

Registered Company Number: 910924

Registered Charity Number: 310642

CHESHAM PREPARATORY SCHOOL TRUST LIMITED
(A company limited by guarantee)

Report and Financial Statements
for the year ended 31 August 2020

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Officers and advisers

Directors and Trustees	Mr A Kinnier (Chairman) Mrs C Almond Mr N Baker Mr B Cartledge Dr A Haycock Mr P Hurd Mr P Johnson (resigned 10 July 2020) Mr A Jordan Mr D Killinger (resigned 5 January 2021) Mr J Matthews Ms A McNaney Mrs S Peck Mrs N Shepherd Mr D Strong Mr M Walker	
Company Secretary & Bursar	Mrs C Hughes	
Company Number	910924	
Charity Number	310642	
Principal and Registered Office	Chesham Preparatory School Trust Limited (known as Chesham Preparatory School), Two Dells Lane, Orchard Leigh, Chesham, Bucks, HP5 3QF	
Headmaster School Address	Mr J Beale Two Dells Lane, Orchard Leigh Chesham, Bucks HP5 3QF	
Bankers	National Westminster Bank plc Chilterns Corporate Business Centre PO Box 412, 2 nd Floor, Rapid House Oxford Road, High Wycombe, Bucks HP11 2EF	
Solicitors	Veale Wasborough Vizards LLP Narrow Quay House, Narrow Quay Bristol BS1 4QA	Lyons Davidson Ltd 43 Queen Square Bristol BS1 4QP
Insurance Brokers	Marsh Limited Capital House, 1-5 Perry Mount Road Haywards Heath, RH16 3SY	
Auditor	Moore Northern Home Counties Limited First Floor, 73-75 High St Stevenage, Hertfordshire, SG1 3HR	

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2020

The Trustees present their report and audited financial statements for the year ended 31 August 2020. The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Status

The Charity is constituted as a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association.

Organisation

The Trustees (also called Governors) meet as a Board of Directors to determine the general policy of the School. Two Sub-Committees of the Trustees have responsibility for Education & Pastoral Matters and Finance & General Purposes. In addition, designated Trustees have specific responsibilities covering Accident & Medical, Child Protection, Health & Safety and Learning Support. The main board and each sub-committee meet at least termly to determine policy and to monitor the operations of the School. The day-to-day management of the School is delegated to the Headmaster and Bursar who attend the board meetings.

The Board is a self-appointing body, with each member standing down every three years. Retiring members may stand for re-election. The optimum size of the board is twelve, currently there are fifteen members. The Board is quorate with 3 member votes. A skills matrix is held with regards to the Governing body in order to maintain a balanced board, this along with the number of members triggers the need for appointment of new Trustees. When and if potential new members are required, the board will advertise these vacancies and CVs are submitted for consideration. A recruitment process is then followed. The school follows the induction policy for Governors, which includes familiarisation with the school, staff and other Governors, provision of relevant policies and financial information and strategies, safeguarding and prevent training and access to relevant AGBIS (Association of Governing Bodies in Independent Schools) training.

Policy

The School is a charitable trust providing a day school for boys and girls aged 3 to 13 years. It seeks to benefit the public through the pursuit of its stated aims to maintain a high academic standard and also the encouragement of skills in art, design and technology, music, drama and sport. Children are prepared for entry into county secondary schools and into the independent schools sector.

Fees are, and traditionally have been, set at a level to maintain the financial viability of the School whilst providing a first class education for boys and girls from all backgrounds. Entrance interviews and assessments at certain years are undertaken to satisfy the School and parents that the School will be able to educate and develop the children to the best of their potential and in line with the general standards achieved by their peers. An individual's economic status, gender, ethnicity, race, religion or disability does not form a part of this process.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2020 (continued)

Objectives

In setting these objectives and planning activities, the Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. With this in mind the School has established these primary objectives:

- to prepare local children for entry to their choice of senior school education at the best level they can achieve;
- to promote an ethos of wanting to learn, concentrating on pupils' strengths rather than weakness. A happy child is likely to be the most fulfilled. Learning itself should be challenging and stimulating;
- whilst the school has no access to an endowment, in funding any bursaries it has to be mindful to ensure balance between the interests of current fee paying parents, many of whom make considerable personal sacrifices;
- to seek ways to promote the use of the School for the community, and to play its part in the life of our local community. Pupils regularly hold fundraising events with proceeds going to charity.

