CARLETON HOUSE PREPARATORY SCHOOL LIMITED

England & Wales · Charity number 505310

Details

Status	Registered
Legal form	Charitable company
Company number	01260765
Registered	1976-07-07
Register	View on the Charity Commission register

Contact

Address	145 Menlove Avenue Liverpool L18 3EE
Phone	01517220756
Email	schooloffice@carletonhouse.co.uk
Website	www.carletonhouse.co.uk

Activities

Objects: TO PROMOTE AND PROVIDE FOR THE ADVANCEMENT OF EDUCATION AND IN CONNECTION THEREWITH TO CONDUCT, CARRY ON, ACQUIRE AND DEVELOP IN THE UNITED KINGDOM AND BOARDING OR DAY SCHOOL OR SCHOOLS FOR THE EDUCATION OF CHILDREN OF EITHER SEX OR BOTH SEXES AND AS ANCILLARY THERETO: A) TO ACQUIRE CARRY ON, AND DEVELOP THE SCHOOL UNDERTAKING AT PRESENT CARRIED ON BY THE SUBSCRIBERS HERETO AT CARLETON HOUSE PREPARATORY SCHOOL, LYNDHURST ROAD, LIVERPOOL AND TO ACQUIRE ANY PREMISES FOR THE PURPOSE OF CARRYING ON SUCH UNDERTAKING.

Activities: Carleton House is an independent co-educational school for pupils aged 3-11 years.

Classification

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

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Geography

- Liverpool City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£1,983,167	£1,838,379	£1,760,301	35
2024-08-31	£1,868,790	£1,675,241	£1,615,513	33
2023-08-31	£1,763,726	£1,563,424	£1,421,964	32
2022-08-31	£1,619,451	£1,446,236	£1,221,662	32
2021-08-31	£1,427,683	£1,340,814	£1,048,447	33
2020-08-31	£1,366,475	£1,306,281	£961,577	31

Trustees

Name	Role	Appointed
JOHN PAUL BURNS	Chair	2020-02-11
ELAINE CZARNECKI		2015-07-20
Gulfshan Ahmad		2026-01-19
Hilary Ann Ness		2025-05-08
Ian Douglas Brown		2026-01-19
Janet Anne Robinson		2023-09-11
Kristina Alice Elizabeth Castellina		2026-01-19
Sean Hegarty		2023-01-18
THOMAS MANNING		2016-01-16
Thomas Jones		2026-01-19

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CARLETON HOUSE PREPARATORY SCHOOL LIMITED

England & Wales - Charity number 505310

Accounts

Charity registration number 505310 (England and Wales)

Company registration number 01260765

CARLETON HOUSE PREPARATORY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

Carleton House
Preparatory School

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CARLETON HOUSE PREPARATORY SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J P Burns - Chair	
	E Czarnecki	
	S M Hegarty	
	T Manning	
	J A Robinson	
	H A Ness	(Appointed 8 May 2025)
	I Brown	(Appointed 19 January 2026)
	T Jones	(Appointed 19 January 2026)
	K Castellina	(Appointed 19 January 2026)
	G Ahmad	(Appointed 19 January 2026)
Senior management	S Coleman	Headteacher
	C Griffies	Deputy Headteacher
	A Purchase	Assistant Headteacher
	R Mumbengegwi	School Business Manager
Charity number (England and Wales)	505310	
Company number	01260765	
Registered office	145 Menlove Avenue Liverpool Merseyside L18 3EE	
Auditor	Xeinadin Audit Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR	
Bankers	Natwest 138 Allerton Road Liverpool Merseyside L18 2JN	

CARLETON HOUSE PREPARATORY SCHOOL

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CARLETON HOUSE PREPARATORY SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their annual report and financial statements for the year ended 31 August 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

Carleton House Preparatory School is a Catholic School welcoming children from families of all faiths. It offers the full statutory primary curriculum. Pupils' attainment at the end of both Key Stages is consistently well above the expected level of attainment nationally.

""As a result of the well-planned curriculum, pupils develop knowledge and understanding so that they are prepared effectively for the next stage of their education." - ISI Report June 2025.

With small class sizes, highly experienced class teachers, ably supported by a dedicated teaching assistant in every class, we ensure all children are supported to reach their full potential. We employ specialist teachers of Spanish, Physical Education, Music and Computing to ensure our children are provided with an exciting and engaging curriculum taught by specialists.

The Head Teacher and all staff have supported the school and worked hard to maintain high school standards. The Governing Body of the school is also actively involved in the oversight of the management of the school and in setting new objectives for the school for the future. Carleton House provides equal opportunities for all staff and pupils.

The school is committed to the safeguarding of children and its policies and procedures reflect this. All policies and procedures are updated as appropriate and are available at the school for inspection.

In setting the School's objectives, the Trustees have given considered Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

Our most recent external ISI Educational Quality inspection judged all of the Independent Schools Standards to be met.

The majority of our pupils obtain their first choice preference at secondary school level. The places secured for 2024-25 were as follows:

The Blue Coat School – 10 pupils
Birkenhead School - 7 pupils
Liverpool College - 1 pupil
Belvedere Academy - 1 pupil
Bellerive FCJ Catholic College - 1 pupil
Rainford High School - 1 pupil
St Edward's College -1 pupil
St Margaret's Academy -1 Pupil

The achievement of our pupils are in measured in Statutory Attainment Test (SAT) using a scaled score.

Results for the academic year 2024-25

Key stage 1 (23 pupils)

Mathematics
100% of pupils met the required standard with scaled scores of 100 or more (23 pupils).

Reading
100% of pupils met the required standard with scaled scores of 100 or more (23 pupils).

Grammar, Punctuation and Spelling
65% of pupils met the required standard with scaled scores of 100 or more (15 pupils).

Key stage 2 (23 pupils)

Mathematics
100% of pupils met the required standard with scaled scores of 100 or more (23 pupils).
83% of pupils exceeded the required standard with scaled scores of 110 or more (19 pupils).

Reading
100% of pupils met the required standard with scaled scores of 100 or more (23 pupils).
65% of pupils exceeded the required standard with scaled scores of 110 or more (15 pupils).

Grammar, Punctuation and Spelling
100% of pupils met the required standard with scaled scores of 100 or more (23 pupils).
83% of pupils exceeded the required standard with scaled scores of 110 or more (19 pupils).

Writing
100% of pupils achieved the expected standard (23 pupils).
78% of pupils were assessed at working at greater depth (18 pupils).

Our SATs scores show that our children continue to perform well above national average in all subjects.

Our children benefit from the exciting experience of residential trips starting in Year 3 through to year 6. These immersive experiences take our children out of their comfort zones and immerse them in nature, where they face challenges, develop resilience, and acquire vital life skills. During these adventures, children learn to work together, communicate effectively, and solve problems in unfamiliar settings, fostering leadership and teamwork capabilities.

In Carleton House all pupils are given the opportunity to fully develop their musical talents. Our specialist curriculum music teacher provides lessons across the school from Nursery to Year 6. Children are taught to sing, to create and compose music, to perform and to listen to and evaluate music. They are given the opportunity and confidence to become musicians.

Our strong ongoing partnership with outside music company Pulse, has ensured all pupils in Key Stage 2 are given the opportunity learn a musical instrument, taught weekly by experienced music teachers. Our children progress to grade exams and take part in Christmas and summer concerts for our families. Many of our children go on to achieve music scholarships at local secondary schools of their choice.

Our exceptionally talented choir are invited to perform at a range of different festivals and events throughout the school year, the highlight being a Christmas performance at the Liverpool Metropolitan Cathedral. The school provides an extensive range of extra-curricular clubs including debating, first aid, dance, judo, chess and a wide variety of sports clubs.

Sport helps children to remain healthy, develop leadership skills and understand the value of teamwork and co-operation. We have a dedicated specialist PE teacher who teaches lessons from Nursery to Year 6. Key Stage 2 have swimming lessons under the supervision of fully qualified swimming teachers and coaches. We believe in developing a competitive sporting spirit with an emphasis on participation. A wide variety of games are played in the school and at inter-school level including football, cricket, netball, rounders, swimming, athletics and cross-country. We are members of LSSP, Liverpool Schools Sports Partnership which allows us to compete against other local schools. We also take part in school football leagues and competitions with other local independent schools.

The School continued to provide a daily hot lunch for every child prepared by our own chef in the kitchen to meet national food standards in schools. The quality of food and choice is closely monitored and has been a great success with the children and staff.

Fundraising performance

The school has continued to support local charities, with an impressive £1,459.57 being raised for Zoe's Place Children's Hospital. Other fundraising included Cafod, South Liverpool Foodbank, The Whitechapel Centre for the homeless as well as other local and national good causes and charities.

Financial review

Reserves policy

The Board of Trustees continues to review the reserves policy regularly to ensure that the school maintains sufficient financial resilience to support its ongoing operations, strategic objectives and future sustainability within an increasingly challenging independent school sector.

The Board has adopted a prudent approach to reserve management in light of continuing sector pressures, including economic uncertainty, the introduction of VAT on school fees, inflationary pressures and wider independent school market instability. Despite these challenges, the school remains in a strong financial position due to careful financial management, robust pupil recruitment and ongoing monitoring of financial performance.

The current year surplus is £144,788. The general reserve has increased to £1,760,301, including cash balances of £1,011,438. This is within the range of reserves agreed by the Board of Trustees, although some of the retained reserves have been set into a specific fund which will be utilised to finance an ambitious development of the current premises, which is planned to be phased over the next three years.

As a general principle, the Board aims to maintain cash reserves equivalent to between three and six months of normal operating expenditure, although this may vary during periods of planned capital investment or strategic development.

The charities free reserves, unrestricted funds after excluding tangible fixed assets, as at 31 August 2025 were £105,785.

Principal funding sources

The principal source of funding is the fees charged to parents for the provision of school places for their children.

Major risks

The Trustees have assessed the principal risks and uncertainties facing the school, including those relating to pupil recruitment and retention, financial sustainability, regulatory compliance and wider economic pressures affecting the independent school sector. The Trustees are satisfied that appropriate systems, controls and monitoring procedures are in place to mitigate exposure to these risks and to support the continued stability and sustainability of the school.

Plans for future periods

As outlined in the financial review, the school has continued to invest in a phased programme of estate improvement and refurbishment in order to maintain and enhance the learning environment for pupils. Historically, this has included the construction of a purpose-built cloakroom facility, replacement artificial grass play areas, and wider improvements to the school estate and facilities.

During Summer 2025, significant planned capital works were completed, including roof, fascia and gutter repairs, external repainting of the school building, and reconstruction of the front entrance porch. These improvements were funded through a combination of prudent borrowing arrangements and cash reserves and were undertaken following a short delay to allow the Board to assess the financial implications of VAT on school fees.

The Board remains committed to the continued development of the school environment. Planned works for Summer 2026 include the redevelopment of the EYFS outdoor provision and the continuation of the phased internal refurbishment programme, with the KS2 refurbishment scheduled for completion in August 2026.

Structure, governance and management

Carleton House Preparatory School Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 May 1976.

The Memorandum and Articles of Association were altered by special resolution on 18th June 2020.

The principal object of the company is to provide a first class, independent co-educational school to pupils aged 3 to 11 years. The Head Teacher is a member of the Independent Schools Association, which gives accreditation by the Independent Schools Council. The School is a Catholic School which accepts children of other denominations and faiths. It has strong links with the Archdiocese of Liverpool and the Parish of Our Lady of the Annunciation Bishop Eton.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

L Morrison - Chair to 30/09/2025	(Resigned 7 October 2025)
J P Burns - Chair	
E Czarnecki	
C M Harrison	(Resigned 7 October 2025)
S M Hegarty	
C B Holguin	(Resigned 7 October 2025)
M Joe	(Resigned 11 November 2024)
T Manning	
J A Robinson	
H A Ness	(Appointed 8 May 2025)
I Brown	(Appointed 19 January 2026)
T Jones	(Appointed 19 January 2026)
K Castellina	(Appointed 19 January 2026)
G Ahmad	(Appointed 19 January 2026)

Subsequent to the year end, L Morrison stepped down as Chair of Trustees with effect from 30 September 2025 and was appointed Vice Chair, while JP Burns was appointed Chair of Trustees following nominations by the Governors. L Morrison subsequently resigned from the Board on 7 October 2025 and SM Hegarty was appointed as Vice Chair.

Recruitment and appointment of trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

A few trustees have beneficial interest in the company, mostly having children attending at the school. JP Burns, who is a Director of J&S Partnership, carried out the roof, gutters and fascias works, building redecoration, front entrance porch construction, and refurbishment of the Year 5 classroom, as disclosed in the related party transactions.

All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The Board of Trustees determines the general strategy and policy of the school, but the day-to-day management of the school is delegated to the Head Teacher. The Board meets at least termly and there are a number of sub-committees convening such areas as Curriculum and Safeguarding, Finance, Buildings and Health and Safety and Pay and Appraisal.

Induction and training of trustees

The trustees who served during the year are shown on page one. Trustees are appointed by the Board of Trustees (also known as the Governing Body) and serve for a period of three years. Upon the end of each three-year term, trustees are eligible for re-election. Vacant trustee positions are advertised with a current equal number of external trustees and trustees who are current parents of the school. New trustees are provided with an introduction into the nature and running of the school.

Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

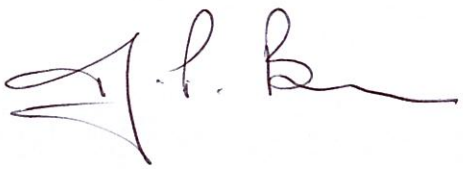
Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

J P Burns - Chair
Trustee

13 May 2026



CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees, who are also the directors of Carleton House Preparatory School for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARLETON HOUSE PREPARATORY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

Opinion

We have audited the financial statements of Carleton House Preparatory School (the 'charity') for the year ended 31 August 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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, except to the extent otherwise explicitly stated in our report, 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the school through discussions with Trustees and other management, and from our knowledge and experience of academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of noncompliance throughout the audit.

