

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 2022

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Officers and advisers

Directors and Trustees

Mr B Cartledge (Chair of Governors)
Mr A Kinnier (resigned 8th July 2022)
Mrs C Almond
Mr A Grounds (appointed 1st January 2022 and resigned 1st November 2022)
Dr A Haycock
Mr P Hurd (resigned 8th July 2022)
Mr J Matthews
Ms A McNaney
Mrs F Nijkamp-Lyell (appointed 13th December 2021)
Mrs J O’Gorman (appointed 1st January 2022)
Mrs S Peck
Mrs N Shepherd
Mr D Strong (resigned 20th December 2021)
Mr M Walker

Company Secretary & Bursar Mrs C Hughes

Company Number 910924

Charlty 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 Mr J Beale
School Address Two Dells Lane, Orchard Leigh
Chesham, Bucks
HP5 3QF

Bankers National Westminster Bank plc
Chilterns Corporate Business Centre
PO Box 412, 2nd Floor, Rapid House
Oxford Road, High Wycombe, Bucks
HP11 2EF

Solicitors Veale Wasborough Vizards LLP
Narrow Quay House, Narrow Quay
Bristol
BS1 4QA

Insurance Brokers Marsh Limited
Capital House, 1-5 Perrymount Road
Haywards Heath, RH16 3SY

Auditor Moore NHC Audit 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 2022

The Trustees present their report and audited financial statements for the year ended 31 August 2022. 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.

Charitable Undertakings and Community Links

The school understands it is to make provision for others to benefit from the schools own resources and it understands its importance in the local community.

The school has close links with St Mary's Church in Chesham in which they host all their Christmas Events. The School also donates funds to St John's Ashley Green, in return for advertising space on the church wall.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2022 (continued)

The school has close links with the local scout group, which uses several of the school minibuses over Easter, May Bank holidays and the summer without charge. Where time permits the school has also loaned the vehicles to Christian youth organisations and other youth groups.

Use of the school facilities out of hours is provided to Leyhill Cricket Club free of charge in return for use of their cricket pitch in the summer term.

The school has played host to various sporting events during the year ending 31st August 2022, in which many local schools were invited.

The school also hosted 2 Ukrainian pupils in the summer term (2022) on full bursaries.

The school continues to look at ways in which it can work more closely with other local schools and charities.

The school's on-going commitment to charitable fund raising saw the school raise funds the Ukraine appeal, Comic Relief and Save the Children. The school also collected hundreds and hundreds of books which were donated to a local school.

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.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2022 (continued)

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 2021 ISI Inspection the school received an "Excellent" in pupils' personal development and received a rating of "Good" in the category of quality of pupils' academic achievements. The school also met the standard with regards to compliance.

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 2022 Summer Term was 400 (Summer 2021 – 399) of whom 214 (Summer 2021 – 210) were boys. The average class size was 19.0 (Summer 2021 – 19.0) pupils.

The financial performance produced a profit of £205,688. In summer 2022 the school have redeveloped their assembly hall, into a state of the art performance hall, with professional sound and lighting, backdrop screen projection and retractable tiered seating. Post year end the school has built an outdoor classroom and is looking at making further investments into classroom space and the playgrounds.

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. The school currently owns a leasehold flat which it is in the process of divesting.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2022 (continued)

Main objectives for the year and future developments

- Further IT developments in the classroom, both for the pupils and to assist in teaching.
- Development of the playgrounds.
- Additional classroom space.

In January 2023, the Trustees agreed that the School should focus on providing an excellent education experience for children aged 3 to 11. Consequently, the academic year 2022/2023 will be the final year 7 class and the following academic year will be the final year 8 class. In response to demand, the School is also opening an additional class in year 3 in September 2023 and in the next four years, the School will grow to four classes (rather than three) in years 3 to 6.

Transactions and financial position

The income statement shows a net profit of £205,688 (2021 - £90,195). 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 63 (2021 – 62). The teaching staff (full time equivalent) to pupil ratio is 1:6.3 (1:6.4).

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 the gearing (total borrowings divided by total funds) was 0.46 (2021– 0.50).