Strategy

The essential strategy is to develop every child in the School's care to the best of his/her ability in a happy and caring environment. To achieve this, the strategy requires:

- provision of a broad, balanced curriculum kept regularly under review;
- high quality teaching and support infrastructure with sound management;
- continuous appraisal and development of staff and facilities.

Aims

The Trustees believe that children have the right to thrive at school and that the School should provide a stimulating educational environment within which all its pupils can learn and grow with enjoyment. To achieve this, the School:

- provides an environment for the needs of the boys and girls that encourages endeavour, achievement and enjoyment amongst pupils and staff alike;
- provides a learning environment which is stimulating, rewarding and safe, and one in which pupils and staff feel respected, valued, supported and encouraged to make the best of their talents and opportunities;
- fosters a genuine feeling of school community based on strong family and Christian values;
- prepares all pupils in such a way that they are able to transfer to, and thrive at, their secondary schools;
- celebrates a pupil's successes and achievements, by providing positive encouragement and focusing on pupils' strengths rather than their weaknesses.

Activities that contribute to the achievement of the School's Aims and Objectives

The School's Senior Management Team works with all staff, pupils and parents to improve the School's contribution to the development of each and every child in its care.

Feedback on the School's performance is sought from parents and secondary schools receiving CPS children as well as through the detailed questionnaires distributed by the Independent Schools Inspectorate through their regular inspections- in the January 2016 "ISI Inspections" the school received an overall "Excellent" rating and received a rating of "Excellent" in each category.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2020 (continued)

The school had its regulatory compliance inspection in January 2019, and met all the standards.

Parents assist the School in structured one-to-one reading with children and by attending and assisting with trips and visits organised for the children. The Parent Teachers Association is very active within the school and parents contribute a great deal of their time and funds towards many projects.

Review of the business

The Trustees consider that the performance of the School in the year has been positive. This has again been a successful year for places gained by entry examinations at 11+ with almost all pupils leaving to enter secondary schools of their choice. A large proportion entered Buckinghamshire Grammar Schools.

The number of pupils attending the School in the 2020 Summer Term was 399 (Summer 2019 – 411) of whom 227 (Summer 2019 – 211) were boys. The average class size was 19.0 (Summer 2019 – 19.6) pupils.

The financial performance produced a small loss as a result of COVID19. The school has provided a discount for all pupil fees for the summer term, as provision of education was via remote learning only. The school considers this full online provision to have been a success. The school also placed many workers on furlough and reduced other costs wherever possible.

Since September 2020 all members of staff have returned from furlough and pupil numbers are strong, with a strong business pipeline. Whilst neither the academic year 2019-2020 nor 2020-2021 will see any large scale developments on site, the school continues to consider new developments for future years.

Developments

The Trustees work constantly to maintain and improve our facilities for pupils. Future plans include further developments to the buildings. The aim is to maintain an equitable balance, ensuring current pupils benefit in full, whilst preserving and growing a sound infrastructure and financial base for the next generation of pupils. The parents of pupils have the assurance that all the income of the School must be and is applied for educational purposes.

Since September 2007 the School has provided a holiday camp via an outside company and in the summer of 2020 provided this provision in house.

Main objectives for the year and future developments

- With the success of the online learning platform the school continues to invest in IT hardware and software and is rolling out Chromebooks for use in lessons for years 7 and 8.
- Further IT developments both in the classroom and for administration purposes will be planned, alongside the new appointment of a Head of Digital Learning.
- Continued development of outdoor learning both in terms of teaching and the site development. Introduction of Forest Schools across the school.
- Continued development of creative curriculum in the junior school.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2020 (continued)

- Management of school processes and procedures in line with Government Guidance with respect to COVID19 in order to maintain academic provision and safety.