We assessed the susceptibility of the school's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

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

B. Kelly

Bradley Kelly BA BFP ACA FCCA (Senior Statutory Auditor)
For and on behalf of Xeinadin Audit Limited, Statutory Auditor
Chartered Accountants
46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR
Date: 27/5/26

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from:			
Donations and legacies	3	1,498	1,377
Charitable activities	4	1,971,064	1,860,214
Investments	5	10,605	7,199
Total income		1,983,167	1,868,790
Expenditure on:			
Charitable activities	6	1,838,379	1,675,241
Total expenditure		1,838,379	1,675,241
Net income and movement in funds		144,788	193,549
Reconciliation of funds:			
Fund balances at 1 September 2024		1,615,513	1,421,964
Fund balances at 31 August 2025		1,760,301	1,615,513

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

CARLETON HOUSE PREPARATORY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	**12**		1,654,516		1,452,545
Current assets					
Debtors	**13**	302,860		38,386	
Cash at bank and in hand		1,011,438		932,921	
		1,314,298		971,307	
Creditors: amounts falling due within one year	**16**	(1,058,895)		(689,531)	
Net current assets			255,403		281,776
Total assets less current liabilities			1,909,919		1,734,321
Creditors: amounts falling due after more than one year	**17**		(149,618)		(118,808)
Net assets			1,760,301		1,615,513
The funds of the charity					
Unrestricted funds	**20**		1,760,301		1,615,513
			1,760,301		1,615,513

The financial statements were approved by the Trustees on 13 May 2026

J P Burns - Chair
Trustee



Company registration number 01260765 (England and Wales)

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(55,134)		579,945
Investing activities					
Purchase of tangible fixed assets		(229,324)		(64,568)	
Investment income received		10,605		7,199	
Net cash used in investing activities			(218,719)		(57,369)
Financing activities					
Proceeds from new bank loans		356,250		-	
Payment of finance leases obligations		(3,880)		-	
Net cash generated from financing activities			352,370		-
Net increase in cash and cash equivalents			78,517		522,576
Cash and cash equivalents at beginning of year			932,921		410,345
Cash and cash equivalents at end of year			1,011,438		932,921

1 Accounting policies

Charity information

Carleton House Preparatory School is a private company limited by guarantee incorporated in England and Wales. The registered office is 145 Menlove Avenue, Liverpool, Merseyside, L18 3EE.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line - buildings only
Plant and IT equipment	3-5 years straight line
Fixtures and fittings	2-6 years straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Retirement benefits for employees who are teachers at the School are provided by the Teachers' Pension Scheme (TPS).The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The School also contributes to personal pension plans for administrative employees and the pension charge represents the amounts payable by the School.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	1,498	1,377

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Charitable Activity		
School fees	1,842,842	1,761,646
Other income	128,222	98,568
	1,971,064	1,860,214

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	10,605	7,199

6 Expenditure on charitable activities

	Charitable Activity 2025 £	Charitable Activity 2024 £
Direct costs		
Staff costs	1,295,504	1,169,943
School expenses	149,323	157,346
School meals expenditure	57,455	52,417
School trips expenditure	40,883	38,580
Repairs and maintenance	11,855	28,030
Motor and travel	5,595	6,142
Rates	16,766	12,867
Light, heat and power	35,298	17,431
Telephone and IT	33,722	22,025
Photocopier	6,915	6,092
Membership and professional subscriptions	9,958	10,693
Cleaning	40,551	42,717
Insurance	44,592	22,255
Training costs	1,806	3,859
Bad debts	-	3,786
Sundry expenses	1,141	9,555
	1,751,364	1,603,738
Share of support and governance costs (see note 7)		
Governance	87,015	71,503
	1,838,379	1,675,241
Analysis by fund		
Unrestricted funds	1,838,379	1,675,241

7 Support costs allocated to activities

	Charitable Activity 2025 £	Total 2024 £
Governance	87,015	71,503

7 Support costs allocated to activities **(Continued)**

Governance costs comprise:	**2025** **£**	**2024** **£**
Depreciation	50,042	32,532
Audit fees	6,685	6,150
Accountancy	2,000	2,550
Legal and professional	28,288	30,271
	87,015	71,503

8 Net movement in funds

	2025 **£**	**2024** **£**
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	7,500	5,340
- for other financial services	2,650	2,550
Depreciation of owned tangible fixed assets	50,042	32,532

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2025 **Number**	**2024** **Number**
Teaching	27	25
Finance & admin	3	3
Facilities	5	5
Total	35	33

Employment costs	**2025** **£**	**2024** **£**
Wages and salaries	1,013,912	932,970
Social security costs	107,988	87,324
Other pension costs	173,604	149,649
	1,295,504	1,169,943

10 Employees (Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£60,001 to £70,000	1	-
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	357,254	261,898

The key management personnel of the School comprises the Trustees, the Head Teacher, the Deputy Head Teacher, Assistant Headteacher and the School Business Manager. The schools Trustees are not remunerated.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Freehold land and buildings £	Plant and IT equipment £	Fixtures and fittings £	Total £
Cost				
At 1 September 2024	1,727,260	100,073	80,101	1,907,434
Additions	205,972	23,443	22,597	252,012
At 31 August 2025	1,933,232	123,516	102,698	2,159,446
Depreciation and impairment				
At 1 September 2024	316,279	92,978	45,631	454,888
Depreciation charged in the year	31,510	10,354	8,178	50,042
At 31 August 2025	347,789	103,332	53,809	504,930
Carrying amount				
At 31 August 2025	1,585,443	20,184	48,889	1,654,516
At 31 August 2024	1,410,980	7,094	34,471	1,452,545

Included in land and buildings is freehold land at a valuation of £500,000 (2023: £500,000) which is not depreciated.

13 Debtors

Amounts falling due within one year:	2025 £	2024 £
Trade debtors	248,403	2,921
Other debtors	11,335	1,179
Prepayments and accrued income	43,122	34,286
	302,860	38,386

14 Loans and overdrafts

	2025 £	2024 £
Bank loans	356,250	-
Payable within one year	356,250	-

The bank loan is secured by fixed charges on the property owned by the Charity.

The bank loan is denominated in GBP with nominal interest rates 2.05% above base rate per annum. It was initially repayable in monthly installments for the term of 5 years, but it was fully repaid in March 2026.

15 Finance lease obligations

Future minimum lease payments due under finance leases:

	2025 £	2024 £
Within one year	3,868	-
Within two and five years	14,940	-
	18,808	-

The finance lease is secured on the related assets.

16 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Bank loans	14	356,250	-
Obligations under finance leases	15	3,868	-
Other taxation and social security		25,899	18,739
Deferred income	18	554,283	573,540
Trade creditors		44,639	42,268
Other creditors		43,557	35,369
Accruals		30,399	19,615
		1,058,895	689,531

17 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Obligations under finance leases	15	14,940	-
Other creditors		134,678	118,808
		149,618	118,808

18 Deferred income

	2025 £	2024 £
Other deferred income	554,283	573,540

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	554,283	573,540
Movements in the year:		
Deferred income at 1 September 2024	573,540	1,590,365
Released from previous periods	(573,540)	(1,590,365)
Resources deferred in the year	554,283	573,540
Deferred income at 31 August 2025	554,283	573,540

18 Deferred income **(Continued)**

School fees are invoiced in July for the coming academic year, and are therefore included in deferred income at the year end.

The prior year deferred income balance has been released in full in the year, and the total current year balance has been deferred for this year.

19 Retirement benefit schemes

Defined contribution schemes	**2025** **£**	**2024** **£**
Charge to profit or loss in respect of defined contribution schemes	173,604	149,649

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and from 1 January 2007, automatic for teachers in part-time employment. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration charge). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million

The result of this valuation will be implemented from 1 April 2024.The next valuation result is due to be implemented from 1 April 2028.

The employer pensions contributions to TPS in the year amounted to £149,337 (2024: £139,924).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the charity has taken advantage of the exemption in FRS 102 and has has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

The School also makes contributions to personal pension plans for non-teaching staff. The total cost of these contributions was £24,225.61 (2024: £25,162).

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2024	Incoming resources	Resources expended	At 31 August 2025
	£	£	£	£
Site development fund	73,050	-	-	73,050
Personal donations fund	353	1,120	-	1,473
General funds	1,542,110	1,982,047	(1,838,379)	1,685,778
	1,615,513	1,983,167	(1,838,379)	1,760,301

Previous year:	At 1 September 2023	Incoming resources	Resources expended	At 31 August 2024
	£	£	£	£
Site development fund	73,050	-	-	73,050
Personal donations fund	570	1,132	(1,349)	353
General funds	1,348,344	1,867,658	(1,673,892)	1,542,110
	1,421,964	1,868,790	(1,675,241)	1,615,513

21 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
	£	£
Within one year	-	3,158

22 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Trustees whose children attend the school pay fees at the same rate as other parents.

During the year, the School entered into transactions with J&S Partnership, a business connected to a Governor/Trustee The transactions related to building works carried out at the School, including roofing, gutters and fascias, construction of the front porch, external redecoration and the Year 5 refurbishment.

The total value of building works undertaken by J&S Partnership and recognised in the financial statements for the year amounted to £177,310 net of VAT. The full tender value of the project was £325,000 plus VAT. The transactions were undertaken in the normal course of business and were approved through the School's governance procedures.

At the year end no amount was included within creditors/accruals in respect of these works.

23 Cash (absorbed by)/generated from operations

	2025	2024
	£	£
Surplus for the year	144,788	193,549
Adjustments for:		
Investment income recognised in statement of financial activities	(10,605)	(7,199)
Depreciation and impairment of tangible fixed assets	50,042	32,531
Movements in working capital:		
(Increase)/decrease in debtors	(264,475)	1,309,544
Increase in creditors	44,373	68,345
(Decrease) in deferred income	(19,257)	(1,016,825)
Cash (absorbed by)/generated from operations	(55,134)	579,945

24 Analysis of changes in net funds

	At 1 September 2024	Cash flows	New finance leases	At 31 August 2025
	£	£	£	£
Cash at bank and in hand	932,921	78,517	-	1,011,438
Loans falling due within one year	-	(356,250)	-	(356,250)
Obligations under finance leases	-	3,880	(22,688)	(18,808)
	932,921	(273,853)	(22,688)	636,380

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

England & Wales - Charity number 505310

Accounts

Charity registration number 505310 (England and Wales)

Company registration number 01260765

CARLETON HOUSE PREPARATORY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

Carleton House
Preparatory School

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CARLETON HOUSE PREPARATORY SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L Morrison - Chair of Trustees J P Burns E Czarnecki C M Harrison S M Hegarty C B Holguin T Manning J A Robinson	 (Appointed 11 September 2023)
Senior management	S Coleman C Griffies R Mumbengegwi	Headteacher Deputy Headteacher School Business Manager
Charity number (England and Wales)	505310	
Company number	01260765	
Registered office	145 Menlove Avenue Liverpool Merseyside L18 3EE	
Auditor	Xeinadin Audit Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR	
Bankers	Natwest 138 Allerton Road Liverpool Merseyside L18 2JN	

CARLETON HOUSE PREPARATORY SCHOOL

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CARLETON HOUSE PREPARATORY SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

Carleton House Preparatory School offers the full statutory primary curriculum. Pupils' attainment at the end of both Key Stages is consistently well above the expected level of attainment nationally.

"Pupils develop excellent knowledge, skills and understanding across the curriculum due to the reflective learning approaches they are taught from an early age." - ISI Report June 2022.

With small class sizes, highly experienced class teachers, ably supported by a dedicated teaching assistant in every class, we ensure all children are supported to reach their full potential. We employ specialist teachers of Spanish, Physical Education and Computing to ensure our children are provided with an exciting and engaging curriculum taught by specialists.

The Head Teacher and all staff have supported the school and worked hard to maintain high school standards. The Governing Body of the school is also actively involved in the oversight of the management of the school and in setting new objectives for the school for the future. Carleton House provides equal opportunities for all staff and pupils.

The school is committed to the safeguarding of children and its policies and procedures reflect this. All policies and procedures are updated as appropriate and are available at the school for inspection.

In setting the School's objectives, the Trustees have given considered Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

Our most recent external ISI Educational Quality inspection judged both the achievement of our pupils, including their academic development and the personal development of the pupils to be excellent - the highest possible judgement. All regulatory requirements were met.

The majority of our pupils obtain their first choice preference at secondary school level. The places secured for 2023-2024 were as follows:

The Blue Coat School - 14pupils
Birkenhead School - 4 pupils
Liverpool College - 2 pupils
Belvedere Academy - 1 pupil
St Julie's - 1 pupil
St Mary's College - 1 pupil
The achievement of our pupils are in measured in Statutory Attainment Test (SAT) using a scaled score.

Results for the academic year 2023-24

Key stage 1 (23 pupils)

Mathematics
96% of pupils met the required standard with scaled scores of 100 or more (22 pupils).

Reading
91% of pupils met the required standard with scaled scores of 100 or more (21 pupils).

Grammar, Punctuation and Spelling
91% of pupils met the required standard with scaled scores of 100 or more (21 pupils).

Key stage 2 (23 pupils)

Mathematics
100% of pupils met the required standard with scaled scores of 100 or more (23 pupils).
78% of pupils exceeded the required standard with scaled scores of 110 or more (18 pupils).

Reading
100% of pupils met the required standard with scaled scores of 100 or more (23 pupils).
78% of pupils exceeded the required standard with scaled scores of 110 or more (18 pupils).

Grammar, Punctuation and Spelling
100% of pupils met the required standard with scaled scores of 100 or more (23 pupils).
96% of pupils exceeded the required standard with scaled scores of 110 or more (22 pupils).

Writing
100% of pupils achieved the expected standard (23 pupils).
52% of pupils were assessed at working at greater depth (12 pupils).

Our SATs scores show that our children continue to perform well above national average in all subjects.

Our children benefit from the exciting experience of residential trips starting in Year 3 through to year 6. These immersive experiences take our children out of their comfort zones and immerse them in nature, where they face challenges, develop resilience, and acquire vital life skills. During these adventures, children learn to work together, communicate effectively, and solve problems in unfamiliar settings, fostering leadership and teamwork capabilities.

In Carleton House all pupils are given the opportunity to fully develop their musical talents. Our specialist curriculum music teacher provides lessons across the school from Nursery to Year 6. Children are taught to sing, to create and compose music, to perform and to listen to and evaluate music. They are given the opportunity and confidence to become musicians.

Our strong ongoing partnership with outside music company Pulse, has ensured all pupils in Key Stage 2 are given the opportunity learn a musical instrument, taught weekly by experienced music teachers. Our children progress to grade exams and take part in Christmas and summer concerts for our families. Many of our children go on to achieve music scholarships at local secondary schools of their choice.

Our exceptionally talented choir are invited to perform at a range of different festivals and events throughout the school year, the highlight being a Christmas performance at the Liverpool Metropolitan Cathedral. The school provides an extensive range of extra-curricular clubs including debating, first aid, dance, judo, chess and a wide variety of sports clubs.

Sport helps children to remain healthy, develop leadership skills and understand the value of teamwork and co-operation. We have a dedicated specialist PE teacher who teaches lessons from Nursery to Year 6. Key Stage 2 have swimming lessons under the supervision of fully qualified swimming teachers and coaches. We believe in developing a competitive sporting spirit with an emphasis on participation. A wide variety of games are played in the school and at inter-school level including football, cricket, netball, rounders, swimming, athletics and cross-country. We are members of LSSP, Liverpool Schools Sports Partnership which allows us to compete against other local schools. We also take part in school football leagues and competitions with other local independent schools.

The School continued to provide a daily hot lunch for every child prepared by our own chef in the kitchen to meet national food standards in schools. The quality of food and choice is closely monitored and has been a great success with the children and staff.

Fundraising performance

The school has continued to support local charities, with an impressive £13,785.70 being raised for Alder Hey Charity, our school chosen charity for the academic year 2023-24. Other fundraising included Cafod, South Liverpool Foodbank, The Whitechapel Centre for the homeless as well as other local and national good causes and charities.

Financial review

Reserves policy

In what has been a difficult year with high amounts of financial uncertainty, the Board of Trustees have continued to evaluate the reserves requirements to ensure the continued running of the school. Due to prudent financial management over recent years, our reserves have been growing, which meant that we were in a strong position to mitigate the financial risks arising from the pandemic. As a general rule, the Board of Trustees have decided that the school should have cash reserves equivalent to between three and six months costs for business as usual operations, although this may be reduced in periods where significant capital investment is needed.