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 £7,324,637 and the net book value of fixed assets was £10,772,564.

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.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 August 2022 (continued)

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 £10,545,973. 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 £25 704,899.

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 resigned 8 th July 2022)	(1) (2)
Mrs C Almond	(1) (3)
Mr B Cartledge (Chairman appointed 9 th July 2022)	(2)
Mr A Grounds	(1)
Dr Haycock	(1) (3)
Mr P Hurd	(2)
Mr J Matthews	(2)
Ms A McNaney	(1)
Mrs F Nijkamp-Lyell	(2) (3)
Mrs J O'Gorman	(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. 4 Trustees (2021 - 4) had a child attending the School during the year ending 31 August 2022.

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 2022 (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 NHC Audit Limited as auditor will be proposed at the Annual General Meeting.

This report was approved by the Board of Directors and Trustees on 15th March 2023 and signed on its behalf

.....Chairman of the Board of Trustees
Mr B Cartledge

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Strategic Report for the year ended 31 August 2022

Business Review

The Trustees consider that the school has performed well this year and are continuing to review the financial strategy for the school in both the medium and long term, and continue to invest in the asset, with a small increase in pupil numbers from 399 in the summer term 2021 to 400 in the summer term 2022. Pupil numbers post year end have decreased slightly to 379, this is largely due to low numbers in reception. The school expects numbers to increase during the academic year with an extremely strong pipeline in nursery numbers. Current pupil numbers for September 2023 appear to be higher than September 2022.

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.

In addition to these continued risks the school is managing their costs with regards to interest rates, heat and light and food which have been affected by the current rate of inflation.

The school is investing in strategies to maintain these costs in conjunction with environmental considerations.

Development and Performance

The school continues to review its fixed assets, and currently has for development in future years. The current net asset value of the fixed assets stands at £ 10.77m, which is higher than last year. The school has a loan of £3.5m to fund the swimming pool and car park development, which is now complete. The loan currently stands at £3.386m

This report was approved by the Board of Directors and Trustees on 15th March 2023 and signed on its behalf



.....Chairman of the Board of Trustees

Mr B Cartledge

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Independent auditor's report to the members of Chesham Preparatory School Trust Limited 31 August 2022

Opinion

We have audited the financial statements of Chesham Preparatory School Trust (the 'charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2022 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

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

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

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

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Independent auditor's report to the members of Chesham Preparatory School Trust Limited (continued) 31 August 2022

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Independent auditor's report to the members of Chesham Preparatory School Trust Limited (continued) 31 August 2022

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2022 and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Independent auditor's report to the members of Chesham Preparatory School Trust Limited (continued) 31 August 2022

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required

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

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 January 2019 which is referred to in the extant regulations but has now been withdrawn.

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 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 NHC Audit Limited

Daniel Garfield (Senior Statutory Auditor)
for and on behalf of Moore NHC Audit Limited

Chartered Accountants

Statutory Auditor

First Floor

73-75 High Street

Stevenage

Hertfordshire

SG1 3HR

27/03/2023

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 August 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds for the Year ended 31 August 2022 £	Total Funds for the Year ended 31 August 2021 £
Income					
Donations and legacies:					
Donations	3	2,000	-	2,000	2,187
Other income	3	88,098	-	88,098	123,940
Income from charitable activities:					
School fees receivable		5,281,780	-	5,281,780	4,915,879
Other educational income	3	160,557	-	160,557	43,505
Other ancillary income	3	34,020	-	34,020	30,290
Total income		5,566,455	-	5,566,455	5,155,801
Expenditure					
Expenditure on charitable activities:					
Educational costs		4,033,011	-	4,033,011	3,808,359
Welfare costs		415,166	-	415,166	392,273
Premises costs		828,589	-	828,589	734,552
Financing cost		59,785	-	59,785	65,606
Governance costs		24,216	-	24,216	24,816
Total expenditure	5	5,360,767	-	5,360,767	5,025,606
Net Income		205,688	-	205,688	90,195
Transfers between funds		-	-	-	-
Net movement in funds		205,688	-	205,688	90,195
Accumulated funds brought forward		7,118,250	699	7,118,949	7,028,754
Accumulated funds carried forward		7,323,938	699	7,324,637	7,118,949

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 2022 was unrestricted.