Transactions and financial position

The income statement shows a net loss of £36,952 (2019 - £637,290 profit). The School has not engaged in fundraising activities during the year and has no financial investments. The largest category of expenditure is staff costs. The School aims to pay competitive salaries and care for the pupils. The number of teaching staff was 61 (2019 - 59). The teaching staff (full time equivalent) to pupil ratio is 1:6.5 (1:7.0).

The Trustees, in light of economic conditions, decided to increase fees by a modest amount during the period, but in the summer term provided a significant discount to the parents. The Trustees considered both the short term and long term effects of doing so and the school's strong cash position at the time. By maintaining the cash position but still providing a substantial discount to assist its own customers, the Board is fulfilling its commitments to the financial stability of the School.

The School has a policy of borrowing, subject to carefully prepared financial projections, to invest in facilities. Net incoming resources are applied to the repayment of these borrowings and reserves are fully reflected in fixed assets purchased for the School. During the year and previous year zero interest was payable. During the year the gearing (total borrowings divided by total funds) was 0.52 (2019-0.48).

All expenditure by the School is applied to the education and development of children attending the School, the operation of the School, and investment in the School's facilities. Expenditure is carefully monitored by the Trustees through the Finance and General Purposes Committee, working with the Bursar, to ensure "best value". The Trustees consider that the level of income and cash generated is adequate to support the continuation of the School's operation.

Pay and remuneration for the senior management team is set by the finance and general purpose committee of the Governing body.

Reserves

Reserves are accumulated to support loans incurred for the past development of school buildings and to prepare for further developments in the future. At the year-end, the level of reserves held was £7,028,754 and the net book value of fixed assets was £10,428,088.

Investment powers

The Board of Trustees retain full control of investment policy, which is to hold any surplus cash readily accessible in bank deposit accounts.

Tangible fixed assets

The changes in the tangible fixed assets are summarised in the notes to the financial statements. The net book value of land and buildings is included at £10,331,408. The Trustees consider the market value to be substantially in excess of that figure. The insurance cover for the replacement of the buildings amounts to £23,391,935.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2020 (continued)

Directors and Trustees

All Directors of the Company are also Governors of the School and Trustees of the Charity and there are no other Trustees. The Board has the power to appoint additional Trustees. The Trustees who served during the year were:

Mr A Kinnier (Chairman)	(1) (2)
Mrs C Almond	(1) (3)
Mr N Baker	(1) (2)
Mr B Cartledge	(2)
Dr Haycock	(1) (3)
Mr P Hurd	(2)
Mr D Killinger	(2)
Mr P Johnson	(2) (3)
Mr A Jordan	(2)
Mr J Matthews	(2)
Ms A McNaney	(1)
Mrs S Peck	(2)
Mrs N Shepherd	(1) (3)
Mr D Strong	(2) (3)
Mr M Walker	(1)

Sub-committees on which the Trustees sit are indicated, namely:

- (1) Education and Pastoral
- (2) Finance and General Purpose
- (3) In addition certain Trustees have specific responsibilities covering accident & medical, child protection, EYFS, health and safety and Learning Support.

Each Committee and the full Board of Trustees meet at least once every term. 5 Trustees (2019 -1) had a child attending the School during the year ending 31 August 2020.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial period. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the surplus or deficit of the charitable company for that period.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2020 (continued)

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Related party transactions

Details of related party transactions are given in note 18 to the financial statements.

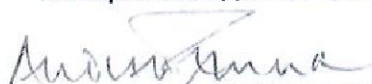
Risk management

The Trustees have assessed the major risks to which the company is exposed and are satisfied that systems and contingency plans are in place to manage exposure to the major risks. The Trustees will regularly review, at least annually the risk management matrix and the calculation for the minimum threshold for pupil numbers as part of the management accounts process.