The current year surplus is £193,546. The general reserve has increased to £1,615,513, including cash balances of £932,921. This is within the range of reserves agreed by the Board of Trustees, although some of the retained reserves have been set into a specific fund which will be utilised to finance an ambitious development of the current premises, which is planned to be phased over the next three years.

The charities free reserves, unrestricted funds after excluding tangible fixed assets, as at 31 August 2024 were £162,968.

Principal funding sources

The principal source of funding is the fees charged to parents for the provision of school places for their children.

Major risks

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

In the previous year, the Construction was completed on a new purpose-built modern cloakroom which replaced our previous cloakroom which was housed in the original conservatory to the house. As outlined in our financial review, our growth in reserves will was partially utilised to fund a scheduled programme of building refresh for the coming years, including internal and external refurbishment and the re development of the EYFS playground. This coupled with reasonable debt financing has allowed for the next phase of the planned capital expenditure which is the artificial grass replacement, roof, fascia, gutters repairs, building external repainting and front entrance porch reconstruction. The works are scheduled to commence in the summer holidays of 2025 after being delayed in order to assess the impact of VAT on school fees.

Structure, governance and management

Carleton House Preparatory School Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 May 1976.

The Memorandum and Articles of Association were altered by special resolution on 18th June 2020.

The principal object of the company is to provide a first class, independent co-educational school to pupils aged 3 to 11 years. The Head Teacher is a member of the Independent Schools Association, which gives accreditation by the Independent Schools Council. The School is a Catholic School which accepts children of other denominations and faiths. It has strong links with the Archdiocese of Liverpool and the Parish of Our Lady of the Annunciation Bishop Eton.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

L Morrison - Chair of Trustees
J P Burns
E Czarnecki
C M Harrison
S M Hegarty
C B Holguin
M Joe (Resigned 11 November 2024)
T Manning
J A Robinson (Appointed 11 September 2023)

Recruitment and appointment of trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

A few trustees have beneficial interest in the company, mostly having children attending at the school.

All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The Board of Trustees determines the general strategy and policy of the school, but the day-to-day management of the school is delegated to the Head Teacher. The Board meets at least termly and there are a number of sub-committees convening such areas as Curriculum and Safeguarding, Finance, Buildings and Health and Safety and Pay and Appraisal.

Induction and training of trustees

The trustees who served during the year are shown on page one. Trustees are appointed by the Board of Trustees (also known as the Governing Body) and serve for a period of three years. Upon the end of each three-year term, trustees are eligible for re-election. Vacant trustee positions are advertised with a current equal number of external trustees and trustees who are current parents of the school. New trustees are provided with an introduction into the nature and running of the school.

Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

.....

L Morrison - Chair of Trustees

Trustee

Date: 13/2/25

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees, who are also the directors of Carleton House Preparatory School for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the Trustees are required to:
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARLETON HOUSE PREPARATORY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

Opinion

We have audited the financial statements of Carleton House Preparatory School (the 'charity') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 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 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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, except to the extent otherwise explicitly stated in our report, 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the school through discussions with Trustees and other management, and from our knowledge and experience of academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of noncompliance throughout the audit.

We assessed the susceptibility of the school's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

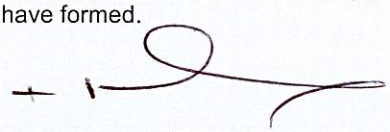
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

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



Helen Furlong FCCA (Senior Statutory Auditor)
For and on behalf of Xeinadin Audit Limited, Statutory Auditor
Chartered Accountants
46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR
Date: 3.3.25

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	3	1,377	570
Charitable activities	4	1,860,214	1,763,156
Investments	5	7,199	-
Total income		1,868,790	1,763,726
Expenditure on:			
Charitable activities	6	1,675,241	1,563,424
Total expenditure		1,675,241	1,563,424
Net income and movement in funds		193,549	200,302
Reconciliation of funds:			
Fund balances at 1 September 2023		1,421,964	1,221,662
Fund balances at 31 August 2024		1,615,513	1,421,964

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

CARLETON HOUSE PREPARATORY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	12		1,452,545		1,420,508
Current assets					
Debtors	13	38,386		1,347,930	
Cash at bank and in hand		932,921		410,345	
		971,307		1,758,275	
Creditors: amounts falling due within one year	14	(689,531)		(1,673,319)	
Net current assets			281,776		84,956
Total assets less current liabilities			1,734,321		1,505,464
Creditors: amounts falling due after more than one year	15		(118,808)		(83,500)
Net assets			1,615,513		1,421,964
The funds of the charity					
Unrestricted funds	18		1,615,513		1,421,964
			1,615,513		1,421,964

The financial statements were approved by the Trustees on 13/2/25

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L Morrison - Chair of Trustees
Trustee

Company registration number 01260765 (England and Wales)

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash generated from operations	21		579,945		198,476
Investing activities					
Purchase of tangible fixed assets		(64,568)		(64,731)	
Investment income received		7,199		-	
Net cash used in investing activities			(57,369)		(64,731)
Financing activities					
Repayment of bank loans		-		(119,503)	
Net cash used in financing activities			-		(119,503)
Net increase in cash and cash equivalents			522,576		14,242
Cash and cash equivalents at beginning of year			410,345		396,103
Cash and cash equivalents at end of year			932,921		410,345

1 Accounting policies

Charity information

Carleton House Preparatory School is a private company limited by guarantee incorporated in England and Wales. The registered office is 145 Menlove Avenue, Liverpool, Merseyside, L18 3EE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line - buildings only
Plant and IT equipment	3-5 years straight line
Fixtures and fittings	2-6 years straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Retirement benefits for employees who are teachers at the School are provided by the Teachers' Pension Scheme (TPS).The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The School also contributes to personal pension plans for administrative employees and the pension charge represents the amounts payable by the School.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	1,377	570

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable Activity		
School fees	1,761,646	1,600,987
Other income	98,568	162,169
	1,860,214	1,763,156

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	7,199	-

6 Expenditure on charitable activities

	Charitable Activity 2024 £	Charitable Activity 2023 £
Direct costs		
Staff costs	1,169,943	1,069,698
School expenses	157,346	135,892
School meals expenditure	52,417	49,271
School trips expenditure	38,580	43,854
Repairs and maintenance	28,030	22,713
Motor and travel	6,142	6,222
Rates	12,867	24,854
Light, heat and power	17,431	10,952
Telephone and IT	22,025	27,610
Photocopier	6,092	5,697
Membership and professional subscriptions	10,693	14,460
Cleaning	42,717	38,605
Insurance	22,255	24,406
Training costs	3,859	5,683
Bad debts	3,786	-
Sundry expenses	9,555	12,177
	1,603,738	1,492,094
Share of support and governance costs (see note 7)		
Governance	71,503	71,330
	1,675,241	1,563,424
Analysis by fund		
Unrestricted funds	1,675,241	1,563,424

7 Support costs allocated to activities

	Charitable Activity 2024 £	Total 2023 £
Governance	71,503	71,330

7 Support costs allocated to activities (Continued)

Governance costs comprise:	2024 £	2023 £
Depreciation	32,532	48,670
Audit fees	6,150	5,700
Accountancy	2,550	1,800
Legal and professional	30,271	15,160
	71,503	71,330

8 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	5,340	5,100
- for other financial services	2,550	2,400
Depreciation of owned tangible fixed assets	32,532	48,670

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Teaching	25	24
Finance & admin	3	3
Facilities	5	5
Total	33	32

Employment costs	2024 £	2023 £
Wages and salaries	932,970	870,529
Social security costs	87,324	75,790
Other pension costs	149,649	123,379
	1,169,943	1,069,698

10 Employees (Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£70,000 to £80,000	-	1
£80,000 to £90,000	1	-

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	261,898	236,431

The key management personnel of the School comprises the Trustees, the Head Teacher, the deputy Head Teacher and the School Business Manager. The schools Trustees are not remunerated.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Tangible fixed assets

	Freehold land and buildings £	Plant and IT equipment £	Fixtures and fittings £	Total £
Cost				
At 1 September 2023	1,673,234	96,299	73,333	1,842,866
Additions	54,026	3,773	6,769	64,568
At 31 August 2024	1,727,260	100,072	80,102	1,907,434
Depreciation and impairment				
At 1 September 2023	296,679	86,740	38,938	422,357
Depreciation charged in the year	19,601	6,238	6,693	32,532
At 31 August 2024	316,280	92,978	45,631	454,889
Carrying amount				
At 31 August 2024	1,410,980	7,094	34,471	1,452,545
At 31 August 2023	1,376,556	9,558	34,394	1,420,508

Included in land and buildings is freehold land at a valuation of £500,000 (2023: £500,000) which is not depreciated.

13 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	2,921	1,336,754
Other debtors	1,179	800
Prepayments and accrued income	34,286	10,376
	38,386	1,347,930

14 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		18,739	19,306
Deferred income	16	573,540	1,590,365
Trade creditors		42,268	19,969
Other creditors		35,369	28,565
Accruals		19,615	15,114
		689,531	1,673,319

15 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Other creditors	118,808	83,500

16 Deferred income

	2024	2023
	£	£
Other deferred income	573,540	1,590,365

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	573,540	1,590,365
Movements in the year:		
Deferred income at 1 September 2023	1,590,365	1,491,798
Released from previous periods	(1,590,365)	(1,491,798)
Resources deferred in the year	573,540	1,590,365
Deferred income at 31 August 2024	573,540	1,590,365

School fees are invoiced in July for the coming academic year, and are therefore included in deferred income at the year end.

The prior year deferred income balance has been released in full in the year, and the total current year balance has been deferred for this year.

17 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	149,649	123,379

17 Retirement benefit schemes **(Continued)**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and from 1 January 2007, automatic for teachers in part-time employment. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration charge). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million

The result of this valuation will be implemented from 1 April 2024.The next valuation result is due to be implemented from 1 April 2028.

The employer pensions contributions to TPS in the year amounted to £139,924 (2023: 114,727).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the charity has taken advantage of the exemption in FRS 102 and has has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

The School also makes contributions to personal pension plans for non-teaching staff. The total cost of these contributions was £9,726 (2023: £8,652).

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2023	Incoming resources	Resources expended	At 31 August 2024
	£	£	£	£
Site development fund	73,050	-	-	73,050
Personal donations fund	570	1,132	(1,349)	353
General funds	1,348,344	1,867,658	(1,673,892)	1,542,110
	1,421,964	1,868,790	(1,675,241)	1,615,513

Previous year:	At 1 September 2022	Incoming resources	Resources expended	At 31 August 2023
	£	£	£	£
Site development fund	63,200	13,500	(3,650)	73,050
Personal donations funds	-	570	-	570
General funds	1,158,462	1,749,656	(1,559,774)	1,348,344
	1,221,662	1,763,726	(1,563,424)	1,421,964

19 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	3,158	7,308
Between two and five years	-	3,158
	3,158	10,466

20 Related party transactions

Trustees whose children attend the school pay fees at the same rate as other parents.

There were no other disclosable related party transactions during the year (2023: £39,427).

21	Cash generated from operations	2024 £	2023 £
	Surplus for the year	193,549	200,302
	Adjustments for:		
	Investment income recognised in statement of financial activities	(7,199)	-
	Depreciation and impairment of tangible fixed assets	32,531	48,670
	Movements in working capital:		
	(Increase)/decrease in stocks	-	1,068
	Decrease/(increase) in debtors	1,309,544	(63,715)
	Increase/(decrease) in creditors	68,345	(86,416)
	(Decrease)/increase in deferred income	(1,016,825)	98,567
	Cash generated from operations	579,945	198,476

22 Analysis of changes in net funds

The charity had no material debt during the year.

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

England & Wales - Charity number 505310

Accounts

Charity registration number 505310

Company registration number 01260765 (England and Wales)

CARLETON HOUSE PREPARATORY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

Carleton House
Preparatory School

McLintocks
Xeinadin Group

CARLETON HOUSE PREPARATORY SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L Morrison - Chair of Trustees	
	J P Burns	
	E Czarnecki	
	T Manning	
	C B Holguin	
	C M Harrison	(Appointed 22 September 2022)
	S M Hegarty	(Appointed 18 January 2023)
	M Joe	(Appointed 1 February 2023)
	J A Robinson	(Appointed 11 September 2023)
Charity number	505310	
Company number	01260765	
Registered office	145 Menlove Avenue Liverpool Merseyside L18 3EE	
Auditor	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP	

CARLETON HOUSE PREPARATORY SCHOOL

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CARLETON HOUSE PREPARATORY SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, 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 2019).

Objectives and activities

Carleton House Preparatory School offers the full statutory primary curriculum. Pupils' attainment at the end of both Key Stages is consistently well above the expected level of attainment nationally.

"Pupils develop excellent knowledge, skills and understanding across the curriculum due to the reflective learning approaches they are taught from an early age." - ISI Report June 2022.

With small class sizes, highly experienced class teachers, ably supported by a dedicated teaching assistant in every class, we ensure all children are supported to reach their full potential. We employ specialist teachers of Spanish, Physical Education and Computing to ensure our children are provided with an exciting and engaging curriculum taught by specialists.

The Head Teacher and all staff have supported the school and worked hard to maintain high school standards. The Governing Body of the school is also actively involved in the oversight of the management of the school and in setting new objectives for the school for the future. Carleton House provides equal opportunities for all staff and pupils.

The school is committed to the safeguarding of children and its policies and procedures reflect this. All policies and procedures are updated as appropriate and are available at the school for inspection.

In setting the School's objectives, the Trustees have given considered Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

Our most recent external ISI Educational Quality inspection judged both the achievement of our pupils, including their academic development and the personal development of the pupils to be excellent - the highest possible judgement. All regulatory requirements were met.

The majority of our pupils obtain their first choice preference at secondary school level. The places secured for 2022-2023 were as follows:

The Blue Coat School - 11 pupils
Liverpool College - 2 pupils
Belvedere Academy - 2 pupils
Birkenhead School - 1 pupil
Merchant Taylors' College - 1 pupil
Calderstones School - 1 pupil
St Mary's College - 1 pupil
King David High School - 1 pupil
Archbishop Blanch School - 1 pupil

As an Independent school we are not required to complete Statutory Tests. In June 2023 our children took part in internally assessed SATs tests (SATs) using 2022 papers. Our SATs results remained in line with those high scores achieved in previous years.

Our children benefit from the exciting experience of residential trips starting in Year 3 through to year 6. These immersive experiences take our children out of their comfort zones and immerse them in nature, where they face challenges, develop resilience, and acquire vital life skills. During these adventures, children learn to work together, communicate effectively, and solve problems in unfamiliar settings, fostering leadership and teamwork capabilities.

In Carleton House all pupils are given the opportunity to fully develop their musical talents. Our specialist curriculum music teacher provides lessons across the school from Nursery to Year 6. Children are taught to sing, to create and compose music, to perform and to listen to and evaluate music. They are given the opportunity and confidence to become musicians.

Our strong ongoing partnership with outside music company Pulse, has ensured all pupils in Key Stage 2 are given the opportunity learn a musical instrument, taught weekly by experienced music teachers. Our children progress to grade exams and take part in Christmas and summer concerts for our families. Many of our children go on to achieve music scholarships at local secondary schools of their choice.

