year's fundraising successes at Cothill House and Mowden Hall, further fundraising campaigns to support the development of our schools are being planned, including refurbishment of the Music School at Beeston Hall and the Orangery at Kitebook Prep.

Become an employer of choice in the sector: The Trust Leadership Forum has met regularly through the year; the availability of the Employee Assistance Programme is welcomed. We continued to look into further benefits that could be offered to all employees and to ensure staff have suitable spaces for non-contact time.

Financial review

Prep Schools Trust applied its income received during the year to the cost of operating schools at Cothill House, Chandlings Prep, Kitebrook Prep, Mowden Hall, Barfield Prep, Beeston Hall and West Hill Park Schools. The results for the year are shown in the income and expenditure account on page 14.

The Trust produced a loss of £5.21m which includes an impairment loss of Mowden Hall of £4.62m (2024: surplus of £1.84m when including the £2.4m of Beeston Hall). Payroll costs were 72.6% of income excluding transfer of West Hill Park (excluding transfer of Beeston Hall (2024: 69.5%)).

Public benefit and social responsibility

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Educational

- The independent sector as a whole provides excellence in "challenging subjects".
- While nationally the number of children studying languages has declined, the Trust continues to teach all children modern foreign languages.
- All children are screened for Special Educational Needs. The provision of specialist support to those identified with needs is in itself a public good.
- The standards of the Trust's education are reviewed annually against national benchmarks and the Trust's educational provision exceeds those benchmarks.
- The Trust uses its own resources to recruit people into the teaching profession, to induct and train them. These employees are actively assisted in achieving Qualified Teacher Status, which allows teachers to move to the maintained sector should they wish.

Wider community and partnerships

- The Trust constantly sought new ways in which to deliver its charitable objects to a young public without regard to wealth, race, religion, social or academic status.
- The Trust's schools continued to build on links with their local communities and schools in the maintained sector as well as pupils fundraising to support a wide range of local and national charities.
- Partnerships and community engagement activities include:
- Organising a range of sports events and involvement in local partnerships such as Beeston Hall's work with the Cromer & Sheringham Schools Sports Partnership and Chandlings Prep hosting events for West Oxford and Abingdon Primary Schools
- Staff volunteering to support specialist teaching in local primary schools, for example, Kitebrook staff support PE, Spanish and Music in local primary schools and Barfield's partnership work with Puttenham Infant and Ridgeway SEN schools. West Hill Park School offers use to a local specialist provision for children with additional needs free of charge
- PST schools regularly provided access to their facilities for local state schools, particularly for sports. At Cothill House, Dry Sandford Primary School uses the Sports Centre and Swimming Pool without charge as do local youth sports clubs including Marcham U11 Girls' Football and Wantage Town Juniors. Similarly, local primary schools us the swimming pool free of charge at West Hill Park School
- Throughout the year, PST pupils fundraise for charities local to their schools; Cothill House raised close to £2k during the year for Oxfordshire Youth.

Access to Our Schools

- Bursaries: it is important that access to the education we offer is not restricted only to those who can afford our school fees. The Trust has a bursary policy which is reviewed regularly by Trustees, who are committed to broadening access to the Trust's schools by offering means-tested financial support to parents. Bursaries may be awarded to pupils in Year 3 and upwards in the form of a discount of up to 100% of the tuition fees, depending on the financial circumstances of applicant parents.
- The Trust financially supported 99 pupils during the year, excluding any staff or HM Forces discounts, with bursary values ranging from 10 to 100%.

Principal risks and uncertainties

Risk is assessed in terms of significant matters which may prevent the Trust from achieving its strategic objectives. The health, safety, welfare and safeguarding of the children in the Trust's care have been paramount and for which Trustees took this responsibility very seriously, ensuring its policies are appropriate and implemented in each school. Trustees were aware of the financial risks associated with the Trust's activities, focusing on managing the Trust's financial position and performance.

Following the July 2024 announcement that VAT would be imposed on independent school fees from January 2025, together with increases to employers' National Insurance contributions and business rates from April, an expenditure review was implemented, including a voluntary redundancy scheme throughout all schools and Trust Office. As a result 21 staff left PST's employment at 31 August 2025, reducing staff costs by £890k. Following the merger of West Hill Park School into PST in January 2025, land owned by the school that already had planning permission for residential houses and was identified for sale, was marketed by Savills, realising £750k.

In December, an Enforcement Notice was received from the Environment Agency advising that PST had not complied with the requirements of ESOS Phase 2 (Energy Savings Opportunities Scheme), a mandatory

February 2025 was agreed. Consultants initially appointed did not fulfil their brief, leading to a second appointment and extended submission deadline, which was achieved. A fine for non-compliance may be levied for which a provision has been made in these accounts.

Discussions for a possible merger with Radley College started in late 2024. Trustees delegated authority to a working group to develop negotiations such that the Merger was announced in May and, subject to satisfactory completion of all due diligence, completion achieved for 1 September 2025. Trustees considered this merger to be in the best interests of the Prep Schools with Radley College's ability to provide supportive expertise in areas such as admissions and marketing, estates management in addition to financial resources as well as a shared educational vision.

As of September, the Council of Radley College has governance responsibility for the seven Prep Schools, as well as for the College. Mrs McKendrick and the Countess of Darnley were appointed to the College Council. The Prep Schools continue to operate as a separate entity under the management of its own Chief Executive and Chief Operating Officer. Each school Head continues to be supported by their Local Advisory Committee, the Chairs of which form, together with four members of College Council, the Prep Schools Committee,. With this structure, PST's Trustees consider the Prep Schools' futures as more secure than if it continued to operate independently.

Risk management

The Trust established systems which under normal conditions should allow identified risks to be mitigated to an acceptable level in its day to day operations. Specific risks considered include safeguarding, pupil numbers, cash flow, reputational issues, and uncertain economic and political conditions. A traffic light system alerted Trustees to specific risks and changes as they arose and how they were mitigated.

Safeguarding

Trustees are committed to the highest standards of safeguarding and the welfare of the Trust's pupils. Staff and Trustees receive appropriate training on a regular basis and are committed to ensuring that pupils are protected and enjoy a safe environment.

Reserves policy

Trustees borrowed to invest in the development of the Trust, funding interest and loan repayments out of current income. As is the case with many schools and educational groups, the Trust had no free reserves nor was it anticipated that free reserves would be available in the near future. Reserves are monitored termly by reference to cash flows projected to the end of the academic year and for a further three years.

Investment policy

The Trust held no permanent endowment. Any temporary surplus cash is held on short term deposits to secure a high rate of interest.

Charitable and company status

Prep Schools Trust is a company which does not have share capital and is limited by the guarantee of the members to a maximum of £1 each. The membership at 31st August 2025 was 3 (2024: 13).
The Trust is governed by the Memorandum and Articles of the company.

Fundraising Activities

The Trust continued to raise funds to invest in the development of Trust schools through liaising with school alumni, current and former parents, and other stakeholders. Any fundraising activity was monitored and guided by the Executive Board and Trust Development and Alumni Relations Manager. The Trust is registered with the Fundraising Regulator and is committed to following the Code of Fundraising Practice. No complaints were received by the Trust regarding these fundraising activities.

Employees

Prep Schools Trust recognised that in order to achieve its goal of being the best Prep Schools group in the UK, we must develop and invest in our people. Attracting and retaining able and committed staff is a key objective. We believe in fostering an environment where staff feel valued and empowered to contribute their very best and develop to their full potential.
Fair consideration is given to any applications for employment from registered disabled persons, with due regard to their aptitudes and abilities. Disabled employees are given equal opportunity with regards to career development and promotion, as well as ongoing training needs. Sympathetic consideration is given to the retention of any newly disabled employee, including affording, if required, a period of rehabilitation and training.

Key Management Personnel Remuneration

Trustees considered the Chief Executive, the Chief Operating Officer and Heads of each Trust School to be the key management personnel of the charity. The remuneration of the key management personnel was reviewed annually by the Nominations & Governance Committee.

Governance of Environmental and Sustainability issues

Prep Schools Trust is committed both to its staff leading by example and to educating its pupils about environmental and sustainability issues. Each school has devised policies and objectives. During the reporting year 2025-26 a range of sustainability actions were implemented to the facilities including installation of LED lighting.

	2025	**2024**
	CO2e (tonnes)	**CO2e (tonnes)**
Combustion of Gas (natural and LPG) (Litres)	3,212.43	1,441.45
Consumption of fuel for the purposes of transport (Miles)	106.33	65.98
Consumption of Oils for heating and hot water (Litres	535.58	572.97
Purchase of Electricity (Tonnes CO2)	62.84	41.29
Use of Water (m3)	12.60	16.47
Total	**3,929.78**	**2,138.16**
Number of Pupils	1,401	1,086
Intensity ratio (Total/Pupil numbers)	**2.81**	**1.97**

The largest proportion of energy use and associated emissions arise from gaseous fuel combustion, primarily for heating and hot water, as expected. The second largest proportion of energy use and associated emissions arises from electricity usage, primarily for lighting, kitchen equipment and IT. The Gas consumption has increased considerably due to the acquisition of West Hill Park who have a large Gas consumption.

The Trust continues to enlist the services of an external contractor to identify and advise on how schools can be more efficient in their use of energy.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year, and is in force as at the date of approving this report.

Going Concern

Following the transfer of the school and operations to St Peter's College Radley on the 1st of September

Statement of Trustees' responsibilities

The Trustees (who are also directors of Prep Schools Trust for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving the Trustees' Annual Report, the Trustees also approve the Strategic Report included therein, in their capacity as company directors.

Finale

We take this opportunity to publicly thank Tom Beardmore-Gray for his leadership as CEO for the past seven years. Also, Toby Gibson, Vice Chair of Trustees and long-term associate of Mowden Hall School who has decided to step down from the Prep Schools Committee in December. All Trustees are thanked for their support and challenge during some difficult times as well as sharing the successes.

From Cothill Trust to Prep Schools Trust and now the merger with Radley College to create Radley Schools Group, Trustees have constantly strived to support and develop member Prep Schools to achieve the best for their pupils, preparing them for senior schools and beyond by providing a sound educational foundation and co-curricular opportunities. Along the way there have inevitably been difficult decisions such as the closure of St Aubyns and Ashdown House Prep Schools while others have joined the Trust. With the current challenges and external pressures for all independent schools, Trustees are confident that the merger provides the best possible security for PST schools.

Signed on behalf of the Board



E E A McKendrick
Chair of PST Board **5 December 2025**

Independent Auditor's Report to the members of Prep Schools Trust

Opinion

We have audited the financial statements of Prep Schools Trust (the 'charitable company') for the year ended 31st August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 - financial statements prepared on a basis other than going concern

We draw attention to Note 24 to the financial statements which explains that following the merger with Radley College, the charity has ceased to trade and the Trustees intend to wind-up the charity. As such, they do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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 set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in accounting and HR functions 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;

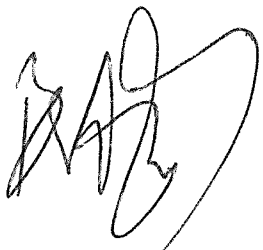
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

- Performing detailed audit work over the risk of timing issues within the recognition of both fee and non-fee income and the override of controls in this area by management, in particular with regards to fee concessions awarded. This included full reconciliations of fee income recognised compared to student numbers and fee rates, as well as detailed substantive testing of concessions awarded on fees, and non-fee income arising in the period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Benjamin Hayes BSc FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Chartered Accountants, Statutory Auditor
Oxford

5 December 2025

Prep Schools Trust

Statement of Financial Activities (including income and expenditure account) for the year ended 31 August 2025

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2025 Total £'000	Unrestricted Funds *£'000*	Restricted Funds *£'000*	2024 Total £'000
Income and endowments from:							
Income from charitable activities							
Fees	2	25,951	(21)	25,930	22,196	(21)	22,895
Other educational income	3	1,399	-	1,399	1,269	-	1,269
Ancillary income	4	913	-	913	573	-	573
Donations	5	5	95	100	-	250	250
Other income							
Funds transferred in from acquired schools	25	2,178	20	2,198	2,060	386	2,446
Investment income		-	3	3	-	3	3
Gain on disposal of fixed assets		8	-	8	-	-	-
Total income		30,454	97	30,551	26,819	618	27,437
Expenditure on:							
Raising funds:							
Overdraft and loan interest		271	-	271	111	-	111
Fee composition discount		40	-	40	10	-	10
Other development costs		18	-	18	21	-	21
		329	-	329	142	-	142
Charitable activities	6	30,805	8	30,813	25,423	17	25,440
Other Expenditure							
Impairment of property	11	4,620	-	4,620	-	-	-
Total expenditure		35,754	8	35,762	25,565	17	25,582
Net gains/(losses) on investments	12	-	-	-	-	(16)	(16)
Net income/(expenditure)		(5,300)	89	(5,211)	1,254	585	1,839
Transfer between funds	19	367	(367)	-	3,680	(3,680)	-
Net movement in funds		(4,933)	(278)	(5,211)	4,934	(3,095)	1,839
Reconciliation of funds							
Fund balances brought forward at 1st September 2024		36,493	785	37,278	31,559	3,880	35,439
Fund balances carried forward at 31st August 2025		31,560	507	32,067	36,493	785	37,278

Company number: 961616

Prep Schools Trust

Balance Sheet

31 August 2025

	Note		2025 £'000		2024 £'000
Fixed assets					
Tangible assets	11		40,698		43,987
Investments	12		36		114
			40,734		44,101
Current assets					
Stock	13	155		147	
Debtors	14	984		733	
Cash at bank and in hand		1,262		2,967	
		2,401		3,847	
Creditors: Amounts falling due within one year	15	(9,671)		(6,430)	
Net current liabilities			(7,270)		(2,583)
Total assets less current liabilities			33,464		41,518
Creditors: Amounts falling due after one year	16		(1,397)		(4,240)
Net assets			32,067		37,278
Funds					
Unrestricted funds					
Revaluation reserve	19		10,627		15,340
Income and expenditure account	19		16,856		17,443
Designated fund	19		4,077		3,710
			31,560		36,493
Restricted funds					
Restricted funds	19		507		785
			32,067		37,278

These financial statements were approved by the board on 5th December 2025

Signed on behalf of the Board

E E A McKendrick
Chair of PST Board

Peta Darnley
Trustee PST

The notes on pages 17 to 32 form part of these financial statements

Prep Schools Trust

Cash Flow Statement
for the year ended 31 August 2025

Reconciliation of net income to net cash inflow from operating activities:

	2025 £'000	2024 £'000
Net income for year	(5,211)	1,839
Interest payable	271	111
Impairment/depreciation of tangible fixed assets	5,526	703
(Gain)/Loss on disposal of tangible fixed assets	(8)	-
(Gain)/Loss on Investments	-	16
Increase in stocks	(8)	(32)
Increase in debtors	(251)	(136)
Increase in creditors	749	157
New fees in advance	494	1,268
Fees in advance applied in year	(863)	(149)
Fees in advance refunded in year	(54)	(59)
Fee composition discount	40	10
Capital income re Fixed assets transferred from acquired schools	(2,215)	(1,898)
Cash flow from operating activities	(1,530)	1,830
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(772)	(2,076)
Receipts from sale of tangible fixed assets	758	-
Receipts from sale of investments	78	-
Net cash flow from investing activities	64	(2,076)
Cash flow from financing activities:		
Receipts from issue of new long term loans	2,922	500
Interest paid	(311)	(121)
Repayment of loans	(2,850)	(150)
Net cash flow from financing activities	(239)	229
Decrease in cash and cash equivalents	(1,705)	(17)
Cash and cash equivalents at 1 September 2024	2,967	2,984
Cash and cash equivalents at 31 August 2025	1,262	2,967
Cash and cash equivalents consist of:		
Cash at bank and in hand	1,262	2,967
Cash and cash equivalents at 31 August 2025	1,262	2,967

Prep Schools Trust

Notes to the Accounts
for the year ended 31 August 2025

1. Summary of significant accounting policies

General information and basis of preparation
Prep Schools Trust is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 4 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with:

- 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 issued in October 2019;
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- The Charities Act 2011;
- The Companies Act 2006; and
- UK Generally Accepted Accounting Practice.

The financial statements are prepared on a basis other than going concern as stated on page 19. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Funds
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Summary of significant accounting policies (continued)

Income recognition (continued)
Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Expenditure recognition
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of interest paid and fee composition discounts;
- Expenditure on charitable activities includes the operating costs of the schools in the Trust; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

Tangible fixed assets
Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land, historic and residential buildings	Nil
Freehold buildings – school buildings/additions	2% Straight line
Assets under the course of construction	Nil
Computer equipment	14-33.33% Straight line
Other equipment, fixtures and fittings	5-20% Straight line
Vehicles	10-25% Straight line

Investments
Investments in subsidiaries are measured at cost less impairment.

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value.

1. Summary of significant accounting policies (continued)

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Leases
Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Foreign currency
Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits
When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax
The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern
Following transfer of the school and operations (as described fully in note 24), the operation of the
The charity is under the control of Radley Schools Group (St Peter's College Radley) and all activity has ceased. On 1 September 2025, following completion, the company will be dormant. For that reason the Trustees of the remaining transfer conclude that it is not appropriate to continue to adopt the going concern basis in preparing the financial statements.

Group accounts
The Charity does not prepare group accounts as the result of its subsidiary entities are deemed immaterial to the group accounts position.

Judgements and key sources of estimation uncertainty
The following judgments (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements. The assessment of value of the property has been based on trustee consideration of previous formal valuations, market indices and other informal advice.

2. School fees

	2025 £'000	2024 £'000
Fees	28,118	24,684
Discounts and awards	(2,188)	(1,789)
	25,930	22,895

£21k of discounts and awards (2024: £21k) was attributable to restricted funds.

3. Other educational income

	2025 £'000	2024 £'000
Music tuition and associated income	44	67
Extra tuition	357	320
Occasional boarding and summer lets	607	529
Other income	391	353
	1,399	1,269

None of the above income was attributable to restricted funds in either period.

4. Ancillary income

	2025 £'000	2024 £'000
Other income	913	573
	913	573

None of the above income was attributable to restricted funds in either period.

5. Donations and grants

	2025 £'000	2024 £'000
Donations	100	250
	100	250

Donations include £95k (2024: £250k) attributable to restricted funds.

6. Charitable activities

	Staff Costs £'000	Other Costs £'000	2025 Total £'000	2024 Total £'000
Teaching	15,189	1,834	17,023	14,207
Welfare	1,634	2,406	4,040	3,578
Premises	1,004	4,111	5,115	4,083
Support costs of education	2,752	1,883	4,635	3,572
	20,579	10,234	30,813	25,440

The major components of support costs include:-

	2025 £'000	2024 £'000
Administrative staff costs	2,718	2,275
Postage, stationery, telephone and other administrative costs	281	278
Advertising for staff and promotion	289	222
Bad debts	165	18
Legal and professional fees	880	612
Recruitment fees	135	98
Bank charges	8	6
Governance costs (see note 7)	60	63
Irrecoverable VAT	99	-
	4,635	3,572

7. Governance costs

	Staff Costs £'000	Other Costs £'000	2025 Total £'000	2024 Total £'000
Staff	34	-	34	33
Audit	-	26	26	30
	34	26	60	63

8. Staff costs and employee benefits

	2025 £'000	2024 £'000
Staff costs		
Wages and salaries	17,095	14,264
Social security costs	1,649	1,177
Pensions	1,835	1,508
	20,579	16,949

	2025 FTE	2025 Number	2024 FTE	2024 Number
Average number employed including Trustees:				
Trustees	14	14	15	15
Teachers	293	417	275	400
Household	52	81	54	90
Administration	77	86	68	75
	436	598	412	580

Number of employees who received total employee benefits (excluding employer pensions costs but including termination costs) of more than £60,000 is as follows:

	2025	2024
£ 60,001 - £ 70,000	4	5
£ 70,001 - £ 80,000	2	1
£ 80,001 - £ 90,000	3	2
£ 90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£110,001 - £120,000	2	1
£120,001 - £130,000	-	1
£130,001 - £140,000	-	1
£150,001 - £160,000	1	-
£180,001 - £190,000	-	1
£190,001 - £200,000	1	-
	15	13

Total termination payments during the year amount to £728k (2024: £173k). These are recognised in expenditure when settlement agreements are reached.

Pension schemes

The Trust participates in the Aviva Pension Trust for Independent Schools ("APTIS") for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £1.56m (2024: £1.24m).

APTIS is a defined contribution pension scheme developed by Aviva in association with the Independent Schools' Bursars Association. Members contribute on a "pay as you go" basis with contributions also made by the Trust.

Support staff are offered membership of defined contribution pension schemes. The pension

9. Trustees and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during this or last year.

The total amount of employee benefits received by key management personnel is £1,266k (2024: £1,121k). The Trustees consider its key management personnel during the period comprising the Board of Trustees, the Chief Executive, Chief Operating Officer and the Head of each Trust School.

Nine Trustees were reimbursed for travel expenses totalling £7,883 (2024: five reimbursed for travel expenses totalling £6,754) during the year.

10. Net resources expended

		2025 £'000	2024 £'000
Results for the year are stated after charging:			
Depreciation:	owned assets	906	703
Auditor's fees:	audit work	26	30
	non-audit work	-	-
Operating leases:	equipment	-	-
	motor vehicles	165	128
Impairment loss		4,620	-

Mowden Hall Property was impaired by £4,620k following due diligence valuations. The assessment of value of the property has been based on trustee consideration of previous formal valuations, market indices and other informal advice.

11. Tangible fixed assets

	Vehicles	Computers	Fixtures, Fittings & Equipment	Freehold Land & Buildings	Assets under the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
1st September 2024	289	543	3,263	48,759	707	53,561
Additions	-	-	148	118	506	772
Disposals	-	-	-	(750)	-	(750)
Transfers in from West Hill Park	65	248	2,944	2,735	-	5,992
Transfers	-	-	-	634	(634)	-
31st August 2025	354	791	6,355	51,496	579	59,575
Depreciation and impairments						
1st September 2024	266	514	2,230	6,564	-	9,574
Depreciation	12	25	255	614	-	906
Transfers in from West Hill Park	59	241	2,318	1,159	-	3,777
Impairment	-	-	-	4,620	-	4,620
31st August 2025	337	780	4,803	12,957	-	18,877
Net book value						
31st August 2025	17	11	1,552	38,539	579	40,698
31st August 2024	23	29	1,033	42,195	707	43,987

The Trustees elected in accordance with Section 35.10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost and it is the Trust's policy not to revalue fixed assets. The surplus of a previous revaluation over cost had been credited to a revaluation reserve which now stands at £15.2m (Note 19). The original purchase price (historic cost) is £14.4m.

Tangible fixed assets with a net book value of nil (2024: £7,321k) have been pledged as security for liabilities of the charity.

Land at West Hill Park was sold in July 2025 for £750k.

12. Fixed asset investments

	Unlisted Investments	Listed Investments	Total
Cost or valuation	**£'000**	**£'000**	**£'000**
1st September 2024	-	114	114
Disposal	-	(78)	(78)
At 31st August 2025	-	36	36
	£'000	**£'000**	**£'000**
Net book values			
At 31st August 2025	-	36	36
At 31st August 2024	-	114	114

The net book value of the unlisted investments is £100

The Trust owns 100% of the allotted share capital of the following undertaking:

	Country of registration	Class of share capital	Nature of business	Capital and reserves at 2025 £	Profit for year 2025 £
PST Enterprises Limited (07975322)	England and Wales	Ordinary	Events	134,317	429,958

13. Stocks

	2025 £'000	2024 £'000
Stock - consumables	155	147

14. Debtors

	2025	2024
	£'000	£'000
Trade debtors	407	381
Other debtors	11	11
Prepayments and accrued income	566	341
	984	733

15. Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Bank loan	-	300
Amounts due to related parties (see note 21)	2,922	-
Trade creditors	4,550	4,525
Other taxation and social security	866	325
Other creditors	1,102	1,049
Accruals	231	231
	9,671	6,430

Trade creditors include £3,149k (2024: £3,249k) in respect of fees received in advance for Autumn 2025 term, and £214k (2024: £216k) for the following Spring and Summer terms 2026.

16. Creditors: amounts falling due after one year

	2025	2024
	£'000	£'000
Bank loan	-	2,550
Other creditors	1,397	1,690
	1,397	4,240

Other creditors include £333k (2024: £756k) for fees received in advance for academic years 2025/26 onwards under the fees in advance scheme.

17. Bank overdraft, loan facility and loans

The Bank loan was repaid in August 2025 - See note 21

18. Deferred income under the fees in advance scheme

During the year fees amounting to £494k (2024: £1268k) were received in advance for pupils for future years. Fees released to income amounted to £863k (2024: £149k), and £54k (2024: £59k) were refunded to parents. Fee composition discounts of £40k (2024: £10k) were charged to expenditure.

All amounts owing at 31st August 2025 are shown as liabilities in notes 15 and 16.

19. Funds

	Restricted donations fund	Restricted Beeston Foundation	Restricted Whittaker Trust	Restricted West Hill Park	Total Restricted	Designated Funds	Revaluation reserve	Income & expenditure	Total 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1st Sept 2024	431	169	185	-	785	3,710	15,340	17,443	37,278
Surplus/(deficit) for the year	90	2	(18)	(5)	69	-	-	(7,478)	(7,409)
Transfers between funds	(367)	-	-	-	(367)	367	(4,713)	4,713	-
Transfer from West Hill Park	-	-	-	20	20	-	-	2,178	2,198
At 31st August 2025	**154**	**171**	**167**	**15**	**507**	**4,077**	**10,627**	**16,856**	**32,067**

	Restricted donations fund	Restricted Beeston Foundation	Restricted Whittaker Trust	Total Restricted	Designated Funds	Revaluation reserve	Income & expenditure	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1st September 2023	3,880	-	-	3,880	30	15,433	16,096	35,439
Surplus/(deficit) for the year	231	3	(35)	199	-	-	(806)	(607)
Transfers between funds	(3,680)	-	-	(3,680)	3,680	(93)	93	-
Transfer from Beeston Hall	-	166	220	386	-	-	2060	2,446
At 31st August 2024	431	169	185	785	3,710	15,340	17,443	37,278

Mowden Hall Theatre Fund of (£367k) was transferred into unrestricted funds following the project completion.

Beeston Foundation and Whittaker Trust funds were established to fund both bursaries and other general needs of the Beeston Hall School; the policy in relation to these funds is to release a proportion of the income generated by these funds each year to fund bursaries as applied for by families and approved by the Trustees.