Auditor

A resolution to re-appoint Moore Northern Home Counties Limited as auditor will be proposed at the Annual General Meeting.

This report was approved by the Board of Directors and Trustees on 13th May 2021 and signed on its behalf



.....Chairman of the Board of Trustees
Mr A Kinnier

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Strategic Report for the year ended 31 August 2020

Business Review

The Trustees consider that the school has performed well this year despite the operational and financial constraints in relation to COVID19, with a small decrease in pupil numbers from 411 in the summer term 2019 to 399 in the summer term 2020. Pupil numbers post year end have decreased slightly to 391, this is largely due to low numbers in nursery. The school expects numbers to increase during the academic year.

One of the main aims of the school is to prepare pupils for entry into the secondary school of their choice. The results for 11 plus and common entrance has meant that nearly every pupil entered the secondary school of their choice.

The school also has strong financial resources and has secured funding for the large scale development.

Principal Risks and Uncertainties

The schools' main risks continue to be pupil numbers, academic results and maintaining quality staff. The school continues to address these risks and continues to manage them.

The Trustees consider that the school is well prepared for any future operational constraints in relation to COVID19 as the on-line teaching system implemented in the Summer term was a success and the school has ensured that a strong cash-flow has been maintained post year-end.

Development and Performance

The school continues to review its fixed assets, and currently has large scale plans for development in future years. The current net asset value of the fixed assets stands at £ 10.43m, £0.2m down on last year. The school has a loan of £3.6m to fund the swimming pool and car park development, which is now complete.

This report was approved by the Board of Directors and Trustees on 13th May 2021 and signed on its behalf



.....Chairman of the Board of Trustees

Mr A Kinnier

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Independent auditor's report to the members of Chesham Preparatory School Trust Limited 31 August 2020

Opinion

We have audited the financial statements of Chesham Preparatory School Trust Limited (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Independent auditor's report to the members of Chesham Preparatory School Trust Limited (continued) 31 August 2020

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 our audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Independent auditor's report to the members of Chesham Preparatory School Trust Limited (continued) 31 August 2020

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Moore Northern Home Counties Ltd

Anne Davies (Senior Statutory Auditor)
for and on behalf of Moore Northern Home Counties Limited
Chartered Accountants
Statutory Auditor
First Floor
73-75 High Street
Stevenage
Hertfordshire
SG1 3HR

19 May 2021

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 August 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds for the Year ended 31 August 2020 £	Total Funds for the Year ended 31 August 2019 £
Income					
Donations and legacies:					
Donations	3	-	1,000	1,000	1,273
Other income	3	199,219	-	199,219	6,626
Income from charitable activities:					
School fees receivable		4,737,240	-	4,737,240	5,226,828
Other educational income	3	99,275	-	99,275	183,520
Other ancillary income	3	18,429	-	18,429	32,763
Total income		5,054,163	1,000	5,055,163	5,451,010
Expenditure					
Expenditure on charitable activities:					
Educational costs		3,932,524	-	3,932,524	3,693,355
Welfare costs		312,267	-	312,267	470,264
Premises costs		748,249	-	748,249	568,587
Financing cost		76,020	-	76,020	55,763
Governance costs		23,055	-	23,055	22,751
Total expenditure	5	5,092,115	-	5,092,115	4,813,720
Net income		(37,952)	1,000	(36,952)	637,290
Transfers between funds		1,963	(1,963)	-	-
Net movement in funds		(35,989)	(963)	(36,952)	637,290
Accumulated funds brought forward		7,064,044	1,662	7,065,706	6,428,416
Accumulated funds carried forward		7,028,055	699	7,028,754	7,065,706

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

All income and expenditure derive from continuing activities.

All income and expenditure in the year ended 31 August 2019 was unrestricted apart from £1,273 of donations income, £1,200 of educational costs and £73 of welfare costs.

The notes on pages 16 to 26 form part of these financial statements.