Our exceptionally talented choir are invited to perform at a range of different festivals and events throughout the school year, the highlight being a Christmas performance at the Liverpool Metropolitan Cathedral. The school provides an extensive range of extra-curricular clubs including debating, first aid, dance, judo, chess and a wide variety of sports clubs.

Sport helps children to remain healthy, develop leadership skills and understand the value of teamwork and co-operation. We have a dedicated specialist PE teacher who teaches lessons from Nursery to Year 6. Key Stage 2 have swimming lessons under the supervision of fully qualified swimming teachers and coaches. We believe in developing a competitive sporting spirit with an emphasis on participation. A wide variety of games are played in the school and at inter-school level including football, cricket, netball, rounders, swimming, athletics and cross-country. We are members of LSSP, Liverpool Schools Sports Partnership which allows us to compete against other local schools. We also take part in school football leagues and competitions with other local independent schools.

The School continued to provide a daily hot lunch for every child prepared by our own chef in the kitchen to meet national food standards in schools. The quality of food and choice is closely monitored and has been a great success with the children and staff.

Fundraising performance

Fundraising activities and income generation

The school has continued to support local charities, with £4,225 being raised for KIND, our school chosen charity. Other fundraising included Cafod, South Liverpool Foodbank, The Whitechapel Centre for the homeless as well as other local and national good causes and charities.

Financial review

Reserves policy

In what has been a difficult year with high amounts of financial uncertainty, the Board of Trustees have continued to evaluate the reserves requirements to ensure the continued running of the school. Due to prudent financial management over recent years, our reserves have been growing, which meant that we were in a strong position to mitigate the financial risks arising from the pandemic. As a general rule, the Board of Trustees have decided that the school should have cash reserves equivalent to between three and six months costs for business as usual operations, although this may be reduced in periods where significant capital investment is needed.

The current year surplus is £200,302. The general reserve has increased to £1,421,964, including cash balances of £410,345. This is within the range of reserves agreed by the Board of Trustees, although some of the retained reserves have been set into a specific fund which will be utilised to finance an ambitious development of the current premises, which is planned to be phased over the next three years.

The charities free reserves, unrestricted funds after excluding tangible fixed assets, as at 31 August 2023 were £1,456.

Principal funding sources
The principal source of funding is the fees charged to parents for the provision of school places for their children.

Major risks
The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods
In the previous year, the Construction was completed on a new purpose-built modern cloakroom which replaced our previous cloakroom which was housed in the original conservatory to the house. As outlined in our financial review, our growth in reserves will was partially utilised to fund a scheduled programme of building refresh for the coming years, including internal and external refurbishment and the re development of the EYFS playground. This coupled with reasonable debt financing has allowed for the next phase of the planned capital expenditure which is the artificial grass replacement, roof, fascia, gutters repairs, building external repainting and front entrance porch reconstruction. The works are scheduled to commence in the summer holidays of 2024.

Structure, governance and management
Carleton House Preparatory School Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 May 1976.

The Memorandum and Articles of Association were altered by special resolution on 18th June 2020.

The principal object of the company is to provide a first class, independent co-educational school to pupils aged 3 to 11 years. The Head Teacher is a member of the Independent Schools Association, which gives accreditation by the Independent Schools Council. The School is a Catholic School which accepts children of other denominations and faiths. It has strong links with the Archdiocese of Liverpool and the Parish of Our Lady of the Annunciation Bishop Eton.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

L Morrison - Chair of Trustees	
J P Burns	
E Czarnecki	
T Manning	
C B Holguin	
C M Harrison	(Appointed 22 September 2022)
S M Hegarty	(Appointed 18 January 2023)
M Joe	(Appointed 1 February 2023)
J A Robinson	(Appointed 11 September 2023)
G Beck - Former Chair of Trustees	(Resigned 31 July 2023)
S L Fletcher	(Resigned 31 July 2023)

Recruitment and appointment of trustees
The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

A few trustees have beneficial interest in the company, mostly having children attending at the school. JP Burns who is a Director for a company trading as J&S Partnership constructed the newly built cloakroom as disclosed in the related party transactions.

All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The Board of Trustees determines the general strategy and policy of the school, but the day-to-day management of the school is delegated to the Head Teacher. The Board meets at least termly and there are a number of sub-committees convening such areas as Curriculum and Safeguarding, Finance, Buildings and Health and Safety and Pay and Appraisal.

Induction and training of trustees

The trustees who served during the year are shown on page one. Trustees are appointed by the Board of Trustees (also known as the Governing Body) and serve for a period of three years. Upon the end of each three-year term, trustees are eligible for re-election. Vacant trustee positions are advertised with a current equal number of external trustees and trustees who are current parents of the school. New trustees are provided with an introduction into the nature and running of the school.

Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

.....

L Morrison - Chair of Trustees

Trustee

Date: .....22/5/24.....

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees, who are also the directors of Carleton House Preparatory School for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARLETON HOUSE PREPARATORY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

Opinion

We have audited the financial statements of Carleton House Preparatory School (the 'charity') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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, except to the extent otherwise explicitly stated in our report, 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the school through discussions with Trustees and other management, and from our knowledge and experience of academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of noncompliance throughout the audit.

We assessed the susceptibility of the school's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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.

Use of our report

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



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

23.5.24

Accountants
Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	570	15,784
Charitable activities	4	1,763,156	1,603,667
Total income		1,763,726	1,619,451
Expenditure on:			
Charitable activities	5	1,563,424	1,446,236
Total expenditure		1,563,424	1,446,236
Net income and movement in funds		200,302	173,215
Reconciliation of funds:			
Fund balances at 1 September 2022		1,221,662	1,048,447
Fund balances at 31 August 2023		1,421,964	1,221,662

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

CARLETON HOUSE PREPARATORY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**11**		1,420,508		1,404,447
Current assets					
Stocks	**12**	-		1,067	
Debtors	**13**	1,347,930		1,284,216	
Cash at bank and in hand		410,345		396,103	
		1,758,275		1,681,386	
Creditors: amounts falling due within one year	**15**	(1,673,319)		(1,768,328)	
Net current assets/(liabilities)			84,956		(86,942)
Total assets less current liabilities			1,505,464		1,317,505
Creditors: amounts falling due after more than one year	**16**		(83,500)		(95,843)
Net assets excluding pension liability			1,421,964		1,221,662
Net assets			1,421,964		1,221,662
The funds of the charity					
Unrestricted funds			1,421,964		1,221,662
			1,421,964		1,221,662

The financial statements were approved by the Trustees on 22.1.S.12.4

.....

L Morrison - Chair of Trustees
Trustee

Company registration number 01260765 (England and Wales)

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash generated from operations	**22**		198,476		255,671
Investing activities					
Purchase of tangible fixed assets		(64,731)		(177,942)	
Net cash used in investing activities			(64,731)		(177,942)
Financing activities					
Repayment of bank loans		(119,503)		(113,153)	
Net cash used in financing activities			(119,503)		(113,153)
Net increase/(decrease) in cash and cash equivalents			14,242		(35,424)
Cash and cash equivalents at beginning of year			396,103		431,527
Cash and cash equivalents at end of year			410,345		396,103

1 Accounting policies

Charity information

Carleton House Preparatory School is a private company limited by guarantee incorporated in England and Wales. The registered office is 145 Menlove Avenue, Liverpool, Merseyside, L18 3EE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	Over 50 years - buildings only
Plant & IT equipment	3-5 years straight line
Fixtures and fittings	2-6 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Retirement benefits

Retirement benefits for employees who are teachers at the School are provided by the Teachers' Pension Scheme (TPS).The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The School also contributes to personal pension plans for administrative employees and the pension charge represents the amounts payable by the School.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	570	15,784

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Charitable Activity		
School fees	1,600,987	1,432,076
Other income	162,169	171,591
	1,763,156	1,603,667

5 Expenditure on charitable activities

	Charitable Activity 2023 £	Charitable Activity 2022 £
Direct costs		
Staff costs	1,069,698	979,537
School expenses	135,892	128,287
School meals expenditure	49,271	42,196
School trips expenditure	43,854	40,700
Repairs and maintenance	22,713	19,715
Motor and travel	6,222	9,062
Rates	24,854	6,720
Light, heat and power	10,952	19,214
Telephone and IT	27,610	17,238
Photocopier	5,697	4,082
Membership and professional subscriptions	14,460	16,623
Cleaning	38,605	36,970
Insurance	24,406	21,580
Training costs	5,683	5,657
Bad debts	-	(9,002)
Sundry expenses	12,177	8,668
	1,492,094	1,347,247
Share of support and governance costs (see note 6)		
Governance	71,330	98,989
	1,563,424	1,446,236
Analysis by fund		
Unrestricted funds	1,563,424	1,446,236

6 Support costs allocated to activities

	Charitable Activity 2023 £	Total 2022 £
Governance	71,330	98,989

6 Support costs allocated to activities (Continued)

Governance costs comprise:	2023 £	2022 £
Depreciation	48,670	45,264
Audit fees	5,700	10,276
Accountancy	1,800	-
Legal and professional	15,160	43,449
	71,330	98,989

7 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	5,700	10,276
- for other financial services	1,800	-
Depreciation of owned tangible fixed assets	48,670	45,264

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Teaching	24	25
Finance and admin	3	2
Facilities	5	5
Total	32	32

Employment costs	2023 £	2022 £
Wages and salaries	870,529	805,589
Social security costs	75,790	65,943
Other pension costs	123,379	108,005
	1,069,698	979,537

9 Employees (Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£70,000 to £80,000	1	1

Remuneration of key management personnel

The key management personnel of the School comprises the Trustees, the Head Teacher, the deputy Head Teacher and the Busar. The schools Trustees are not remunerated. The total amount of employee benefits (including employer pension contributions) received by the key management personnel was £236,431. (2022: £171,895 - did not include a full year with Bursar).

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Freehold property	Plant & IT equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 September 2022	1,641,954	93,204	42,976	1,778,134
Additions	31,280	3,095	30,356	64,731
At 31 August 2023	1,673,234	96,299	73,332	1,842,865
Depreciation and impairment				
At 1 September 2022	267,735	73,275	32,677	373,687
Depreciation charged in the year	28,943	13,466	6,261	48,670
At 31 August 2023	296,678	86,741	38,938	422,357
Carrying amount				
At 31 August 2023	1,376,556	9,558	34,394	1,420,508
At 31 August 2022	1,374,218	19,929	10,300	1,404,447

Included in land and buildings is freehold land at a valuation of £500,000 (2022: £500,000) which is not depreciated.

12 Stocks

	2023 £	2022 £
Sundry stocks	-	1,067

13 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	1,336,754	1,241,569
Other debtors	800	4,976
Prepayments and accrued income	10,376	37,671
	1,347,930	1,284,216

14 Loans and overdrafts

	2023 £	2022 £
Bank loans	-	119,503
Payable within one year	-	114,660
Payable after one year	-	4,843

The bank loan is secured on the company's freehold property by way of a first legal charge in favour of the bank. Interest is charged at 2.75% over the bank's base rate. The charges were satisfied during the year.

15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	14	-	114,660
Trade creditors		19,969	12,660
Other taxation and social security		19,306	15,054
Other creditors		28,565	70,791
Accruals		15,114	63,365
Deferred income	17	1,590,365	1,491,798
		1,673,319	1,768,328

16 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	14	-	4,843
Other creditors		83,500	91,000
		83,500	95,843

17 Deferred income

	2023	2022
	£	£
Arising from Deferred income	1,590,365	1,491,798

Deferred income is included in the financial statements as follows:

	2023	2022
	£	£
Deferred income is included within:		
Current liabilities	1,590,365	1,491,798
Movements in the year:		
Deferred income at 1 September 2022	1,491,798	1,375,276
Released from previous periods	(1,491,798)	(1,375,276)
Resources deferred in the year	1,590,365	1,491,798
Deferred income at 31 August 2023	1,590,365	1,491,798

School fees are invoiced in July for the coming academic year, and are therefore included in deferred income at the year end.

The prior year deferred income balance has been released in full in the year, and the total current year balance has been deferred for this year.

18 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	123,379	108,005

18 Retirement benefit schemes **(Continued)**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and from 1 January 2007, automatic for teachers in part-time employment. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer contribution correction cost of 7.3% of pensionable pay will be applied to future valuations
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The TPS valuation for 2016 determines an employer rate of 23.68%, which was payable from September 2019.

The next valuation result is due to be implemented from 1 April 2024.

The employer pensions costs paid to TPS in the year amounted to £114,727 (2022: £99,234).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The School also makes contributions to personal pension plans for non-teaching staff. The total cost of these contributions was £8,652 (2022: £8,771).

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2022	Incoming resources	Resources expended	Transfers	At 31 August 2023
	£	£	£	£	£
Site development fund	63,200	13,500	(3,650)	-	73,050
Personal donations fund	-	570	-	-	570
General funds	1,158,462	1,749,656	(1,559,774)	-	1,348,344
	1,221,662	1,763,726	(1,563,424)	-	1,421,964

Previous year:	At 1 September 2021	Incoming resources	Resources expended	Transfers	At 31 August 2022
	£	£	£	£	£
Site development fund	43,200	-	-	20,000	63,200
Personal donations fund	5,046	3,877	(771)	(8,152)	-
General funds	1,000,201	1,615,574	(1,445,465)	(11,848)	1,158,462
	1,048,447	1,619,451	(1,446,236)	-	1,221,662

20 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	7,308	7,308
Between two and five years	3,158	10,466
	10,466	17,774

21 Related party transactions

Trustees whose children attend the school pay fees at the same rate as any other parent.

In addition the school engaged the services of J & S Partnership, a business in which the Trustee J P Burns has a material interest, to construct bespoke furniture, resurfacing of playground area and general repairs and maintenance. These transactions were at arms' length and amounted to £39,427.

22 Cash generated from operations

	2023	2022
	£	£
Surplus for the year	200,302	173,215
Adjustments for:		
Depreciation and impairment of tangible fixed assets	48,670	45,264
Movements in working capital:		
Decrease in stocks	1,067	178
(Increase) in debtors	(63,714)	(68,748)
(Decrease) in creditors	(86,416)	(10,760)
Increase in deferred income	98,567	116,522
Cash generated from operations	198,476	255,671

23 Analysis of changes in net funds

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	396,103	14,242	410,345
Loans falling due within one year	(114,660)	114,660	-
Loans falling due after more than one year	(4,843)	4,843	-
	276,600	133,745	410,345

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

England & Wales - Charity number 505310

Accounts

Charity registration number 505310

Company registration number 01260765 (England and Wales)

CARLETON HOUSE PREPARATORY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

CARLETON HOUSE PREPARATORY SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	G H Beck - Chair of Trustees	
	J P Burns	
	E Czarnecki	
	S L Fletcher	
	C M Harrison	
	S M Hegarty	(Appointed 18 January 2023)
	C B Holguin	
	M Joe	(Appointed 1 February 2023)
	T Manning	
	L Morrison	
Charity number	505310	
Company number	01260765	
Registered office	145 Menlove Avenue Liverpool Merseyside L18 3EE	
Auditor	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP	

CARLETON HOUSE PREPARATORY SCHOOL

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CARLETON HOUSE PREPARATORY SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, 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 2019).