20. Analysis of net assets between funds

	Restricted donations fund	Restricted Beeston Foundation	Restricted Whittaker Trust	Restricted West Hill Park	Total Restricted	Designated fund	Revaluation reserve	Income and Expenditure	Total 2025
	£'000	£'000	£'000	£000	£'000	£'000	£'000	£'000	£'000
Funds Balances 31st Aug 2025									
Represented by									
Tangible fixed assets	2	125	-	-	127	4,077	10,627	25,867	40,698
Investments	-	-	36	-	36	-	-	-	36
Net current assets/(liabilities)	152	46	131	15	344	-	-	(7,614)	(7,270)
Long term liabilities	-	-	-	-	-	-	-	(1,397)	(1,397)
	154	171	167	15	507	4,077	10,627	16,856	32,067

	Restricted donations fund	Restricted Beeston Foundation	Restricted Whittaker Trust	Restricted West Hill Park	Total Restricted	Designated fund	Revaluation reserve	Income and Expenditure	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31st August 2024									
Represented by:									
Tangible fixed assets	354	-	-	-	354	3,710	15,340	24,583	43,987
Investments	-	-	114	-	114	-	-	-	114
Net current assets/(liabilities)	77	169	71	-	317	-	-	(2,900)	(2,583)
Long term liabilities	-	-	-	-	-	-	-	(4,240)	(4,240)
	431	169	185	-	785	3,710	15,340	17,443	37,278

21. Related party transactions

Mr T Beardmore-Gray, Chief Executive until 31st August 2025, is a Director of the Association of Governing Bodies of Independent Schools. During the year to 31st August 2025, payments made to the Association of Governing Bodies of Independent Schools amounted to £2,032 (2024: £2,040). There was nothing outstanding at the year end (2024: £nil).

During the year to 31st August 2025, a payment totalling £3,600 (2024: £3,000) was made to the spouse of Mr A Boyle, Head of Barfield School, for proofreading services. No amounts were outstanding at the year end (2024: £nil)

As part of merger agreement (see note 24) Radley College loaned £2.9m to Prep Schools Trust to repay the bank loan; this amount was owed to Radley College at the year end.

22. Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Expiring:

	2025 £'000	2024 £'000
Within one year	183	153
Within two and five years	291	382
	474	535

23. Future capital commitments

	2025 £'000	2024 £'000
Expenditure authorised and contracted for	-	70

24. Events after the end of the Period

Following the merger with Radley College on 1st September 2025 to form Radley Schools Group (www.radleyschoolsgroup.org.uk) all assets, liabilities and staff employment have been transferred to St Peter's College Radley at the merger date.

This merger, to date the largest within the charitable independent schools sector, brings together eight schools united by a shared commitment to educational excellence, character and charitable purpose. The Prep Schools continue to be independent entities within the wider group, each having its own unique context and character as it prepares boys and girls for the world of senior school education at a wide variety of schools.

The Transfer Deed with Radley College was signed on the 1 May with a completion date of 1 September 2025. Thus the legal merger was completed successfully.

The Trustees intend to wind up Prep Schools Trust in due course.

25. Additions to Prep Schools Trust

On 1 January 2025 West Hill Park School transferred to Prep Schools Trust, Beeston Hall School was transferred to PST in the prior year

	2025 Value Reported by transferring school	2025 Fair Value Adjustment	2025 Transfer in recognised	2024 Transfer in recognised (Beeston Hall)
	£'000	£'000	£'000	£'000
Fixed assets				
Tangible fixed assets				
Freehold Land and Buildings	826	750	1,576	1,416
Fitting, Fixtures and Equipment	626	-	626	337
Computer	7	-	7	15
Vehicles	6	-	6	
Investments	-	-	-	130
Other assets				
Stock	20	-	20	29
Debtors due in less than one year	179	-	179	187
Cash in bank and in hand	446	-	446	810
Liabilities				
Creditors due in less than one year	(662)	-	(662)	(478)
Net Assets	1,448	750	2,198	2,446

Recognition in the SOFA	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
	£'000	£'000	£'000	£'000
Transfer from West Hill Park School	2,178	20	2,198	2,446
	2,178	20	2,198	2,446

26. Contingent Asset- VAT Recoverable under the Capital Goods Scheme

The Trust has incurred expenditure on capital items that fall within the scope of the Capital Goods Scheme for VAT purposes. Under the scheme, the Trust may be entitled to recover a proportion of VAT previously incurred on these items over a specified adjustment period.

The amount of VAT that may be recoverable cannot be reliably estimated at this time. Accordingly, no asset has been recognised in these financial statements.

PREP SCHOOLS TRUST

England & Wales - Charity number 309639

Accounts

PREP SCHOOLS TRUST

Annual Report and Accounts

for the year ended

31st August 2024

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COMPANIES HOUSE

Registered Company Number: 961616

Registered Charity Number: 309639

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Prep Schools Trust Schools and their Heads

BARFIELD PREP SCHOOL	Andrew Boyle
BEESTON HALL SCHOOL	Fred de Falbe
Chandlings PREP • OXFORD	Christine Cook
COTHILL HOUSE	George May
Kitebrook PREPARATORY SCHOOL	Bennjamyn Smith
Mowden Hall School	Kate Martin

Legal and administrative information

Trustees:

Emma McKendrick (Chair)	J P Spencer
L M E Newcombe	J Stanley (appointed 1 February 2024)
A J Derham	M Beard (appointed 1 February 2024)
J C Pain	C Hargreaves (appointed 1 June 2024)
The Countess of Darnley	M Donger (resigned 26 September 2023)
T J Gibson	W H Pitman
F Burkitt	H Lindsell (appointed January 2024)

E D Bottari (resigned 31 December 2023)

Executive Board

Chief Executive:	T Beardmore-Gray
Chief Operating Officer:	K Sandhu (left 17 April 2024)
Chief Operating Officer:	S Meikle (appointed 2 September 2024)
Director of Marketing:	J Fitzroy-Ezzy
Head of HR:	J Wareing

Biographies of the Trustees and Executive Board can be found on the Prep Schools Trust website.

Registered Office: 7 Cothill
Abingdon
Oxon
OX13 6JN

Company Number: 961616

Charity Number: 309639

Professional advisors

Auditor: Wenn Townsend
Chartered Accountants and Statutory Auditor
Oxford

Bankers: Barclays Bank plc
Oxford

Handelsbanken
Oxford

Solicitors: Stone King LLP
Bath

Introduction from the Chair of Trustees

Opening this year's Senior Leaders' Conference for Prep Schools Trust, I suggested that 'there is no more important job than the education of young people and if we believe in the same thing, educating children and excellence, we will thrive and have a bright future ahead'. Themes for that Conference included the challenges and opportunities facing the independent schools' sector in the next decade, which include the growing complexities associated with school leadership and artificial intelligence..



As we build futures full of promise for our children in PST schools, helping every child reach their full potential and providing the exceptional education we stand for, we are well aware of the external challenges we have to ensure that we are prepared for, supporting our schools to navigate through while maintaining the expected standards and successes.

Trustees intend to continue expanding the number of PST schools. In January we were delighted to welcome Beeston Hall School into PST and look forward to West Hill Park School joining next year.

I continue to be grateful to all staff across our schools who are committed to the provision of the very best education, care and opportunities in line with the Trust's values and ambitions and to all those at the Trust Office who provide invaluable support to our schools. I am grateful to fellow trustees for their time and commitment and look forward to continuing to work closely with them and staff in the year ahead.

Tom Beardmore-Gray has announced his intention to retire in July 2025 after 7 years as Chief Executive. He has taken PST to its current position with a strong and growing group of schools providing highly-respected educational and co-curricular provision, a clear ethos and determination to serve our families to the highest standards. Trustees are most grateful for Tom's commitment and service.

Emma McKendrick

Message from the Chief Executive

July's General Election and the new government heralded the anticipated introduction of VAT on independent schools fees, but not its early introduction in January 2025. The new tax brings considerable challenges to the whole sector. At the Trust we are focused on maintaining the quality and breadth of the education we offer whilst taking proactive steps to contain costs. While pupil numbers at Trust schools are currently stable, we are not immune from the predicted fall in pupil numbers in independent schools in the period ahead.



In April our oldest school, Cothill, announced a move towards becoming a fully integrated co-educational school for boarding and day pupils by September 2025. This decision reflects the changing market for prep education and will provide interesting opportunities. After distinguished tenures as Deputy Head and Head,
Mrs Kate Martin is leaving Mowden Hall School in December 2024 to move to Sedburgh Prep School. We thank her for her service and wish her the very best for the future. We are also most grateful for the service of Mrs Christine Cook who retires in July 2025 after 7 years as Head of Chandlings Prep. Mrs Cook was previously a teacher and Director of Studies at Chandlings.

Conscious of the need to ensure that all our school facilities are used to their full potential and generating adequate non-school fee revenue, the Trust has this year created a new role of Commercial Manager. Investment in school facilities continues, the most notable improvements being the new dining facilities at Barfield and Kitebrook and a significant upgrade to the theatre at Mowden Hall. Plans are now being drawn up to refurbish Beeston Hall's music school which, subject to successful fundraising, should be completed during the summer of 2025. We are most grateful to the generous donors who have supported these projects.

The collaborative nature of Prep Schools Trust continues to benefit staff and pupils across our organisation. We are expanding the number of Trust activities for pupils, this year adding a Trust Concert involving 175 pupils at St Edward's School in Oxford. We continue to prioritise training and development for leaders, teachers and support staff across the Trust, making the most of the wide range of expertise available in our schools.
This will be my last report as Chief Executive. I am proud of all that our schools are achieving as my tenure draws to a close. I believe that the Trust is well positioned to champion high quality education as a charity in the decades ahead.

Tom Beardmore-Gray

About us

Objectives and activities

Our mission is to deliver outstanding preparatory education and pastoral care as a family of schools, giving our pupils the opportunity, skills and confidence to prepare them for their future.

The Trust provides support and expertise to our schools in support of this mission. Our ethos is to celebrate individuality and the freedom of childhood; the best traditions of British primary education and deliver exceptional academic teaching and pastoral care as a family of schools.

Each school has its own unique personality but all our schools share consistent values: putting our pupils first; performing to the highest standards; pooling our strengths to collaborate and achieve more; innovating by anticipating change and adapting to it; and looking beyond the school gates to support the wider local communities.

Most importantly, we prioritise the development of our pupils and we treat each pupil as an individual.

Involvement with local primary schools through the provision of teaching, shared facilities and specialist services is a further important aspect of the Trust's public benefit.

Structure, governance and management

Prep Schools Trust currently operates six prep schools, Cothill House (boys boarding and day, 7 to 13+), Chandlings Preparatory (Co-educational day, nursery to 11+), Kitebrook Preparatory (Co-educational day, nursery to 8+ and day and boarding 8 to 13+), Mowden Hall School (Co-educational day, nursery to 13+ and Co-educational boarding 8 to 13+), Barfield School (Co-educational day nursery to 11). Beeston Hall School (Co-educational day, Reception to Y2 and Co-educational day and boarding Y3 to 13+) joined the Trust in January 2024.

Prep Schools Trust is governed by a Board of Trustees (see page 4 for details) who delegate management responsibility for our schools to the Chief Executive. The Board meets at least four times annually and is assisted by three sub committees, the Finance Committee, the Education Committee and the Nominations & Governance Committee.

Each school has a Head Teacher responsible for day to day operations. Each school is supported by a Local Advisory Board, the Chair of which is a PST trustee. Regular management meetings are held between the schools' senior leadership teams and staff at Trust Office.

The Board of Trustees comprises experts in education and a range of professional disciplines. Many of our Trustees have sent their own children to Trust schools. Collectively they have a wide breadth of expertise, experience and knowledge.

Trustees are appointed in accordance with the Memorandum and Articles of Association.

The principal responsibilities of the Trustees are to:

- Set the Trust's strategy
- Monitor performance against key performance indicators
- Ensure that the Trust has policies that provide adequate internal control and mitigate risk
- Maintain the financial stability of the Trust.

Trustees' induction and training

Trustees are briefed on their obligations under charity and company law, the content of the Memorandum and Articles of Association, the Code of Governance, the decision-making processes and the strategic plan. Trustees are encouraged to attend appropriate external training events where these will facilitate the performance of their role.

Strategic report

The Trustees present their report and the audited financial statements of the charity for the year ended 31st August 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year-end are listed on page 4.

The Board of Trustees sets the strategy for the Trust and focuses on the provision of an outstanding education for pupils in the Trust's schools.

The Trustees have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties under S172.

Achievements and performance

The Trust's performance can be measured by progress against its 6 strategic objectives.

Grow school fee income

School fee income has increased due to pupil increase. The number of pupils during the year was 1,093 (excluding Beeston Hall). (2023: 1,059)

Acquire new Prep schools

Beeston Hall joined the Trust in January 2024, its sixth school. The Trust continues to consider further opportunities for further growth.

Refine services provided by Trust Office

The Trust is continuously reviewing the level of expertise and service provided to our schools by the Trust Office. The Trust Office has refined or enhanced its capability in various functions during the year.

Invest in our estate

Each of our schools is working through programmes of work determined by recent condition surveys. During the year a new Dining Hall and kitchens were opened at Barfield School and Mowden Hall School's new theatre was opened in September 2024.

Diversification of income

Further to fundraising successes at Cothill House and Mowden Hall, further fundraising campaigns to support the development of our schools are being planned, including refurbishment of the Music School at Beeston Hall.

Become an employer of choice in the sector

Following a survey to gain the views of staff across the Trust, various initiatives were implemented. These include further development of the Trust Leadership Forum and the launch of an Employee Assistance Programme. We continue to look into further benefits we could offer to all employees and ensure staff have suitable spaces for non-contact time.

Financial review

Prep Schools Trust applied its income received during the year to the cost of operating schools at Cothill House, Chandlings, Kitebrook, Mowden Hall, Barfield and Beeston Hall.

The results for the year are shown in the income and expenditure account on page 15.

The Trust produced a surplus for the year of £1.84m (2023: surplus of £24k) when including the £2.4m of Beeston Hall.

Payroll costs were 69.5% of income (excluding transfer of Beeston (2023: 67%).

Public benefit and social responsibility

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Educational

- The independent sector as a whole provides excellence in "challenging subjects".
- While nationally the number of children studying languages has declined, the Trust continues to teach all children modern foreign languages.
- All children are screened for Special Educational Needs. The provision of specialist support to those identified with needs is in itself a public good.
- The standards of the Trust's education are reviewed annually against national benchmarks and the Trust's educational provision exceeds those benchmarks.
- The Trust uses its own resources to recruit people into the teaching profession, to induct and train them. These employees are actively assisted in achieving Qualified Teacher Status, which allows teachers to move to the maintained sector should they wish.

Wider community and partnerships

- The Trust constantly seeks new ways in which to deliver its charitable objects to a young public without regard to wealth, race, religion, social or academic status.
- The Trust's schools have continued to build on links with their local communities and schools in the maintained sector as well as pupils fundraising to support a wide range of local and national charities.
- Partnerships and community engagement activities include:
- Organising a range of sports events and involvement in local partnerships such as Beeston Hall's work with the Cromer & Sheringham Schools Sports Partnership and Chandlings Prep hosting events for West Oxford and Abingdon Primary Schools
- Staff volunteering to support specialist teaching in local primary schools, for example Cothill's Director of Music teaches Years 3-6 at Dry Sandford School, Kitebrook staff support PE, Spanish and Music in local primary schools and Barfield's partnership work with Puttenham Infant and Ridgeway SEN schools
- PST schools regularly provide access to their facilities for local state schools, particularly for sports. Mowden Hall School organised History and STEM events to which local schools were invited and in July organised an overnight stay with two days of activities for Y3 pupils of Morpeth Road Primary School, Blyth, free of charge, providing life changing experiences for several of the children. Kitebrook School welcomes local schools to its Forest School, the Cultural and Rural Crafts Programme, as well as Art Masterclasses and Maths Challenge.
- PST staff volunteer their time to several schools as governors; Mowden Hall continues its partnership with the WISE Multi-Academy Trust.

Access to Our Schools

- Bursaries: it is important that access to the education we offer is not restricted only to those who can afford our school fees. The Trust has a bursary policy which is reviewed regularly by Trustees, who are committed to broadening access to the Trust's schools by offering means-tested financial support to parents. Bursaries may be awarded to pupils in Year 3 and upwards in the form of a discount of up to 100% of the tuition fees, depending on the financial circumstances of applicant parents.
- The Trust financially supported 28 families during the year, excluding any staff or HM Forces discounts, with bursary values ranging from 10 to 100%.

Principal risks and uncertainties

Risk is assessed in terms of significant matters which may prevent the Trust from achieving its strategic objectives. The health, safety, welfare and safeguarding of the children in the Trust's care are paramount. The Trustees take this responsibility very seriously, ensuring its policies are appropriate and implemented in each school. The Trustees are aware of the financial risks associated with the Trust's activities and are focused on managing the Trust's financial position and performance.

As a result of July's General Election and the new Labour Government, their pledge to impose VAT on independent school fees was confirmed as expected; unexpectedly however, was the implementation date of 1 January 2025 rather than the new school year, September 2025. This decision is a considerable blow to independent schools, and has been challenged by the representative bodies. While the full 20% new tax has to be charged to parents, PST, in common with all independent schools, reviewed budgets and plans, as well as likely VAT rebates on its expenditure with a view to reducing the base schools fees chargeable. Trustees agreed that from 1 January 2025 school fees will increase by 14%.

Risk management

The Trust has established systems which under normal conditions should allow identified risks to be mitigated to an acceptable level in its day to day operations.

Specific risks that have been considered are safeguarding, pupil numbers, cash flow, reputational issues, and uncertain economic and political conditions. A traffic light system alerts Trustees to specific risks and changes as they arise and how they are mitigated.

Safeguarding

Trustees are committed to the highest standards of safeguarding and the welfare of the Trust's pupils. Staff and Trustees receive appropriate training on a regular basis and are committed to ensuring that pupils are protected and enjoy a safe environment.

Reserves policy

Trustees plan to borrow to invest in the development of the Trust, funding interest and loan repayments out of current income. As is the case with many schools and educational groups, the Trust has no free reserves nor is it anticipated that free reserves will be available in the near future. Reserves are monitored termly by reference to cash flows projected to the end of the academic year and for a further three years.

Investment policy

The Trust holds no permanent endowment. Any temporary surplus cash is held on short term deposits to secure a high rate of interest.

Plans for future periods

The Trust will continue contributing to its schools in accordance with its charitable objectives. The Trust is committed to the wider community and fulfilling its charitable status. Further, the Trust will continue to seek opportunities for strategic acquisitions and mergers with other similar educational establishments in order to further fulfil its objectives.

Charitable and company status

Prep Schools Trust is a company which does not have share capital and is limited by the guarantee of the members to a maximum of £1 each. The membership at 31st August 2024 was 13 (2023: 10).
The Trust is governed by the Memorandum and Articles of the company.

Fundraising Activities

The Trust has continued to raise funds to invest in the development of Trust schools through liaising with school alumni, current and former parents, and other stakeholders. Any fundraising activity is monitored and guided by the Executive Board and Trust Development and Alumni Relations Manager. The Trust is registered with the Fundraising Regulator and is committed to following the Code of Fundraising Practice. No complaints were received by the Trust regarding these fundraising activities.

Employees

Prep Schools Trust recognises that in order to achieve its goal of being the best prep schools group in the UK, we must develop and invest in our people. Attracting and retaining able and committed staff is a key objective. We believe in fostering an environment where staff feel valued and empowered to contribute their very best and develop to their full potential.
Fair consideration is given to any applications for employment from registered disabled persons, with due regard to their aptitudes and abilities. Disabled employees are given equal opportunity with regards to career development and promotion, as well as ongoing training needs. Sympathetic consideration is given to the retention of any newly disabled employee, including affording, if required, a period of rehabilitation and training.

The Trust strives to enhance diversity and has an action plan targeted at narrowing the gender pay gap.

Key Management Personnel Remuneration

Trustees consider the Chief Executive, the Chief Operating Officer, the Director of Marketing, the Head of HR and Head of each Trust School to be the key management personnel of the charity. The remuneration of the key management personnel is reviewed annually by the Nominations & Governance Committee.

Governance of Environmental and Sustainability issues

Prep Schools Trust is committed both to its staff leading by example and to educating its pupils about environmental and sustainability issues. Each school has devised policies and objectives.
During the reporting year 2023-24 a range of sustainability actions were implemented to the facilities including the following:

- Installation of solar panels on the new Dining Room at Kitebrook and new Sports Centre at Cothill House.
- Replacement boilers in the main plant room at Chandlings
- An improved cover on the pool at Barfield to improve efficiency
- Repairs on the roof and guttering on the Performing Arts building a Mowden Hall
- Continued phased replacements of LED lighting and implementation of motion sensors across the schools
- An action plan to reduce emissions over the coming years includes the continuation of a phased programme of replacement LED lighting and improvements to the insulation of the buildings through improvements to windows, doors and roof spaces.

Greenhouse gas emissions, energy consumption and energy efficiency

Emissions of carbon dioxide equivalent during the year ended 31st August 2024 (CO2e (tonnes)) were as follows:

	2024	2023
Combustion of Gas (natural and LPG)	1,441.45	1,601.85
Consumption of fuel for the purposes of transport	65.98	54.70
Consumption of Oils for heating and hot water	572.97	431.96
Purchase of Electricity	41.29	58.79
Use of Water	16.47	15.97
Total	**2,138.16**	**2,163.27**
Number of Pupils	1086	1,053
Intensity ratio (Total/Pupil numbers)	**1.97**	**2.05**

The largest proportion of energy use and associated emissions arise from gaseous fuel combustion, primarily for heating and hot water, as expected. The second largest proportion of energy use and associated emissions arises from electricity usage, primarily for lighting, kitchen equipment and IT.

The Trust continues to enlist the services of an external contractor to identify and advise on how schools can be more efficient in their use of energy.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year, and is in force as at the date of approving this report.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Prep Schools Trust for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving the Trustees' Annual Report, the Trustees also approve the Strategic Report included therein, in their capacity as company directors.

Signed on behalf of the Board



E E A McKendrick
Chair of the Trustees

3 December 2024

Independent Auditor's Report to the members of Prep Schools Trust

Opinion

We have audited the financial statements of Prep Schools Trust (the 'charitable company') for the year ended 31st August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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 set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in accounting and HR functions 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;

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

- Performing detailed audit work over the risk of timing issues within the recognition of both fee and non-fee income and the override of controls in this area by management, in particular with regards to fee concessions awarded. This included full reconciliations of fee income recognised compared to student numbers and fee rates, as well as detailed substantive testing of concessions awarded on fees, and non-fee income arising in the period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Rodzynski FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Chartered Accountants, Statutory Auditor
Oxford

16 **December 2024**

Prep Schools Trust

Statement of Financial Activities (including income and expenditure account) for the year ended 31st August 2024

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2024 Total £'000	Unrestricted Funds *£'000*	Restricted Funds *£'000*	2023 Total £'000
Income and endowments from:							
Income from charitable activities							
Fees	2	22,916	(21)	22,895	19,481	-	19,481
Other educational income	3	1,269	-	1,269	810	-	810
Ancillary income	4	573	-	573	351	-	351
Donations	5	-	250	250	3	587	590
Other income							
Funds transferred in from Beeston Hall	25	2,060	386	2,446	-	-	-
Investment income		-	3	3	-	-	-
Gain on disposal of property	11	-	-	-	4	-	4
Total income		26,819	618	27,437	20,649	-	21,236
Expenditure on:							
Raising funds:							
Overdraft and loan interest		111	-	111	45	-	45
Fee composition discount		10	-	10	4	-	4
Other development costs		21	-	21	22	-	22
		142	-	142	71	-	71
Charitable activities	6	25,423	17	25,440	21,107	34	21,141
Other expenditure	11	-	-	-	-	-	-
Total expenditure		25,565	17	25,582	21,178	34	21,212
Net gains/(losses) on investments		-	(16)	(16)	-	-	-
Net income/(expenditure)		1,254	585	1,839	(529)	553	24
Transfer between funds		3,680	(3,680)	-	-	-	-
Net movement in funds		4,934	(3,095)	1,839	(529)	553	24
Reconciliation of funds							
Fund balances brought forward at 1st September 2023		31,559	3,880	35,439	32,088	3,327	35,415
Fund balances carried forward at 31st August 2024		36,493	785	37,278	31,559	3,880	35,439

Company number: 961616

Prep Schools Trust

Balance Sheet
31st August 2024

	Note		2024 £'000		2023 £'000
Fixed assets					
Tangible assets	11		43,987		30,846
Investments	12		114		-
			44,101		40,846
Current assets					
Stock	13	147		115	
Debtors	14	733		597	
Cash at bank and in hand		2,967		2,984	
		3,847		3,696	
Creditors: Amounts falling due within one year	15	(6,430)		(8,189)	
Net current assets			(2,583)		(4,493)
Total assets less current assets			41,518		36,353
Creditors: Amounts falling due after one year	16		(4,240)		(914)
Net assets			37,278		35,439
Funds					
Unrestricted funds					
Revaluation reserve	19		15,340		15,433
Income and expenditure account	19		17,443		16,096
Designated fund	19		3,710		30
			36,493		31,559
Restricted funds					
Restricted funds	19		782		3,880
			37,278		35,439

The financial statements were approved and authorised by the Board on 3 December 2024.

Signed on behalf of the Board

E E A McKendrick
Chair of PST Board

F Burkitt
Chair of PST Finance Committee

The notes on pages 18 to 31 form part of these financial statements.

Prep Schools Trust

Cash Flow Statement
for the year ended 31st August 2024

Reconciliation of net income to net cash inflow from operating activities:

	2024 £'000	2023 £'000
Net income for year	1,839	24
Interest payable	111	45
Impairment/depreciation of tangible fixed assets	703	475
(Gain)/Loss on disposal of tangible fixed assets	-	(4)
(Increase)/Decrease in stocks	16	(11)
(Increase)/Decrease in debtors	(32)	(266)
(Increase)/Decrease in accrued income for sale of property	(136)	-
Increase in creditors	157	1,239
New fees in advance	1,268	285
Fees in advance applied in year	(149)	(74)
Fees in advance refunded in year	(59)	-
Fee composition discount	10	4
Capital income re Fixed assets transferred from Beeston Hall	(1,898)	-
Cash flow from operating activities	1,830	1,717
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(2,076)	(5,653)
Receipts from sale of tangible fixed assets	-	5
Net cash flow from investing activities	(2,076)	(5,648)
Cash flow from financing activities:		
Receipts from issue of new long term loans	500	2500
Interest paid	(121)	(49)
Repayment of loans	(150)	-
Net cash flow from financing activities	229	2,451
Increase in cash and cash equivalents	(17)	(1,480)
Cash and cash equivalents at 1st September 2023	2,984	4,464
Cash and cash equivalents at 31st August 2024	2,967	2,984
Cash and cash equivalents consist of:		
Cash at bank and in hand	2,967	2,984
Cash and cash equivalents at 31st August 2024	2,967	2,984

Notes to the Accounts
for the year ended 31st August 2024

1. Summary of significant accounting policies

General information and basis of preparation
Prep Schools Trust is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with:

- 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 issued in October 2019;
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- The Charities Act 2011;
- The Companies Act 2006; and
- UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Trust identifies each school as representing a separate geographical area of operations. As such, in the event of the closure of a school, this is considered to be a discontinued operation. The income and expenditure directly attributable to this site is disclosed as discontinued operations on the face of the SOFA in accordance with the requirements of section 5 of FRS 102.