The notes on pages 17 to 27 form part of these financial statements.

Balance sheet as at 31 August 2022

Approved and authorised for issue at a meeting of the Trustees and Board of Directors on 15th March 2023 and signed on its behalf by:

Registered company number 910924

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CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Statement of cash flows for the year ended 31 August 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by operating activities (note (a))	<u>542,665</u>	<u>711,487</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	<u>(677,665)</u>	<u>(320,977)</u>
Cash used in investing activities	(135,000)	390,510
Cash flows from financing activities		
Repayments of borrowing	<u>(142,115)</u>	<u>(110,154)</u>
Net cash used in financing activities	<u>(142,115)</u>	<u>(110,154)</u>
Change in cash and cash equivalents in the year	<u>(277,115)</u>	<u>280,356</u>
Cash and cash equivalents at the beginning of the reporting period	<u>1,550,471</u>	<u>1,270,115</u>
Cash and cash equivalents at the end of the reporting period	<u>1,273,356</u>	<u>1,550,471</u>

Notes to the cash flow statement

(a)	Reconciliation of operating surplus to net cash flow from operating activities	2022 £	2021 £
	Net income for the reporting period	205,688	90,195
	Adjustments for:		
	Depreciation	336,521	313,845
	Loss on disposal of fixed assets	-	3,801
	(Increase)/Decrease in stock	5,566	(6,739)
	(Increase)/Decrease in debtors	7,789	(79,407)
	Increase/(Decrease) in creditors	(12,899)	389,792
	Net cash provided by operating activities	<u>542,665</u>	<u>711,487</u>

The note on page 16 forms part of this cash flow statement.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Cash flow statement for the year ended 31 August 2022 (continued)

Notes to cash flow statement (continued)

(b) Reconciliation of net cash flow to movement in net debt/funds		2022 £	2021 £		
Increase/(Decrease) in cash in the year		(277,115)	280,356		
Cash used to repay loans		142,115	110,154		
Change in net debt resulting from cash flow		(135,000)	390,510		
Net debt at 1 September 2021		(1,977,364)	(2,367,874)		
Net debt at 31 August 2022		<u>(2,112,364)</u>	<u>(1,977,364)</u>		
(c) Analysis of change in net debt		1 September 2021 £	Cash flow £	Other non- cash changes £	31 August 2022 £
Cash at bank and in hand		1,550,471	(277,115)	-	1,273,356
Debt due within one year		(126,140)	(4,032)	-	(130,172)
Debt due after one year		(3,401,695)	146,147	-	(3,255,548)
		<u>(1,977,364)</u>	<u>(135,000)</u>	<u>-</u>	<u>(2,112,364)</u>

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2022

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 2022 (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 2022
(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 fund 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.

(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 14 (2021 –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 2022 (continued)

3. Other income

	Year ended 31 August 2022	Year ended 31 August 2021
	£	£
Donations- Unrestricted	-	-
Donations- Restricted	2,000	2,187
	<u>2,000</u>	<u>2,187</u>
Other Income		
Government grants	-	45,597
Sundry	87,845	70,211
Interest	253	8,132
	<u>88,098</u>	<u>123,940</u>
Other educational income		
Registration fees	10,900	13,900
School trips	117,410	12,539
Late club fees	32,247	17,066
	<u>160,557</u>	<u>43,505</u>
Other ancillary income		
School bus fares	34,020	27,740
Rental income	-	2,550
	<u>34,020</u>	<u>30,290</u>
Total	<u>284,675</u>	<u>199,922</u>

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2022 (continued)

4. Staff costs

	Year ended 31 Aug 2022	Year ended 31 Aug 2021
	£	£
Wages and salaries	2,814,517	2,696,128
Social Security costs	278,129	261,153
Pension contributions	498,218	496,573
	<u>3,590,864</u>	<u>3,453,854</u>