Objectives and activities

The Head Teacher and all staff have supported the school and worked hard to maintain high school standards. The Governing Body of the school is also actively involved in the oversight of the management of the school and in setting new objectives for the school for the future.

Carleton House provides equal opportunities for all staff and pupils.

The school is committed to the safeguarding of children and its policies and procedures reflect this. All policies and procedures are updated as appropriate and are available at the school for inspection.

In setting the School's objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Carleton House was ranked as the highest-placed independent preparatory school in Merseyside by the most recent Sunday Times Parent Power Schools Guide. It was ranked 10th overall nationally.

The majority of our pupils obtain their first choice preference at secondary school level. The places secured for 2021-2022 were as follows:

The Blue Coat School - 14 pupils
St Mary's College - 3 pupils
Merchant Taylors' College - 1 pupil
St Margaret's Academy - 1 pupil
Belvedere Academy - 1 pupil
Calderstones School - 1 pupil
King David High School - 1 pupil
St Edwards College - 1 pupil

The achievements of our pupils are usually measured in Statutory Attainment Tests (SATs) using a scaled score. SATs testing resumed in May 2022, however results were not published nationally. Our SATs results remained in line with those high scores achieved in previous years but comparison against other schools and national figures was not possible.

The School continued to provide a daily hot lunch for every child prepared by their own chef in the kitchen to meet national food standards in schools. The quality of food and choice is closely monitored and has been a great success with the children and staff.

The School has an active choir which is asked to perform at the Metropolitan Cathedral Christmas Concert every year and has taken part in a local Catholic school choir festival.

The School runs a vibrant and positive music programme for pupils with the outside resources of Pulse Music Liverpool. This has firmly cemented the development of a school wide introduction to music and we have a school orchestra. All junior school pupils are offered musical tuition on an instrument and the chance to join the school orchestra. Pupils are invited to take part in concerts at Christmas or at the end of the school year to celebrate their achievements. Pupils are also provided with the opportunity to take musical exams.

The school provides an extensive range of extra curricular clubs including debating, first aid, dance, judo, chess and a wide variety of sports clubs.

Fundraising activities and income generation

The school has continued to support local charities, including Cafod, Bridge 2, South Liverpool Foodbank and the Whitechapel Centre for the homeless as well as other local and national good causes and charities.

Financial review

In what has been a difficult year with high amounts of financial uncertainty, the Board of Trustees have continued to evaluate the reserves requirements to ensure the continued running of the school. Due to prudent financial management over recent years, our reserves have been growing, which meant that we were in a strong position to mitigate the financial risks arising from the pandemic. As a general rule, the Board of Trustees have decided that the school should have cash reserves equivalent to between three and six months costs for business as usual operations, although this may be reduced in periods where significant capital investment is needed.

The current year surplus is £173,215. The general reserve has increased to £1,221,662, including cash balances of £396,103. This is within the range of reserves agreed by the Board of Trustees, although some of the retained reserves have been set into a specific fund which will be utilised to finance an ambitious development of the current premises, which is planned to be phased over the next three years.

The principal source of funding is the fees charged to parents for the provision of school places for their children.

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Construction was recently completed on a new purpose built modern cloakroom which replaced our previous cloakroom which was housed in the original conservatory to the house. As outlined in our financial review, our growth in reserves will be partially utilised to fund a scheduled programme of building refresh for the coming years, including internal and external refurbishment and the re development of the EYFS playground.

Structure, governance and management

Carleton House Preparatory School Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 May 1976.

The Memorandum and Articles of Association were altered by special resolution on 18th June 2020.

The principal object of the company is to provide a first class, independent co-educational school to pupils aged 3 to 11 years. The Head Teacher is a member of the Independent Schools Association, which gives accreditation by the Independent Schools Council. The School is a Catholic School which accepts children of other denominations and faiths. It has strong links with the Archdiocese of Liverpool and the Parish of Our Lady of the Annunciation Bishop Eton.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

G H Beck - Chair of Trustees	
M I Arshad	(Appointed 16 September 2021 and resigned 30 August 2022)
J P Burns	
E Czarnecki	
D J Fletcher	(Resigned 6 July 2022)
S L Fletcher	
C M Harrison	
S M Hegarty	(Appointed 18 January 2023)
C B Holguin	
M Joe	(Appointed 1 February 2023)
M Kirby	(Resigned 7 June 2022)
T Manning	
L Morrison	
S J Swanson	(Resigned 6 July 2022)

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees determines the general strategy and policy of the school, but the day-to-day management of the school is delegated to the Head Teacher. The Board meets at least termly and there are a number of sub-committees convening such areas as Curriculum and Safeguarding, Finance, Buildings and Health and Safety and Pay and Appraisal.

The trustees who served during the year are shown on page one. Trustees are appointed by the Board of Trustees (also known as the Governing Body) and serve for a period of three years. Upon the end of each three-year term, trustees are eligible for re-election. Vacant trustee positions are advertised with a current equal number of external trustees and trustees who are current parents of the school. New trustees are provided with an introduction into the nature and running of the school.

Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

.....

G H Beck - Chair of Trustees

Trustee

Date: .....23.5.23.....

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are also the directors of Carleton House Preparatory School for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARLETON HOUSE PREPARATORY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

Opinion

We have audited the financial statements of Carleton House Preparatory School (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 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 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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, except to the extent otherwise explicitly stated in our report, 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the school through discussions with Trustees and other management, and from our knowledge and experience of academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of noncompliance throughout the audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

We assessed the susceptibility of the school's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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.

Use of our report

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

Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

24.05.2023

Accountants
Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from:			
Donations and legacies	3	15,784	31,893
Charitable activities	4	1,603,667	1,395,714
Investments	5	-	76
Total income		1,619,451	1,427,683
Expenditure on:			
Charitable activities	6	1,446,236	1,340,814
Net income for the year/ Net movement in funds		173,215	86,869
Fund balances at 1 September 2021		1,048,447	961,578
Fund balances at 31 August 2022		1,221,662	1,048,447

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CARLETON HOUSE PREPARATORY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		1,404,447		1,271,769
Current assets					
Stocks	12	1,067		1,245	
Debtors	13	1,284,216		1,215,468	
Cash at bank and in hand		396,103		431,527	
		1,681,386		1,648,240	
Creditors: amounts falling due within one year	14	(1,768,328)		(1,675,768)	
Net current liabilities			(86,942)		(27,528)
Total assets less current liabilities			1,317,505		1,244,241
Creditors: amounts falling due after more than one year	15		(95,843)		(195,794)
Net assets			1,221,662		1,048,447
Income funds					
Unrestricted funds					
Designated funds	19	1,221,662		1,048,447	
			1,221,662		1,048,447
			1,221,662		1,048,447

The financial statements were approved by the Trustees on 22/5/23

.....

G H Beck - Chair of Trustees

~~Trustee~~

Company registration number 01260765

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	**22**		255,671		213,009
Investing activities					
Purchase of tangible fixed assets		(177,942)		(20,589)	
Investment income received		-		76	
Net cash used in investing activities			(177,942)		(20,513)
Financing activities					
Repayment of bank loans		(113,153)		(90,461)	
Net cash used in financing activities			(113,153)		(90,461)
Net (decrease)/increase in cash and cash equivalents			(35,424)		102,035
Cash and cash equivalents at beginning of year			431,527		329,492
Cash and cash equivalents at end of year			396,103		431,527

1 Accounting policies

Charity information

Carleton House Preparatory School is a private company limited by guarantee incorporated in England and Wales. The registered office is 145 Menlove Avenue, Liverpool, Merseyside, L18 3EE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties at fair value]. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	Over 50 years - buildings only
Freehold improvements	5-25 years straight line
Plant & IT equipment	3-5 years straight line
Fixtures and fittings	2-6 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Retirement benefits

Retirement benefits for employees who are teachers at the School are provided by the Teachers' Pension Scheme (TPS).The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The School also contributes to personal pension plans for administrative employees and the pension charge represents the amounts payable by the School.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations	15,784	1,055
Government grants	-	30,838
	15,784	31,893

4 Charitable activities

	2022	2021
	£	£
School fees	1,432,076	1,239,522
Other income	171,591	156,192
	1,603,667	1,395,714

5 Investments

	Total Unrestricted funds	
	2022	2021
	£	£
Interest receivable	-	76

6 Charitable activities

	School expenses 2022 £	School expenses 2021 £
Staff costs	979,537	922,890
School expenses	128,287	99,902
School meals expenditure	42,196	35,276
School trips expenditure	40,700	13,368
Repairs and maintenance	19,715	31,387
Motor and travel	9,062	19,588
Rates	6,720	7,127
Light, heat and power	19,214	15,355
Telephone and IT	17,238	20,013
Photocopier	4,082	4,706
Membership and professional subscriptions	16,623	12,556
Insurance	58,550	50,272
Training costs	5,657	8,132
Bad debts	(9,002)	-
Sundry expenses	8,668	824
	1,347,247	1,241,396
Share of governance costs (see note 7)	98,989	99,418
	1,446,236	1,340,814

7 Governance costs

	2022 £	2021 £
Depreciation	45,264	45,975
Audit fees	10,276	15,100
Legal and professional	43,449	38,343
	98,989	99,418
Analysed between		
Charitable activities	98,989	99,418

Governance costs includes payments to the auditors of £5,400 (2021- £5,775) for audit fees.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Teaching	25	26
Finance and admin	2	2
Facilities	5	5
Total	32	33

Employment costs	2022 £	2021 £
Wages and salaries	805,589	751,001
Social security costs	65,943	61,068
Other pension costs	108,005	110,821
	979,537	922,890

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,001 to £70,000	-	1
£70,000 to £80,000	1	-

The key management personnel of the School comprises the Trustees, the Head Teacher, the deputy Head Teacher and the Busar from May 2022. The schools Trustees are not remunerated. The total amount of employee benefits (including employer pension contributions) received by the Head Teacher and the deputy Head Teacher was £175,895. (2021: £196,889 - also included an assistant Head Teacher). It represents remuneration for these two members of staff who are all substantially involved in teaching and the supervision of students.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxationof Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Tangible fixed assets

	Freehold property	Plant & IT equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 September 2021	1,466,163	291,777	164,432	1,922,372
Additions	175,791	-	2,151	177,942
Disposals	-	(198,573)	(123,607)	(322,180)
At 31 August 2022	1,641,954	93,204	42,976	1,778,134
Depreciation and impairment				
At 1 September 2021	239,870	258,865	151,868	650,603
Depreciation charged in the year	27,866	12,983	4,415	45,264
Eliminated in respect of disposals	-	(198,573)	(123,607)	(322,180)
At 31 August 2022	267,736	73,275	32,676	373,687
Carrying amount				
At 31 August 2022	1,374,218	19,929	10,300	1,404,447
At 31 August 2021	1,226,293	32,912	12,564	1,271,769

Included in land and buildings is freehold land at a valuation of £500,000 (2021:£500,000) which is not depreciated.

12 Stocks

	2022	2021
	£	£
Sundry stocks	1,067	1,245

13 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	1,241,569	1,191,401
Other debtors	4,976	1,503
Prepayments and accrued income	37,671	22,564
	1,284,216	1,215,468

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	17	114,660	114,862
Trade creditors		12,660	27,419
Other taxation and social security		15,054	16,203
Other creditors		70,791	114,565
Accruals		266,313	213,371
Deferred income	16	1,288,850	1,189,348
		1,768,328	1,675,768

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	17	4,843	117,794
Other creditors		91,000	78,000
		95,843	195,794

16 Deferred income

	2022 £	2021 £
Arising from Deferred income	1,288,850	1,189,348

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	1,288,850	1,189,348
Movements in the year:		
Deferred income at 1 September 2021	1,189,348	1,137,485
Released from previous periods	(1,189,348)	(1,137,485)
Resources deferred in the year	1,288,850	1,189,348
Deferred income at 31 August 2022	1,288,850	1,189,348

16 Deferred income **(Continued)**

School fees are invoiced in July for the coming academic year, and are therefore included in deferred income at the year end.

The prior year deferred income balance has been released in full in the year, and the total current year balance has been deferred for this year.

17 Loans and overdrafts

	2022	2021
	£	£
Bank loans	119,503	232,656
Payable within one year	114,660	114,862
Payable after one year	4,843	117,794

The bank loan is secured on the company's freehold property by way of a first legal charge in favour of the bank. Interest is charged at 2.75% over the bank's base rate. The charges were satisfied after the year end.

18 Retirement benefit schemes

Defined contribution schemes

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and from 1 January 2007, automatic for teachers in part-time employment. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer contribution correction cost of 7.3% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2016 determines an employer rate of 23.68%, which was payable from September 2019.

The employer pensions costs paid to TPS in the year amounted to £99,234 (2021: £102,724).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The School also makes contributions to personal pension plans for non-teaching staff. The total cost of these contributions was £8,771 (2021: £7,949).

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Site development fund	43,200	-	-	20,000	63,200
Personal donations fund	5,046	3,877	(771)	(8,152)	-
General funds	1,000,201	1,615,574	(1,445,465)	(11,848)	1,158,462
	1,048,447	1,619,451	(1,446,236)	-	1,221,662

Comparative information in respect of the preceding period is as follows:

		Movement in funds			
	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Site development fund	43,200	-	-	-	43,200
Personal donations fund	5,196	257	(407)	-	5,046
General funds	913,182	1,427,426	(1,340,407)	-	1,000,201
	-	-	-	-	-
	1,048,447	1,427,683	(1,340,814)	-	1,048,447

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	7,308	7,100
Between two and five years	10,466	19,615
	17,774	26,715

21 Related party transactions

Trustees whose children attend the school pay fees at the same rate as any other parent.

In addition the school engaged the services of J & S Partnership, a business in which the Trustee J P Burns has a material interest, to construct a conservatory. The transaction was at arms' length and amounted to £167,400. The work was awarded to J & S Partnership, following a formal tender process.

22 Cash generated from operations

	2022	2021
	£	£
Surplus for the year	173,215	86,869
Adjustments for:		
Investment income recognised in statement of financial activities	-	(76)
Depreciation and impairment of tangible fixed assets	45,264	45,976
Movements in working capital:		
Decrease in stocks	178	43
(Increase) in debtors	(68,748)	(10,055)
Increase in creditors	6,260	38,239
Increase in deferred income	99,502	52,013
Cash generated from operations	255,671	213,009

23 Analysis of changes in net funds

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	431,527	(35,424)	396,103
Loans falling due within one year	(114,862)	202	(114,660)
Loans falling due after more than one year	(117,794)	112,951	(4,843)
	198,871	77,729	276,600

Charity registration number 505310

Company registration number 01260765 (England and Wales)

CARLETON HOUSE PREPARATORY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

CARLETON HOUSE PREPARATORY SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	G H Beck - Chair of Trustees	
	J P Burns	
	E Czarnecki	
	S L Fletcher	
	C M Harrison	
	S M Hegarty	(Appointed 18 January 2023)
	C B Holguin	
	M Joe	(Appointed 1 February 2023)
	T Manning	
	L Morrison	
Charity number	505310	
Company number	01260765	
Registered office	145 Menlove Avenue Liverpool Merseyside L18 3EE	
Auditor	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP	

CARLETON HOUSE PREPARATORY SCHOOL

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CARLETON HOUSE PREPARATORY SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, 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 2019).