Funds
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Summary of significant accounting policies (continued)

Income recognition (continued)
Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Expenditure recognition
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of interest paid and fee composition discounts;
- Expenditure on charitable activities includes the operating costs of the schools in the Trust; and
- Other expenditure represents those items not falling into the categories above.

VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

Tangible fixed assets
Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land, historic and residential buildings	Nil
Freehold buildings – school buildings/additions	2% Straight line
Assets under the course of construction	Nil
Computer equipment	14-33.33% Straight line
Other equipment, fixtures and fittings	5-20% Straight line
Vehicles	10-25% Straight line

Investments
Investments in subsidiaries are measured at cost less impairment.

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value.

1. Summary of significant accounting policies (continued)

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Leases
Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Foreign currency
Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits
When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax
The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern
The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Group accounts
The Charity does not prepare group accounts as its subsidiary entities are deemed immaterial to the group.

2. School fees

	2024 £'000	2023 £'000
Fees	24,684	20,606
Discounts and awards	(1,789)	(1,125)
	22,895	19,481

£21k of discounts and awards was attributable to restricted funds.

3. Other educational income

	2024 £'000	2023 £'000
Music tuition and associated income	67	52
Extra tuition	320	204
Occasional boarding and summer lets	529	318
Other income	353	236
	1,269	810

None of the above income was attributable to restricted funds in either period.

4. Ancillary income

	2024 £'000	2023 £'000
Other income	573	351
	573	351

None of the above income was attributable to restricted funds in either period.

5. Donations and grants

	2024 £'000	2023 £'000
Donations	250	590
	250	590

Donations include £250k (2023: £587k) attributable to restricted funds.

6. Charitable activities

	Staff Costs £'000	Other Costs £'000	2024 Total £'000	2023 Total £'000
Teaching	12,505	1,702	14,207	11,953
Welfare	1,398	2,180	3,578	2,890
Premises	738	3,345	4,083	3,391
Support costs of education	2,308	1,264	3,572	2,908
	16,949	8,491	25,440	21,142

£17k (2023: £34k) of the above expenditure was attributable to restricted funds

The major components of support costs include:-

	2024 £'000	2023 £'000
Administrative staff costs	2,275	1,902
Postage, stationery, telephone and other administrative costs	278	297
Advertising for staff and promotion	222	195
Bad debts	18	(7)
Legal and professional fees	612	389
Recruitment fees	98	67
Bank charges	6	4
Governance costs (see note 7)	63	61
	3,572	2,908

7. Governance costs

	Staff Costs £'000	Other Costs £'000	2024 Total £'000	2023 Total £'000
Staff	33	-	33	36
Audit	-	30	30	25
	33	30	63	61

8. Staff costs and employee benefits

	2024 £'000	2023 £'000
Staff costs		
Wages and salaries	14,264	11,909
Social security costs	1,177	1,038
Pensions	1,508	1,203
	16,949	14,150

	2024 FTE	2024 Number	2023 FTE	2023 Number
Average number employed including Trustees:				
Trustees	15	15	10	10
Teachers	275	400	225	339
Household	54	90	44	68
Administration	68	75	55	58
	412	580	334	475

Number of employees who received total employee benefits (excluding employer pensions costs but including termination costs) of more than £60,000 is as follows:

	2024	2023
£ 60,001 - £ 70,000	5	2
£ 70,001 - £ 80,000	1	1
£ 80,001 - £ 90,000	2	1
£ 90,001 - £100,000	1	-
£100,001 - £110,000	-	2
£110,001 - £120,000	1	-
£120,001 - £130,000	1	2
£130,001 - £140,000	1	1
£150,001 - £160,000	-	1
£170,001 - £180,000	-	-
£180,001 - £190,000	1	1

Total termination payments during the year amount to £173k (2023: £298k). These are recognised in expenditure when settlement agreements are reached.

Pension schemes

The Trust participates in the Aviva Pension Trust for Independent Schools ("APTIS") for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £1.24m (2023: £983k).

APTIS is a defined contribution pension scheme developed by Aviva in association with the Independent Schools' Bursars Association.Members contribute on a "pay as you go" basis with contributions also made by the Trust.

Non-teaching staff are offered membership of defined contribution pension schemes. The pension charge for the year includes contributions of £264k (2023: £220k).

9. Trustees and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during this or last year.

The total amount of employee benefits received by key management personnel is £1,121k (2023: £1,042k). The Trustees consider its key management personnel during the period comprising the Board of Trustees, the Chief Executive, the Chief Operating Officer and the Head of each Trust school.

Eleven Trustees were reimbursed for travel expenses totalling £6,754 (2023: five reimbursed for travel expenses totalling £3,975) during the year.

10. Net resources expended

		2024 £'000	2023 £'000
Results for the year are stated after charging:			
Depreciation:	owned assets	703	475
Auditor's fees:	audit work	30	25
	non-audit work	-	1
Operating leases:	equipment	-	-
	motor vehicles	128	92

11. Tangible fixed assets

	Vehicles	Computers	Fittings, Fittings & Equipment	Freehold Land & Buildings	Assets under the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
1st September 2023	160	312	1,863	37,006	7,527	46,868
Additions	-	-	205	93	1,778	2,076
Transfers in from Beeston Hall	130	229	1,197	3,061	-	4,617
Transfers	-	-	-	8,598	(8,598)	-
31st August 2024	290	541	3,265	48,758	707	53,561
Depreciation and impairments						
1st September 2023	130	278	1,241	4,373	-	6,022
Depreciation	7	21	128	547	-	703
Transfers in from Beeston Hall	129	215	861	1,644	-	2,849
31st August 2024	266	514	2,230	6,564	-	9,574
Net book value						
31st August 2024	24	27	1,035	42,194	707	43,987
31st August 2023	30	34	622	32,633	7,527	40,846

The Trustees elected, in accordance with Section 35.10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost and it is the company's policy not to revalue fixed assets. The surplus of a previous revaluation over cost had been credited to a revaluation reserve which now stands at £15.3m (Note 19). The original purchase price (historic cost) is £14.4m.

Tangible fixed assets with a net book value of £13,079k (2023: £7,321k) have been pledged as security for liabilities of the charity.

No properties were sold by the Trust during the year.

12 Fixed asset investments

Cost or valuation	Unlisted Investments £'000	Listed Investments £'000	Total £'000
1st September 2023	-	-	-
Transfer from Beeston Hall	-	130	130
Revaluation	-	(16)	(16)
At 31st August 2024	-	114	114

Net book values	£'000	£'000	£'000
At 31st August 2023	-	-	-
At 31st August 2024	-	114	114

The net book value of the unlisted investments is £100

The Trust owns 100% of the allotted share capital of the following undertaking:

	Country of registration	Class of share capital	Nature of business	Capital and reserves at 2024 £	Profit for year 2024 £
PST Enterprises Limited	England and Wales	Ordinary	Events	101,738	291,115

13 Stocks

	2024 £'000	2023 £'000
Stock - consumables	147	115

14 Debtors

	2024	2023
	£'000	£'000
Trade debtors	381	113
Other debtors	11	6
Prepayments and accrued income	341	478
	733	597

15. Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Bank loan	300	2,500
Trade creditors	4,525	3,287
Other taxation and social security	325	266
Other creditors	1,049	592
Accruals and deferred income	231	1,544
	6,430	8,189

Trade creditors include £600k (2023: £133k) for fees received in advance for the academic year 2024/25 under the fees in advance scheme and £216k (2023: £45k) for the following Spring and Summer terms. The bank overdraft is secured - see note 17 for details.

16. Creditors: amounts falling due after one year

	2024	2023
	£'000	£'000
Bank loan	2,550	-
Other creditors	1,690	914
	4,240	914

Other creditors include £756k (2023: £153k) for fees received in advance for academic years 2025/26 onwards under the fees in advance scheme.

17. Bank overdraft, loan facility and loans

The bank loan of £2.5m has an interest rate of 1.8% over the Base Rate

The Trust's bank borrowings are secured by a debenture and fixed charge over some of its freehold property and land.

18. Deferred income under the fees in advance scheme

During the year fees amounting to £1,268k (2023: £285k) were received in advance for pupils for future years. Fees released to income amounted to £149k (2023: £72k), and £59k (2023: £16k) were refunded to parents. Fee composition discounts of £10k (2023: £4k) were charged to expenditure..

All amounts owing at 31st August 2024 are shown as liabilities in notes 15 and 16.

19. Funds

	Restricted donations fund	Restricted Beeston Foundation	Restricted Whittaker Trust	Total Restricted	Designated Funds	Revaluation reserve	Income & expenditure	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1st September 2023	3,880	-	-	3,880	30	15,433	16,096	35,439
Surplus/(deficit) for the year	231	3	(35)	199	-	-	(806)	(607)
Transfers between funds	(3,680)	-	-	(3,680)	3,680	(93)	93	-
Transfer from Beeston Hall	-	166	220	386	-	-	2060	2,446
At 31st August 2024	431	169	185	785	3,710	15,340	17,443	37,278

The restricted donations fund balance carried forward includes £352k raised for a Theatre at Mowden Hall (2023: included £3,617k for Cothill Sports Hall). The final balance on the Cothill Sports Hall fund of £3,680k was transferred to designated (unrestricted) funds on completion of the project.

Beeston Foundation and Whittaker Trust funds were established to fund both bursaries and other general needs of Beeston Hall school. The policy in relation to these funds is to release a proportion of the income generated by these funds each year to fund bursaries for Beeston Hall pupils as applied for by families and then approved by the trustees

20. Analysis of net assets between funds

	Restricted donations fund	Restricted Beeston Foundation	Restricted Whittaker Trust	Total Restricted	Designated fund	Revaluation reserve	Income and Expenditure	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31st August 2024 are represented by:								
Tangible fixed assets	354	-	-	354	3,710	15,340	24,583	43,987
Investments	-	-	114	114	-	-	-	114
Net current assets/(liabilities)	77	169	71	317	-	-	(2,900)	(2,583)
Long term liabilities	-	-	-	-	-	-	(4,240)	(4,240)
	431	169	185	785	3,710	15,340	17,443	37,278

21. Related party transactions

Mr T Beardmore-Gray, Chief Executive, is a Director of the Association of Governing Bodies of Independent Schools (AGBIS). During the year to 31st August 2024, payments made to AGBIS amounted to £2,040 (2023: £10,464). There was nothing outstanding at the year end (2023: £nil).

Notes to the Accounts (continued)
for the year ended 31st August 2024

22. Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Expiring:

	2024 £'000	2023 £'000
Within one year	153	99
Within two and five years	382	195
	535	294

23. Future capital commitments

	2024 £'000	2023 £'000
Expenditure authorised and contracted for	70	-

24. Events after the end of the Period

The Transfer Deed with West Hill Park School was signed on 12 November 2024 with the intention of the School joining PST on 1 January 2025, subject to completion of the Department for Education's processes.

Items within the Government's Budget of 30 October, including a significant increase to employer's national insurance contributions and confirmation that VAT will be charged on school fees from 1 January 2025 requires PST, along with most independent schools, to review its levels of income and expenditure for 2024-25.

25. Additions to the Prep Schools Trust

Transfer of Existing Beeston Hall School to the Prep Schools Trust

On 1 January 2024 Beeston Hall School transferred to Prep Schools Trust and all the operations and assets and liabilities were transferred for £nil consideration

The assets and liabilities were transferred with no fair value adjustments

	Value Reported by transferring school	Transfer in recognised
	£'000	£'000
Fixed assets		
Tangible fixed assets		
Freehold Land and Buildings	1,416	1,416
Fitting, Fixtures and Equipment	337	337
Computer	15	15
Investments	130	130
Other assets		
Stock	29	29
Debtors due in less than one year	187	187
Cash in bank and in hand	810	810
Liabilities		
Creditors due in less than one year	(478)	(478)
Net Assets/(liabilities)	2,446	2,446

Recognition in the SOFA	Unrestricted Funds	Restricted Beeston Foundation	Restricted Whittaker Trust	Total
	£'000	£'000	£'000	£'000
Transfer from Beeston Hall School	2,060	166	220	2,446
	2,060	166	220	2,446

PREP SCHOOLS TRUST

England & Wales - Charity number 309639

Accounts

PREP SCHOOLS TRUST

Annual Report and Accounts

for the year ended

31st August 2023

SATURDAY

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COMPANIES HOUSE

Registered Company Number: 961616

Registered Charity Number: 309639

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Prep Schools Trust Schools and their Heads

BARFIELD PREP SCHOOL	Andrew Boyle
Chandlings PREP • OXFORD	Christine Cook
COTHILL HOUSE	George May
Kitebrook PREPARATORY SCHOOL	Bennjamyn Smith
Mowden Hall School	Kate Martin

Legal and administrative information

Trustees:

Emma McKendrick	F Burkitt (Appointed 1st Sept 2023)
T J Gibson	W A Donger (Resigned 27th Sept 2023)
J C Pain	The Countess of Darnley
W H Pitman	J P Spencer
L M E Newcombe	A J Derham
E D Bottari	

Executive Board

Chief Executive:	T Beardmore-Gray
Chief Operating Officer:	K Sandhu
Director of Marketing:	J Fitzroy-Ezzy
Head of HR:	J Wareing

Biographies of the Trustees and Executive Board can be found on the Prep Schools Trust website.

Registered Office: 7 Cothill
Abingdon
Oxon
OX13 6JN

Company Number: 961616

Charity Number: 309639

Professional advisors

Auditor: Wenn Townsend
Chartered Accountants and Statutory Auditor
Oxford

Bankers: Barclays Bank plc
Oxford
Handelsbanken
Oxford

Solicitors: Stone King LLP
Bath

Introduction from the Chair of Trustees



It is one year since I became Chair of Trustees. It is without doubt an exciting time in the Trust's development.

The Trust invited the Association of Governing Bodies of Independent Schools (AGBIS) to conduct a review of our systems of governance at the end of 2022. We have been encouraged that an authority such as AGBIS has judged that the Trust is well governed. There are nonetheless areas where we can further improve and the Board of Trustees has welcomed the recommendations of AGBIS in this regard. As a result we have formally constituted two sub committees of the Board, Nominations and Governance and Education, taken steps to fill diversity and skills gaps on the Board and initiated further support on safeguarding matters for our schools.

All of our schools have been inspected by teams from the Independent Schools Inspectorate during the past year and we have been delighted to have received the highest ratings in all cases. As an educational charity, the pupils are the focus of all that we do. I am grateful to the staff across our schools who are committed to the provision of the very best education, care and opportunities in line with the Trust's values and ambitions and to all those at Trust office who provide invaluable support to our schools.

I look forward to working closely with our Trustees and staff in the year ahead.

Emma McKendrick

Message from the Chief Executive

The Trust can be proud of all that has been achieved over the past year. Despite some headwinds, not least high inflation, significant progress has been made in many areas.



Our pupil numbers have remained steady and there has been an encouraging amount of interest in our schools from parents of young children who are starting their educational journey. The threat of the imposition of VAT on school fees and the removal of other charitable reliefs loom large for the sector. Consideration is being given on how best to mitigate the impact of these developments on our schools. We recently undertook a Trust-wide parent survey in order to find out parents' needs and preferences, and also to learn how the current economic climate might be impacting our families.

There is an increasing amount of interest in Prep Schools Trust at a time when many prep school boards of governors are examining how best to secure their futures. We have been very pleased to conclude an agreement for Beeston Hall School to join Prep Schools Trust in January 2024. The values of Prep Schools Trust and Beeston Hall are closely aligned and the inclusion of Beeston Hall School is consistent with our strategy to grow Prep Schools Trust.

Further significant achievements during the year include the completion of the Bailey Sports Centre at Cothill House and a new dining hall and kitchen at Kitebrook. Both of these facilities will significantly enhance the experience of pupils in these schools. Further capital projects at Mowden Hall and Barfield are planned in the year ahead. We are very grateful to donors who have contributed to these projects.

We continue to focus on our staff who deliver the Trust's mission of providing the best education and care for pupils. We recently conducted a staff survey in support of our strategic aim of being an employer of choice and this will help direct resources in the year ahead. We hosted our second Trust Conference, this time at Kitebrook, and welcomed speakers on topical educational issues. A programme of staff leadership training took place during the year and we launched a new employee assistance programme.

The Trust is poised for further growth and ready to support our schools with the challenges that face the whole of the independent school sector in the period ahead.

Tom Beardmore-Gray

About us

Objectives and activities

Our mission is to deliver outstanding preparatory education and pastoral care as a family of schools, giving our pupils the opportunity, skills and confidence to prepare them for their future.

The Trust provides support and expertise to our schools in support of this mission. Our ethos is to celebrate individuality and the freedom of childhood; the best traditions of British primary education and deliver exceptional academic teaching and pastoral care as a family of schools.

Each school has its own unique personality but all our schools share consistent values: putting our pupils first; performing to the highest standards; pooling our strengths to collaborate and achieve more; innovating by anticipating change and adapting to it; and looking beyond the school gates to serve the wider local communities.

Most importantly, we prioritise the development of our pupils and we treat each pupil as an individual.

Involvement with local primary schools through the provision of teaching, shared facilities and specialist services is a further important aspect of the Trust's public benefit.

Structure, governance and management

Prep Schools Trust currently operates five prep schools, Cothill House (All boys boarding 8 to 13+), Chandlings (Co-educational day nursery to 11+), Kitebrook Preparatory (Co-educational day nursery to 8+, day and boarding 8 to 13+), Mowden Hall School (Co-educational day nursery to 13+, Co-educational boarding 8 to 13+) and Barfield School (Co-educational day nursery to 11) during the year.

Prep Schools Trust is governed by a Board of Trustees (see page 4 for details) who delegate management responsibility for our schools to the Chief Executive. The Board meets at least four times annually and is assisted by three sub committees, the Finance Committee, the Education Committee and the Nominations Committee.

Each school has a Head Teacher responsible for day to day operations. Regular management meetings are held between the school's senior leadership teams and stuff at trust office.

The Board of Trustees comprises experts in education and a range of professional disciplines. Many of our Trustees have sent their own children to Trust schools. Collectively they have a breadth of expertise, experience and knowledge.

Trustees are appointed in accordance with the Memorandum and Articles of Association.

The principal roles of the Trustees are:

- to set the Trust's strategy
- to monitor performance against key performance indicators
- to ensure the Trust has policies that provide adequate internal control and mitigate risk
- to maintain the financial stability of the Trust

Trustees' induction and training

Trustees are briefed on their obligations under charity and company law, the content of the Memorandum and Articles of Association, the Code of Governance, the decision making processes and the strategic plan. Trustees are encouraged to attend appropriate external training events where these will facilitate the performance of their role.

Each school has a Local Advisory Group, which is chaired by a Trustee.

Strategic report

The Trustees present their report and the audited financial statements of the charity for the year ended 31st August 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year-end are listed on page 4.

The Board of Trustees sets the strategy for the Trust and focuses on the provision of an outstanding education for pupils in the Trust's schools.

The Trustees have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties under S172.

Achievements and performance

The Trust's performance can be measured by progress against its 6 strategic objectives.

Grow school fee income

School fee income has increased due to pupil increase. The number of pupils during the year was 1,053 (2022: 1,039)

Acquire new Prep schools

Prep Schools Trust announced on 30 October 2023 that Beeston Hall will join the Trust in early 2024. The Trust is considering further opportunities for further growth.

Refine services provided by Trust Office

The Trust is continuously reviewing the level of expertise and service provided to our schools by Trust Office. Trust Office has refined or enhanced its capability in various functions during the year.

Invest in our estate

Each of our schools is working through programmes of work determined by recent condition surveys.

Diversification of income

Further to fundraising successes at Cothill House and Mowden Hall, further fundraising campaigns to support the development of our schools will be planned in the future.

Become an employer of choice in the sector

Following a survey to gain the views of staff across the Trust, various initiatives have been implemented. These include further development of Trust Leadership Forum and the launch of an Employee Assistance Programme. During the coming year we are looking at further benefits we could offer to all employees, for example, a cycle to work scheme. We will also be ensuring staff have suitable spaces for non-contact time.

Financial review

Prep Schools Trust applied its income received during the year to the cost of operating schools at Cothill House, Chandlings, Kitebrook, Mowden Hall and Barfield.

The results for the year are shown in the income and expenditure account on page 15.

The Trust produced a surplus for the year of £24k (2022: surplus of £1,322k).

Payroll costs were 67% of income (2022: 67%).

Public benefit and social responsibility

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Educational

- The independent sector as a whole provides excellence in "challenging subjects".
- While nationally the number of children studying languages has declined, the Trust continues to teach all children modern foreign languages.
- All children are screened for Special Educational Needs. The provision of specialist support to those identified with needs is in itself a public good.
- The standards of the Trust's education are reviewed annually against national benchmarks and the Trust's educational provision exceeds those benchmarks.
- The Trust uses its own resources to recruit people into the teaching profession, then to induct and train them. They are actively assisted in achieving Qualified Teacher Status, which allows teachers to move to the maintained sector should they wish

Wider community and partnerships

- The Trust is constantly seeking new ways in which to deliver its charitable objects to a young public without regard to wealth, race, religion, social or academic status.
- The Trust's schools have continued to build on links with their local communities and schools in the maintained sector.
- Partnerships and community engagement activities include:
- STEM support for local primary schools by both Mowden Hall and Chandlings;
- Access to facilities for pupils in the maintained sector, for example Chandlings has developed links with Long Furlong School, enabling their Year 4, Year 5 and Year 6 pupils to have weekly swimming lessons at Chandlings swimming pool taught by Chandlings' specialist swimming teachers;
- The Trust schools take an active part in local church life.
- Local residents associations meetings held at Barfield School
- Hosting DfE weekend at Barfield for Farnborough Hill
- Mowden Hall has created a new partnership with WISE Academies

Access to Our Schools

- Bursaries - It is important that access to the education we offer is not restricted only to those who can afford our fees. The Trust has a bursary policy which is reviewed regularly by Trustees. The Trustees are committed to broadening access to the Trust's schools by offering means-tested financial support with the payment of school fees. Bursaries may be awarded in the form of a discount of up to 100% of the tuition fees, depending on the financial circumstances of applicants.
- The Trust supported 24 families with financial help during the year excluding any staff or forces discounts.

Principal risks and uncertainties

Risk is assessed in terms of significant matters which may prevent the Trust from achieving its strategic objectives. The health, safety, welfare and safeguarding of the children in the Trust's care is paramount. The Trustees take this responsibility very seriously, ensuring its policies are appropriate and implemented in each school. The Trustees are aware of the financial risks associated with the Trust's activities and are focused on managing the Trust's financial position and performance.

Risk management

The Trust has established systems which under normal conditions should allow identified risks to be mitigated to an acceptable level in its day to day operations.
Specific risks that have been considered are safeguarding, pupil numbers, cash flow, reputational issues, and uncertain economic and political conditions. A traffic light system alerts Trustees to specific risks and direction of change as they arise and are mitigated.

Safeguarding

The Trustees are committed to the highest standards of safeguarding and the welfare of the Trust's pupils. All staff and Trustees receive appropriate training on an annual basis and are committed to ensure pupils are protected and enjoy a safe environment.

Reserves policy

The Trustees plan to borrow to invest in the development of the Trust, funding interest and loan repayments out of current income. As is the case with many schools and schools groups, the Trust has no free reserves and it is not anticipated that free reserves will be available in the near future. Reserves are monitored termly by reference to cash flows projected to the end of the academic year and then for a further three years.

Investment policy

The Trust holds no permanent endowment but any temporary surplus cash is held on short term deposits to secure a high rate of interest.

Plans for future periods

The Trust will continue contributing to its schools in accordance with its charitable objectives. The Trust is committed to the wider community and fulfilling its charitable. Further, the Trust will continue to seek opportunities for strategic acquisitions and mergers with other similar educational establishments in order to fulfil its objectives.

Charitable and company status

The Prep Schools Trust is a company which does not have share capital and is limited by the guarantee of the members to a maximum of £1 each. The membership at 31st August 2023 was 10 (2022: 10).
The Trust is governed by the Memorandum and Articles of the company.

Fundraising Activities

The Trust continued to enlist the support of a Development Director during the year to raise funds on behalf of the organisation to invest in the development of Trust schools through liaising with school alumni, current and former parents, and other stakeholders. Their work was monitored and guided by the Executive Board in regular meetings and reports were made to the Trustees. The Trust is registered with the Fundraising Regulator and is committed to following the Code of Fundraising Practice. No complaints were received by the Trust regarding these fundraising activities.

Employees

Prep Schools Trust recognises that in order to achieve our goal of being the best prep schools group in the UK, we must develop and invest in our people. Attracting and retaining able and committed staff is a key objective.
We believe in fostering an environment where staff feel valued and empowered to contribute their very best and develop to their full potential.
Fair consideration is given to any applications for employment from registered disabled persons, with due regard to their aptitudes and abilities. Disabled employees are given equal opportunity with regards to career development and promotion, as well as ongoing training needs. Sympathetic consideration is given to the retention of any newly disabled employee, including affording, if required, a period of rehabilitation and training.

The Trust strives to enhance diversity and has an action plan targeted at narrowing the gender pay gap.

Key Management Personnel Remuneration

The Trustees consider the Chief Executive, the Chief Operating Officer, the Director of Marketing, the Head of HR and Head of each Trust School to be the key management personnel of the charity. The remuneration of the key management personnel is reviewed annually.