	Year ended 31 Aug 2022 Number	Year ended 31 Aug 2021 Number
--	--	--

The average monthly head count was 93 staff (2021 – 93 staff) and the average monthly number of full time equivalent persons employed was:

Teaching	63	62
Premises	3	3
Administration and Minibus drivers	13	12
	<u>79</u>	<u>77</u>

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

	2022 Number	2021 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 (2021 - £Nil). No reimbursements were made to Trustees during this year or the previous year.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2022 (continued)

5. Resources expended

	Staff Costs £	Direct Costs £	Support Costs £	Deprec- iation £	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Charitable expenditure						
Educational costs	3,374,780	362,702	203,638	91,891	4,033,011	3,808,359
Welfare costs	17,000	395,416	2,750	-	415,166	392,273
Premises costs	190,084	349,875	44,000	244,630	828,589	734,552
Financing costs	-	-	59,785	-	59,785	65,606
Governance	9,000	-	15,216	-	24,216	24,816
	<u>3,590,864</u>	<u>1,107,993</u>	<u>325,389</u>	<u>336,521</u>	<u>5,360,767</u>	<u>5,025,606</u>

Financing costs

	2022 £	2021 £
Interest payable on bank loan	58,513	64,282
Bank charges	<u>1,272</u>	<u>1,324</u>
	<u>59,785</u>	<u>65,606</u>

Governance

	2022 £	2021 £
Bursar's time	9,000	9,000
Audit fee	14,961	15,759
Trustees meeting expenses	<u>255</u>	<u>57</u>
	<u>24,216</u>	<u>24,816</u>

Included in resources expended are payments under operating leases for motor vehicles and equipment amounting to £68,973 (2021 - £82,638) and loss on disposal of fixed assets of £Nil (2021 - £3,801).

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the Year ended 31 August 2022 (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 2022 £	Total for year ended 31 Aug 2021 £
Charitable expenditure									
Educational costs	358,827	34,585	17,202	41,866	40,089	7,265	129,549	629,383	795,559
Welfare costs	15,000	-	800	1,750	-	-	-	17,550	17,550
Premises costs	15,000	-	800	1,750	-	-	-	17,550	17,550
	388,827	34,585	18,802	45,366	40,089	7,265	129,549	664,483	830,659

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 2022 (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 2021	326,029	12,840,432	968,613	34,242	14,169,316
Additions	-	527,243	150,422	-	677,665
Disposals	-	-	(46,789)	-	(46,789)
31 August 2022	326,029	13,367,675	1,072,246	34,242	14,800,192
Depreciation:					
1 September 2021	326,029	2,577,072	800,553	34,242	3,737,896
Charge for the year	-	244,630	91,891	-	336,521
Disposals	-	-	(46,789)	-	(46,789)
31 August 2022	326,029	2,821,702	845,655	34,242	4,027,628
Net book value:					
31 August 2022	-	10,545,973	226,591	-	10,772,564
31 August 2021	-	10,263,360	168,060	-	10,431,420

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 (2021 - £740,816).

9. Stock

	2022 £	2021 £
Educational supplies	7,956	13,522

CHESHAM PREPARATORY SCHOOL TRUST LIMITED**Note 13****Notes forming part of the financial statement for the Year ended 31 August 2022
(continued)****10. Debtors**

	2022	2021
	£	£
Trade debtors	11,265	28,299
Other debtors	84,740	75,408
Prepayments	106,170	106,257
	202,175	209,964

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans (Note 13)	130,172	126,140
Payroll taxes	72,578	67,038
Trade creditors	359,724	174,262
Other creditors	101,015	94,718
Accruals	62,830	58,516
Deferred income (Note 14)	730,022	947,104
	1,456,341	1,467,778

12. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans (Notes 13)	3,255,548	3,401,695
Pupil deposits	219,525	216,955
	3,475,073	3,618,650

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 2022 and which includes deposits of approximately £31,825 repayable after more than five years (2021 - £34,750).