Objectives and activities

The Head Teacher and all staff have supported the school and worked hard to maintain high school standards. The Governing Body of the school is also actively involved in the oversight of the management of the school and in setting new objectives for the school for the future.

Carleton House provides equal opportunities for all staff and pupils.

The school is committed to the safeguarding of children and its policies and procedures reflect this. All policies and procedures are updated as appropriate and are available at the school for inspection.

In setting the School's objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Carleton House was ranked as the highest-placed independent preparatory school in Merseyside by the most recent Sunday Times Parent Power Schools Guide. It was ranked 10th overall nationally.

The majority of our pupils obtain their first choice preference at secondary school level. The places secured for 2021-2022 were as follows:

The Blue Coat School - 14 pupils
St Mary's College - 3 pupils
Merchant Taylors' College - 1 pupil
St Margaret's Academy - 1 pupil
Belvedere Academy - 1 pupil
Calderstones School - 1 pupil
King David High School - 1 pupil
St Edwards College - 1 pupil

The achievements of our pupils are usually measured in Statutory Attainment Tests (SATs) using a scaled score. SATs testing resumed in May 2022, however results were not published nationally. Our SATs results remained in line with those high scores achieved in previous years but comparison against other schools and national figures was not possible.

The School continued to provide a daily hot lunch for every child prepared by their own chef in the kitchen to meet national food standards in schools. The quality of food and choice is closely monitored and has been a great success with the children and staff.

The School has an active choir which is asked to perform at the Metropolitan Cathedral Christmas Concert every year and has taken part in a local Catholic school choir festival.

The School runs a vibrant and positive music programme for pupils with the outside resources of Pulse Music Liverpool. This has firmly cemented the development of a school wide introduction to music and we have a school orchestra. All junior school pupils are offered musical tuition on an instrument and the chance to join the school orchestra. Pupils are invited to take part in concerts at Christmas or at the end of the school year to celebrate their achievements. Pupils are also provided with the opportunity to take musical exams.

The school provides an extensive range of extra curricular clubs including debating, first aid, dance, judo, chess and a wide variety of sports clubs.

Fundraising activities and income generation

The school has continued to support local charities, including Cafod, Bridge 2, South Liverpool Foodbank and the Whitechapel Centre for the homeless as well as other local and national good causes and charities.

Financial review

In what has been a difficult year with high amounts of financial uncertainty, the Board of Trustees have continued to evaluate the reserves requirements to ensure the continued running of the school. Due to prudent financial management over recent years, our reserves have been growing, which meant that we were in a strong position to mitigate the financial risks arising from the pandemic. As a general rule, the Board of Trustees have decided that the school should have cash reserves equivalent to between three and six months costs for business as usual operations, although this may be reduced in periods where significant capital investment is needed.

The current year surplus is £173,215. The general reserve has increased to £1,221,662, including cash balances of £396,103. This is within the range of reserves agreed by the Board of Trustees, although some of the retained reserves have been set into a specific fund which will be utilised to finance an ambitious development of the current premises, which is planned to be phased over the next three years.

The principal source of funding is the fees charged to parents for the provision of school places for their children.

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Construction was recently completed on a new purpose built modern cloakroom which replaced our previous cloakroom which was housed in the original conservatory to the house. As outlined in our financial review, our growth in reserves will be partially utilised to fund a scheduled programme of building refresh for the coming years, including internal and external refurbishment and the re development of the EYFS playground.

Structure, governance and management

Carleton House Preparatory School Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 May 1976.

The Memorandum and Articles of Association were altered by special resolution on 18th June 2020.

The principal object of the company is to provide a first class, independent co-educational school to pupils aged 3 to 11 years. The Head Teacher is a member of the Independent Schools Association, which gives accreditation by the Independent Schools Council. The School is a Catholic School which accepts children of other denominations and faiths. It has strong links with the Archdiocese of Liverpool and the Parish of Our Lady of the Annunciation Bishop Eton.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

G H Beck - Chair of Trustees	
M I Arshad	(Appointed 16 September 2021 and resigned 30 August 2022)
J P Burns	
E Czarnecki	
D J Fletcher	(Resigned 6 July 2022)
S L Fletcher	
C M Harrison	
S M Hegarty	(Appointed 18 January 2023)
C B Holguin	
M Joe	(Appointed 1 February 2023)
M Kirby	(Resigned 7 June 2022)
T Manning	
L Morrison	
S J Swanson	(Resigned 6 July 2022)

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees determines the general strategy and policy of the school, but the day-to-day management of the school is delegated to the Head Teacher. The Board meets at least termly and there are a number of sub-committees convening such areas as Curriculum and Safeguarding, Finance, Buildings and Health and Safety and Pay and Appraisal.

The trustees who served during the year are shown on page one. Trustees are appointed by the Board of Trustees (also known as the Governing Body) and serve for a period of three years. Upon the end of each three-year term, trustees are eligible for re-election. Vacant trustee positions are advertised with a current equal number of external trustees and trustees who are current parents of the school. New trustees are provided with an introduction into the nature and running of the school.

Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

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G H Beck - Chair of Trustees

Trustee

Date: .....23.5.23.....

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are also the directors of Carleton House Preparatory School for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARLETON HOUSE PREPARATORY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

Opinion

We have audited the financial statements of Carleton House Preparatory School (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 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 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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, except to the extent otherwise explicitly stated in our report, 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the school through discussions with Trustees and other management, and from our knowledge and experience of academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of noncompliance throughout the audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

We assessed the susceptibility of the school's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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.

Use of our report

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

Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

24.05.2023

Accountants
Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from:			
Donations and legacies	3	15,784	31,893
Charitable activities	4	1,603,667	1,395,714
Investments	5	-	76
Total income		1,619,451	1,427,683
Expenditure on:			
Charitable activities	6	1,446,236	1,340,814
Net income for the year/ Net movement in funds		173,215	86,869
Fund balances at 1 September 2021		1,048,447	961,578
Fund balances at 31 August 2022		1,221,662	1,048,447

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CARLETON HOUSE PREPARATORY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		1,404,447		1,271,769
Current assets					
Stocks	12	1,067		1,245	
Debtors	13	1,284,216		1,215,468	
Cash at bank and in hand		396,103		431,527	
		1,681,386		1,648,240	
Creditors: amounts falling due within one year	14	(1,768,328)		(1,675,768)	
Net current liabilities			(86,942)		(27,528)
Total assets less current liabilities			1,317,505		1,244,241
Creditors: amounts falling due after more than one year	15		(95,843)		(195,794)
Net assets			1,221,662		1,048,447
Income funds					
Unrestricted funds					
Designated funds	19	1,221,662		1,048,447	
			1,221,662		1,048,447
			1,221,662		1,048,447

The financial statements were approved by the Trustees on 22/5/23

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G H Beck - Chair of Trustees

~~Trustee~~

Company registration number 01260765

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	**22**		255,671		213,009
Investing activities					
Purchase of tangible fixed assets		(177,942)		(20,589)	
Investment income received		-		76	
Net cash used in investing activities			(177,942)		(20,513)
Financing activities					
Repayment of bank loans		(113,153)		(90,461)	
Net cash used in financing activities			(113,153)		(90,461)
Net (decrease)/increase in cash and cash equivalents			(35,424)		102,035
Cash and cash equivalents at beginning of year			431,527		329,492
Cash and cash equivalents at end of year			396,103		431,527

1 Accounting policies

Charity information

Carleton House Preparatory School is a private company limited by guarantee incorporated in England and Wales. The registered office is 145 Menlove Avenue, Liverpool, Merseyside, L18 3EE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties at fair value]. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	Over 50 years - buildings only
Freehold improvements	5-25 years straight line
Plant & IT equipment	3-5 years straight line
Fixtures and fittings	2-6 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Retirement benefits

Retirement benefits for employees who are teachers at the School are provided by the Teachers' Pension Scheme (TPS).The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The School also contributes to personal pension plans for administrative employees and the pension charge represents the amounts payable by the School.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations	15,784	1,055
Government grants	-	30,838
	15,784	31,893

4 Charitable activities

	2022	2021
	£	£
School fees	1,432,076	1,239,522
Other income	171,591	156,192
	1,603,667	1,395,714

5 Investments

	Total Unrestricted funds	
	2022	2021
	£	£
Interest receivable	-	76

6 Charitable activities

	School expenses 2022 £	School expenses 2021 £
Staff costs	979,537	922,890
School expenses	128,287	99,902
School meals expenditure	42,196	35,276
School trips expenditure	40,700	13,368
Repairs and maintenance	19,715	31,387
Motor and travel	9,062	19,588
Rates	6,720	7,127
Light, heat and power	19,214	15,355
Telephone and IT	17,238	20,013
Photocopier	4,082	4,706
Membership and professional subscriptions	16,623	12,556
Insurance	58,550	50,272
Training costs	5,657	8,132
Bad debts	(9,002)	-
Sundry expenses	8,668	824
	1,347,247	1,241,396
Share of governance costs (see note 7)	98,989	99,418
	1,446,236	1,340,814

7 Governance costs

	2022 £	2021 £
Depreciation	45,264	45,975
Audit fees	10,276	15,100
Legal and professional	43,449	38,343
	98,989	99,418
Analysed between		
Charitable activities	98,989	99,418

Governance costs includes payments to the auditors of £5,400 (2021- £5,775) for audit fees.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Teaching	25	26
Finance and admin	2	2
Facilities	5	5
Total	32	33

Employment costs	2022 £	2021 £
Wages and salaries	805,589	751,001
Social security costs	65,943	61,068
Other pension costs	108,005	110,821
	979,537	922,890

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,001 to £70,000	-	1
£70,000 to £80,000	1	-

The key management personnel of the School comprises the Trustees, the Head Teacher, the deputy Head Teacher and the Busar from May 2022. The schools Trustees are not remunerated. The total amount of employee benefits (including employer pension contributions) received by the Head Teacher and the deputy Head Teacher was £175,895. (2021: £196,889 - also included an assistant Head Teacher). It represents remuneration for these two members of staff who are all substantially involved in teaching and the supervision of students.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxationof Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Tangible fixed assets

	Freehold property	Plant & IT equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 September 2021	1,466,163	291,777	164,432	1,922,372
Additions	175,791	-	2,151	177,942
Disposals	-	(198,573)	(123,607)	(322,180)
At 31 August 2022	1,641,954	93,204	42,976	1,778,134
Depreciation and impairment				
At 1 September 2021	239,870	258,865	151,868	650,603
Depreciation charged in the year	27,866	12,983	4,415	45,264
Eliminated in respect of disposals	-	(198,573)	(123,607)	(322,180)
At 31 August 2022	267,736	73,275	32,676	373,687
Carrying amount				
At 31 August 2022	1,374,218	19,929	10,300	1,404,447
At 31 August 2021	1,226,293	32,912	12,564	1,271,769

Included in land and buildings is freehold land at a valuation of £500,000 (2021:£500,000) which is not depreciated.

12 Stocks

	2022	2021
	£	£
Sundry stocks	1,067	1,245

13 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	1,241,569	1,191,401
Other debtors	4,976	1,503
Prepayments and accrued income	37,671	22,564
	1,284,216	1,215,468

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	17	114,660	114,862
Trade creditors		12,660	27,419
Other taxation and social security		15,054	16,203
Other creditors		70,791	114,565
Accruals		266,313	213,371
Deferred income	16	1,288,850	1,189,348
		1,768,328	1,675,768

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	17	4,843	117,794
Other creditors		91,000	78,000
		95,843	195,794

16 Deferred income

	2022 £	2021 £
Arising from Deferred income	1,288,850	1,189,348

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	1,288,850	1,189,348
Movements in the year:		
Deferred income at 1 September 2021	1,189,348	1,137,485
Released from previous periods	(1,189,348)	(1,137,485)
Resources deferred in the year	1,288,850	1,189,348
Deferred income at 31 August 2022	1,288,850	1,189,348

16 Deferred income **(Continued)**

School fees are invoiced in July for the coming academic year, and are therefore included in deferred income at the year end.

The prior year deferred income balance has been released in full in the year, and the total current year balance has been deferred for this year.

17 Loans and overdrafts

	2022	2021
	£	£
Bank loans	119,503	232,656
Payable within one year	114,660	114,862
Payable after one year	4,843	117,794

The bank loan is secured on the company's freehold property by way of a first legal charge in favour of the bank. Interest is charged at 2.75% over the bank's base rate. The charges were satisfied after the year end.

18 Retirement benefit schemes

Defined contribution schemes

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and from 1 January 2007, automatic for teachers in part-time employment. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer contribution correction cost of 7.3% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2016 determines an employer rate of 23.68%, which was payable from September 2019.

The employer pensions costs paid to TPS in the year amounted to £99,234 (2021: £102,724).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The School also makes contributions to personal pension plans for non-teaching staff. The total cost of these contributions was £8,771 (2021: £7,949).

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Site development fund	43,200	-	-	20,000	63,200
Personal donations fund	5,046	3,877	(771)	(8,152)	-
General funds	1,000,201	1,615,574	(1,445,465)	(11,848)	1,158,462
	1,048,447	1,619,451	(1,446,236)	-	1,221,662

Comparative information in respect of the preceding period is as follows:

		Movement in funds			
	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Site development fund	43,200	-	-	-	43,200
Personal donations fund	5,196	257	(407)	-	5,046
General funds	913,182	1,427,426	(1,340,407)	-	1,000,201
	-	-	-	-	-
	1,048,447	1,427,683	(1,340,814)	-	1,048,447

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	7,308	7,100
Between two and five years	10,466	19,615
	17,774	26,715

21 Related party transactions

Trustees whose children attend the school pay fees at the same rate as any other parent.

In addition the school engaged the services of J & S Partnership, a business in which the Trustee J P Burns has a material interest, to construct a conservatory. The transaction was at arms' length and amounted to £167,400. The work was awarded to J & S Partnership, following a formal tender process.

22 Cash generated from operations

	2022	2021
	£	£
Surplus for the year	173,215	86,869
Adjustments for:		
Investment income recognised in statement of financial activities	-	(76)
Depreciation and impairment of tangible fixed assets	45,264	45,976
Movements in working capital:		
Decrease in stocks	178	43
(Increase) in debtors	(68,748)	(10,055)
Increase in creditors	6,260	38,239
Increase in deferred income	99,502	52,013
Cash generated from operations	255,671	213,009

23 Analysis of changes in net funds

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	431,527	(35,424)	396,103
Loans falling due within one year	(114,862)	202	(114,660)
Loans falling due after more than one year	(117,794)	112,951	(4,843)
	198,871	77,729	276,600

Audit Findings Memorandum for Carleton House Preparatory School

Year ended 31 August 2022

24 May 2023

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The Trustees/Board of Directors
Carleton House Preparatory School
145 Menlove Avenue
Liverpool
Merseyside
L18 3EE

24nd May 2023

Dear Sirs

The purpose of this Audit Findings Memorandum is to highlight the key findings arising from the audit of Carleton House Preparatory School for the year ended 31 August 2022, as required by International Standard on Auditing (UK) 260.