Governance of Environmental and Sustainability issues

Prep Schools Trust is committed both to its staff leading by example and to educating its pupils about environmental and sustainability issues. Each school has devised policies and objectives.
During the reporting year 2022-23 a range of sustainability actions were implemented to the facilities including the following:

- Installation of solar panels on the new Dining Room at Kitebrook and new Sports Centre at Cothill House.
- Replacement boilers in the main plant room at Chandlings.
- An improved cover on the pool at Barfield to improve efficiency.
- Repairs on the roof and guttering at Mowden Hall on the Performing Arts building.
- Continued phased replacements of LED lighting and implementation of motion sensors across the schools.
- An action plan to reduce emissions over the coming years includes the continuation of a phased programme of replacement LED lighting and improvements to the insulation of the buildings through improvements to windows, doors and roof spaces.

Greenhouse gas emissions, energy consumption and energy efficiency

Emissions of carbon dioxide equivalent during the year ended 31st August 2023 (CO2e (tonnes)) were as follows:

	2023	2022
Combustion of Gas (natural and LPG)	1,601.85	1,859.46
Consumption of fuel for the purposes of Transport	54.70	32.82
Consumption of Oils for Heating and Hot water	431.96	496.03
Purchase of Electricity	58.79	64.52
Use of Water	15.97	11.02
Total	**2,163.27**	**2,463.85**
Number of Pupils	1,053	1,039
Intensity ratio (Total/Pupil numbers)	**2.05**	**2.37**

The largest proportion of energy use and associated emissions arise from gaseous fuel combustion, primarily for heating and hot water as expected. The second largest proportion of energy use and associated emissions arises from electricity usage, primarily for lighting, kitchen equipment and IT.

The Trust continues to enlist the services of an external contractor to identify and advise on how schools can be more efficient in their use of energy.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year, and is in force as at the date of approving this report.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Prep Schools Trust for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application

of resources, including the income and expenditure, of the charitable company for the 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving the Trustees' Annual Report, the Trustees also approve the Strategic Report included therein, in their capacity as company directors.

Signed on behalf of the Board

E E A McKendrick
Chair of the Trustees

5th December 2023

Independent Auditor's Report to the members of Prep Schools Trust

Opinion

We have audited the financial statements of Prep Schools Trust (the 'charitable company') for the year ended 31st August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent Auditor's Report to the members of Prep Schools Trust (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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 set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in accounting and HR functions 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;

Independent Auditor's Report to the members of Prep Schools Trust (continued)

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

- Performing detailed audit work over the risk of timing issues within the recognition of both fee and non-fee income and the override of controls in this area by management, in particular with regards to fee concessions awarded. This included full reconciliations of fee income recognised compared to student numbers and fee rates, as well as detailed substantive testing of concessions awarded on fees, and non-fee income arising in the period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Rodzynski FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Chartered Accountants, Statutory Auditor
Oxford

5th December 2023

Prep Schools Trust

Statement of Financial Activities (including income and expenditure account) for the year ended 31st August 2023

	Note	Continued Operations £'000	Discontinued Operations £'000	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total £'000	Continued Operations £'000	Discontinued Operations £'000	2022 Total £'000
Income and endowments from:									
Income from charitable activities									
Fees	2	19,481	-	19,481	-	19,481	18,482	-	18,482
Other educational income	3	810	-	810	-	810	800	-	800
Ancillary income	4	351	-	351	-	351	251	-	251
Donations and grants	5	3	-	3	587	590	968	-	968
Other income									
Gain on disposal of property	11	4	-	4	-	4	-	-	-
Total income		20,649	-	20,649	587	21,236	20,501	-	20,501
Expenditure on:									
Raising funds									
Overdraft and loan interest and fees		45	-	45	-	45	43	-	43
Fee composition discount		4	-	4	-	4	(1)	-	(1)
Other development costs		22	-	22	-	22	24	-	24
		71	-	71	-	71	66	-	66
Charitable activities	6	21,107	-	21,107	34	21,141	19,046	35	19,081
Other expenditure									
Loss on disposal	11	-	-	-	-	-	19	13	32
Total expenditure		21,178	-	21,178	34	21,212	19,131	48	19,179
Net income/(expenditure)		(529)	-	(529)	553	24	1370	(48)	1,322
Other recognised (losses)/gains		-	-	-	-	-	-	-	-
Net movement in funds		(529)	-	(529)	553	24	1370	(48)	1322
Reconciliation of funds									
Balances brought forward at 1st September 2022				32,088	3,327	35,415			34,093
Balances carried forward at 31st August 2023				31,559	3,880	35,439			35,415

The Statement of Financial Activities includes all gains and losses recognised during the year.

Company number: 961616

Prep Schools Trust

Balance Sheet
31st August 2023

	Note		2023 £'000		2022 £'000
Fixed assets					
Tangible assets	11		40,846		35,668
Investments	12		-		-
			40,846		35,668
Current assets					
Stock	13	115		104	
Debtors	14	597		332	
Cash at bank and in hand		2,984		4,464	
		3,696		4,900	
Creditors: Amounts falling due within one year	15	(8,189)		(4,401)	
Net current assets			(4,493)		499
Total assets less current assets			36,353		36,167
Creditors: Amounts falling due after one year	16		(914)		(752)
Net assets			35,439		35,415
Funds					
Unrestricted funds					
Revaluation reserve	19		15,433		15,526
Income and expenditure account	19		16,096		16,532
Designated fund	19		30		30
			31,559		32,088
Restricted funds					
Restricted donations	19		3,880		3,327
			35,439		35,415

The financial statements were approved and authorised by the Board on 5th December 2023.

Signed on behalf of the Board

E E A McKendrick
Trustee

E Bottari
Trustee

The notes on pages 21 to 32 form part of these financial statements.

Prep Schools Trust

Cash Flow Statement
for the year ended 31st August 2023

Reconciliation of net income to net cash inflow from operating activities:

	2023 £'000	2022 £'000
Net income for year	24	1,322
Interest payable	45	43
Impairment/depreciation of tangible fixed assets	475	517
(Gain)/Loss on disposal of tangible fixed assets	(4)	32
(Increase)/Decrease in stocks	(11)	(22)
(Increase)/Decrease in debtors	(266)	(57)
(Increase)/Decrease in accrued income for sale of property	-	5,877
Increase in creditors	1,239	611
New fees in advance	285	55
Fees in advance applied in year	(74)	(173)
Fees in advance refunded in year	-	(16)
Fee composition discount	4	(1)
(Losses) arising from changes in foreign exchange rates	-	-
Cash flow from operating activities	1,717	8,188
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(5,653)	(2,122)
Receipts from sale of tangible fixed assets	5	(9)
Amounts received from sale of tangible fixed assets	-	-
Net cash flow from investing activities	(5,648)	(2,131)
Cash flow from financing activities:		
Receipts from issue of new long term loans	2,500	
Interest paid	(49)	(42)
Net cash flow from financing activities	(2,451)	(42)
Increase in cash and cash equivalents	(1,480)	6,015
Cash and cash equivalents at 1st September 2022	4,464	(1,551)
Cash and cash equivalents at 31st August 2023	2,984	4,464
Cash and cash equivalents consist of:		
Cash at bank and in hand	2,984	4,464
Overdrafts-	-	-
Cash and cash equivalents at 31st August 2023	2,984	4,464

1. Summary of significant accounting policies

General information and basis of preparation

Prep Schools Trust is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with:

- 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 issued in October 2019;
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- The Charities Act 2011;
- The Companies Act 2006; and
- UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Trust identifies each school as representing a separate geographical area of operations. As such, in the event of the closure of a school, this is considered to be a discontinued operation. Ashdown House closed during the prior year. The income and expenditure directly attributable to this site is disclosed as discontinued operations on the face of the SOFA in accordance with the requirements of section 5 of FRS 102.

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Summary of significant accounting policies (continued)

Income recognition (continued)
Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Expenditure recognition
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of interest paid and fee composition discounts;
- Expenditure on charitable activities includes the operating costs of the schools in the Trust; and
- Other expenditure represents those items not falling into the categories above.

VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

Tangible fixed assets
Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land, historic and residential buildings	Nil
Freehold buildings – school buildings/additions	2% Straight line
Assets under the course of construction	Nil
Computer equipment	14-33.33% Straight line
Other equipment, fixtures and fittings	5-20% Straight line
Vehicles	10-25% Straight line

Investments
Investments in subsidiaries are measured at cost less impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value.

1. Summary of significant accounting policies (continued)

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Leases
Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Foreign currency
Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits
When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax
The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern
The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Group accounts
The Charity does not prepare group accounts as its subsidiary entities are deemed immaterial to the group.

2. School fees

	2023 £'000	2022 £'000
Fees	20,606	19,394
Discounts and awards	(1,125)	(912)
	19,481	18,482

None of the above income was attributable to restricted funds in either period.

3. Other educational income

	2023 £'000	2022 £'000
Music tuition and associated income	52	57
Extra tuition	204	157
Occasional boarding and summer lets	318	344
Other income	236	242
	810	800

None of the above income was attributable to restricted funds in either period.

4. Ancillary income

	2023 £'000	2022 £'000
Other income	351	251
	351	251

None of the above income was attributable to restricted funds in either period.

5. Donations and grants

	2023 £'000	2022 £'000
Donations	590	968
	590	968

Donations include £587k (2022: £963k) attributable to restricted funds.

6. Charitable activities

	Staff Costs £'000	Other Costs £'000	2023 Total £'000	2022 Total £'000
Teaching	10,533	1,420	11,953	10,896
Welfare	1,059	1,831	2,890	2,538
Premises	620	2,771	3,391	3,108
Support costs of education	1,938	970	2,908	2,539
	14,150	6,992	21,142	19,081

£34k (2022: £12k) of the above expenditure was attributable to restricted funds.

The major components of support costs include:-

	2023 £'000	2022 £'000
Administrative staff costs	1,902	1,625
Postage, stationery, telephone and other administrative costs	297	236
Advertising for staff and promotion	195	188
Bad debts	(7)	(3)
Legal and professional fees	389	368
Recruitment fees	67	69
Bank charges	4	1
Governance costs (see note 7)	61	55
	2,908	2,539

7. Governance costs

	Staff Costs £'000	Other Costs £'000	2023 Total £'000	2022 Total £'000
Staff	36	-	36	32
Audit	-	25	25	23
	36	25	61	55

8. Staff costs and employee benefits

	2023 £'000	2022 £'000
Staff costs		
Wages and salaries	11,909	10,856
Social security costs	1,038	975
Pensions	1,203	1,119
	14,150	12,950

	2023 FTE	2023 Number	2022 FTE	2022 Number
Average number employed including Trustees:				
Trustees	10	10	11	11
Teachers	225	339	218	324
Household	44	68	39	61
Administration	55	58	52	65
	334	475	320	461

Number of employees who received total employee benefits (excluding employer pensions costs but including termination costs) of more than £60,000 is as follows:

	2023	2022
£ 60,001 - £ 70,000	2	4
£ 70,001 - £ 80,000	1	-
£ 80,001 - £ 90,000	1	-
£ 90,001 - £100,000	-	2
£100,001 - £110,000	2	-
£110,001 - £120,000	-	2
£120,001 - £130,000	2	-
£140,001 - £150,000	1	-
£150,001 - £160,000	1	-
£170,001 - £180,000	-	1
£180,001 - £190,000	1	-

Total termination payments during the year amount to £298k (2021: £273k). These are recognised in expenditure when settlement agreements are reached.

Pension schemes

The Trust participates in the Aviva Pension Trust for Independent Schools ("APTIS") for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £983k (2022: £925k).

APTIS is a defined contribution pension scheme developed by Aviva in association with the Independent Schools' Bursars Association Members contribute on a "pay as you go" basis with contributions also made by the Trust.

Non-teaching staff are offered membership of defined contribution pension schemes. The pension charge for the year includes contributions of £220k (2022: £193k).

9. Trustees and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during this or last year.

The total amount of employee benefits received by key management personnel is £1,042k (2022: £939k). The Trustees consider its key management personnel during the period comprised the Board of Trustees, the Chief Executive, the Chief Operating Officer (previously Director of Finance and Operations), and the Head of each Trust school.

Five Trustees were reimbursed for travel expenses totalling £3,975 (2022: five reimbursed for travel expenses totalling £1,567) during the year.

10. Net resources expended

		2023 £'000	2022 £'000
Results for the year are stated after charging:			
Depreciation:	owned assets	475	517
Auditor's fees:	audit work	25	23
	non-audit work	1	2
Operating leases:	equipment	-	9
	motor vehicles	92	63
Net loss on foreign currency translations		-	-

11. Tangible fixed assets

	Vehicles £'000	Computers £'000	Fixtures, Fittings & Equipment £'000	Freehold Land & Buildings £'000	Assets under the course of construction £'000	Total £'000
1st September 2022	162	312	1,848	37,006	1,889	41,217
Additions	-	-	-	-	5,653	5,653
Disposals	(2)	-	-	-	-	(2)
Reallocation	-	-	15	-	(15)	-
31st August 2023	160	312	1,863	37,006	7,527	46,868
Depreciation and impairments						
1st September 2022	125	255	1,149	4,020	-	5,549
Depreciation	7	23	92	353	-	475
Disposals	(2)	-	-	-	-	(2)
31st August 2023	130	278	1,241	4,373	-	6,022
Net book value						
31st August 2023	30	34	622	32,633	7,527	40,846
31st August 2022	37	57	699	32,986	1,889	35,668

The Trustees elected, in accordance with Section 35.10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost and it is the company's policy not to revalue fixed assets. The surplus of a previous revaluation over cost had been credited to a revaluation reserve which now stands at £15.4m (Note 19). The original purchase price (historic cost) is £14.4m.

Tangible fixed assets with a net book value of £7,321k (2022: £1,173k) have been pledged as security for liabilities of the charity.

No properties were sold by the Trust during the year.

12. Fixed asset investments

	Unlisted Investments £
Cost	
1st September 2022	100
31st August 2023	100
Provision against diminution of value	
1st September 2022	100
31st August 2023	100
Net book values	
At 31st August 2023	-
At 31st August 2022	-

The Trust owns 100% of the allotted share capital of the following undertaking:

	Country of registration	Class of share capital	Nature of business	Capital and reserves at 2023 £	Profit for year 2023 £
PST Enterprises Limited	England and Wales	Ordinary	Events	124,317	124,217

13. Stocks

	2023 £'000	2022 £'000
Stock - consumables	115	104

14. Debtors

	2023 £'000	2022 £'000
Trade debtors	113	130
Other debtors	6	6
Prepayments and accrued income	478	196
	597	332

15. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Bank loan	2,500	-
Trade creditors	3,287	3,251
Other taxation and social security	266	259
Other creditors	592	421
Accruals and deferred income	1,544	470
	8,189	4,401

Trade creditors include £2,260k (2022: £2,521k) in respect of fees received in advance for Autumn 2023 term, and £45k (2022: £53k) for academic years 2023/24 onwards.
The bank loan is secured - see note 17 for details.

16. Creditors: amounts falling due after one year

	2023 £'000	2022 £'000
Other creditors	914	752
	914	752

Other creditors include £153k (2022: £30k) for fees received in advance for academic years 2022/23 onwards under the fees in advance scheme.

17. Bank overdraft, loan facility and loans

The bank loan of £2.5m has an interest rate of 1.65% over the Base Rate

The Trust's bank borrowings are secured by a debenture and fixed charge over some of its freehold property and land.

18. Deferred income under the fees in advance scheme

During the year, fees amounting to £285k (2022: £55k) were received in advance for pupils for future years. Fees released to income amounted to £74k (2022: £173k) and £nil (2022: £16k) were refunded to parents. Fee composition discounts of £4k (2022: -£1k) were charged to expenditure.

All amounts owing at 31st August 2023 are shown as liabilities in notes 15 and 16.

19. Funds

	Restricted donations fund	Designated fund	Revaluation reserve	Income and expenditure	Total
	£'000	£'000	£'000	£'000	£'000
At 1st September 2021	2,376	30	15,619	16,068	34,093
Surplus/(deficit) for the year	951	-	-	371	1,322
Transfers between funds	-	-	(93)	93	-
At 31st August and 1st September 2022	3,327	30	15,526	16,532	35,415
Surplus/(deficit) for the year	553	-	-	(529)	24
Transfers between funds	-	-	(93)	93	-
At 31st August 2023	3,880	30	15,433	16,096	35,439

The restricted donations fund balance carried forward includes monies raised for a sports hall at Cothill £3,617k which achieved practical completion on 2nd September 2023(2022: £3,294k).

20. Analysis of net assets between funds

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2022 £'000
Fund balances at 31st August 2023 are represented by:					
Tangible fixed assets	3,617	-	15,433	21,796	40,846
Net current assets/(liabilities)	263	30	-	(4,786)	(4,493)
Long term liabilities	-	-	-	(914)	(914)
At 31st August 2023	3,880	30	15,433	16,096	35,439

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2021 £'000
Fund balances at 31st August 2022 are represented by:					
Tangible fixed assets	1,847	-	15,526	18,295	35,668
Net current assets/(liabilities)	1,480	30	-	(1,009)	499
Long term liabilities	-	-	-	(752)	(752)
At 31st August 2022	3,327	30	15,526	16,532	35,415

21. Related party transactions

Mr T Beardmore-Gray, Chief Executive, is a Director of the Association of Governing Bodies of Independent Schools. During the year to 31st August 2023, payments made to the Association of Governing Bodies of Independent Schools amounted to £10,464 (2022: £635). There was nothing outstanding at the year end (2022: £635).

22. Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Expiring:

	2023 £'000	2022 £'000
Within one year	99	73
Within two and five years	195	131
	294	204

23. Future capital commitments

	2023 £'000	2022 £'000
Expenditure authorised and contracted for	-	3,876

24. Events after the end of the Period

An agreement that Beeston Hall School is to join Prep Schools Trust by way of charitable merger was announced on 30 October 2023. Beeston Hall School is a co-educational independent day and boarding preparatory school in Norfolk, England.
This agreement after the year end does not impact the carrying value of assets or liabilities reflected on the balance sheet or require recognition of new assets or liabilities. Completion for this merger is due to take place in early 2024.

PREP SCHOOLS TRUST

England & Wales - Charity number 309639

Accounts



Annual Report and Accounts

for the year ended

31st August 2022

Registered Company Number: 961616

Registered Charity Number: 309639

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Prep Schools Trust Schools and their Heads

BARFIELD PREP SCHOOL	Andrew Boyle
Chandlings PREP • OXFORD	Christine Cook
COTHILL HOUSE	Duncan Bailey
Kitebrook PREPARATORY SCHOOL	Susan McLean
Mowden Hall School	Kate Martin

Legal and administrative information

Trustees:

E E A McKendrick (Chair)	E D Bottari
Dr R D Townsend (retired 31 August 2022)	K M Pryce (retired 31 December 2021)
T J Gibson	W A Donger
J C Pain	The Countess of Darnley
W H Pitman	J P Spencer
L M E Newcombe	A J Derham

Executive Board

Chief Executive:	T Beardmore-Gray
Chief Operating Officer:	K Sandhu (from 18 July 2022)
Director of Finance and Operations:	N J McAvoy (until 31 December 2021) W G Jones (4 January 2022 to 30 June 2022)
Director of Marketing:	J Fitzroy-Ezzy
Head of HR:	J Wareing
Head of Finance:	H Belcher (from 25 November 2021)

Biographies of the Trustees and Executive Board can be found on the Prep Schools Trust website.

Registered Office: 7 Cothill
Abingdon
Oxon
OX13 6JN

Company Number: 961616

Charity Number: 309639

Professional advisors

Auditor: Wenn Townsend
Chartered Accountants and Statutory Auditor
Oxford

Bankers: Barclays Bank plc
Oxford

Solicitors: Stone King LLP
Bath

Introduction from the Chair of Trustees



I would like to pay tribute to my predecessor, Dr Ralph Townsend, who retired from the Board on 31 August 2022. Dr Townsend was Chair for six years and had been on the Board since 2006. He oversaw a period of significant change and modernisation for the Trust. I am delighted, and feel privileged, to be taking on the role of Chair at this exciting stage of the Trust's development. The Trust will continue to pursue its mission of providing excellent prep education as a charity.

In the challenging times which we are all facing, we can take comfort from the quality of the staff across Prep Schools Trust who work tirelessly to ensure that meeting the needs of our pupils remains the focus of all that we do. To this end, our Schools are committed to the provision of the very best education, care and opportunities in line with the Trust's values and ambitions.

The Trust recently invited the Association of Governing Bodies of Independent Schools (AGBIS) to conduct a review of the Trust's systems of governance. We have been encouraged that AGBIS, which is an authority on governance in the sector, considers the Trust to be well governed. The Board of Trustees intend to adopt the recommendations of AGBIS for further improvements in the year ahead.

I look forward to working closely with Trustees and staff in the year ahead.

E E A McKendrick

Message from the Chief Executive



At the beginning of the academic year 2021/22 we became Prep Schools Trust. The change of name has enabled us to articulate more clearly our mission, vision and values to increase our profile with our stakeholders and the wider community. Emerging from the pandemic, we can be proud of all that has been achieved across the Trust. Our pupils continue to be educated to the highest standards and it has been heartening to see all of the extracurricular clubs, trips and opportunities return fully.

Rising pupil numbers have resulted in fee income exceeding £20 million for the first time. We are now seeking to diversify our income in a way that unlocks investment across all of our schools. Notable in this respect has been the completion of a fundraising campaign at Cothill House for a sports centre. The fundraising target of £4 million was reached through the generosity of many donors to whom we are very grateful. Construction on this £6 million project is now on schedule and budget for completion in June 2023. We have also been able to make a number of other significant improvements to the fabric and facilities in all of our schools without the need to incur any debt.

The Trust will manage its financial affairs prudently during the challenging period ahead. We recognise our responsibility to control our cost base as best we can and keep fee increases to a minimum. As a charity, it is important that the Trust is accessible to as many families as possible. We are proud of our bursary programme, and in particular the support we have given to a number of Ukrainian families this year.

We continue to focus on our staff, who are our greatest asset. The Trust Leadership Forum was launched in September 2022 to provide training, development and support for leaders across the organisation. We have been developing a range of other initiatives aimed at positioning the Trust as an attractive employer for existing and future staff. The Trust is encouraging more collaboration across our schools with a view to making the best opportunities and resources available to all of our pupils, wherever they may be located.

In June 2022, we hosted our inaugural Prep Schools Trust Conference at Chandlings. We were delighted to welcome many education leaders and interesting speakers to address a range of topical educational issues.

The Trust is well positioned to play a leading role in the independent prep sector as more schools look for the benefits and opportunities of being part of a well-run prep schools group. We look forward to welcoming more excellent schools into our group and building our profile further in the year ahead.

Tom Beardmore-Gray

About us

Objectives and activities

Our mission is to deliver outstanding preparatory education and pastoral care as a family of schools, giving our pupils the opportunity, skills and confidence to prepare them for their future.

The Trust provides support and expertise to our schools in support of this mission. Our ethos is to celebrate individuality and the freedom of childhood; the best traditions of British primary education and deliver exceptional academic teaching and pastoral care as a family of schools.

Each school has its own unique personality but all our schools share consistent values: putting our pupils first; performing to the highest standards; pooling our strengths to collaborate and achieve more; innovating by anticipating change and adapting to it; and looking beyond the school gates to serve the wider local communities.

Most importantly, we prioritise the development of our pupils and we treat each pupil as an individual.

Involvement with local primary schools through the provision of teaching, shared facilities and specialist services is a further important aspect of the Trust's public benefit.

Structure, governance and management

Prep Schools Trust consists of five prep schools, Cothill House (All boys boarding 8 to 13+), Chandlings (Co-educational day nursery to 11+), Kitebrook Preparatory (Co-educational day nursery to 8+, day and boarding 8 to 13+), Mowden Hall School (Co-educational day nursery to 13+, Co-educational boarding 8 to 13+) and Barfield School (Co-educational day nursery to 11) during the year.

Prep Schools Trust is governed by a Board of Trustees (see page 4 for details) who delegate management responsibility for our schools to the Chief Executive. The Board meets at least four times annually and is assisted by two sub committees, the Finance Committee and the Nominations Committee.

Each school has a Head Teacher responsible for day to day operations. Regular management meetings are held between the Head Teachers and the Chief Executive.

The Board of Trustees comprises experts in education and a range of professional disciplines. Many of our Trustees have sent their own children to Trust schools. Collectively they have a wide breadth of expertise, experience and knowledge.

Trustees are appointed in accordance with the Memorandum and Articles of Association.

The principal roles of the Trustees are:

- to set the Trust's strategy
- to monitor performance against key performance indicators
- to ensure the Trust has policies that provide adequate internal control and mitigate risk
- to maintain the financial stability of the Trust

Trustees' induction and training

Trustees are briefed on their obligations under charity and company law, the content of the Memorandum and Articles of Association, the Code of Governance, the decision making processes and the strategic plan. Trustees are encouraged to attend appropriate external training events where these will facilitate the performance of their role.

Each school has a Local Advisory Group made up of parents, the Head and chaired by a Trustee.

Our priorities and strategic direction

Our priorities for 2021/22, and beyond, are to ensure all pupils gain an outstanding preparatory education and pastoral care.

Strategic priorities 2021-2024

- Grow school fee income and surplus through pupil number growth in existing schools
- Acquire new Prep schools by means of charitable mergers to increase portfolio from 5 to 10 schools
- Refine services provided by Trust Office, thereby enabling the organisation to scale up in an orderly manner
- Invest in our estate, guided by condition surveys for maintenance and master plans for capital projects
- Diversification of income through some form of fundraising in every school and commercial activities
- Become an employer of choice in the sector known for staff professional development, wellbeing and career opportunities within our group of schools

Strategic report

The Trustees present their report and the audited financial statements of the charity for the year ended 31st August 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year-end are listed on page 4.

The Board of Trustees sets the Trust's strategic direction and manages its operational performance in the way most likely to promote its long-term success for the benefit of its pupils through the provision of outstanding education. A key cornerstone of this is engagement with key stakeholders. Included within the points below are details of the Trust's engagement with the key stakeholder groups in the financial year.

The Trustees have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties under S172.

Achievements and performance

Our performance and achievements can be measured against our 6 strategic priorities for 2021-24. This has enabled us to start to proactively move forward to secure the acquisition of new schools.

Grow school fee income and surplus

Pupil numbers have increased 8% from 2021 to 2022. Along with enhanced financial controls and forecasting, this has enabled us to improve our surplus between year ended 31 August 2021 and year ended 31 August 2022.

Acquire new Prep schools

We have achieved financial stability and in the past year have made an operating surplus of £1,322k. This has enabled us to start to proactively move forward to secure the acquisitions of new schools.