Balance sheet as at 31 August 2020

Approved and authorised for issue at a meeting of the Trustees and Board of Directors on 13th May 2021 and signed on its behalf by:

Registered company number 910924

13

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Statement of cash flows for the year ended 31 August 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash provided by operating activities (note (a))	<u>350,726</u>	<u>857,347</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	<u>(367,823)</u>	<u>(4,436,732)</u>
Cash used in investing activities	(17,097)	(3,579,385)
Cash flows from financing activities		
Repayments of borrowing	(40,690)	(72,032)
Borrowing from bank	312,453	3,366,258
Net cash used in financing activities	<u>271,763</u>	<u>(3,294,226)</u>
Change in cash and cash equivalents in the year	<u>254,666</u>	<u>(285,159)</u>
Cash and cash equivalents at the beginning of the reporting period	1,015,449	1,300,608
Cash and cash equivalents at the end of the reporting period	<u>1,270,115</u>	<u>1,015,449</u>

Notes to the cash flow statement

(a)	2020 £	2019 £
Reconciliation of operating surplus to net cash flow from operating activities		
Net income for the reporting period	(36,952)	637,290
Adjustments for:		
Depreciation	323,366	220,215
Loss on disposal of fixed assets	247,820	313
Decrease in stock	196	10,354
Decrease in debtors	32,094	20,214
(Decrease) in creditors	(215,798)	(31,039)
Net cash provided by operating activities	<u>350,726</u>	<u>857,347</u>

The note on page 15 forms part of this cash flow statement.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Cash flow statement for the year ended 31 August 2020 (continued)

Notes to cash flow statement (continued)

(b) Reconciliation of net cash flow to movement in net debt/funds		2020 £	2019 £
Increase/(Decrease) in cash in the year		254,666	(285,159)
Cash used to repay loans		40,690	72,302
Increase in Loans		<u>(312,453)</u>	<u>(3,366,258)</u>
Change in net debt resulting from cash flow		(17,097)	(3,579,385)
Net debt at 1 September 2019		(2,350,777)	1,228,608
Net debt at 31 August 2020		<u>(2,367,874)</u>	<u>(2,350,777)</u>
(c) Analysis of change in net debt			
	1 September 2019 £	Cash flow £	Other non-cash changes £
Cash at bank and in hand	1,015,449	254,666	-
Debt due within one year	(80,000)	40,690	(690)
Debt due after one year	(3,286,226)	(312,453)	690
	<u>(2,350,777)</u>	<u>(17,097)</u>	<u>-</u>

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2020

1. Accounting policies

Charity information

Chesham Preparatory School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Two Dells Lane, Orchard Leigh, Chesham, Bucks, HP5 3QF.

(a) Basis of preparation

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 (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

(b) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Depreciation

Depreciation has been calculated on the fixed assets; the residual value and the life of the asset has been estimated by the Trustees.

Accruals

Trustees review the expected expenses based on their knowledge of the business and provide for these accordingly

Deferred income

The income received prior to the year end is reviewed and any that relates to income due in the later academic years is treated as deferred income.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2020 (continued)

1. Accounting policies (continued)

(c) Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Portakabins	-	20% cost
Freehold buildings	-	2% cost
Furniture and equipment	-	33% cost
Lawn mower	-	20% cost

(d) Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(e) Incoming resources

Fees receivable and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees received in advance are treated as deferred income and included within creditors.

Donations

Donations which can only be applied for a specific purpose are treated as restricted funds. Other donations are receivable for the general purposes of the Charity and as such are credited to unrestricted funds.

Government grants

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred.

(f) Resources expended

Resources expended are included in the statement of financial activities on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Where costs cannot be directly attributed to specific activities, they have been allocated to activities on basis consistent with the use of the resources.

Governance costs are the costs associated with the governance arrangements of the Charity which relate to the general running of the Charity as opposed to those costs associated with charitable activity. Included within this category are costs associated with the audit, and costs of complying with constitutional and statutory financial statements and the Independent Schools Inspection.