This report relates only to those matters which came to our attention during our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, control weaknesses have been identified, we have included these in this report to you. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during the course of our audit.

Yours faithfully



Helen Furlong FCCA
Xeinadin Audit Limited

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Section 1 : Status of the audit and our audit opinion

Matters outstanding

Matter still outstanding are:

- Signed letter of representation
- Signed accounts

Audit opinion

Our work is complete. No issues have arisen to date which required us to modify our audit report.

Our audit opinion therefore for the period ended 31st August 2022 is unmodified.

Completion and submission timetable

Event	Date
Audit clearance meeting	22nd May 2023
Board meeting to approve financial statements	22nd May 2023
Audit report approval	24st May 2023

Section 2: Audit finding – risks identified at the planning stage

Audit risk identified	Level of risk	Audit approach	Audit findings
Incompleteness of cash income, incorporating fraud risk – Although all possible controls have been put in place to eliminate this as much as is physically possible, there is always a risk by nature of incompleteness of cash income.	Medium	We undertook the following audit procedures in relation to cash income: – Review controls in place & suggest any possible improvements – Be aware of the possibility of incompleteness when testing areas with cash income – Review for any significant fluctuations with previous year – Enquire of any irregularities during the year under review & based on findings audit testing will be expanded if considered necessary	– No significant fluctuations with previous year to report. – We did not encounter any irregularities. – No other exceptions to report.
Related party transactions – Under ISA 550 there is a risk that related parties transactions are not appropriately recorded or disclosed	High	We undertook the following audit procedures in relation to related parties transactions: – Based on review of pecuniary interests declarations of trustees & key management personnel, along with further appropriate audit procedures, a list will be complied of all identified related parties & the nature of the relationship with them. – Review note in financial statements for completeness and accuracy of presentation – Ensure transactions outside the normal scope of business are appropriately treated and reported – Assess whether related party transactions are performed at arms length – Be vigilant to identify any possible related party transactions as part of our audit testing.	– Any conflicts of interests are declared at board meetings with annual register of trustees and key management personnel other business interests is updated and maintained. – Related party transactions appear to have been appropriately performed at arms length. – Disclosures within the financial statements appear to be appropriate.

Section 2: Audit finding – risks identified at the planning stage

Audit risk identified	Level of risk	Audit approach	Audit findings
Income and expenditure transactions – As this is our first year auditing the entity there is a presumed increased inherent, control and detection risk.	Medium	We undertook the following audit procedures in relation to income and expenditure transactions. – Reviewed controls in place, identifying any weaknesses and suggest any possible improvements. – Our usual audit tests will be performed, however our sample size will be increased in order to obtain adequate audit comfort	– We See section 5 for recommendations for possible improvements to controls in place. – No issues to report based on sample tested. – No irregularities were reported to ourselves in relation to the year under review.
Management override – Under ISA 240 there is a presumed risk that management over-ride of controls is present	High	We undertook the following audit procedures in relation to management override: – Reviewed accounting estimates, judgements and decisions made by management – Performed testing of a sample of journal entries – Reviewed controls around journals – Reviewed unusual significant transactions	– Accounting estimates, judgements and decisions by management appear reasonable and in line with expectations. – No issues to report on journal entries. – We have reviewed the controls in place for the posting and authorising of journals. – Reviewed a sample of journals posted at the end of the year with no exceptions to report. – No exceptions to report.
Accounting estimates: Deferred Income – By nature deferred income is considered medium risk.	Medium	We undertook the following audit procedures in relation to deferred income: – Reviewed accounting estimates, judgements and decisions made by management – We reviewed the basis for deferring income & ensured that this is valid, complete and has been correctly & consistently recorded in accordance with in SORP	– Accounting estimates, judgements and decisions by management appear reasonable and in line with expectations. – Based on our audit testing we are satisfied that the basis for deferring income is valid, complete and has been correctly and consistently recorded in accordance with the SORP.

Section 3: Key audit estimates

Accounting estimate	Audit approach	Audit findings and impact on financial statements
Depreciation rates	Depreciation proof in total testing. Where this results in a significant variance, recalculations of individual asset depreciation charges has been performed	No issues noted. Depreciation charges appear to be reasonable and are in line with the accounting policy. The policy is appropriately disclosed in the financial statements.
Prepayments & accrued income	Where appropriate substantive testing has been performed on prepayments & accrued income alongside an analytical review against those held in previous years.	No issues noted, prepayments & accrued income appear reasonable and are in line with our expectations.
Accruals & deferred income	Where appropriate substantive testing has been performed on accruals & deferred income alongside an analytical review against those held in previous years.	No issues noted, accruals & deferred appear reasonable and are in line with our expectations.

Section 4: Other communication requirements

Audit approach	Audit findings and impact on financial statements
Accounting policies	We have reviewed the accounting policies, particularly those involving any key judgements and have no matters to bring to your attention.
Laws and regulations	We have not identified any significant matters of non-compliance with laws and regulations.
Matters in relation to fraud	We have previously discussed the risk of fraud with management and we have not been made aware of any incidents in the period. No issues have been identified during the course of our audit procedures.
Written representations	See letters of representation for specific representations for the purpose of our audit.
Financial statement disclosures	Disclosures in the financial statements appear appropriate and in line with Charities SORP (FRS 102).
Related parties	We have not identified any instances of previously undisclosed related parties.

Section 5: Design and operating effectiveness control

During our audit we considered the internal controls relevant to the preparation of the financial statements in order to design appropriate audit procedures, but not for the purpose of expressing an audit opinion on their effectiveness.

The matters reported below are limited to those deficiencies identified during the course of our audit and that we consider to have sufficient importance to merit being reported to you in accordance with ISA 265.

Risk Assessment

- *Low risk – improvements can be made but the matter is not considered fundamental*
- *Moderate risk – the matter is considered to be significant and should be addressed within the next 3-6 months*
- *High risk – the matter is considered to be fundamental and should be actioned by management as soon as possible*

Current period recommendations (2022)

Risk assessment	Observation	Recommendations	Management's response
●	It was found that a large amount of assets included in the fixed asset register were historic and either no longer owned or no longer in use by the school.	In addition to an annual impairment an annual review should be done, with any assets no longer in use or owned to be removed from the accounting records.	
●	Some expenditure samples purchase invoices were not authorised.	All purchase invoices should be correctly authorised in line with policies and procedures in place.	

Section 5: Design and operating effectiveness control

Current period recommendations (2022)

Risk assessment	Observation	Recommendations	Management's response
	No evidence of authorisation was found on the BACS report/export for expenditure sample payments.	All BACS reports/exports need to be authorised prior to payments being released.	
	Bookkeeping invoice was paid out of petty cash rather than BACS.	A monetary limit should be placed on the amount which can be paid from petty cash, anything over that limit would not be considered 'petty' and therefore be paid by BACS.	
	No fully implemented financial procedures handbook.	Financial procedures handbook to be implemented and then subsequently reviewed annually to ascertain whether procedures in place are still applicable and appropriate for the charity. Any review should be evidenced.	
	Credit balance brought forward from prior 2 years ago relating to nursery early years funding from Liverpool City Council.	This will need to be investigated further in case of any potential repayment to Liverpool City Council.	

Section 6: Summary of audit adjustments

Below we present the following:

Adjusted misstatements – these are adjustments identified during the course of the audit which have been processed through the financial statements following agreement with management and those charged with governance

No adjusted misstatements found

Unadjusted misstatements – these are potential adjustments identified during the course of our audit work which are not significant for adjustment.

Journal reference	Details	Balance Sheet		Income and Expenditure		Surplus/(Deficit) effect (£)
		Dr	Cr	Dr	Cr	
	Surplus/(Deficit) per final financial statements					**173,215**
1	Dr Accruals Cr Accountancy/Audit Fees *Being: Audit accrual in excess of the requirement*	19,253			19,253	19,253
	Surplus/(Deficit) if unadjusted journals were posted					**192,468**

Section 7: Other matters

Going concern
Management has confirmed their assessment that the entity is expected to continue for a period greater than twelve months from the date of signing these financial statements.

Independence and ethics
We can confirm that there are no significant facts or matters that impact our independence as auditors that we are required or wish to draw to your attention.

We have fully complied with the Financial Reporting Council's Ethical Standards and confirm we are independent and are able to express an objective opinion on the financial statements.

Respective responsibilities
As auditors, we are responsible for performing the audit in accordance with ISA's (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit does not relieve management or those charged with governance of their responsibilities.

Quality of service
We take the quality of our audits extremely seriously and it is our priority to provide you with a high quality service and to develop a successful, long-term working relationship.

We welcome and are grateful to receive any comments you or any member of your team might have.

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

England & Wales - Charity number 505310

Accounts

Registered number: 01260765
Charity number: 505310

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

CARLETON HOUSE PREPARATORY SCHOOL LIMITED
(A company limited by guarantee)

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CARLETON HOUSE PREPARATORY SCHOOL LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2021

Trustees	G H Beck, Chair of Trustees M I Arshad, Trustee (appointed 16 September 2021) J P Burns, Trustee E Czarnecki, Trustee D J Fletcher, Trustee S L Fletcher, Trustee C B Holguin, Trustee (appointed 6 September 2021) M P Kirby, Trustee T Manning, Trustee L Morrison, Trustee (appointed 18 January 2022) S J Swanson, Trustee M Christian, Trustee (resigned 24 September 2020) P Megann, Chair of Trustees (resigned 28 January 2021)
Company registered number	01260765
Charity registered number	505310
Registered office	145 Menlove Avenue Liverpool Merseyside L18 3EE
Independent auditor	Langtons Professional Services Limited Chartered Accountants Statutory Auditor The Plaza 100 Old Hall Street Liverpool L3 9QJ
Bankers	Allied Irish Bank (GB) 1 St Paul's Square Old Hall Street Liverpool L3 9PP

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the audited financial statements of the company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Head Teacher and all staff have supported the school and worked hard to maintain high school standards. The Governing Body of the school is also actively involved in the oversight of the management of the school and in setting new objectives for the school for the future.

Carleton House provides equal opportunities for all staff and pupils.

The school is committed to the safeguarding of children and its policies and procedures reflect this. All policies and procedures updated as appropriate and are available at the school for inspection.

In setting the School’s objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Achievements and performance

a. Review of activities

Parents are attracted to the School by the small class sizes, excellent exam results and the caring and stimulating environment that is provided. There is a strong emphasis on pastoral care, behaviour and moral standards.

Achievements and performance

Carleton House was recently ranked as the highest-placed independent preparatory school in Merseyside by the Parent Power, The Sunday Times Schools Guide 2021. It was ranked 10th overall nationally.

The majority of our pupils obtain their first choice preference at secondary school level. The places secured for 2020-2021 were as follows:

The Blue Coat School	8 pupils
St Mary's College	3 pupils
St Margaret's Academy	2 pupils
Belvedere Academy	2 puplis
King David High School	1 pupils
Liverpool College	1 pupils
St Edwards College	1 pupil
Wade Deacon High School	1 pupil

Achievements and performance (continued)

The achievements of our pupils are usually in measured in Statutory Attainment Tests (SATs) using a scaled score. Due the Coronavirus pandemic, statutory testing did not take place in summer 2021, therefore there are no available scaled scores for the children who left in 2021. Our SATs results in previous years have been significantly higher than the national average.

The school was closed to all but children of key workers in line with government instruction again in January 2021 and remained closed until March 2021. The staff at the school worked hard to develop high quality online provision, which was offered to the pupils learning remotely. This took the form of live remote lessons and pre-recorded teaching content, work packs, weekly reading book picks up, and remote music provision. We were delighted when we could welcome our children back to school and are really grateful for how staff, trustees, parents and pupils pulled together as a family in such a difficult period to support the school.

The school has adapted to the restrictions caused by the pandemic and worked in accordance with Government guidance on the safe opening of schools, including a full risk assessment which was updated as risks evolved during the pandemic.

The school continued to provide a daily hot lunch for every child prepared by their own chef in the kitchen to meet national food standards in schools. The quality of food and choice is closely monitored and has been a great success with the children and staff.

b. Fundraising activities and income generation

The school has continued to support local charities throughout the pandemic, including local Food Bank and charities to support less fortunate families.

Financial review

a. Going concern

After making appropriate enquiries, the Board of Trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

In what has been a difficult year with high amounts of financial uncertainty, the Board of Trustees have continued to evaluate the reserves requirements to ensure the continued running of the school. Due to prudent financial management over recent years, our reserves have been growing, which meant that we were in a strong position to mitigate the financial risks arising from the pandemic. As a general rule, the Board of Trustees have decided that the school should have cash reserves equivalent to between three and six months costs for business as usual operations, although this may be reduced in periods where significant capital investment is needed.

The current year surplus is £86,869. The general reserve has increased to £1,000,201, including cash balances of £431,527. This is within the range of reserves agreed by the Board of Trustees, although some of the retained reserves have been set into a specific fund which will be utilised to finance an ambitious development of the current premises, which is planned to be phased over the next three years. The reserves are higher at the moment as the School works towards the planned building work, including replacement of the current conservatory. This was postponed due to the pandemic but will commence in the next financial year.

c. Principal risks and uncertainties

The current pandemic situation remains an unknown, however the Board of Trustees has monitored the school's risk mitigations carefully and is encouraged by the strong position with respect to pupil numbers and our current finances.

d. Principal funding

The principal source of funding is the fees charged to parents for the provision of school places for their children.

Structure, governance and management

a. Constitution

Carleton House Preparatory School Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 May 1976.

The Memorandum and Articles of Association were altered by special resolution on 18th June 2020.

The principal object of the company is to provide a first class, independent co-educational school to pupils aged 3 to 11 years. The Head Teacher is a member of the Independent Schools Association, which gives accreditation by the Independent Schools Council. The School is a Catholic School which accepts children of other denominations and faiths. It has strong links with the Archdiocese of Liverpool and the Parish of Our Lady of the Annunciation Bishop Eton.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Board of Trustees determines the general strategy and policy of the school, but the day-to-day management of the school is delegated to the Head Teacher. The Board meets at least termly and there are a number of sub-committees convening such areas as Curriculum and Safeguarding, Finance, Buildings and Health and Safety and Pay and Appraisal.

d. Policies adopted for the induction and training of Trustees

The trustees who served during the year are shown on page one. Trustees are appointed by the Board of Trustees (also known as the Governing Body) and serve for a period of three years. Upon the end of each three-year term, trustees are eligible for re-election. Vacant trustee positions are advertised within the school with the majority of trustees being parents of pupils within the school. New trustees are provided with an introduction into the nature and running of the school.

e. Financial risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

a. **FUTURE DEVELOPMENTS**

Building plans are in progress to replace our existing cloakroom which is housed in an original conservatory with a new, purpose built modern cloakroom. Building work was expected to be completed during 2020 but was delayed due to the pandemic. It is anticipated, pending a review of the current situation with regards to the pandemic, that work will commence Summer 2022.

b. INFORMATION ON FUNDRAISING PRACTICES

The restrictions imposed by the pandemic have unfortunately curtailed our larger PTA fundraising events and parental social events although we have run some remote fundraising challenges.