Following the launch of our new name of Prep Schools Trust in September 2021 we have continued to increase our brand profile through PR, social media, networking and a Prep Schools Trust Conference for senior leaders of the Trust and wider educational leaders. During the coming year we will continue to raise the profile of the Trust and our schools.

Refine services provided by Trust Office

The Trust has assessed the service it provides to schools, resulting in the recruitment of new staff to increase expertise, resources and support in particular areas. This includes finance, HR and digital learning. Trust Office has completed staff recruitment and is now fully resourced.

Invest in our estate

An external company was commissioned to undertake a condition survey in all of our schools and a programme of work has begun as a result of matters identified.

Significant building projects are underway with others at the planning stage.

Diversification of income

Each of the schools are actively subletting their premises for commercial income. During the coming year, we will be launching a Trust forum for schools to discuss how each of them are raising revenue in this area and share ideas and best practice.

In case of fundraising, we have completed a very successful campaign in one school, Cothill House. They raised their target of £4m for a sports centre, with construction now underway. Further major campaigns are planned in two other schools and all schools will be undertaking some fundraising initiatives, as and when appropriate.

Become an employer of choice in the sector

Following an Employer of Choice project to gain the views of staff across the Trust, various initiatives have been developed and implemented. These include the launch of a Trust Leadership Forum, a review of pay scales and the launch of an Employee Assistance Programme. During the coming year we are looking at further benefits we could offer to all employees, for example, a cycle to work scheme. We will also be ensuring staff have suitable and inviting spaces for non-contact time.

Financial review

Prep Schools Trust applied its income received during the year to the cost of operating schools at Cothill House, Chandlings, Kitebrook, Mowden Hall and Barfield.

The results for the year are shown in the income and expenditure account on page 17.

The Trust produced a surplus for the year of £1,322k (2021: surplus of £759k).

Payroll costs were 67% of income (2021: 69%).

During the year £750k (2021: £569k) was spent on the repair and maintenance of Trust properties.

Public benefit and social responsibility

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Educational

- The independent sector as a whole provides excellence in "challenging subjects".
- While nationally the number of children studying languages has declined, the Trust continues to teach all children modern foreign languages.
- All children are screened for Special Educational Needs. The provision of specialist support to those identified with needs is in itself a public good.
- The standards of the Trust's education are reviewed annually against national benchmarks and the Trust's educational provision exceeds those benchmarks.
- The Trust uses its own resources to recruit people into the teaching profession, then to induct and train them. They are actively assisted in achieving Qualified Teacher Status, which allows teachers to move to the maintained sector should they wish

Wider community and partnerships

- The Trust is constantly seeking new ways in which to deliver its charitable objects to a young public without regard to wealth, race, religion, social or academic status.
- The Trust's schools have continued to build on links with their local communities and schools in the maintained sector. Due to continued Covid restrictions in 2021/22 some of the usual activities were not able to take place but they are all resuming in the current year.
- Partnerships and community engagement activities include:
    - Kitebrook has a community partnership with Evesham Abbey Trust, a charity that is restoring Evesham Abbey ruins for educational purposes. As part of the school outreach the Trust attended Kitebrook to deliver a Medieval Life at the Abbey workshop for Years 1-4;

- In support of the Evesham Abbey Trust a number of Kitebrook's musicians were involved in the world premier of Music from the Abbey at Prince Henry's High School in Evesham, April 5th 2022. One of our Teachers Georgie Roberts played in the orchestra as did pupils Max Hayman, Sophia Scott-Plummer (now at CLC) and Wilf Smith;
- STEM support for local primary schools by both Mowden Hall and Chandlings;
- Cothill have raised money during the year for Dorchester Abbey
- Access to facilities for pupils in the maintained sector, for example Chandlings has developed links with Long Furlong School, enabling their Year 4, Year 5 and Year 6 pupils to have weekly swimming lessons at Chandlings swimming pool taught by Chandlings' specialist swimming teachers;
- Chandlings hosted pupils from Sunningwell Village Primary School to complete an Outdoor Maths Trail;
- Enrichment days for local schools, for example school groups and Toddlers in the Woods at Three Peaks, Barfield, woodland day at Mowden Hall;
- Sporting events for local schools held at Chandlings working closely with the West Oxford and Abingdon School Partnership;
- Children from Long Furlong School attended an author event with Ben Miller;
- Chandlings hosts the Newman Trust Summer Holiday residential for Special needs children along with 37 Volunteers/Carers. Use of boarding and school facilities
- Teachers are encouraged to become Governors of local state schools;
- Charity fundraising activities at our schools which has included supporting local food banks, concerts, collection of clothing and equipment for refugees and Ukrainian families, cake sales, making crafts;
- Chandlings Prep Chamber Choir visited Chawley Grove Care Home where they sang and talked to the residents;
- The Trust schools take an active part in local church life.

Financial and access

- Bursaries - It is important to us that access to the education we offer is not restricted to those who can afford our fees. The Trust has a bursary policy which is reviewed regularly by Trustees. The Trustees are committed to broadening access to the Trust's schools by offering means-tested financial support with the payment of school fees. Bursaries may be awarded in the form of a discount of up to 100% of the day tuition fees, depending on the financial circumstances of applicants.
- The Trust supported 27 families with financial help during the year.

Principal risks and uncertainties

Risk is assessed in terms of significant matters which may prevent the Trust from achieving its strategic objectives. Consideration is given to the financial, operational, environmental and reputational impact on the delivery of the Trust's key objectives. The health, safety, welfare and safeguarding of the children in the Trust's care is paramount. The Trustees take this responsibility very seriously, ensuring its policies are appropriate and implemented in each school. The Trustees are aware of the financial risks associated with the Trust's activities and having invested heavily in improving schools with the support of bank finance are focused on managing the Trust's financial position and performance.

Risk management

The Trust has established systems which under normal conditions should allow identified risks to be mitigated to an acceptable level in its day to day operations. Risk and Performance Assessments are carried out on a termly basis.
Specific risks that have been considered are safeguarding, pupil numbers, cash flow, reputational issues, uncertain economic and political conditions arising from geopolitical issues and the continuing uncertainty regarding the full impact of the UK's exit from the European Union and the risks brought about by COVID-19. A traffic light system alerts Trustees to specific risks and direction of change as they arise and are mitigated.

Safeguarding

The Trustees are committed to the highest standards of promoting safeguarding and the welfare of the Trust's pupils. All staff receive appropriate training on an annual basis and are committed to ensure pupils are protected and enjoy a safe environment.

Reserves policy

The Trustees plan to borrow to invest in the development of the Trust, funding interest and loan repayments out of current income. As is the case with many schools and school groups the Trust has no free reserves (unrestricted reserves less tangible fixed assets and commitments) and it is not anticipated that free reserves will be available in the near future should planned capital expenditure proceed. Reserves are monitored termly by reference to cash flows projected to the end of the academic year and then for a further three years. The long term aim is to increase reserves to have half a term's worth of expenditure.

Investment policy

The Trust holds no permanent endowment but any temporary surplus cash is held on short term deposits to secure a high rate of interest.

Plans for future periods

The Trust will continue to develop its schools in accordance with its charitable objectives. The Trust is committed to playing an active role in the wider community and in particular its involvement with local primary schools. Further, the Trust will continue to seek opportunities for strategic acquisitions and mergers with other similar educational establishments in order to fulfil its objectives.

Charitable and company status

The Prep Schools Trust is a company which does not have share capital and is limited by the guarantee of the members to a maximum of £1 each. The membership at 31st August 2022 was 10 (2021: 9).
The Trust is governed by the Memorandum and Articles of the company.

Employees

Prep Schools Trust recognises that in order to achieve our goal of being the best prep schools group in the UK, we must develop and invest in our people. Attracting and retaining the best remains key. In order to support the Trust's vision and strategy, we must identify the right people with the same values. We aim to do this by offering various development initiatives and promote the support and collaboration on offer by being part of a progressive thinking schools group. We encourage the sharing of information and ideas to help all our schools flourish.

The Trust has made a commitment to provide outstanding education and pastoral care to our pupils, to provide them with the opportunity, skills and confidence to have a successful future. We understand that in order to achieve these goals, we must ensure our people are engaged and committed. In order for this to happen, we connect with our employees through meaningful appraisals, 121's, team meetings and feedback sessions to encourage continuous development, to debrief on situations and learn through every situation that arises. We believe that in fostering an environment where staff feel valued and empowered to contribute their very best, that they will stay with us and develop to their full potential. We invest and nurture our employees as we believe in creating a continuously developing culture will motivate our people to grow.

The pandemic has put Health & Safety and Wellbeing at the forefront of our strategy plans and representatives meet regularly to review what we can offer to honour our obligations to safeguard our employees' physical and mental wellbeing. We keep updated on government guidance and best practice, as well as what our competitors are offering so that we can continue to offer a great employee value proposition.

Fair consideration is given to any applications for employment from registered disabled persons, with due regard to their aptitudes and abilities. Disabled employees are given equal opportunity with regards to career development and promotion, as well as ongoing training needs. Sympathetic consideration is given to the retention of any newly disabled employee, including affording, if required, a period of rehabilitation and training.

Our diversity and inclusion policy is continually being refined as our journey towards being a fair and equitable employer emerges. Our gender pay gap action plan has allowed us to review and work towards addressing gaps. We are mindful during our recruitment processes and when looking at promotion opportunities, to offer them to the wider audience, without skimping on the required key job skills.

Fundraising Activities

The Trust continued to enlist the support of a Development Director during the year to raise funds on behalf of the organisation to invest in the development of Trust schools through liaising with school alumni, current and former parents, and other stakeholders. Their work was monitored and guided by the Executive Board in regular meetings and reports were made to the Trustees. The Trust is registered with the Fundraising Regulator and is committed to following the Code of Fundraising Practice. No complaints were received by the Trust regarding these fundraising activities.

Key Management Personnel Remuneration

The Trustees consider the Chief Executive, the Chief Operating Officer, the Director of Marketing, the Head of HR, the Head of Finance and Head of each Trust School as comprising the key management personnel of the charity in charge of directing and controlling the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 9 and 21 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises. The pay of the Chief Executive and senior leadership team is reviewed annually.

Engagement with suppliers, customers and others in a business relationship

- **Customers:** In a highly competitive environment success depends on meeting customer needs and requirements more effectively than our competitors. We therefore recognise the benefits of engagement with our parent communities to keep them abreast of developments in their schools and across the Trust.

- **Suppliers:** Our suppliers help us to provide high quality educational services and comply with regulatory requirements. The Trust relies on its supplier base to deliver products and services on time and to the specified quality and standard.

Environmental Sustainability Governance

The Prep Schools Trust has developed its Environmental and Sustainability Statement which outlines the Trust's aim to provide the highest quality of education for pupils in a way that minimises the impact upon the environment. Prep Schools Trust is committed both to its staff leading by example and to educating its pupils about environmental and sustainability issues whilst implementing measures across its facilities. Each school have devised their own policies and objectives and continue to develop local initiatives to support these.
During the reporting year 2021-22 a range of energy efficiency actions were implemented to the facilities including the following:

- Continued to work on the information provided on the review of the audit for the usage at each of the schools.
- Replacement of boilers and pipework within the plant room for the swimming pool at Chandlings, along with replacement windows and doors.
- Replace boilers in the main plant room at Cothill House.
- Repair the roof and guttering at Mowden Hall on the performing arts building.
- Continued with the phased replacement of LED lighting and implementation of motion sensors across the schools.
- Designed the Sports Hall at Cothill House School to meet BREAM requirements including solar PVs.

An action plan to reduce emissions over the coming years includes the continuation of a phased programme of replacement LED lighting and improvements to the isolation of the buildings through improvements to windows, doors and roof spaces.

Greenhouse gas emissions, energy consumption and energy efficiency

Emissions of carbon dioxide equivalent during the year ended 31st August 2022 (CO2e (tonnes)) were as follows:

	2022	2021
Combustion of Gas (natural and LPG)	1,859.46	1,542.34
Consumption of fuel for the purposes of Transport	32.82	33.19
Consumption of Oils for Heating and Hot water	496.03	630.31
Purchase of Electricity	64.52	263.98
Use of Water	11.02	10.48
Total	**2,463.85**	**2,480.30**
Number of Pupils	1,260	1,165
Intensity ratio (Total/Pupil numbers)	**1.96**	**2.13**

The largest proportion of energy use and associated emissions arise from gaseous fuel combustion, primarily for heating and hot water as expected. The second largest proportion of energy use and associated emissions arises from electricity usage, primarily for lighting, kitchen equipment and IT.

The Trust continues to enlist the services of an external contractor to identify and advise up on options for energy efficiencies in the schools to improve this intensity ratio further.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year, and is in force as at the date of approving this report.

Statement of Trustees responsibilities

The Trustees (who are also directors of Prep Schools Trust for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the

assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving the Trustees' Annual Report, the Trustees also approve the Strategic Report included therein, in their capacity as company directors.

Signed on behalf of the Board



E E A McKendrick

Chair of the Trustees

6th December 2022

Independent Auditor's Report to the members of Prep Schools Trust

Opinion

We have audited the financial statements of Prep Schools Trust (the 'charitable company') for the year ended 31st August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent Auditor's Report to the members of Prep Schools Trust (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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 set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in accounting and HR functions 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;

Independent Auditor's Report to the members of Prep Schools Trust (continued)

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

- Performing detailed audit work over the risk of timing issues within the recognition of both fee and non-fee income and the override of controls in this area by management, in particular with regards to fee concessions awarded. This included full reconciliations of fee income recognised compared to student numbers and fee rates, as well as detailed substantive testing of concessions awarded on fees, and non-fee income arising in the period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deborah Pluck BA FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Chartered Accountants, Statutory Auditor
Oxford

6th December 2022

Prep Schools Trust

Statement of Financial Activities (including income and expenditure account) for the year ended 31st August 2022

	Note	Continued Operations £'000	Discontinued Operations £'000	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total £'000	Continued Operations £'000	Discontinued Operations £'000	2021 Total £'000
Income and endowments from:									
Income from charitable activities									
Fees	2	18,482	-	18,482	-	18,482	16,006	-	16,006
Other educational income	3	800	-	800	-	800	811	-	811
Ancillary income	4	251	-	251	-	251	158	-	158
Donations and grants	5	5	-	5	963	968	1,635	61	1,696
Other income									
Gain on disposal of property	11	-	-	-	-	-	101	-	101
Total income		19,538	-	19,538	963	20,501	18,711	61	18,772
Expenditure on:									
Raising funds									
Overdraft and loan interest and fees		43	-	43	-	43	112	-	112
Fee composition discount		(1)	-	(1)	-	(1)	10	-	10
Other development costs		24	-	24	-	24	60	-	60
		66	-	66	-	66	182	-	182
Charitable activities	6	19,034	35	19,069	12	19,081	16,647	605	17,252
Other expenditure									
Loss on disposal	11	19	13	32	-	32	-	564	564
Total expenditure		19,119	48	19,167	12	19,179	16,829	1,169	17,998
Net income/(expenditure)		419	(48)	371	951	1,322	1,882	(1,108)	774
Other recognised (losses)/gains		-	-	-	-	-	(15)	-	(15)
Net movement in funds		419	(48)	371	951	1,322	1,867	(1,108)	759
Reconciliation of funds									
Balances brought forward at 1st September 2021				31,717	2,376	34,093			33,334
Balances carried forward at 31st August 2022				32,088	3,327	35,415			34,093

The Statement of Financial Activities includes all gains and losses recognised during the year.

Company number: 961616

Prep Schools Trust

Balance Sheet
31st August 2022

	Note		2022 £'000		2021 £'000
Fixed assets					
Tangible assets	11		35,668		34,086
Investments	12		-		-
			35,668		34,086
Current assets					
Stock	13	104		82	
Debtors	14	332		6,152	
Cash at bank and in hand		4,464		2,345	
		4,900		8,579	
Creditors: Amounts falling due within one year	15	(4,401)		(7,931)	
Net current assets			499		648
Total assets less current assets			36,167		34,734
Creditors: Amounts falling due after one year	16		(752)		(641)
Net assets			35,415		34,093
Funds					
Unrestricted funds					
Revaluation reserve	19		15,526		15,619
Income and expenditure account	19		16,532		16,068
Designated fund	19		30		30
			32,088		31,717
Restricted funds					
Restricted donations	19		3,327		2,376
			35,415		34,093

The financial statements were approved and authorised by the Board on 6th December 2022.

Signed on behalf of the Board

E E A McKendrick
Trustee

E Bottari
Trustee

The notes on pages 21 to 32 form part of these financial statements.

Prep Schools Trust

Cash Flow Statement
for the year ended 31st August 2022

Reconciliation of net income to net cash inflow from operating activities:

	2022 £'000	2021 £'000
Net income for year	1,322	774
Interest payable	43	112
Impairment/depreciation of tangible fixed assets	517	559
Loss on disposal of tangible fixed assets	32	463
(Increase)/Decrease in stocks	(22)	6
(Increase)/Decrease in debtors	(57)	348
(Increase)/Decrease in accrued income for sale of property	5,877	(5,877)
Increase in creditors	611	225
New fees in advance	55	29
Fees in advance applied in year	(173)	(300)
Fees in advance refunded in year	(16)	-
Fee composition discount	(1)	10
(Losses) arising from changes in foreign exchange rates	-	(15)
Cash flow from operating activities	8,188	(3,666)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(2,122)	(763)
Receipts from sale of tangible fixed assets	(9)	894
Amounts received from sale of tangible fixed assets	-	5,877
Net cash flow from investing activities	(2,131)	6,008
Cash flow from financing activities:		
Interest paid	(42)	(122)
Net cash flow from financing activities	(42)	(122)
Increase in cash and cash equivalents	6,015	2,220
Cash and cash equivalents at 1st September 2021	(1,551)	(3,771)
Cash and cash equivalents at 31st August 2022	4,464	(1,551)
Cash and cash equivalents consist of:		
Cash at bank and in hand	4,464	2,345
Overdrafts	0	(3,896)
Cash and cash equivalents at 31st August 2022	4,464	(1,551)

1. Summary of significant accounting policies

General information and basis of preparation

Prep Schools Trust is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with:

- 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 issued in October 2019;
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- The Charities Act 2011;
- The Companies Act 2006; and
- UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Trust identifies each school as representing a separate geographical area of operations. As such, in the event of the closure of a school, this is considered to be a discontinued operation. Ashdown House closed during the prior year. The income and expenditure directly attributable to this site is disclosed as discontinued operations on the face of the SOFA in accordance with the requirements of section 5 of FRS 102.

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Summary of significant accounting policies (continued)

Income recognition (continued)
Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Expenditure recognition
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of interest paid and fee composition discounts;
- Expenditure on charitable activities includes the operating costs of the schools in the Trust; and
- Other expenditure represents those items not falling into the categories above.

VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

Tangible fixed assets
Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land, historic and residential buildings	Nil
Freehold buildings – school buildings/additions	2% Straight line
Assets under the course of construction	Nil
Computer equipment	14-33.33% Straight line
Other equipment, fixtures and fittings	5-20% Straight line
Vehicles	10-25% Straight line

Investments
Investments in subsidiaries are measured at cost less impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value.

1. Summary of significant accounting policies (continued)

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Leases
Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Foreign currency
Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits
When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax
The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern
The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Group accounts
The Charity does not prepare group accounts as its subsidiary entities are deemed immaterial to the group.

2. School fees

	2022 £'000	2021 £'000
Fees	19,394	17,311
Discounts and awards	(912)	(1,305)
	18,482	16,006

None of the above income was attributable to restricted funds in either period.

3. Other educational income

	2022 £'000	2021 £'000
Music tuition and associated income	57	89
Extra tuition	157	216
Occasional boarding and summer lets	344	233
Other income	242	273
	800	811

None of the above income was attributable to restricted funds in either period.

4. Ancillary income

	2022 £'000	2021 £'000
Other income	251	158
	251	158

None of the above income was attributable to restricted funds in either period.

5. Donations and grants

	2022 £'000	2021 £'000
Donations	968	1,461
CJRS grants	-	174
Other grants	-	61
	968	1,696

Donations include £963k (2021: £1,449k) attributable to restricted funds.

6. Charitable activities

	Staff Costs £'000	Other Costs £'000	2022 Total £'000	2021 Total £'000
Teaching	9,784	1,112	10,896	10,029
Welfare	916	1,622	2,538	2,190
Premises	593	2,515	3,108	2,631
Support costs of education	1,657	882	2,539	2,402
	12,950	6,131	19,081	17,252

£nil (2021: £4k) of the above expenditure was attributable to restricted funds.

The major components of support costs include:-

	2022 £'000	2021 £'000
Administrative staff costs	1,625	1,482
Postage, stationery, telephone and other administrative costs	236	245
Advertising for staff and promotion	188	170
Bad debts	(3)	6
Legal and professional fees	368	344
Recruitment fees	69	99
Bank charges	1	4
Governance costs (see note 7)	55	52
	2,539	2,402

7. Governance costs

	Staff Costs £'000	Other Costs £'000	2022 Total £'000	2021 Total £'000
Staff	32	-	32	29
Audit	-	23	23	23
	32	23	55	52

8. Staff costs and employee benefits

	2022 £'000	2021 £'000
Staff costs		
Wages and salaries	10,856	10,662
Social security costs	975	876
Pensions	1,119	1,075
	12,950	12,613

	2022 FTE	2022 Number	2021 FTE	2021 Number
Average number employed including Trustees:				
Trustees	11	11	9	9
Teachers	218	324	230	347
Household	39	61	67	110
Administration	52	65	56	70
	320	461	362	536

Number of employees who received total employee benefits (excluding employer pensions costs) of more than £60,000 is as follows:

	2022	2021
£ 60,001 - £ 70,000	4	2
£ 70,001 - £ 80,000	1	-
£ 80,001 - £ 90,000	-	1
£ 90,000 - £100,000	1	-
£100,000 - £110,000	1	1
£110,001 - £120,000	1	1
£170,001 - £180,000	1	1

Total termination payments during the year amount to £273k (2021: £249k). These are recognised in expenditure when settlement agreements are reached.

Pension schemes

The Trust participates in the Aviva Pension Trust for Independent Schools ("APTIS") for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £925k (2021: £906k).

APTIS is a defined contribution pension scheme developed by Aviva in association with the Independent Schools' Bursars Association Members contribute on a "pay as you go" basis with contributions also made by the Trust.

Non-teaching staff are offered membership of defined contribution pension schemes. The pension charge for the year includes contributions of £193k (2021: £169k).

9. Trustees and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during this or last year.

The total amount of employee benefits received by key management personnel is £939k (2021: £1,048k). The Trustees consider its key management personnel during the period comprised the Board of Trustees, the Chief Executive, the Chief Operating Officer (previously Director of Finance and Operations), and the Head of each Trust school.

Five Trustees were reimbursed for travel expenses totalling £1,567 (2021: four reimbursed for travel expenses totalling £1,051) during the year.

10. Net resources expended

		2022 £'000	2021 £'000
Results for the year are stated after charging:			
Depreciation:	owned assets	517	559
Auditor's fees:	audit work	23	23
	non-audit work	2	6
Operating leases:	equipment	9	12
	motor vehicles	63	71
Net loss on foreign currency translations		-	15

11. Tangible fixed assets

	Vehicles £'000	Computers £'000	Fixtures, Fittings & Equipment £'000	Freehold Land & Buildings £'000	Assets under the course of construction £'000	Total £'000
1st September 2021	197	312	1,751	36,139	731	39,130
Additions	-	-	65	-	2,057	2,122
Disposals	(35)	-	-	-	-	(35)
Reallocation	-	-	32	867	(899)	-
31st August 2022	162	312	1,848	37,006	1,889	41,217
Depreciation and impairments						
1st September 2021	128	203	1,052	3,661	-	5,044
Depreciation	9	52	97	359	-	517
Disposals	(12)	-	-	-	-	(12)
31st August 2022	125	255	1,149	4,020	-	5,549
Net book value						
31st August 2022	37	57	699	32,986	1,889	35,668
31st August 2021	69	109	699	32,478	731	34,086

The Trustees elected, in accordance with Section 35.10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost and it is the company's policy not to revalue fixed assets. The surplus of a previous revaluation over cost had been credited to a revaluation reserve which now stands at £15.5m (Note 19). The original purchase price (historic cost) is £14.4m.

Tangible fixed assets with a net book value of £1,173k (2021: £6,642k) have been pledged as security for liabilities of the charity.

No properties were sold by the Trust during the year (2021: two properties were sold).

Two motor vehicles were sold by the Trust for £3k resulting in a loss on disposal of £19k (2021: four motor vehicles were sold by the Trust for £3k resulting in a surplus on disposal of £2k).

No impairments were recognised in the financial statements (2021: no impairments).

12. Fixed asset investments

	Unlisted Investments £
Cost	
1st September 2021	101
Disposal	(1)
31st August 2022	100
Provision against diminution of value	
1st September 2021	101
Disposal	(1)
31st August 2022	100
Net book values	
At 31st August 2022	-
At 31st August 2021	-

The Trust owns 100% of the allotted share capital of the following undertaking:

	Country of registration	Class of share capital	Nature of business	Capital and reserves at 2022 £	Profit for year 2022 £
PST Enterprises Limited	England and Wales	Ordinary	Events	113,772	113,672

CET Estates Limited was dissolved during the period.

13. Stocks

	2022 £'000	2021 £'000
Stock - consumables	104	82

14. Debtors

	2022 £'000	2021 £'000
Trade debtors	130	34
Other debtors	6	5,883
Prepayments and accrued income	196	235
	332	6,152

Other debtors in 2021 included accrued income for the consideration less costs of completion for the sale of Ashdown House School of £5.995m which completed in October 2021.

15. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Bank overdraft and loan facility	-	3,896
Trade creditors	3,251	3,307
Other taxation and social security	259	224
Other creditors	421	262
Accruals and deferred income	470	242
	4,401	7,931

Trade creditors include £2,521k (2021: £2,513k) in respect of fees received in advance for Autumn 2022 term, and £53k (2021: £107k) for the following Spring and Summer terms.

16. Creditors: amounts falling due after one year

	2022 £'000	2021 £'000
Other creditors	752	641
	752	641

Other creditors include £30k (2021: £42k) for fees received in advance for academic years 2022/23 onwards under the fees in advance scheme.

17. Bank overdraft, loan facility and loans

The bank overdraft facility was repaid following the sale of Ashdown House on 4th October 2021.

The Trust's bank borrowings are secured by a debenture and fixed charge over some of its UK freehold property and land.

18. Deferred income under the fees in advance scheme

During the year fees amounting to £55k (2021: £29k) were received in advance for pupils for future years. Fees released to income amounted to £173k (2021: £300k), and £16k (2021: no amounts) were refunded. Fee composition discounts of (£1k) (2021: £10k) were charged to expenditure.