Support costs comprise administrative expenses, such as wages, telephone, stationery and advertising. Support costs are allocated across the categories of charitable expenditure and governance costs. The basis of the cost allocation has been explained in note 6 to the financial statements.

Financing costs comprise interest payable on bank loans.

(g) Operating leases

Rentals payable under operating leases are charged to the statement of financial activities as they fall due.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2020 (continued)

1. Accounting policies (continued)

(h) Pension costs

The charity contributes to the Teachers' Pension Scheme at rates set by the scheme actuary and advised to the Trustees by the scheme administrator. The Charity also contributes to a defined contribution scheme for non-teaching staff. The contributions charged to the statement of financial activities in respect of both schemes are those payable in accordance with the rules of the schemes.

(i) Funds

Funds held by the Charity are:

- | | | |
|--------------------|---|---|
| Unrestricted funds | - | These are funds which can be used in accordance with the Charity's objects, at the discretion of the Board. |
| Restricted funds | - | These are funds that can be used for particular restricted purposes, within the objects of the Charity. Restrictions arise when specified by the donor. |

(j) Going concern

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

The Trustees have considered the impact of the Covid-19 pandemic on the Charity and do not believe there to be any change in the going concern status of the Charity.

(k) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

2. Status and members

The company is limited by guarantee, and therefore does not have a share capital. Each member has agreed that, in the event of the company being wound up, he or she will contribute to the assets a sum not exceeding one pound. The number of members was 15 (2019 – 15). Control of the company is vested in the Board of Trustees and Directors.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2020 (continued)

3. Other income	Year ended 31 August 2020 £	Year ended 31 August 2019 £
Donations- Unrestricted	-	-
Donations- Restricted	1,000	1,273
	<u>1,000</u>	<u>1,273</u>
Other Income		
Government grants	164,778	-
Sundry	34,289	6,181
Loan interest	152	445
	<u>199,219</u>	<u>6,626</u>
Other educational income		
Registration fees	12,300	12,000
School trips	66,163	148,453
Late club fees	20,812	22,867
	<u>99,275</u>	<u>183,520</u>
Other ancillary income		
School bus fares	16,757	26,163
Rental income	1,672	6,600
Event income	-	32,763
	<u>18,429</u>	<u>32,763</u>
Total	<u>317,923</u>	<u>224,182</u>

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2020 (continued)

4. Staff costs

	Year ended 31 Aug 2020	Year ended 31 Aug 2019
	£	£
Wages and salaries	2,537,908	2,531,727
Social Security costs	245,150	239,832
Pension contributions	462,530	340,642
	<u>3,245,588</u>	<u>3,112,201</u>

	Year ended 31 Aug 2020 Number	Year ended 31 Aug 2019 Number
--	--	--

The average monthly head count was 89 staff (2019 – 90 staff) and the average monthly number of full time equivalent persons employed was:

Teaching	61	59
Premises	3	3
Administration and Minibus drivers	11	13
	<u>75</u>	<u>75</u>

The number of employees who earned more than £60,000 on an annualised basis was

	2020 Number	2019 Number
£60,001 to £70,000	1	1
£70,001 to £80,000	1	1
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1

Retirement benefits are accruing to the higher paid employees under both the defined benefit scheme and money purchase scheme.

The Trustees received no remuneration during the year for their services (2019 - £Nil). No reimbursements were made to Trustees during this year or the previous year.