13. Bank loans

	2022	2021
	£	£
The bank loans – repayable by instalments:		
Due within one year	130,172	126,140
Due between two and five years	390,516	378,420
Due more than five years	2,865,032	3,023,275
	3,385,720	3,527,835

The bank loan, from NatWest, is secured by way of a first legal mortgage over the property of the Charity. 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 2022 (continued)

14. Analysis of movements in deferred income

£

Balance at 1 September 2021:	
Due within one year	947,104
Due after more than one year	-
	<u>947,104</u>
Released in year	(947,104)
Invoiced in year	730,022
Balance at 31 August 2022 all due within one year	<u>730,022</u>

Deferred income consists of fees paid in advance, and includes fees for the period after 31 August 2022.

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.

16. Operating leases

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

	2022 £	2021 £
Not later than 1 year	49,341	81,824
Later than 1 year and not later than 5 years	<u>73,193</u>	<u>100,346</u>
Total	<u>122,534</u>	<u>182,170</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.

- a) 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 £447,895 (2021 - £451,863). 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 2022 (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 £50,323 (2021 - £44,710). The assets of the scheme are held separately from those of the Charity in an independently administered fund.

18. Related party transactions

Four 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 £171,628 (2021 - £169,376).

19. Post balance sheet events

There are no post balance sheet events to note.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2022

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Detailed Income and expenditure account for the Year ended 31 August 2022

	Year from 1 Sept 2021 to 31 Aug 2022	Year from 1 Sept 2020 to 31 Aug 2021
Income	£	£
Tuition fees	5,281,780	4,915,879
School bus fares	34,020	27,740
Registration fees	10,900	13,900
School trips	117,410	12,539
Sundry	120,345	143,556
Donations- restricted	2,000	2,187
Donations	-	-
Total	5,566,455	5,115,801
Expenditure		
Staff costs		
Staff salaries and wages:		
Teaching (including Headmaster)	2,293,788	2,233,369
Supply	43,498	10,524
Administration	321,627	360,429
Maintenance	155,604	91,806
	2,814,517	2,696,128
National insurance	278,129	261,153
Pension contributions (IAPS and TPS)	498,218	496,573
Total	3,590,864	3,453,854
Operating expenses		
School trips	117,237	12,376
Stationery and materials (inc. text books)	190,554	164,595
School prizes and trophies	1,803	2,048
Swimming (including transport)	46,914	49,822
Minibus	86,231	57,250
Staff training course	17,291	18,440
Food etc. for lunches	314,233	303,109
School bus hire	-	149
Other (including recruitment)	21,794	20,224
Total	796,057	628,013

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Detailed Income and expenditure account for the Year ended 31 August 2021 (continued)

	Year from 1 Sept 2021 to 31 Aug 2022 £	Year 1 Sept 2020 to 31 Aug 2021 £
Establishment expenses		
Cleaning contractor and materials	116,974	91,108
Light and heat	70,308	68,337
Rates including water	25,395	50,001
Insurance	34,584	30,275
Repairs and maintenance – premises	102,732	91,335
Depreciation – premises	228,280	223,364
Depreciation- L/H Flat	2,473	2,473
Depreciation – portakabins	-	-
Repairs and maintenance – equipment	8,325	9,238
Depreciation Building Improvements	13,877	13,876
Depreciation – equipment	91,891	74,132
Loss on disposal of fixed assets	-	3,801
Total	694,839	657,940
Administration and promotional expenses		
Marketing and Advertising	33,669	19,197
Postage and telephone	18,802	17,799
Printing, stationery and computer supplies	80,835	78,200
Audit and accountancy	14,961	15,759
Legal and professional	25,130	64,388
Subscriptions	7,265	8,117
Sundry (including recruitment)	13,541	10,749
Marquee and parents' meetings	25,019	5,458
Bad debts	-	-
Assisted places and discounted fees paid in advance	-	526
Total	219,222	220,193
Total expenses (excluding finance charges)	5,300,982	4,960,000
Surplus before finance charges	265,473	155,801
Finance	(59,785)	(65,606)
Surplus/(Loss) after finance charges	205,688	90,195
Number of Pupils	2021/22	2020/21
Autumn term	387	390
Spring term	393	394
Summer term	400	399