All amounts owing at 31st August 2022 are shown as liabilities in notes 15 and 16.

19. Funds

	Restricted donations fund	Designated fund	Revaluation reserve	Income and expenditure	Total
	£'000	£'000	£'000	£'000	£'000
At 1st September 2020	931	30	17,926	14,447	33,334
Surplus/(deficit) for the year	1,445	-	-	(686)	759
Transfers between funds	-	-	(2,307)	2,307	-
At 31st August and 1st September 2021	2,376	30	15,619	16,068	34,093
Surplus/(deficit) for the year	951	-	-	371	1,322
Transfers between funds	-	-	(93)	93	-
At 31st August 2022	3,327	30	15,526	16,532	35,415

The restricted donations fund balance carried forward includes monies raised for the sports hall at Cothill £3,294k (2021: £2,357k).

The designated fund balance includes income in 2018 from Varsity Summer School which has been earmarked for the sports hall project at Cothill.

20. Analysis of net assets between funds

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2022 £'000
Fund balances at 31st August 2022 are represented by:					
Tangible fixed assets	1,847	-	15,526	18,295	35,668
Net current assets/(liabilities)	1,480	30	-	(1,009)	499
Long term liabilities	-	-	-	(752)	(752)
At 31st August 2022	3,327	30	15,526	16,532	35,415

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2021 £'000
Fund balances at 31st August 2021 are represented by:					
Tangible fixed assets	120	-	15,619	18,347	34,086
Net current assets/(liabilities)	2,256	30	-	(1,638)	648
Long term liabilities	-	-	-	(641)	(641)
At 31st August 2021	2,376	30	15,619	16,068	34,093

21. Related party transactions

Mr T Beardmore-Gray, Chief Executive, is a Trustee of the Prep School Baccalaureate. During the year to 31st August 2022, payments made to the Prep School Baccalaureate amounted to £3,500 (2021: £3,200). A balance of £3,500 was outstanding at the year end (2021: £3,500). He is also a Director of the Association of Governing Bodies of Independent Schools. During the year to 31st August 2022, payments made to the Association of Governing Bodies of Independent Schools amounted to £600 (2021: £1,440). There was a balance of £635 outstanding at the year end (2021: £75).

Mr W Donger (Trustee) and Mr J Marking (former Trustee) were directors of Savills during the prior year. During the year to 31st August 2022, payments made to Savills amounted to £10,236 (2021: £2,400). No amounts were outstanding at the year end (2021: £nil).

Mr D Bailey, Head of Cothill House, is a Governor of Tudor Hall School. During the year to 31st August 2022, payments totalling £18,725 were made to Tudor Hall School (2021: £18,100). No amounts were outstanding at the year end (2021: £nil).

22. Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Expiring:

	2022 £'000	2021 £'000
Within one year	73	68
Within two and five years	131	56
	204	124

23. Future capital commitments

	2022 £'000	2021 £'000
Expenditure authorised and contracted for	3,876	385

PREP SCHOOLS TRUST

England & Wales - Charity number 309639

Accounts



Annual Report and Accounts

for the year ended

31st August 2021

Registered Company Number: 961616

Registered Charity Number: 309639

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Prep Schools Trust Schools and their Heads

BARFIELD PREP SCHOOL	Andrew Boyle
Chandlings PREP • OXFORD	Christine Cook
COTHILL HOUSE	Duncan Bailey
Kitebrook PREPARATORY SCHOOL	Susan McLean
Mowden Hall School	Kate Martin

Legal and administrative information

Trustees:

Dr R D Townsend (Chairman)	T J Gibson
E Bottari	J C Pain
The Countess of Darnley	W H Pitman
W A Donger	J P Spencer
K Pryce	

Executive Board

Chief Executive:	T Beardmore-Gray
Director of Finance and Operations:	F Jefferis (until 31 Mar 21) N J McAvoy (from 1 Jun 21)
Director of Marketing:	J Fitzroy-Ezzy
HR Manager:	J Wareing

Biographies of the Trustees and Executive Board can be found on the Prep Schools Trust website.

Registered Office: 7 Cothill
Abingdon
Oxon
OX13 6JN

Company Number: 961616

Charity Number: 309639

Professional advisors

Auditor: Wenn Townsend
Chartered Accountants and Statutory Auditor
Oxford

Bankers: Barclays Bank plc
Oxford

Solicitors: Stone King LLP
Bath

Introduction from the Chairman of Trustees



It has been another eventful year for the Trust. I applaud all of our staff and our Trustees for their significant efforts and our collective success during such a challenging time. We are emerging from the pandemic as a stronger organisation and we are confident about our future. Our new name from 1 September 2021 articulates our mission as a group of distinctive prep schools, each retaining its own individual character. Our Trustees are firmly committed to pursuing our mission of providing excellent prep education as a charity. At a time when prep schools are considering how best to secure their future, Prep Schools Trust offers a modern and collegiate approach.

Dr Ralph Townsend

Message from the Chief Executive



Most of us in the education sector will remember 2021 as a year of heroic struggles by schools to deliver education for pupils in the midst of the pandemic. At Prep Schools Trust we can be proud of all that has been achieved across our schools in hugely difficult circumstances. We did not lose a single day of schooling during the year despite having to send pupils home again and revert again to online learning between the beginning of January and early March. Although the summer term could hardly be described as normal, our pupils were at least able to enjoy being at school and participate in many of the co-curricular activities that our schools offer. I would like to thank all of our staff for their adaptability and readiness to innovate for the benefit of our pupils.

2021 has been important for the Trust for many other reasons. We completed the sale of Chateau de Sauveterre to Downe House whilst retaining some access to the Chateau for Trust pupils in the summer term. We exchanged contracts for the sale of Ashdown House and have completed the sale since the year end. These transactions and a series of other restructuring initiatives have enabled us to repay all of the Trust's debt and move forward with a strong group of schools, each able to support their own development. Pupil numbers across our schools increased over the year and we have started in September 2021 with 10% more than the same time last year.

We are committed to investing judiciously in our schools to ensure that they are the best possible learning environments for all of our pupils. Prep schools operate with thin margins and we need to diversify our sources of income if we are to have adequate capital funding at our disposal. We are very grateful for the support that we are already receiving from parents towards some transformational developments.

Our staff are the Trust's most important asset and we are focusing more time and effort on their professional development. We want our staff to feel valued and proud of their schools and of the Trust. By focusing on professional development and collaboration across the group on best practice, we believe that Prep Schools Trust will be an organisation that other strong prep schools will want to join.

As a charity we want to provide access to the education we provide through the provision of bursaries. We also want to have a positive social impact upon the communities in which we operate. We have a strong track record in this area, but there is more that we can do. We are also paying close attention to the environmental footprint of our schools with many environmental initiatives being led by the pupils.

As all of the opportunities offered by the routines of normal school life return, we have much to look forward to as Prep Schools Trust. Our website is at https://www.prepschoolstrust.org.

Tom Beardmore-Gray

About us

Objectives and activities

Our mission is to deliver outstanding preparatory education and pastoral care as a family of schools, giving our pupils the opportunity, skills and confidence to prepare them for their future.

The Trust provides support and expertise to our schools in support of this mission. Our ethos is to celebrate individuality and the freedom of childhood; the best traditions of British primary education and deliver exceptional academic teaching and pastoral care as a family of schools.

Each school has its own unique personality but all our schools share consistent values: putting our pupils first; performing to the highest standards; pooling our strengths to collaborate and achieve more; innovating by anticipating change and adapting to it; and looking beyond the school gates to serve the wider local communities.

Most importantly, we prioritise the development of our pupils and we treat each pupil as an individual.

Involvement with local primary schools through the provision of teaching, shared facilities and specialist services is a further important aspect of the Trust's public benefit.

Structure, governance and management

Prep Schools Trust consists of five prep schools, Cothill House (All boys boarding 8-13+), Chandlings (Co-educational day nursery -11+), Kitebrook Preparatory (Co-educational day nursery -8+, day and boarding 8-13+), Mowden Hall School (Co-educational day nursery 3-13+, Co-educational boarding 8-13+) and Barfield School (Co-educational day 2-13) during the year.

Prep Schools Trust is governed by a Board of Trustees (see page 3 for details) who delegate management responsibility for our schools to the Chief Executive. The Board meets at least four times annually and is assisted by two sub committees, the Finance Committee and the Nominations Committee.

Each school has a Head Teacher responsible for day to day operations. Regular management meetings are held between the Head Teachers and the Chief Executive.

The Board of Trustees comprises experts in education and a range of professional disciplines. Many of our Trustees have sent their own children to Trust schools. Collectively they have a wide breadth of expertise, experience and knowledge.

Trustees are appointed in accordance with the Memorandum and Articles of Association.

The principal roles of the Trustees are:

- to set the Trust's strategy
- to monitor performance against key performance indicators
- to ensure the Trust has policies that provide adequate internal control and mitigate risk
- to maintain the financial stability of the Trust

Trustees' induction and training

Trustees are briefed on their obligations under charity and company law, the content of the Memorandum and Articles of Association, the Code of Governance, the decision making processes and the strategic plan. Trustees are encouraged to attend appropriate external training events where these will facilitate the performance of their role.

Each school has a Local Advisory Group made up of parents, the Head and chaired by a Trustee.

Our strategic pillars for 2021-22:

Excellence as a schools group	Sector leadership
Financial resilience	Modernising our school facilities and offerings

Our priorities and strategic direction

Our priorities for 2021/22, and beyond, are to ensure all pupils gain an outstanding preparatory education and pastoral care.

Strategic priorities 2021-2024

Diversification of income through some form of fundraising in every school and commercial activities

- Grow school fee income and surplus through pupil number growth in existing schools and acquiring new schools
- Refine services provided by Trust Office, thereby enabling the organisation to scale up in an orderly manner
- Invest in our estate, guided by condition surveys for maintenance and master plans for capital projects
- Become an employer of choice in the sector known for staff professional development, wellbeing and career opportunities within our group of schools

Strategic report

The Trustees present their report and the audited financial statements of the charity for the year ended 31st August 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year-end are listed on page 4.

The Board of Trustees sets the Trust's strategic direction and manages its operational performance in the way most likely to promote its long-term success for the benefit of its pupils through the provision of outstanding education. A key cornerstone of this is engagement with key stakeholders. Included within the points below are details of the Trust's engagement with the key stakeholder groups in the financial year.

The Trustees have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties under S172.

Achievements and performance

Our performance and achievements can be measured against our 4 strategic pillars for 2020-21: Breadth of educational provision; Strong leaders, great teachers, committed support teams; Financial resilience; Adapting to the future needs of our parents and communities.

The decision was taken by Trustees at the December 2020 Board meeting to change the name of the Trust from The Cothill Trust to Prep Schools Trust from 1 September 2021. The new name better reflects the mission of the Trust to provide outstanding preparatory education. Comprehensive plans were made to enable the launch on 1st September including new branding, communicating with all stakeholders and informing legal and sector bodies.

Breadth of educational provision

Our schools continued to provide a broad ranging education to all our pupils despite the restrictions posed by COVID-19. A further lockdown from January - March 2021 meant online learning was resumed and the extensive nature of this and live lessons were well received by both pupils and parents. The usual extensive extra-curricular programme was curtailed during this period and Initiatives were put in place to support pupil wellbeing and encourage activities which were not desk based. These included live sports sessions, regular tutor sessions and project based activities. A number of pupils leaving each of our schools in July secured scholarships to their senior schools including a full music scholarship to Eton, a drama scholarship to St Edwards and two academic scholarships to Sherborne.

Strong leaders, great teachers, committed support teams

We launched an Aspiring leaders programme in January of this year with an external provider running a comprehensive programme including a series of online workshops on key topics. Staff were nominated and selected to take part from each of our schools. The CEO book group was held monthly with inspiring speakers presenting to senior leaders and discussions flowing on items high on the educational agenda.

Forums to share best practice and support staff in their roles continued online, including meetings for Heads, Deputy Heads, senior leaders, marketing and admissions staff and across subject leaders in our schools.

A Long Service Award scheme recognises staff commitment to the Trust and its school.

Staff wellbeing is an area that has been particularly important during the year and new initiatives have been put in place. For example, a series of workshops for Kitebrook staff and a chain of support has been developed as part of their wellbeing programme.

Financial resilience

A number of initiatives have been taken during the course of the year to significantly reduce the cost base of the Trust and enable financial transparency and accountability across the group. The Chief Executive's report outlines some of the main actions including the sale of Chateau de Sauveterre and Ashdown House.

Focus on marketing and admissions in schools has enabled us to begin the 2021-22 year with a 10% increase in pupils across our schools.

Fundraising has made excellent progress during the year with Cothill House running a very successful campaign for a new sports hall. They are near the target of £3.9m for this development with the aim of reaching the goal in the autumn. A campaign was launched at Kitebrook for a new astroturf which has got off to a good start, with ⅓ of its target reached in pledges to date.

Adapting to the future needs of our parents and communities

School strategy and developments have been focused on the needs of pupils and parents both now and in the future. This has been particularly challenging during COVID when parents have been unable to be in school in person and the usual interaction with staff has not been possible. Parent meetings online and communication from the school staff has been key during this time.

A major project was commissioned at Barfield School to convert the main school building which will enable new classrooms including a science lab and food tech facility. Some parts of the development were in use at the start of the academic year with the remainder completed by October half term 2021. Other minor infrastructure capital projects have also been undertaken in order to improve the schools' facilities.

Financial review

Prep Schools Trust applied its income received during the year to the cost of operating schools at Cothill House, Chandlings, Kitebrook, Mowden Hall and Barfield.

The results for the year are shown in the income and expenditure account on page 18.

The Trust produced a surplus for the year of £759k (2020: deficit of £(2,045)k).

Payroll costs were 69% of income (2020: 85%).

During the year £569k (2020: £640k) was spent on the repair and maintenance of Trust properties.

Significant events

The Trust sold Bishops House in December 2020 and the Chateau of Sauveterre in January 2021. Following this the Trust exchanged contacts on Ashdown House School in August 2021 and completed the sale on 4 October 2021. This has allowed the Trust to repay all its bank borrowings.

Public benefit and social responsibility

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Educational

- The independent sector as a whole provides excellence in "challenging subjects".

- While nationally the number of children studying languages has declined, the Trust continues to teach all children modern foreign languages.

- All children are screened for Special Educational Needs. The provision of specialist support to those identified with needs is in itself a public good.

- The standards of the Trust's education are reviewed annually against national benchmarks and the Trust's educational provision exceeds those benchmarks.

- The Trust uses its own resources to recruit people into the teaching profession, then to induct and train them. They are actively assisted in achieving Qualified Teacher Status, which allows teachers to move to the maintained sector should they wish

Wider community and partnerships

- The Trust is constantly seeking new ways in which to deliver its charitable objects to a young public without regard to wealth, race, religion, social or academic status.
- The Trust's schools have developed and continued links with their local communities and schools in the maintained sector. Due to Covid restrictions, some of the usual activities have not been able to take place but these are all expected to resume in the academic year 2021/22.
- Partnerships and community engagement activities include:
    - In January 2021, Cothill House initiated #challengecothill to create a sense of community and connection whilst raising money for the UK's biggest food charity, FareShare. Pupils, as well as the school's 2.5k social media followers, were invited to submit dastardly challenges for the Headmaster and staff to undertake each week. The community raised £16,625 which enabled FareShare to distribute up to 66,500 meals to vulnerable children, families and individuals;

- Kitebrook has a community partnership with Evesham Abbey Trust, a charity that is restoring Evesham Abbey ruins for educational purposes. As part of the school outreach the Trust attended Kitebrook to deliver a Medieval Life at the Abbey workshop for Years 1-4;
- Kitebrook was opened up to the community December 2020 for a Christmas Fayre with a proportion of the profits given to charity;
- Barfield provided adventure sessions for local schools to enable 350 pupils to be given the opportunity to attend a team-building programme at their Three Peaks centre;
- Specialist teaching and shared professional development for staff in local primary schools, for example WISE Academies, Mowden Hall and Dry Sandford, Cothill;
- Access to facilities for pupils, for example Chandlings has developed links with Long Furlong School, enabling their Year 4, Year 5 and Year 6 pupils to have weekly swimming lessons at Chandlings swimming pool taught by Chandlings' specialist swimming teachers;
- Chandlings hosts the Newman Trust Summer Holiday residential for 22 Special needs children along with 37 Volunteers/Carers including use of boarding and school facilities;
- Enrichment days for local pupils, for example the year 3 adventure afternoon at Three Peaks, Barfield, annual Maths challenge at Mowden Hall, author and science events at Chandlings;
- Sporting events for local schools held at Chandlings working closely with the West Oxford and Abingdon School Partnership;
- Charity fundraising both in terms of money raised and resources provided, such as books donated by Chandlings to the local children's ward and sports equipment and books to Dry Sandford Primary school;
- Charity fundraising activities at our schools due to Covid restrictions and lockdowns the usual participation in charity fundraising hasn't been as active. The children and staff, however, have been encouraged to carry on in their own way which has included building birdhouses in aid of the Marine Conservation Society, selling handmade earrings to raise money for Great Ormond Street as well as virtually cycle 320 miles around the Grand Canyon to raise over £1000 for Crocodiles of the World;
- Community projects, in particular the Mowden Hall St James' Bells project;
- The Trust schools take an active part in local church life.

Financial and access

- Bursaries - It is important to us that access to the education we offer is not restricted to those who can afford our fees. The Trust has a bursary policy which is reviewed regularly by Trustees. The Trustees are committed to broadening access to the Trust's schools by offering means-tested financial support with the payment of school fees. Bursaries may be awarded in the form of a discount of up to 100% of the day tuition fees, depending on the financial circumstances of applicants.
- The Trust supported 38 families with financial help during the year.

Principal risks and uncertainties

Risk is assessed in terms of significant things which may prevent the Trust from achieving its strategic objectives. Consideration is given to the financial, operational, environmental and reputational impact on the delivery of the Trust's key objectives. The health, safety, welfare and safeguarding of the children in the Trust's care is paramount. The Trustees take this responsibility very seriously, ensuring its policies are appropriate and implemented in each school. The Trustees are aware of the financial risks associated with its activities and having invested heavily in improving schools with the support of bank finance are carefully seeking to supplement this through the sale of non-strategic Trust assets.

Risk management

The Trust has established systems which under normal conditions should allow these risks to be mitigated to an acceptable level in its day to day operations. Risk and Performance Assessments are carried out on a termly basis. Specific risks that have been considered are safeguarding, pupil numbers,

cash flow, reputational issues, uncertain economic and political conditions arising from the uncertainty regarding the UK's exit from the European Union and the risks brought about by COVID-19. A traffic light system alerts Trustees to specific risks and direction of change as they arise and are mitigated.

Impact of COVID-19

During the academic year, Covid restrictions were in place and schools followed Department for Education and government guidelines and advice. In the Spring Term 2021, for the majority of the term, teaching was online as pupils were unable to attend school. A comprehensive online teaching programme for each year group including live lessons was undertaken and received excellent feedback from pupils and parents. Pupil wellbeing was also a priority with a comprehensive online programme in place including form tutor meetings, whole school assemblies, extracurricular and sporting initiatives. Parents were offered a discount on fees. The loss from the fee discount was offset by better than anticipated trading performance. In the summer term, schools were able to operate more normally and pupils resumed a proportion of the extra-curricular programme. Parents were able to come into schools for events such as sports days but in a lesser capacity than previously with health and safety measures in place.

Safeguarding

The Trustees are committed to the highest standards of promoting safeguarding and the welfare of the Trust's pupils. All staff receive appropriate training on an annual basis and are committed to ensure pupils are protected and enjoy a safe environment.

Reserves policy

The Trustees plan to borrow to invest in the development of the Trust, funding interest and loan repayments out of current income. As is the case with many schools and school groups the Trust has no free reserves (unrestricted reserves less tangible fixed assets and commitments) and it is not anticipated that free reserves will be available in the near future should planned capital expenditure proceed. Reserves are monitored termly by reference to cash flows projected to the end of the academic year and then for a further three years. The long term aim is to increase reserves to have half a term's worth of expenditure.

Investment policy

The Trust holds no permanent endowment but any temporary surplus cash is held on short term deposits to secure a high rate of interest.

Plans for future periods

The Trust will continue to develop its schools in accordance with its charitable objectives. The Trust is committed to playing an active role in the wider community and in particular its involvement with local primary schools. Further, the Trust will continue to seek opportunities for strategic acquisitions and mergers with other similar educational establishments in order to fulfil its objectives.

Charitable and company status

The Prep Schools Trust is a company which does not have share capital and is limited by the guarantee of the members to a maximum of £1 each. The membership at 31st August 2021 was 9 (2020: 9).
The Trust is governed by the Memorandum and Articles of the company.

Employees

The Trust's long-term success is reliant on the commitment and delivery of our strategy by our workforce and its consistent demonstration of our values. To maintain competitive advantage and meet the growing demands of the environment in which we operate, we need a workforce which embodies our commitment to provide outstanding education and pastoral care to our pupils to provide them with the opportunity, skills and confidence to have a successful future. We engage with our workforce through individual appraisals, team meetings and feedback sessions to ensure that we are fostering an environment that

they are happy to work in and that best supports their well-being. We invest in our workforce as we believe both that training benefits the individual and the Trust and that such investment helps to retain our employees and provide them with the opportunity for personal development.

As part of our response to Covid-19 the senior management teams and Health and Safety and HR representatives have met regularly to consider what actions and communications have been needed to safeguard our employees' physical and mental well-being. Government guidance has been monitored, followed and any necessary steps implemented both in office and factory environments to minimise risks to employees.

The policy of the Trust with regard to disabled persons is to give full and fair consideration to all applicants for employment and to all employees in relation to promotion. Wherever possible, employees who become disabled during their employment are offered suitable alternative employment.

Fundraising Activities

The Trust continued to enlist the support of a Development Director during the year to raise funds on behalf of the organisation to invest in the development of Trust schools through liaising with school alumni, current and former parents, and other stakeholders. Their work was monitored and guided by the Executive Board in regular meetings. The Trust is registered with the Fundraising Regulator and is committed to following the Code of Fundraising Practice. No complaints were received by the Trust regarding these fundraising activities.

Key Management Personnel Remuneration

The Trustees consider the Chief Executive, the Director of Finance and Operations, the Director of Marketing, HR Manager and Head of each Trust School as comprising the key management personnel of the charity in charge of directing and controlling the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 9 and 21 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises. The pay of the Chief Executive and senior leadership team is reviewed annually.

Engagement with suppliers, customers and others in a business relationship

- **Customers:** In a highly competitive environment success depends on meeting customer needs and requirements more effectively than our competitors. We therefore recognise the benefits of engagement with our parent communities to keep them abreast of developments in their schools and across the Trust.

- **Suppliers:** Our suppliers help us to provide high quality educational services and comply with regulatory requirements. The Trust relies on its supplier base to deliver products and services on time and to the specified quality and standard.

Environmental Social and Governance

The Prep Schools Trust has developed its Environmental and Sustainability Statement which outlines the Trust's aim to provide the highest quality of education for pupils in a way that minimises the impact upon the environment. Prep Schools Trust is committed both to its staff leading by example and to educating its pupils about environmental and sustainability issues whilst implementing measures across its facilities. Each school have devised their own policies and objectives and continue to develop local initiatives to support these.

During the reporting year 2020-21 a range of energy efficiency actions were implemented to the facilities including the following:

- Carried out an audit review of usage at each of the schools and piloted a study at Barfield School to identify areas of energy reduction.

- Constructed a new roof to the main school building at Barfield School with appropriate insulation.
- Refurbished windows in the new Science Lab and Food Technology Room at Barfield School.
- Replaced 14 sash windows in the main building at Kitebrook School.
- Continued with the phased replacement of LED lighting and implementation of motion sensors.
- Designed the Sports Hall at Cothill House School to meet BREAM requirements including solar PVs.

An action plan to reduce emissions over the coming year includes the continuation of a phased programme of replacement LED lighting and improvements to the isolation of the buildings through improvements to windows, doors and roof spaces.

Greenhouse gas emissions, energy consumption and energy efficiency

Emissions of carbon dioxide equivalent during the year ended 31st August 2021 (CO2e (tonnes)) were as follows:

	2021	2020
Combustion of Gas (natural and LPG)	1,542.34	1,332.53
Consumption of fuel for the purposes of Transport	33.19	17.66
Consumption of Oils for Heating and Hot water	630.31	660.60
Purchase of Electricity	263.98	434.66
Use of Water	10.48	89.10
Total	**2,480.30**	**2,534.56**
Number of Pupils	1,165	1,168
Intensity ratio (Total/Pupil numbers)	**2.13**	**2.17**

The largest proportion of energy use and associated emissions arise from gaseous fuel combustion, primarily for heating and hot water as expected. The second largest proportion of energy use and associated emissions arises from electricity usage, primarily for lighting, kitchen equipment and IT.

The Trust continues to enlist the services of an external contractor to identify and advise up on options for energy efficiencies in the schools to improve this intensity ratio further.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year, and is in force as at the date of approving this report.

Statement of Trustees responsibilities

The Trustees (who are also directors of Prep Schools Trust for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving the Trustees' Annual Report, the Trustees also approve the Strategic Report included therein, in their capacity as company directors.