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CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2020 (continued)

5. Resources expended

	Staff Costs £	Direct Costs £	Support Costs £	Deprec- iation £	Year ended 31 Aug 2020 £	Year ended 31 Aug 2019 £
Charitable expenditure						
Educational costs	3,104,775	253,162	489,228	85,359	3,932,524	3,693,355
Welfare costs	17,000	292,517	2,750	-	312,267	470,264
Premises costs	114,812	351,430	44,000	238,007	748,249	568,587
Financing costs	-	-	76,020	-	76,020	55,763
Governance	9,000	-	14,055	-	23,055	25,751
	<u>3,245,587</u>	<u>897,109</u>	<u>626,053</u>	<u>323,366</u>	<u>5,092,115</u>	<u>4,813,720</u>

Financing costs

	2020 £	2019 £
Interest payable on bank loan	76,020	55,763

Governance

	2020 £	2019 £
Bursar's time	9,000	9,000
Audit fee	13,877	16,332
Trustees meeting expenses	178	419
	<u>23,055</u>	<u>25,751</u>

Included in resources expended are payments under operating leases for motor vehicles and equipment amounting to £77,450 (2019 - £82,859) and loss on disposal of fixed assets of £247,820 (2019 - £313).

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2020 (continued)

6. Support costs allocation

	Wages and salaries £	Advertising and Promotions £	Postage and telephone £	Printing and stationery £	Legal and Professional £	Subscriptions £	Sundry £	Total for year ended 31 Aug 2020 £	Total for year ended 31 Aug 2019 £
Charitable expenditure									
Educational costs	368,920	31,079	14,752	65,745	32,943	8,663	482,637	1,004,739	840,911
Welfare costs	15,000	-	800	1,750	-	-	-	17,550	17,550
Premises costs	15,000	-	800	1,750	-	-	-	17,550	17,550
	<u>398,920</u>	<u>31,079</u>	<u>16,352</u>	<u>69,245</u>	<u>32,943</u>	<u>8,663</u>	<u>482,637</u>	<u>1,039,839</u>	<u>876,011</u>

Cost allocation includes an element of judgement and the charitable company has had to consider the cost/ benefit of detailed calculations and record keeping.

Basis for support costs allocation:

- Wages and salaries – estimated time spent on activities.
- Advertising and promotions (including school prospectus) – according to direct costs incurred.
- Postage and telephone – estimated usage of resources.
- Printing and stationery- estimated usage of resources.
- Legal and professional- according to direct costs incurred.
- Subscriptions – according to direct costs incurred.
- Sundry (including parents' meetings) – according to direct costs incurred.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statement for the Year ended 31 August 2020 (continued)

7. Taxation

No liability to United Kingdom taxation arises by virtue of the charitable status of the Charity.

8. Tangible fixed assets

	Portakabins £	Freehold Land and Buildings £	Furniture and Equipment £	Mower £	Total £
Cost:					
1 September 2019	326,029	12,603,404	919,665	34,242	13,883,340
Additions	-	313,277	54,546	-	367,823
Disposals	-	(247,914)	(99,511)	-	(347,425)
31 August 2020	326,029	12,668,767	874,700	34,242	13,903,738
Depreciation:					
1 September 2019	326,029	2,099,446	792,172	34,242	3,251,889
Charge for the year	-	238,007	85,359	-	323,366
Disposals	-	(94)	(99,511)	-	(99,605)
31 August 2020	326,029	2,337,359	778,020	34,242	3,475,650
Net book value:					
31 August 2020	-	10,331,408	96,680	-	10,428,088
31 August 2019	-	10,503,958	127,493	-	10,631,451

All tangible fixed assets are held for use by the Charity.

Assets included in freehold land and buildings that are not depreciated amount to £740,816 (2019 - £6,674,630).

9. Stock

	2020 £	2019 £
Educational supplies	6,783	6,979

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Note 13

Notes forming part of the financial statement for the Year ended 31 August 2020
(continued)

10. Debtors	2020	2019
	£	£
Trade debtors	38,524	12,770
Other debtors	2,219	36,833
Prepayments	89,814	113,048
	<u>130,557</u>	<u>162,651</u>
11. Creditors: amounts falling due within one year	2020	2019
	£	£
Bank loans (Note 13)	80,251	73,403
Payroll taxes	65,650	60,185
Trade creditors	41,237	318,773
Other creditors	86,623	74,737
Accruals	99,035	23,743
Deferred income (Note 14)	662,189	681,310
	<u>1,034,985</u>	<u>1,232,151</u>
12. Creditors: amounts falling due after more than one year	2020	2019
	£	£
Bank loans (Notes 13)	3,557,738	3,292,823
Pupil deposits	214,066	199,000
Deferred income (Note 14)	-	26,850
	<u>3,771,804</u>	<u>3,518,673</u>

Deposits are payable before pupils attend school and are repayable on leaving. The Trustees consider that the amount shown above fairly represents deposits repayable after 31 August 2020 and which includes deposits of approximately £37,500 repayable after more than five years (2019 - £38,875).

