



Annual Report and Accounts
for the year ended
31st August 2022

Registered Company Number: 961616

Registered Charity Number: 309639

Prep Schools Trust
Report of the Trustees (including the Strategic Report)
For the year ending 31st August 2022

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Prep Schools Trust Schools and their Heads



Andrew Boyle



Christine Cook



Duncan Bailey



Susan McLean



Kate Martin

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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

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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

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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.

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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.

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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;

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- 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.

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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.

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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.

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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

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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

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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.

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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;

Prep Schools Trust
Report of the Trustees (including the Strategic Report)
For the year ending 31st August 2022

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		<u>19,538</u>	<u>-</u>	<u>19,538</u>	<u>963</u>	<u>20,501</u>	<u>18,711</u>	<u>61</u>	<u>18,772</u>
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
Charitable activities		<u>66</u>	<u>-</u>	<u>66</u>	<u>-</u>	<u>66</u>	<u>182</u>	<u>-</u>	<u>182</u>
Other expenditure	6	19,034	35	19,069	12	19,081	16,647	605	17,252
Loss on disposal	11	19	13	32	-	32	-	564	564
Total expenditure		<u>19,119</u>	<u>48</u>	<u>19,167</u>	<u>12</u>	<u>19,179</u>	<u>16,829</u>	<u>1,169</u>	<u>17,998</u>
Net income/(expenditure)		<u>419</u>	<u>(48)</u>	<u>371</u>	<u>951</u>	<u>1,322</u>	<u>1,882</u>	<u>(1,108)</u>	<u>774</u>
Other recognised (losses)/gains		-	-	-	-	-	(15)	-	(15)
Net movement in funds		<u>419</u>	<u>(48)</u>	<u>371</u>	<u>951</u>	<u>1,322</u>	<u>1,867</u>	<u>(1,108)</u>	<u>759</u>
Reconciliation of funds									
Balances brought forward at 1 st September 2021				31,717	2,376	34,093			33,334
Balances carried forward at 31 st August 2022				<u>32,088</u>	<u>3,327</u>	<u>35,415</u>			<u>34,093</u>

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

Prep Schools Trust

Balance Sheet
31st August 2022

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

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)

Prep Schools Trust
Notes to the Accounts
for the year ended 31st August 2022

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.

Prep Schools Trust

Notes to the Accounts (continued) for the year ended 31st August 2022

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.

Prep Schools Trust

Notes to the Accounts (continued) for the year ended 31st August 2022

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.

Prep Schools Trust

**Notes to the Accounts (continued)
for the year ended 31st August 2022**

2. School fees

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

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
	<u>800</u>	<u>811</u>

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

4. Ancillary income

	2022 £'000	2021 £'000
Other income	251	158
	<u>251</u>	<u>158</u>

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
	<u>968</u>	<u>1,696</u>

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

Prep Schools Trust

Notes to the Accounts (continued)
for the year ended 31st August 2022

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
	<u>12,950</u>	<u>6,131</u>	<u>19,081</u>	<u>17,252</u>

£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
	<u>2,539</u>	<u>2,402</u>

7. Governance costs

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

Prep Schools Trust
Notes to the Accounts (continued)
for the year ended 31st August 2022

8. Staff costs and employee benefits

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

	2022	2022	2021	2021
	FTE	Number	FTE	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
	<u>320</u>	<u>461</u>	<u>362</u>	<u>536</u>

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).

Prep Schools Trust

Notes to the Accounts (continued) for the year ended 31st August 2022

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

Prep Schools Trust

Notes to the Accounts (continued)
for the year ended 31st August 2022

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).

Prep Schools Trust

Notes to the Accounts (continued)
for the year ended 31st August 2022

12. Fixed asset investments

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

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	<u>113,772</u>	<u>113,672</u>

CET Estates Limited was dissolved during the period.

13. Stocks

	2022 £'000	2021 £'000
Stock - consumables	<u>104</u>	<u>82</u>

Prep Schools Trust

**Notes to the Accounts (continued)
for the year ended 31st August 2022**

14. Debtors

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

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	2021
	£'000	£'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
	<u>4,401</u>	<u>7,931</u>

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	2021
	£'000	£'000
Other creditors	752	641
	<u>752</u>	<u>641</u>

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.

Prep Schools Trust

Notes to the Accounts (continued)
for the year ended 31st August 2022

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 £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total £'000
At 1 st 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 31 st August and 1 st 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 31 st 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.

Prep Schools Trust

Notes to the Accounts (continued)
for the year ended 31st August 2022

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 31 st 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 31 st August 2022	<u>3,327</u>	<u>30</u>	<u>15,526</u>	<u>16,532</u>	<u>35,415</u>
	Restricted donations fund £'000	Designated fund £'000	Revaluation reserve £'000	Income and expenditure £'000	Total 2021 £'000
Fund balances at 31 st 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 31 st August 2021	<u>2,376</u>	<u>30</u>	<u>15,619</u>	<u>16,068</u>	<u>34,093</u>

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).

Prep Schools Trust

Notes to the Accounts (continued)
for the year ended 31st August 2022

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
	<u>204</u>	<u>124</u>

23. Future capital commitments

	2022 £'000	2021 £'000
Expenditure authorised and contracted for	<u>3,876</u>	<u>385</u>