Signed on behalf of the Board

R.D. Townsend

Dr R D Townsend

Chairman of the Trustees

8th December 2021

Prep Schools Trust

Independent Auditor's Report to the members of Prep Schools Trust

Opinion

We have audited the financial statements of Prep Schools Trust (the 'charitable company') for the year ended 31st August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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 set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in accounting and HR functions 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;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Performing detailed audit work over the risk of timing issues within the recognition of both fee and non-fee income and the override of controls in this area by management, in particular with regards to fee concessions awarded. This included full reconciliations of fee income recognised compared to student numbers and fee rates, as well as detailed substantive testing of concessions awarded on fees, and non-fee income arising in the period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deborah Pluck BA FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Chartered Accountants, Statutory Auditor
Oxford

8. December 2021

Prep Schools Trust

Statement of Financial Activities (including income and expenditure account) for the year ended 31st August 2021

	Note	Continued Operations £'000	Discontinued Operations £'000	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total £'000	Continued Operations £'000	Discontinued Operations £'000	2020 Total £'000
Income and endowments from:									
Income from charitable activities									
Fees	2	16,006	-	16,006	-	16,006	15,313	1,602	16,915
Other educational income	3	1,046	-	1,046	-	1,046	784	148	932
Ancillary income	4	158	-	158	-	158	210	1	211
Donations and grants	5	186	61	247	1,449	1,696	1,314	120	1,434
Other income									
Gain on disposal of property	11	101	-	101	-	101	12	-	12
Total income		17,497	61	17,558	1,449	19,007	17,633	1,871	19,504
Expenditure on:									
Raising funds									
Overdraft and loan interest and fees		112	-	112	-	112	139	-	139
Fee composition discount		10	-	10	-	10	13	-	13
Other development costs		60	-	60	-	60	8	-	8
		182	-	182	-	182	160	-	160
Charitable activities	6	16,878	605	17,483	4	17,487	18,552	2,852	21,404
Other expenditure									
Loss on disposal of property	11	-	564	564	-	564	-	-	-
Total expenditure		17,060	1,169	18,229	4	18,233	18,712	2,852	21,564
Net income/(expenditure)		437	(1,108)	(671)	1,445	774	(1,079)	(981)	(2,060)
Other recognised (losses)/gains		(15)	-	(15)	-	(15)	15	-	15
Net movement in funds		422	(1,108)	(686)	1,445	759	(1,064)	(981)	(2,045)
Reconciliation of funds									
Balances brought forward at 1st September 2020				32,403	931	33,334			35,379
Balances carried forward at 31st August 2021				31,717	2,376	34,093			33,334

The Statement of Financial Activities includes all gains and losses recognised during the year.

Company number: 961616

Prep Schools Trust

Balance Sheet
31st August 2021

	Note		2021 £'000		2020 £'000
Fixed assets					
Tangible assets	11		34,086		41,116
Investments	12		-		-
			34,086		41,116
Current assets					
Stock	13	82		88	
Debtors	14	6,152		623	
Cash at bank and in hand		2,345		954	
		8,579		1,665	
Creditors: Amounts falling due within one year	15	(7,931)		(8,784)	
Net current assets/(liabilities)			648		(7,119)
Total assets less current assets/(liabilities)			34,734		33,997
Creditors: Amounts falling due after one year	16		(641)		(663)
Net assets			34,093		33,334
Funds					
Unrestricted funds					
Revaluation reserve	19		15,619		17,926
Income and expenditure account	19		16,068		14,447
Designated fund	19		30		30
			31,717		32,403
Restricted funds					
Restricted donations	19		2,376		931
			34,093		33,334

The financial statements were approved and authorised by the Board on 8th December 2021.

Signed on behalf of the Board

Dr R D Townsend
Trustee

E Bottari
Trustee

The notes on pages 21 to 32 form part of these financial statements.

Prep Schools Trust

Cash Flow Statement
for the year ended 31st August 2021

Reconciliation of net income to net cash inflow from operating activities:

	2021 £'000	2020 £'000
Net income for year	774	(2,060)
Interest payable	112	139
Impairment/depreciation of tangible fixed assets	559	621
Loss/(profit) on disposal of tangible fixed assets	463	(12)
Decrease/(increase) in stocks	6	(17)
Decrease/(increase) in debtors	348	(152)
Increase in accrued income for sale of property	(5,877)	-
Increase/(decrease) in creditors	225	(570)
New fees in advance	29	262
Fees in advance applied in year	(300)	(360)
Fee composition discount	10	13
(Losses)/gains arising from changes in foreign exchange rates	(15)	15
Cash flow from operating activities	(3,666)	(2,121)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(763)	(284)
Receipts from sale of tangible fixed assets	894	22
Amounts receivable from sale of tangible fixed assets	5,877	-
Net cash flow from investing activities	6,008	(262)
Cash flow from financing activities:		
Interest paid	(122)	(152)
Net cash flow from financing activities	(122)	(152)
Increase/(decrease) in cash and cash equivalents	2,220	(2,535)
Cash and cash equivalents at 1st September 2020	(3,771)	(1,236)
Cash and cash equivalents at 31st August 2021	(1,551)	(3,771)
Cash and cash equivalents consist of:		
Cash at bank and in hand	2,345	954
Overdrafts	(3,896)	(4,725)
Cash and cash equivalents at 31st August 2021	(1,551)	(3,771)

1. Summary of significant accounting policies

General information and basis of preparation
Prep Schools Trust is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with:

- 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 issued in October 2019;
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- The Charities Act 2011;
- The Companies Act 2006; and
- UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Trust identifies each school as representing a separate geographical area of operations. As such, in the event of the closure of a school, this is considered to be a discontinued operation. Ashdown House closed during the prior year. The income and expenditure directly attributable to this site is disclosed as discontinued operations on the face of the SOFA in accordance with the requirements of section 5 of FRS 102.

Funds
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Summary of significant accounting policies (continued)

Income recognition (continued)
Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

The charity receives government grants in respect of the Coronavirus Job Retention Scheme. These grants are recognised using the accrual model and as such are recorded in the SoFA in the period in which the charity is entitled to such grants as a result of having furloughed staff members.

Expenditure recognition
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of interest paid and fee composition discounts;
- Expenditure on charitable activities includes the operating costs of the schools in the Trust; and
- Other expenditure represents those items not falling into the categories above.

VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

Tangible fixed assets
Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land, historic and residential buildings	Nil
Freehold buildings – school buildings/additions	2% Straight line
Assets under the course of construction	Nil
Computer equipment	14-33.33% Straight line
Other equipment, fixtures and fittings	5-20% Straight line
Vehicles	10-25% Straight line

Investments
Investments in subsidiaries are measured at cost less impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value.

1. Summary of significant accounting policies (continued)

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Leases
Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Foreign currency
Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits
When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax
The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern
The continuing uncertainties arising from the COVID-19 pandemic has necessitated a review of the application of the going concern basis in these accounts. The Trustees have considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern for the reasons disclosed below.

The Trust took steps to dispose of Sauveterre and Bishops House during the year (note 11). In addition, the sale of Ashdown House after the year-end has significantly improved the borrowings profile of the Trust. This, along with the subsequent improvements to forecasted income and expenditure in future periods, provides the Trustees with sufficient confidence to assert that the Trust has sufficient reserves to continue in operation for 12 months from authorising these financial statements.

Group accounts
The Charity does not prepare group accounts as its subsidiary entities are deemed immaterial to the group.

2. School fees

	2021 £'000	2020 £'000
Fees	17,311	19,206
Discounts and awards	(1,305)	(2,291)
	16,006	16,915

None of the above income was attributable to restricted funds in either period.

3. Other educational income

	2021 £'000	2020 £'000
Music tuition and associated income	324	333
Extra tuition	216	155
Occasional boarding and summer lets	233	278
Other income	273	166
	1,046	932

None of the above income was attributable to restricted funds in either period.

4. Ancillary income

	2021 £'000	2020 £'000
Other income	158	211
	158	211

None of the above income was attributable to restricted funds in either period.

5. Donations and grants

	2021 £'000	2020 £'000
Donations	1,461	252
CJRS grants	174	1,106
Other grants	61	76
	1,696	1,434

Donations include £1,449k (2020: £247k) attributable to restricted funds.

6. Charitable activities

	Staff costs £'000	Other costs £'000	2021 Total £'000	2020 Total £'000
Teaching	9,454	810	10,264	13,015
Welfare	1,101	1,089	2,190	2,915
Premises	547	2,084	2,631	2,652
Support costs of education	1,511	891	2,402	2,822
	12,613	4,874	17,487	21,404

£4k (2020: £2k) of the above expenditure was attributable to restricted funds.

The major components of support costs include:-

	2021 £'000	2020 £'000
Administrative staff costs	1,482	1,644
Postage, stationery, telephone and other administrative costs	245	216
Advertising for staff and promotion	170	172
Bad debts	6	91
Legal and professional fees	344	586
Recruitment fees	99	49
Bank charges	4	16
Governance costs (see note 7)	52	48
	2,402	2,822

7. Governance costs

	Staff costs £'000	Other costs £'000	2021 Total £'000	2020 Total £'000
Staff	29	-	29	26
Audit	-	23	23	22
	29	83	52	48

8. Staff costs and employee benefits

	2021 £'000	2020 £'000
Staff costs		
Wages and salaries	10,662	13,862
Social security costs	876	1,132
Pensions	1,075	1,504
	12,613	16,498

	2021 FTE	2021 Number	2020 FTE	2020 Number
Average number employed including Trustees:				
Trustees	9	9	10	10
Teachers	230	347	245	368
Household	67	110	100	137
Administration	56	70	48	68
	362	536	403	579

Number of employees who received total employee benefits (excluding employer pensions costs) of more than £60,000 is as follows:

	2021	2020
£ 60,001 - £ 70,000	2	2
£ 70,001 - £ 80,000	-	1
£ 80,001 - £ 90,000	1	1
£ 90,000 - £100,000	-	1
£100,000 - £110,000	1	2
£110,001 - £120,000	1	-
£150,001 - £160,000	-	1
£160,001 - £170,000	-	-
£170,001 - £180,000	1	-

Total termination payments during the year amount to £249k (2020: £1,096k). These are recognised in expenditure when settlement agreements are reached.

Pension schemes

The Trust participates in the Aviva Pension Trust for Independent Schools ("APTIS") for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £906k (2020: £1,199k).

APTIS is a defined contribution pension scheme developed by Aviva in association with the Independent Schools' Bursars Association Members contribute on a "pay as you go" basis with contributions also made by the Trust.

Non-teaching staff are offered membership of defined contribution pension schemes. The pension charge for the year includes contributions of £169k (2020: £305k).

9. Trustees and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during this or last year.

The total amount of employee benefits received by key management personnel is £1,048k (2020: £953k). The Trustees consider its key management personnel during the period comprised the Board of Trustees, the Chief Executive, the Director of Finance and Operations, and the Head of each Trust school.

Four Trustees were reimbursed for travel expenses totalling £1,051 (2020: five reimbursed for travel expenses totalling £1,542) during the year.

10. Net resources expended

		2021 £'000	2020 £'000
Results for the year are stated after charging:			
Depreciation:	owned assets	559	621
Auditor's fees:	audit work	23	22
	non-audit work	6	38
Operating leases:	equipment	12	21
	motor vehicles	71	94
Net loss/(gain) on foreign currency translations		15	(15)

11. Tangible fixed assets

	Vehicles £'000	Computers £'000	Fixtures, Fittings & Equipment £'000	Freehold Land & Buildings £'000	Assets under the course of construction £'000	Total £'000
1st September 2020	223	402	2,088	45,208	148	48,069
Additions	-	14	106	6	637	763
Disposals	(26)	(104)	(443)	(9,129)	-	(9,702)
Reallocation	-	-	-	54	(54)	-
31st August 2021	197	312	1,751	36,139	731	39,130
Depreciation and impairments						
1st September 2020	138	214	1,351	5,250	-	6,953
Depreciation	16	57	91	395	-	559
Disposals	(26)	(68)	(390)	(1,984)	-	(2,468)
31st August 2021	128	203	1,052	3,661	-	5,044
Net book value						
31st August 2021	69	109	699	32,478	731	34,086
31st August 2020	85	188	737	39,958	148	41,116

The Trustees elected, in accordance with Section 35.10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost and it is the company's policy not to revalue fixed assets. The surplus of a previous revaluation over cost had been credited to a revaluation reserve which now stands at £15.6m (Note 19). The original purchase price (historic cost) is £14.4m.

Tangible fixed assets with a net book value of £6,642k (2020: £6,642k) have been pledged as security for liabilities of the charity.

Two properties were sold by the Trust during the year (2020: no properties sold). In January 2021, the Trust transferred Sauveterre to Downe House for consideration of €200k resulting in a loss on disposal of £414k. As part of the sale, the Trust has an agreement with Downe House for its pupils to have access to Sauveterre for a minimum of 40 pupils in the Summer Term for the next three years. The Trust also sold Bishops House in Dry Sandford during the year for £732k resulting in a surplus on disposal of £90k.

In August 2021, the Trust exchanged contracts to sell Ashdown House with the sale completing in October 2021. Consideration for the sale less costs of completion of £5.9m is included within accrued income (note 14), resulting in a loss on disposal of £151k being recognised in the financial statements.

Four motor vehicles were sold by the Trust for £3k resulting in a surplus on disposal of £2k (2020: two motor vehicles were sold by the Trust for £19k resulting in a surplus on disposal of £11k).

No impairments were recognised in the financial statements (2020: no impairments).

12. Fixed asset investments

	Unlisted Investments
Cost	
At 1st September 2020 and 31st August 2021	£ 2
Provision against diminution of value	
At 1st September 2020 and 31st August 2021	£ 2
Net book values	
At 31st August 2021	£ -
At 31st August 2020	£ -

The Trust owns 100% of the allotted share capital of the following undertakings:

	Country of registration	Class of share capital held	Nature of business	Capital and reserves at 31st August 2021 £	Profit for year ended 31st August 2021 £
CET Estates Limited	England and Wales	Ordinary	Dormant	(1,184)	-
PST Enterprises Limited	England and Wales	Ordinary	Events	54,760	73,781

13. Stocks

	2021 £'000	2020 £'000
Stock - consumables	82	88

14. Debtors

	2021 £'000	2020 £'000
Trade debtors	34	215
Other debtors	5,883	346
Prepayments and accrued income	235	62
	6,152	623

Other debtors include accrued income for the consideration less costs of completion for the sale of Ashdown House School of £5.995m which completed in October 2021.

15. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank overdraft and loan facility	3,896	4,725
Trade creditors	3,307	2,652
Other taxation and social security	224	277
Other creditors	262	407
Accruals and deferred income	242	723
	7,931	8,784

Trade creditors include £2,513k (2020: £2,099k) in respect of fees received in advance for Autumn 2021 term, and £107k (2020: £164k) for the following Spring and Summer terms. The bank loan facility and overdraft are secured - see note 17 for details.

16. Creditors: amounts falling due after one year

	2021 £'000	2020 £'000
Other creditors	641	663
	641	663

Other creditors include £42k (2020: £188k) for fees received in advance for academic years 2021/22 onwards under the fees in advance scheme.

17. Bank overdraft, loan facility and loans

The bank overdraft facility of £5.5m has an interest rate of Libor plus 2.50%. This was repaid following the sale of Ashdown House on 4th October 2021.

The Trust's bank borrowings are secured by a debenture and fixed charge over some of its UK freehold property and land.

18. Deferred income under the fees in advance scheme

During the year fees amounting to £29k (2020: £262k) were received in advance for pupils for future years. Fees released to income amounted to £300k (2020: £360k), and no amounts (2020: no amounts) were refunded to parents. Fee composition discounts of £10k (2020: £13k) were charged to expenditure.

All amounts owing at 31st August 2021 are shown as liabilities in notes 15 and 16.

19. Funds

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2020 £'000
At 1st September 2019	686	30	18,019	16,644	35,379
Surplus/(deficit) for the year	245	-	-	(2,290)	(2,045)
Transfers between funds	-	-	(93)	93	-
At 31st August and 1st September 2020	931	30	17,926	14,447	33,334
Surplus/(deficit) for the year	1,445	-	-	(686)	759
Transfers between funds	-	-	(2,307)	2,307	-
At 31st August 2021	2,376	30	15,619	16,068	34,093

The restricted donations fund balance carried forward includes monies raised for a sports hall at Cothill (£2,357k).

The designated fund balance includes income in 2018 from Varsity Summer School which has been earmarked for the sports hall project at Cothill.

20. Analysis of net assets between funds

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2021 £'000
Fund balances at 31st August 2021 are represented by:					
Tangible fixed assets	120	-	15,619	18,347	34,086
Net current assets/(liabilities)	2,256	30	-	(1,638)	648
Long term liabilities	-	-	-	(641)	(641)
At 31st August 2021	2,376	30	15,619	16,068	34,093

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2020 £'000
Fund balances at 31st August 2019 are represented by:					
Tangible fixed assets	83	-	17,926	23,107	41,116
Net current assets/(liabilities)	848	30	-	(7,997)	(7,119)
Long term liabilities	-	-	-	(663)	(663)
At 31st August 2020	931	30	17,926	14,447	33,334

21. Related party transactions

Mr T Beardmore-Gray, Chief Executive, is a Trustee of the Prep School Baccalaureate. During the year to 31st August 2021, payments made to the Prep School Baccalaureate amounted to £3,200 (2020: £1,835). A balance of £3,500 was outstanding at the year end (2020: £3,200). He is also a Director of the Association of Governing Bodies of Independent Schools. During the year to 31st August 2021, payments made to the Association of Governing Bodies of Independent Schools amounted to £1,440 (2020: £680). A balance of £75 was outstanding at the year end (2020: £nil).

Mr T Gibson, a Trustee, is a Director of Gibson & Co Solicitors Limited. During the year to 31st August 2021, payments made to Gibson & Co Solicitors Limited amounted to £nil (2020: £2,484). No amounts were outstanding at the year end (2020: £nil).

Mr W Donger (Trustee) and Mr J Marking (former Trustee) were directors of Savills during the prior year. During the year to 31st August 2021, payments made to Savills amounted to £2,400 (2020: £10,903). No amounts were outstanding at the year end (2020: £nil).

Mr D Bailey, Head of Cothill House, is a Governor of Tudor Hall School. During the year to 31st August 2021, payments totalling £18,100 were made to Tudor Hall School (2020: £11,160). No amounts were outstanding at the year end (2020: £5,867).

22. Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Expiring:

	2021 £'000	2020 £'000
Within one year	68	99
Within two and five years	56	117
	124	216

23. Future capital commitments

	2021 £'000	2020 £'000
Expenditure authorised and contracted for	385	-

PREP SCHOOLS TRUST

England & Wales - Charity number 309639

Accounts

Cothill Trust

Registered Company Number: 961616

Registered Charity Number: 309639

Annual Report and Accounts

for the year ended

31st August 2020

Cothill Trust

Report of the Trustees
for the year ended 31st August 2020

Trustees:	Dr R D Townsend (Chairman) E Bottari The Countess of Darnley W A Donger (appointed 1st January 2020) D Le Gal (resigned 30th June 2020) T J Gibson J Marking (resigned 31st December 2019) J C Pain W H Pitman (appointed 23rd September 2019) K Pryce J P Spencer (appointed 1st March 2020)
Chief Executive:	T Beardmore-Gray
Director of Finance:	F Jefferis
Registered Office:	7 Cothill Abingdon Oxon OX13 6JN
Company Number:	961616
Charity Number:	309639
Auditor:	Wenn Townsend Chartered Accountants and Statutory Auditor Oxford
Bankers:	Barclays Bank plc Oxford
Solicitors:	Stone King LLP Bath

Cothill Trust

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Cothill Trust

Report of the Trustees (including the Strategic Report)
for the year ended 31st August 2020

Chairman's report

This has been a momentous year for the Trust. Our programme of consolidation and reorganisation has continued, its momentum to some extent induced by the pandemic. Despite these very challenging conditions, our schools have continued to deliver quality education to pupils during the lockdown. Our teaching staff had to adapt very rapidly at the end of March 2020 and were ready with a compelling online programme in each of our schools less than a month later. There have been many examples of collaboration and sharing of best practice amongst staff across our group leading to benefits for pupils and parents.

We had reason to make some difficult decisions during the course of the year, leaving us in a better position for the future. We were sorry to close Ashdown House, which had been struggling for a number of years. We are grateful to the whole Ashdown community for the dignified and compassionate way in which the closure was managed. We are very pleased to have concluded the sale of Chateau de Sauveterre to Downe House. Under the terms of the sale pupils from Trust schools will continue to benefit from the experience of visiting the Chateau until at least 2023. We are confident that Downe House will build upon all of the Chateau's best traditions.

Although we are now a smaller group of schools we will emerge from the pandemic with a stronger foundation from which to develop and grow. I pay tribute to all Trust employees for their hard work and flexibility during an unprecedented year. I thank my fellow Trustees for their time and wisdom, which have been invaluable and will continue to be so in the year ahead.

Dr Ralph Townsend
Chairman of Trustees

The Trustees present their report and the audited financial statements of the charity for the year ended 31st August 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are as listed on page 1.

Objectives and activities

Our mission is to deliver outstanding preparatory education and pastoral care as a family of schools, giving our pupils the opportunity, skills and confidence to prepare them for their future.

The Trust provides support and expertise to our schools in support of this mission. Our ethos is to celebrate individuality and the freedom of childhood; the best traditions of British primary education and deliver exceptional academic teaching and pastoral care as a family of schools.

Each school has its own unique personality but all our schools share consistent values: putting our pupils first; performing to the highest standards; pooling our strengths to collaborate and achieve more; innovating by anticipating change and adapting to it; and looking beyond the school gates to serve the wider local communities.

Most importantly, we prioritise the development of our pupils treating everyone as individuals.

Involvement with local primary schools through the provision of teaching, shared facilities and specialist services is a further important aspect of the Trust's commitment to Education.

Local advisory groups

Each of the Trust schools has a local advisory group made up of a Trustee, the Chief Executive, the Head and local parents. They meet each term with particular attention to safeguarding, child protection and health and safety. They provide a mixture of support and expertise to the Head and a link between the school, pupils and parents. The Trust is very appreciative of their help and commitment.

Public benefit and social responsibility

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Educational

- The independent sector as a whole provides excellence in "challenging subjects".

- While nationally the number of children studying languages has declined, the Trust continues to teach all children modern foreign languages.

- All children are screened for Special Educational Needs. The provision of specialist support to those identified with needs is in itself a public good.

- The standards of the Trust's education are reviewed annually against national benchmarks and the Trust's educational provision exceeds those benchmarks.

- The Trust uses its own resources to recruit people into the teaching profession, then to induct and train them. They are actively assisted in achieving Qualified Teacher Status, which allows teachers to move to the maintained sector should they wish.

Public benefit and social responsibility (continued)

Wider community and partnerships

- The Trust is constantly seeking new ways in which to deliver its charitable objects to a young public without regard to wealth, race, religion, social or academic status.

- The Trust's schools have developed and continued links with their local communities and schools in the maintained sector. Partnerships and community engagement activities include:

    - Specialist teaching and shared professional development for staff in local primary schools, for example WISE Academies, Mowden Hall and Dry Sandford, Cothill;
    - Access to facilities for pupils, for example Chandlings has developed links with Long Furlong School, enabling their Year 4, Year 5 and Year 6 pupils to have weekly swimming lessons at Chandlings swimming pool taught by Chandlings' specialist swimming teachers;
    - Enrichment days for local pupils, for example the year 3 adventure afternoon at Three Peaks, Barfield and the annual Maths challenge at Mowden Hall;
    - Charity fundraising both in terms of money raised and resources provided, such as books donated by Chandlings to the local children's ward and many charity fundraising activities at our schools;
    - Community projects, in particular the Mowden Hall St James' Bells project and the Kitebrook involvement with the local Silver Service lunch.

- The Trust schools take an active part in local church life.

- Barfield is running a 'Save outdoor education' campaign in a bid to support local schools who have lost outdoor educational trips due to COVID-19. The school has offered 10 outdoor adventure sessions to enable 350 students to be given the opportunity to attend a team building programme at their Three Peaks centre.

Environmental and Sustainability

During this year the Cothill Trust has developed its Environmental and Sustainability Statement which outlines the Trust's aim to provide the highest quality of education for pupils in a way that minimises the impact upon the environment. The Cothill Trust is committed both to its staff leading by example and to educating its pupils about environmental and sustainability issues.

To meet these objectives Cothill Trust schools have devised their own policies and objectives and continue to develop local initiatives to support these.

Financial and access

- Bursaries - It is important to us that access to the education we offer is not restricted to those who can afford our fees. The Cothill Trust bursary policy has been authorised by the Trustees and forms part of the Trust's Public Benefit Strategy which contributes to a widening of access to the education we offer and the facilities we enjoy. The aim of the bursary policy is to ensure that prospective and current parents/guardians are aware of the bursary provision and the process by which they can apply. The Trustees are committed to assisting access to the Trust's schools by offering means-tested financial support with the payment of school fees. Bursaries are means-tested and may be awarded in the form of a discount of up to 100% of the day tuition fees, depending on the financial circumstances of applicants.

- The Trust supported 116 families with financial help during the year.

Strategic Report

The Board of Trustees sets the Trust's strategic direction and manages its operational performance in the way most likely to promote its long-term success for the benefit of its pupils through the provision of outstanding education. A key cornerstone of this is engagement with key stakeholders. Included within the points below are details of the Trust's engagement with the key stakeholder groups in the financial year.

The Trustees have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties under S172.

Achievements and performance

Cothill Trust applied its income received during the year to the cost of operating schools at Cothill House, Chandlings, Kitebrook House, Mowden Hall, Ashdown House and Barfield in England together with Sauveterre in France.

During 2020 the pupils at the operating schools achieved excellent standards across the curriculum and did well in Common Entrance and Scholarship examinations.

Financial review

The results for the year are shown in the income and expenditure account on page 12.

The Trust produced a deficit for the year of £(2,045)k (2019: deficit of £1,506k).

Payroll costs were 85% of income (2019: 76%).

During the year £640k (2019: £549k) was spent on the repair and maintenance of Trust properties.

Significant events

Ashdown House

On 1st June 2020, the Trust formally notified the community of Ashdown House Preparatory School, Sussex, that the Trustees had made the difficult decision for the school to close at the end of the academic year in July 2020. The impact of Covid-19 has been significant and Trustees concluded that providing a high standard of education at Ashdown was not possible in light of the financial challenges that the school was facing. From September, the school was projected to be less than a third full following a decline in both the number of international boarders and fewer new and existing parents taking up their places for the next academic year.

A comprehensive programme of support, guidance and consultation to help Ashdown House's pupils and staff was undertaken following the announcement.

Since the closure of the school, Gerald Eve continue to market the property on behalf of the Trust.

Sauveterre

Ownership of the Château de Sauveterre was transferred to Downe House School on 29th January 2021 for consideration of €200,000. As part of the sale, the Trust has an agreement with Downe House for its pupils to have access to Sauveterre for a minimum of 40 pupils in the Summer Term for the next three years.

Principal risks and uncertainties

Risk is assessed in terms of significant things which may prevent the Trust from achieving its strategic objectives. Consideration is given to the financial, operational, environmental and reputational impact on the delivery of the Trust's key objectives. The health, safety, welfare and safeguarding of the children in the Trust's care is paramount. The Trustees take this responsibility very seriously, ensuring its policies are appropriate and implemented in each school. The Trustees are aware of the financial risks associated with its activities and having invested heavily in improving schools with the support of bank finance are carefully seeking to supplement this through the sale of non-strategic Trust assets.