Deferred income consists of fees paid in advance, and includes fees for the period after 31 August 2020.

13. Bank loans	2020	2019
	£	£
The bank loans – repayable by instalments:		
Due within one year	80,251	73,403
Due between two and five years	504,562	461,507
Due more than five years	3,053,176	2,831,316
	<u>3,637,989</u>	<u>3,366,226</u>

The bank loan, from NatWest, is secured by way of a first legal mortgage over the property of the Charity. The repayments commenced 1st January 2020, however in March 2020 the school was granted a capital repayment holiday for 8 months. Since that time interest has been payable on the outstanding amount drawn down. The interest rate on the loan is 1.25% above the Bank of England base rate. The loan has been taken over a 25 year period and the interest is fixed for the first 10 years.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statement for the Year ended 31 August 2020 (continued)

14. Analysis of movements in deferred income	£
Balance at 1 September 2019:	
Due within one year	681,310
Due after more than one year	26,850
	<u>708,160</u>
Released in year	(681,310)
Invoiced in year	635,339
Balance at 31 August 2020	<u>662,189</u>
Due within one year	662,189
Due after more than one year	-
	<u>662,189</u>

15. Restricted funds

Restricted funds represent amounts totalling £699, of which £699 is carried forward donations by the school's Parents' and Teachers' Association (PTA), to erect sports shelter (£560) and £139 to be used for learning support and boys' games. These funds are included in cash at bank. The additional donation of £1,000 represents donations by the school's Parents' and Teachers' Association for outdoor learning. The transfer to unrestricted funds of £1,963 represents funds expended during the year of £1,000 for outdoor learning and £963 towards the visiting authors on World Book Day.

16. Operating leases

The total future minimum lease payments under non-cancellable operating leases for motor vehicles and equipment are as follows:

	2020 £	2019 £
Not later than 1 year	79,695	56,986
Later than 1 year and not later than 5 years	<u>126,156</u>	<u>95,155</u>
Total	<u>205,851</u>	<u>56,986</u>

17. Pensions Information

The School operates three pension schemes into which all of its employees have been enrolled (if eligible under auto-enrolment rules), although some have since opted out. The assets of the schemes are held separately from those of the School, being invested with either the State or insurance companies, and are independently administered.

- The principal pension scheme operated is the Teacher's Pension Scheme (TPS) which is a multi-employer defined benefit scheme. The pension cost charge amounted to £420,968 (2019 - £297,228). The School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out below the information available on the deficit in the scheme and the implications for the School in terms of the anticipated contribution rates.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statement for the Year ended 31 August 2020 (continued)

17. Pensions information (continued)

The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. Following this report employer contribution rates rose from 16.48% of pensionable pay to 23.6%.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

- b) For non-teaching staff, the School operates two defined contribution schemes. The pension cost charge in respect of these schemes amounted to £41,562 (2019 - £43,414). The assets of the scheme are held separately from those of the Charity in an independently administered fund.

18. Related party transactions

Five of the Trustees who served during the period have children who attended the School during the financial year, all Trustees paid full fees in respect of their children.

The children of the Bursar attended the school on a 75% fee discount basis.

The remuneration of key management personnel in aggregate was £167,148 (2019 - £165,493).

19. Post balance sheet events

There are no post balance sheet events to note.

20. Capital Commitment

There is still a retention payment with respect to the swimming pool amounting to £157,083.