Risk management

The Trust has established systems which under normal conditions should allow these risks to be mitigated to an acceptable level in its day to day operations. Risk and Performance Assessments are carried out on a termly basis. Specific risks that have been considered are safeguarding, pupil numbers, cash flow, reputational issues, uncertain economic and political conditions arising from the uncertainty regarding the UK's exit from the European Union and most recently the risks brought about by COVID-19. A traffic light system alerts Trustees to specific risks and direction of change as they arise and are mitigated.

Impact of COVID-19

- **Impact on the delivery of our charitable objectives and the measures taken to contain it**

  In the Summer Term 2020, for the majority of the term, teaching was online as pupils were unable to attend school. A comprehensive online teaching programme for each year group including live lessons was undertaken and received excellent feedback from pupils and parents. Pupil wellbeing was also a priority with a comprehensive online programme in place including form tutor meetings, whole school assemblies, extracurricular and sporting initiatives.

  In Autumn Term 2020, all pupils returned to school (with the exception of a few international boarding pupils) and following Public Health England and Government guidance the schools are all offering a full educational programme.

- **Impact on fee income**

  During the Summer Term, parents were offered a 20% discount on fees. We also operated an emergency bursary scheme for parents who found themselves in financial hardship as a result of COVID-19. Student numbers remained similar to anticipated but overall fee income was reduced by £1,162k compared with the amount which would usually have been collected.

  Pupil numbers in the Autumn Term 2020 are lower than numbers predicted pre-COVID due to the closure of Ashdown House and some international pupils being unable to return

- **Impact on staff in terms of remote working**

  Staff have been given the opportunity and resources to work from home where necessary. Measures have been put in place to ensure the safety of staff and pupils at all of our schools.

- **Impact on future aims**

  Providing first class preparatory education to our pupils continues to be the principal aim of the Trust and the schools have adapted to ensure this is still feasible.

Safeguarding

The Trustees are committed to the highest standards of promoting safeguarding and the welfare of the Trust's pupils. All staff receive appropriate training on an annual basis and are committed to ensure pupils are protected and enjoy a safe environment.

Reserves policy

The Trustees are currently borrowing to invest in the development of the Trust, funding interest and loan repayments out of current income. Certain improvements and modernisation are planned for its schools over the next few years. The long term aim is to increase reserves such that the Trust is not solely dependent on borrowing. The Trust has no free reserves (unrestricted reserves less tangible fixed assets and commitments) and it is not anticipated that free reserves will be available in the near future. Reserves are monitored termly by reference to cash flows projected to the end of the academic year and then for a further three years.

Investment policy

The Trust holds no permanent endowment but any temporary surplus cash is held on short term deposits to secure a high rate of interest.

Plans for future periods

The Trust will continue to develop its schools in accordance with its charitable objectives. The Trust is committed to playing an active role in the wider community and in particular its involvement with local primary schools. Further, the Trust will continue to seek opportunities for strategic acquisitions and mergers with other similar educational establishments in order to fulfil its objectives.

Structure, governance and management

The Cothill Trust incorporated seven distinct and separate schools Cothill House (All boys boarding 8-13+), Chandlings (Co-educational day nursery -11+), Kitebrook Preparatory (Co-educational day nursery -8+, day and boarding 8-13+), Sauveterre (Co-educational boarding in France, 11-13+), Mowden Hall School (Co-educational day nursery 3-13+, Co-educational boarding 8-13+, Ashdown House (co-educational day and boarding 7-13+) and Barfield School (Co-educational day 2-13) during the year. Ashdown House was closed in July 2020.

Charitable and company status

The Cothill Trust is a company which does not have share capital and is limited by the guarantee of the members to a maximum of £1 each. The membership at 31st August 2020 was 7 (2018: 7).
The Trust is governed by the Memorandum and Articles of the company.

Trustees

The Trustees meet at least four times a year and assume governance for each school in the Trust. A Finance Committee also meets at least three times each year. Each school has a Head Teacher responsible for day to day operations. Regular management meetings are held between the Head Teachers and the Chief Executive. The Trustees entrust the coordination of management for the Trust's schools to the Chief Executive.

The Trust has a policy of recruiting Trustees with specialist skills and a knowledge of the Trust's objectives. They are appointed in accordance with the Memorandum and Articles of Association.

The principal roles of the Trustees are:

- to set the Trust's strategy
- to monitor performance against key performance indicators
- to ensure the Trust has policies that provide adequate internal control and mitigate risk
- to maintain the financial stability of the Trust

Trustees' induction and training

Trustees are briefed on their obligations under charity and company law, the content of the Memorandum and Articles of Association, the Code of Governance, the Board and decision making processes and business plan and recent performance of the charity. Introductory meetings with senior management are arranged. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Employees

The Trust's long-term success is reliant on the commitment and delivery of our strategy by our workforce and its consistent demonstration of our values. To maintain competitive advantage and meet the growing demands of the environment in which we operate, we need a workforce which embodies our commitment to provide outstanding education and pastoral care to our pupils to provide them with the opportunity, skills and confidence to have a successful future. We engage with our workforce through individual appraisals, team meetings and feedback sessions to ensure that we are fostering an environment that they are happy to work in and that best supports their well-being. We invest in our workforce as we believe both that training benefits the individual and the Trust and that such investment helps to retain our employees and provide them with the opportunity for personal development.

As part of our response to Covid-19 the senior management teams and Health and Safety and HR representatives have met regularly to consider what actions and communications have been needed to safeguard our employees' physical and mental well-being. Government guidance has been monitored, followed and any necessary steps implemented both in office and factory environments to minimise risks to employees.

The policy of the Trust with regard to disabled persons is to give full and fair consideration to all applicants for employment and to all employees in relation to promotion. Wherever possible, employees who become disabled during their employment are offered suitable alternative employment.

Fundraising Activities

The Trust continued to enlist the support of a Development Director during the year to raise funds on behalf of the organisation to invest in the development of Trust schools through liaising with school alumni, current and former parents, and other stakeholders. Their work was monitored and guided by the Executive Board in regular meetings. The Trust is registered with the Fundraising Regulator and is committed to following the Code of Fundraising Practice. No complaints were received by the Trust regarding these fundraising activities.

Key Management Personnel Remuneration

The Trustees consider the Chief Executive, the Director of Finance, the Director of Marketing and Head of each Trust School as comprising the key management personnel of the charity in charge of directing and controlling the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 9 and 21 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises. The pay of the Chief Executive and senior leadership team is reviewed annually and is normally increased in accordance with average earnings.

Engagement with suppliers, customers and others in a business relationship

- **Customers:** In a highly competitive environment success depends on meeting customer needs and requirements more effectively than our competitors. We therefore recognise the benefits of engagement with our parent communities to keep them abreast of developments in their schools and across the Trust.

- **Suppliers:** Our suppliers are fundamental to the quality of our services and to ensuring that as a business we meet the high standards of conduct that we set ourselves and comply with regulatory requirements. The Trust relies on its supplier base to deliver products and services on time and to the specified quality and standard.

Greenhouse gas emissions, energy consumption and energy efficiency

Emissions of carbon dioxide equivalent during the year ended 31st August 2020 were as follows:-

	2020 CO2e (Tonnes)	2020 kWh
Combustion of gas	126.31	672,467
Consumption of fuel for the purposes of transport	6.71	23,521
Consumption of kerosene	69.63	260,040
Purchase of electricity	434.66	1,864,388
Total	**637.31**	**2,820,416**
Number of pupils	1,168	1,168
Intensity ratio (Total/pupil numbers):	0.55	2,415

Following the year end, the Trust has enlisted an external contractor to review historic utilities invoices and report on the energy consumption in schools. This report will be used as the basis for further investigation into the energy efficiency of the Trust, with further action being taken as necessary.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year, and is in force as at the date of approving this report.

Statement of Trustees responsibilities

The Trustees (who are also directors of Cothill Trust for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Statement of Trustees responsibilities (continued)

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Wenn Townsend have agreed to offer themselves for re-appointment as auditors of the Trust. A resolution to reappoint the auditors will be proposed at the annual general meeting.

In approving the Trustees' Annual Report, the Trustees also approve the Strategic Report included therein, in their capacity as company directors.

Signed on behalf of the Board

Dr R D Townsend

9th March 2021

Independent Auditor's Report to the members of Cothill Trust

Opinion

We have audited the financial statements of Cothill Trust (the 'charitable company') for the year ended 31st August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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 set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Use of our report
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deborah Pluck BA FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Chartered Accountants, Statutory Auditor
Oxford

9th March 2021

Cothill Trust

Statement of Financial Activities (including income and expenditure account) for the year ended 31st August 2020

	Note	Continued Operations £'000	Discontinued Operations £'000	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total £'000	Continued Operations £'000	Discontinued Operations £'000	2019 Total £'000
Income and endowments from:									
Income from charitable activities									
Fees	**2**	15,313	1,602	16,915	-	16,915	16,491	2,091	18,582
Other educational income	**3**	784	148	932	-	932	840	200	1,040
Ancillary income	**4**	210	1	211	-	211	488	5	493
Donations	**5**								
Government grants		1,063	119	1,182	-	1,182	-	-	-
Other donations		4	1	5	247	252	216	6	222
Other income									
Gain on disposal of property	**11**	12	-	12	-	12	1,107	-	1,107
Total income		17,386	1,871	19,257	247	19,504	19,142	2,302	21,444
Expenditure on:									
Raising funds									
Overdraft and loan interest and fees		139	-	139	-	139	94	-	94
Fee composition discount		13	-	13	-	13	17	-	17
		152	-	152	-	152	111	-	111
Charitable activities	**6**	18,558	2,852	21,410	2	21,412	20,010	2,804	22,814
Total expenditure		18,710	2,852	21,562	2	21,564	20,121	2,804	22,925
Net (expenditure)/income		(1,324)	(981)	(2,305)	245	(2,060)	(979)	(502)	(1,481)
Other recognised gains/(losses)		15	-	15	0	15	(25)	-	(25)
Net movement in funds		(1,309)	(981)	(2,290)	245	(2,045)	(1,004)	(502)	(1,506)
Reconciliation of funds									
Balances brought forward at 1st September 2019				34,693	686	35,379			36,885
Balances carried forward at 31st August 2020				32,403	931	33,334			35,379

The Statement of Financial Activities includes all gains and losses recognised during the year.

Company number: 961616

Cothill Trust

Balance Sheet
31st August 2020

	Note		2020 £'000		2019 £'000
Fixed assets					
Tangible assets	11		41,116		41,463
Investments	12		-		-
			41,116		41,463
Current assets					
Stock	13	88		71	
Debtors	14	623		471	
Cash at bank and in hand		954		856	
		1,665		1,398	
Creditors: Amounts falling due within one year	15	(8,784)		(6,752)	
Net current liabilities			(7,119)		(5,354)
Total assets less current liabilities			33,997		36,109
Creditors: Amounts falling due after one year	16		(663)		(730)
Net assets			33,334		35,379
Funds					
Unrestricted funds					
Revaluation reserve	19		17,926		18,112
Income and expenditure account	19		14,447		16,551
Designated fund	19		30		30
			32,403		34,693
Restricted funds					
Restricted donations	19		931		686
			33,334		35,379

The financial statements were approved and authorised by the Board on 9th March 2021.

Signed on behalf of the Board

Dr R D Townsend
Trustee

E Bottari
Trustee

The notes on pages 15 to 26 form part of these financial statements.

Cothill Trust
Cash Flow Statement
for the year ended 31st August 2020

Reconciliation of net income to net cash inflow from operating activities:

	2020 £'000	2019 £'000
Net income for year	(2,060)	(1,481)
Interest payable	139	94
Impairment/depreciation of tangible fixed assets	621	575
Profit on disposal of tangible fixed assets	(12)	(1,107)
Increase in stocks	(17)	(12)
(Increase)/decrease in debtors	(152)	282
Decrease in creditors	(570)	(612)
New fees in advance	262	304
Fees in advance applied in year	(360)	(619)
Fees in advance refunded in year	-	(28)
Fee composition discount	13	17
Gains/(losses) arising from changes in foreign exchange rates	15	(25)
Cash flow from operating activities	(2,121)	(2,612)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(284)	(1,477)
Receipts from sale of tangible fixed assets	22	3,069
Receipt of deferred consideration for sale of St Aubyns	-	4,000
Net cash flow from investing activities	(262)	5,592
Cash flow from financing activities:		
Interest paid	(152)	(111)
Repayment of loans	-	(117)
Net cash flow from financing activities	(152)	(228)
(Decrease)/increase in cash and cash equivalents	(2,535)	2,752
Cash and cash equivalents at 1st September 2019	(1,236)	(3,988)
Cash and cash equivalents at 31st August 2020	(3,771)	(1,236)
Cash and cash equivalents consist of:		
Cash at bank and in hand	954	856
Overdrafts	(4,725)	(2,092)
Cash and cash equivalents at 31st August 2020	(3,771)	(1,236)

1. Summary of significant accounting policies

General information and basis of preparation

Cothill Trust is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with:

- 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 issued in October 2019;
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- The Charities Act 2011;
- The Companies Act 2006; and
- UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Trust identifies each school as representing a separate geographical area of operations. As such, in the event of the closure of a school, this is considered to be a discontinued operation. Ashdown House closed during the year. The income and expenditure directly attributable to this site is disclosed as discontinued operations on the face of the SOFA in accordance with the requirements of section 5 of FRS 102.

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Summary of significant accounting policies (continued)

Income recognition (continued)
Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

The charity receives government grants in respect of the Coronavirus Job Retention Scheme. These grants are recognised using the accrual model and as such are recorded in the SoFA in the period in which the charity is entitled to such grants as a result of having furloughed staff members.

Expenditure recognition
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of interest paid and fee composition discounts;
- Expenditure on charitable activities includes the operating costs of the schools in the Trust; and
- Other expenditure represents those items not falling into the categories above.

VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

Tangible fixed assets
Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land, historic and residential buildings	Nil
Freehold buildings – school buildings/additions	2% Straight line
Assets under the course of construction	Nil
Computer equipment	33.33% Straight line
Other equipment, fixtures and fittings	5-20% Straight line
Vehicles	10-25% Straight line

Investments
Investments in subsidiaries are measured at cost less impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value.

1. Summary of significant accounting policies (continued)

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Leases
Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Foreign currency
Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits
When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax
The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern
The net current liabilities position and uncertainties arising from the COVID-19 pandemic has necessitated a review of the application of the going concern basis in these accounts. The Trustees have considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern for the reasons disclosed below.

The Trust has taken steps to dispose of Sauveterre and Bishops House following the year end (note 23). In addition, the Trust is continuing to market Ashdown House. The consideration received for these disposals, and the anticipated proceeds from the sale of Ashdown House, will significantly improve the borrowings profile of the Trust. This, along with the subsequent improvements to forecasted income and expenditure in future periods, provides the Trustees with sufficient confidence to assert that the Trust has sufficient reserves to continue in operation for 12 months from authorising these financial statements.

Group accounts
The Charity does not prepare group accounts as its subsidiary entities are deemed immaterial to the group.

2. School fees

	2020 £'000	2019 £'000
Fees	19,206	19,901
Discounts and awards	(2,291)	(1,319)
	16,915	18,582

None of the above income was attributable to restricted funds in either period.

3. Other educational income

	2020 £'000	2019 £'000
Music tuition and associated income	333	420
Extra tuition	155	222
Occasional boarding and summer lets	278	194
Other income	166	204
	932	1,040

None of the above income was attributable to restricted funds in either period.

4. Ancillary income

	2020 £'000	2019 £'000
Other income	211	493
	211	493

None of the above income was attributable to restricted funds in either period.

5. Donations

Income from donations was £252k during the year (2019: £222k), of which £247k (2019: £215k) was attributable to restricted funds.

Included within donations income for the Charity is £1,182k (2019: £nil) of government grants relating to the Coronavirus Job Retention Scheme.

6. Charitable activities

	Staff costs £'000	Other costs £'000	2020 Total £'000	2019 Total £'000
Teaching	12,117	898	13,015	13,208
Welfare	2,045	870	2,915	3,413
Premises	666	1,986	2,652	3,261
Support costs of education	1,670	1,160	2,830	2,932
	16,498	4,914	21,412	22,814

£2k (2019: £84k) of the above expenditure was attributable to restricted funds.

The major components of support costs include:-

	2020 £'000	2019 £'000
Administrative staff costs	1,644	1,601
Postage, stationery, telephone and other administrative costs	216	333
Advertising for staff and promotion	172	217
Bad debts	91	53
Legal and professional fees	586	512
Recruitment fees	49	149
Bank charges	16	(2)
Governance costs (see note 7)	56	69
	2,830	2,932

7. Governance costs

	Staff costs £'000	Other costs £'000	2020 Total £'000	2019 Total £'000
Staff	26	-	26	29
Audit	-	22	22	21
Other	-	8	8	19
	26	30	56	69

8. Staff costs and employee benefits

	2020 £'000	2019 £'000
Staff costs		
Wages and salaries	13,862	13,534
Social security costs	1,132	1,343
Pensions	1,504	1,387
	16,498	16,264

	2020 FTE	2020 Number	2019 FTE	2019 Number
Average number employed including Trustees:				
Trustees	10	10	7	7
Teachers	245	368	298	332
Household	100	133	137	150
Administration	48	68	60	67
	403	579	502	556

Number of employees who received total employee benefits (excluding employer pensions costs) of more than £60,000 is as follows:

	2020	2019
£ 60,001 - £ 70,000	2	3
£ 70,001 - £ 80,000	1	4
£ 80,001 - £ 90,000	1	-
£ 90,000 - £100,000	1	1
£100,000 - £110,000	2	1
£110,001 - £120,000	-	-
£150,001 - £160,000	1	-
£160,001 - £170,000	-	1

In light of the financial pressures due to the COVID-19 pandemic, the Chief Executive elected to take a reduced salary from the beginning of April until the end of the financial year

Total termination payments during the year amount to £1,096k (2019: £242k). These are recognised in expenditure when settlement agreements are reached.

Teachers' pension scheme

The Trust participates in the Aviva Pension Trust for Independent Schools ("APTIS") for its teaching staff. The pension charge for the year includes contributions payable to APTIS of £1,300k (2019: £1,199k payable to the TPS).

APTIS is a defined contribution pension scheme developed by Aviva in association with the Independent Schools' Bursars Association Members contribute on a "pay as you go" basis with contributions also made by the Trust.

8. Staff costs and employee benefits (continued)

In previous years the Trust participated in the Teachers' Pension Scheme (England and Wales) ("the TPS"). As a result of the increase in employer contributions, the Cothill Trust entered formal consultation on the intention to withdraw from the TPS in Spring 2019. The consultation closed and the Trust left the TPS on 31st August 2019.

9. Trustees and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during this or last year.

The total amount of employee benefits received by key management personnel is £953k (2019: £937k). The Trustees consider its key management personnel during the period comprised the Board of Trustees, the Chief Executive, the Director of Finance, and the Head of each Trust school.

Five Trustees were reimbursed for travel expenses totalling £1,542 (2019: five reimbursed for travel expenses totalling £1,463) during the year.

10. Net resources expended

		2020 £'000	2019 £'000
Results for the year are stated after charging:			
Depreciation:	owned assets	621	575
Auditor's fees:	audit work	22	21
	non-audit work	38	64
Operating leases:	equipment	21	16
	motor vehicles	94	100
Net (gain)/loss on foreign currency translations		(15)	25

11. Tangible fixed assets

	Vehicles £'000	Computers £'000	Fixtures, Fittings & Equipment £'000	Freehold Land & Buildings £'000	Assets under the course of construction £'000	Total £'000
1st September 2019	247	270	1,914	44,122	840	47,393
Additions	-	133	54	34	63	284
Disposals	(24)	(1)	-	-	-	(25)
Historic adjustment	-	-	-	417	-	417
Reallocation	-	8	120	635	(755)	-
31st August 2020	223	402	2,088	45,208	148	48,069
Depreciation and impairments						
1st September 2019	131	155	1,228	4,416	-	5,930
Depreciation	22	59	123	417	-	621
Historic adjustment	-	-	-	417	-	417
Disposals	(15)	-	-	-	-	(15)
31st August 2020	138	214	1,351	5,250	-	6,953
Net book value						
31st August 2020	85	188	737	39,958	148	41,116
31st August 2019	116	115	686	39,706	840	41,463

The Trustees elected, in accordance with Section 35.10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost and it is the company's policy not to revalue fixed assets. The surplus of a previous revaluation over cost had been credited to a revaluation reserve which now stands at £17.9m (Note 19). The original purchase price (historic cost) is £18.33m.

Tangible fixed assets with a net book value of £6,642k (2019: £6,642k) have been pledged as security for liabilities of the charity.

Two motor vehicles were sold by the Trust for £19k resulting in a surplus on disposal of £11k (2019: two motor vehicles were sold by the Trust for £31k resulting in a surplus on disposal of £30k). No properties were sold during the year (2019: two properties sold resulting in a surplus of £321k, along with additional proceeds of £850k in respect of the sale of St Aubyns in 2016/17).

No impairments were recognised in the financial statements (2019: no impairments).

12. Fixed asset investments

	Unlisted Investments
Cost	
At 1st September 2019 and 31st August 2020	£ 2
Provision against diminution of value	
At 1st September 2019 and 31st August 2020	£ 2
Net book values	
At 31st August 2020	£ -
At 31st August 2019	£ -

The Trust owns 100% of the allotted share capital of the following undertakings:

	Country of registration	Class of share capital held	Nature of business	Capital and reserves at 31st August 2020 £	Profit for year ended 31st August 2020 £
CET Estates Limited	England and Wales	Ordinary	Dormant	(1,184)	-
Cothill Enterprises Limited	England and Wales	Ordinary	Events	1,429	31,703

13. Stocks

	2020 £'000	2019 £'000
Stock - consumables	88	71

14. Debtors

	2020 £'000	2019 £'000
Trade debtors	215	254
Other debtors	346	15
Prepayments and accrued income	62	202
	623	471

Other debtors include outstanding claims under the Coronavirus Job Retention Scheme.

15. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Bank overdraft and loan facility	4,725	2,092
Trade creditors	2,652	3,761
Other taxation and social security	277	299
Other creditors	407	406
Accruals and deferred income	723	194
	8,784	6,752

Trade creditors include £2,099k (2019: £2,543k) in respect of fees received in advance for Autumn 2020 term, and £164k (2019: £162k) for the following Spring and Summer terms. The bank loan facility and overdraft are secured - see note 17 for details.

16. Creditors: amounts falling due after one year

	2020 £'000	2019 £'000
Other creditors	663	730
	663	730

Other creditors include £188k (2019: £251k) for fees received in advance for academic years 2020/21 onwards under the fees in advance scheme.

17. Bank overdraft, loan facility and loans

The bank overdraft facility of £2.5m has an interest rate of 2.50% above base.

The Trust had a revolving loan facility in place during the year for £3m which expired on 31 December 2020. This has been replaced by an overdraft facility of £5.5m. Interest is charged at a rate of Libor plus 2.50%.

The Trust's bank borrowings are secured by a debenture and fixed charge over some of its UK freehold property and land.

18. Deferred income under the fees in advance scheme

During the year fees amounting to £262k (2019: £304k) were received in advance for pupils for future years. Fees released to income amounted to £360k (2019: £619k), and no amounts (2019: £28k) were refunded to parents. Fee composition discounts of £13k (2019: £17k) were charged to expenditure.

All amounts owing at 31st August 2020 are shown as liabilities in notes 15 and 16.

19. Funds

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2020 £'000
At 1st September 2018	555	-	18,112	18,218	36,885
Surplus/(deficit) for the year	131	-	-	(1,637)	(1,506)
Transfers between funds	-	30	(93)	63	-
At 31st August and 1st September 2019	686	30	18,019	16,644	35,379
Surplus/(deficit) for the year	245	-	-	(2,290)	(2,045)
Transfers between funds	-	-	(93)	93	-
At 31st August 2020	931	30	17,926	14,447	33,334

The restricted donations fund balance carried forward includes monies raised for a sports hall at Cothill (£922k).

20. Analysis of net assets between funds

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2020 £'000
Fund balances at 31st August 2020 are represented by:					
Tangible fixed assets	83	-	17,926	23,107	41,116
Net current assets/(liabilities)	848	30	-	(7,997)	(7,119)
Long term liabilities	-	-	-	(663)	(663)
At 31st August 2020	931	30	17,926	14,447	33,334

	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2019 £'000
Fund balances at 31st August 2019 are represented by:					
Tangible fixed assets	-	-	18,019	23,444	41,463
Net current assets/(liabilities)	686	30	-	(6,070)	(5,354)
Long term liabilities	-	-	-	(730)	(730)
At 31st August 2019	686	30	18,019	16,644	35,379

21. Related party transactions

Mr T Beardmore-Gray, Chief Executive, is a Trustee of the Prep School Baccalaureate. During the year to 31st August 2020, payments made to the Prep School Baccalaureate amounted to £1,835 (2019: £920l). A balance of £3,200 was outstanding at the year end (2019: £nil).

Mr T Gibson, a Trustee, is a Director of Gibson & Co Solicitors Limited. During the year to 31st August 2020, payments made to Gibson & Co Solicitors Limited amounted to £2,484 (2019: £nil). No amounts were outstanding at the year end (2019: £nil).

Mr W Donger and Mr J Marking, both Trustees, were directors of Savills during the year (Mr J Marking retired during the year). During the year to 31st August 2020, payments made to Savills amounted to £10,903 (2019: £11,765). No amounts were outstanding at the year end (2019: £nil).

Mr D Bailey, Head of Cothill House, is a Governor of Tudor Hall School. During the year to 31st August 2020, payments totalling £11,160 were made to Tudor Hall School (2019: £5,935). A balance of £5,867 was outstanding at the year end (2019: £nil).

22. Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Expiring:

	2020 £'000	2019 £'000
Within one year	99	112
Within two and five years	117	152
	216	264

23. Post balance sheet events

In December 2019, a novel strain of coronavirus surfaced and spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020 and resulted in a UK lockdown from March 2020. With the pandemic ongoing, the extent to which the coronavirus may impact the activity of the Trust will depend on future developments. However, at the date of this report, schools have reopened and the Trust's management is hopeful that activity will return to previous levels. Nonetheless, the situation remains uncertain and it is difficult to predict new information which may emerge concerning the severity of the coronavirus and the actions required to contain or treat its impact.

In January 2021, the Trust transferred Sauveterre to Downe House for consideration of €200,000. As part of the sale, the Trust has an agreement with Downe House for its pupils to have access to Sauveterre for a minimum of 40 pupils in the Summer Term for the next three years.

Also in January 2021, the Trust completed the disposal of Bishops House in Dry Sandford for consideration of £732k.