This year we have been able to support The South Liverpool Foodbank, Comic Relief, Children in Need, The Whitechapel Centre for the Homeless, Christmas Shoebox Collection and Radio City Cash for Kids.

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management.

The company has implemented a number of detailed policies in relation to all aspects of personnel matters including an equal opportunities policy and a health & safety policy.

- In accordance with the company's equal opportunities policy, the company has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

- Full details of these policies are available from the company's offices.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year . 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 company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Langtons Professional Services Limited, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 27 May 2022 and signed on their behalf by:

S L Fletcher
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL LIMITED

Opinion

We have audited the financial statements of Carleton House Preparatory School Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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, except to the extent otherwise explicitly stated in our report, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The 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 to 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; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102, the Companies Act 2006 and the provisions of the Statement of Recommended Practice (SORP) applicable to charities) and the relevant tax compliance regulations in the UK.

We understood how the Company is complying with those frameworks by making appropriate enquiries. Through consideration of the results of our audit procedures we were able to either corroborate or provide contrary evidence which was then followed up.

Based on our understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved:
- enquiries of management; and
- testing of transactions, with a focus on large or unusual transactions based on our understanding of the business.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We also considered performance targets and their propensity to influence efforts made by management to manage revenue and earnings. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures, including those on revenue recognition, were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL LIMITED (CONTINUED)

Use of our report

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

Andrew McCall (Senior statutory auditor)

for and on behalf of
Langtons Professional Services Limited

Chartered Accountants
Statutory Auditor

The Plaza

100 Old Hall Street

Liverpool

L3 9QJ

27 May 2022

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from:				
Donations and legacies	3	**31,893**	**31,893**	*90,231*
Charitable activities	4	**1,395,714**	**1,395,714**	*1,275,494*
Investments	5	**76**	**76**	*750*
Total income		**1,427,683**	**1,427,683**	*1,366,475*
Expenditure on:				
Charitable activities	6	**1,340,814**	**1,340,814**	*1,306,281*
Total expenditure		**1,340,814**	**1,340,814**	*1,306,281*
Net movement in funds		**86,869**	**86,869**	*60,194*
Reconciliation of funds:				
Total funds brought forward		**961,578**	**961,578**	*901,384*
Net movement in funds		**86,869**	**86,869**	*60,194*
Total funds carried forward		**1,048,447**	**1,048,447**	*961,578*

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

The notes on pages 16 to 31 form part of these financial statements.

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 01260765

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		*2020* *£*
Fixed assets					
Tangible assets	11		**1,271,769**		*1,297,156*
			1,271,769		*1,297,156*
Current assets					
Stocks	12	**1,245**		*1,289*	
Debtors	13	**1,215,468**		*1,205,413*	
Cash at bank and in hand		**431,527**		*329,492*	
		1,648,240		*1,536,194*	
Creditors: amounts falling due within one year	14	**(1,675,768)**		*(1,558,415)*	
Net current liabilities			**(27,528)**		*(22,221)*
Total assets less current liabilities			**1,244,241**		*1,274,935*
Creditors: amounts falling due after more than one year	15		**(195,794)**		*(313,357)*
Net assets excluding pension asset			**1,048,447**		*961,578*
Total net assets			**1,048,447**		*961,578*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	*2020 £*
Charity funds			
Restricted funds	17	**-**	*-*
Unrestricted funds	17	**1,048,447**	*961,578*
Total funds		**1,048,447**	*961,578*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 27 May 2022 and signed on their behalf by:

S L Fletcher
Trustee

The notes on pages 16 to 31 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	*2020* *£*
Cash flows from operating activities		
Net cash used in operating activities	**213,085**	*19,532*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(20,589)**	*(45,296)*
Net cash used in investing activities	**(20,589)**	**(45,296)**
Cash flows from financing activities		
Repayments of borrowing	**(90,461)**	*(88,617)*
Net cash used in financing activities	**(90,461)**	**(88,617)**
Change in cash and cash equivalents in the year	**102,035**	**(114,381)**
Cash and cash equivalents at the beginning of the year	**329,492**	*443,873*
Cash and cash equivalents at the end of the year	**431,527**	*329,492*

The notes on pages 16 to 31 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

Carleton House Preparatory School Limited is a private company limited by guarantee without share capital, incorporated in England and Wales. The address of the registered office is 145 Menlove Avenue, Liverpool, Merseyside L18 3EE. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The presentational currency of these financial statements is pound sterling; the financial statements are rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Carleton House Preparatory School Limited 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.

2.2 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- Over 50 years - buildings only (land not depreciated)
Extensions & building	- 5 to 25 years straight line
Fixtures and fittings	- 2-6 years straight line
Office equipment	- 3-5 years straight line

2.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

Retirement benefits for employees who are teachers of the School are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit schemes which is externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS). Contributions to the TPS are charged as incurred.

Contributions to the TPS scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

The company also contributes to personal pension plans for administrative employees and the pension charge represents the amounts payable by the company for the year.

2.13 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	1,055	**1,055**
Government grants	30,838	**30,838**
	31,893	**31,893**

	Unrestricted funds 2020 £	*Total funds 2020 £*
Donations	*7,741*	*7,741*
Government grants	*82,490*	*82,490*
	90,231	*90,231*

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
School fees	1,239,522	**1,239,522**
Other income	156,192	**156,192**
Total 2021	1,395,714	**1,395,714**

	Unrestricted funds 2020 £	*Total funds 2020 £*
School fees	*1,141,566*	*1,141,566*
Other income	*133,928*	*133,928*
Total 2020	*1,275,494*	*1,275,494*

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest received	76	**76**

	Unrestricted funds 2020 £	*Total funds 2020 £*
Bank interest received	*750*	*750*

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Unrestricted funds	1,340,814	**1,340,814**

	Unrestricted funds 2020 £	*Total funds 2020 £*
Unrestricted funds	*1,306,281*	*1,306,281*

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support & governance costs 2021 £	Total funds 2021 £
Unrestricted funds	1,241,396	99,418	**1,340,814**

	Activities undertaken directly 2020 £	*Support & governance costs 2020 £*	*Total funds 2020 £*
Unrestricted funds	*1,193,794*	*112,488*	*1,306,282*

8. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual accounts	**5,775**	*5,775*

9. Staff costs

	2021 £	2020 £
Wages and salaries	**751,000**	*736,699*
Social security costs	**61,068**	*52,805*
Contribution to defined contribution pension schemes	**110,821**	*104,364*
	922,889	*893,868*

The average number of persons employed by the company during the year was as follows:

	2021 No.	2020 No.
Teaching Staff	**26**	*24*
Administrative Staff	**2**	*2*
Kitchen	**4**	*4*
Caretaking Staff	**1**	*1*
	33	*31*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	**1**	*1*

The key management personnel of the School comprises the Trustees, the Head Teacher, the Deputy Head Teacher and the Assistant Head Teacher. The School's Trustees are not remunerated. The total amount of employee benefits (including employer pension contributions) received by the Head Teacher, Deputy Head Teacher and the Assistant Head Teacher was £196,889 *(2020: £193,248*). It represents remuneration for these three members of staff who are all substantially involved in teaching and the supervision of students.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 August 2021, no Trustee expenses have been incurred *(2020 - £NIL)*.

11. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 September 2020	**1,466,163**	**435,620**	**1,901,783**
Additions	**-**	**20,589**	**20,589**
At 31 August 2021	**1,466,163**	**456,209**	**1,922,372**
Depreciation			
At 1 September 2020	**215,520**	**389,107**	**604,627**
Charge for the year	**24,350**	**21,626**	**45,976**
At 31 August 2021	**239,870**	**410,733**	**650,603**
Net book value			
At 31 August 2021	**1,226,293**	**45,476**	**1,271,769**
At 31 August 2020	*1,250,643*	*46,513*	*1,297,156*

Included in land and buildings is freehold land at valuation of £500,000 *(2020 - £500,000)* which is not depreciated.

12. Stocks

	2021 £	*2020 £*
School uniforms	**-**	*43*
Sundry stocks	**1,245**	*1,246*
	1,245	*1,289*

13. Debtors

	2021 £	*2020* *£*
Due within one year		
Trade debtors	**1,191,401**	*1,147,813*
Other debtors	**1,503**	*44,508*
Prepayments and accrued income	**22,564**	*13,092*
	1,215,468	*1,205,413*

14. Creditors: Amounts falling due within one year

	2021 £	*2020* *£*
Bank loans	**114,862**	*75,760*
Trade creditors	**27,419**	*22,929*
Other taxation and social security	**16,202**	*13,525*
Other creditors	**114,565**	*120,345*
Accruals and deferred income	**1,402,720**	*1,325,856*
	1,675,768	*1,558,415*

	2021 £	*2020* *£*
Deferred income at 1 September 2020	**1,137,485**	*1,132,896*
Resources deferred during the year	**1,189,348**	*1,137,485*
Amounts released from previous periods	**(1,137,485)**	*(1,132,896)*
	1,189,348	*1,137,485*

School fees are invoiced in July for the coming academic year, and are therefore included in deferred income at the year end.

The prior year deferred income balance has been released in full in the year, and the total current year balance has been deferred this year.

15. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	**117,794**	*247,357*
Other creditors	**78,000**	*66,000*
	195,794	*313,357*

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	**117,794**	*77,964*
Between two and five years		
Bank loans	**-**	*169,393*

The bank loan is secured on the company's freehold property by way of a first legal charge in favour of the bank. Interest is charged on this loan 2.75% over the bank's base rate.

16. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	**431,527**	*329,492*

	2021 £	2020 £
Financial liabilities		
Other financial liabilities measured at fair amortised cost	**(480,031)**	*(559,971)*

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade and other creditors, bank loans and accruals.

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds				
Designated funds				
Site development fund	**43,200**	**-**	**-**	**43,200**
Personal donations fund	**5,196**	**257**	**(407)**	**5,046**
	48,396	**257**	**(407)**	**48,246**
General funds				
General Funds - all funds	**913,182**	**1,427,426**	**(1,340,407)**	**1,000,201**
Total Unrestricted funds	**961,578**	**1,427,683**	**(1,340,814)**	**1,048,447**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 August 2020* £
Unrestricted funds					
Designated funds					
Site development fund	*43,200*	*-*	*-*	*-*	*43,200*
Personal donations fund	*4,367*	*-*	*-*	*829*	*5,196*
	47,567	*-*	*-*	*829*	*48,396*
General funds					
General Funds - all funds	*853,818*	*1,283,156*	*(1,223,792)*	*-*	*913,182*
Personal donations fund	*-*	*829*	*-*	*(829)*	*-*
	853,818	*1,283,985*	*(1,223,792)*	*(829)*	*913,182*
Total Unrestricted funds	*901,385*	*-*	*(1,223,792)*	*-*	*961,578*

18. Summary of funds

Summary of funds - current year

	Balance at 1 September 2020 £	**Income** £	**Expenditure** £	**Balance at 31 August 2021** £
Designated funds	**48,396**	**257**	**(407)**	**48,246**
General funds	**913,182**	**1,427,426**	**(1,340,407)**	**1,000,201**
	961,578	**1,427,683**	**(1,340,814)**	**1,048,447**

18. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 August 2020* £
Designated funds	*47,567*	*-*	*-*	*829*	*48,396*
General funds	*853,818*	*1,283,985*	*(1,223,792)*	*(829)*	*913,182*
	901,385	*1,283,985*	*(1,223,792)*	*-*	*961,578*

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	**Total funds 2021 £**
Tangible fixed assets	1,271,769	**1,271,769**
Current assets	1,648,241	**1,648,241**
Creditors due within one year	(1,675,769)	**(1,675,769)**
Creditors due in more than one year	(195,794)	**(195,794)**
Total	1,048,447	**1,048,447**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Total funds 2020* £
Tangible fixed assets	*1,297,156*	*1,297,156*
Current assets	*1,536,194*	*1,536,194*
Creditors due within one year	*(1,558,416)*	*(1,558,416)*
Creditors due in more than one year	*(313,357)*	*(313,357)*
Total	*961,577*	*961,577*

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	*2020 £*
Net income for the year (as per Statement of Financial Activities)	**86,869**	*60,194*
Adjustments for:		
Depreciation charges	**45,976**	*44,233*
Decrease in stocks	**43**	*1,216*
Increase in debtors	**(10,055)**	*(64,982)*
Increase/(decrease) in creditors	**90,102**	*(21,129)*
Net cash provided by operating activities	**212,935**	*19,532*

21. Analysis of cash and cash equivalents

	2021 £	*2020 £*
Cash in hand	**431,527**	*329,492*
Total cash and cash equivalents	**431,527**	*329,492*

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	**329,492**	**102,035**	**431,527**
Debt due within 1 year	**(75,760)**	**(39,102)**	**(114,862)**
Debt due after 1 year	**(247,357)**	**129,563**	**(117,794)**
	6,375	**192,496**	**198,871**

23. Pension commitments

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

23. Pension commitments (continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. 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) (Amendment and Savings) Directions 2019. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer contribution correction cost of 7.3% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2016 determines an employer rate of 23.68%, which was payable from September 2019.

The employer's pension costs paid to TPS in the year amounted to £102,724 *(2020 - £94,267)*.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

The School also makes contributions to personal pension plans for non-teaching staff. The total cost of these contributions was £7,949 *(2020 -* £10,097).

24. Operating lease commitments

At 31 August 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	*2020*
	£	*£*
Not later than 1 year	**7,100**	*6,962*
Later than 1 year and not later than 5 years	**19,615**	*6,002*
	26,715	*12,964*

25. Related party transactions

Trustees whose children attend the School pay fees at the same rate as any other parent.

There were no related party transactions entered into in the current or prior period.

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

England & Wales - Charity number 505310

Accounts

Registered number: 01260765
Charity number: 505310

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

CARLETON HOUSE PREPARATORY SCHOOL LIMITED
(A company limited by guarantee)

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CARLETON HOUSE PREPARATORY SCHOOL LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

	G H Beck, Trustee J P Burns, Trustee (appointed 11 February 2020) M Christian, Trustee E Czarnecki, Trustee D J Fletcher, Trustee S L Fletcher, Trustee M P Kirby, Trustee (appointed 11 February 2020) A R Leong, Trustee (resigned 30 December 2019) J Leong, Trustee (resigned 25 October 2019) T Manning, Trustee A Megann, Trustee (resigned 20 October 2019) P Megann, Chair of Trustees (resigned 28 January 2021) S J Swanson, Trustee
Company registered number	01260765
Charity registered number	505310
Registered office	145 Menlove Avenue Liverpool Merseyside L18 3EE
Independent auditor	Langtons Professional Services Limited Chartered Accountants Statutory Auditor The Plaza 100 Old Hall Street Liverpool L3 9QJ
Bankers	Allied Irish Bank (GB) 1 St Paul's Square Old Hall Street Liverpool L3 9PP

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the audited financial statements of the company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Head Teacher and all staff have supported the school and worked hard to maintain high school standards. The Governing Body of the school is also actively involved in the oversight of the management of the school and in setting new objectives for the school for the future.

Carleton House provides equal opportunities for all staff and pupils.

The school is committed to the safeguarding of children and its policies and procedures reflect this. All policies and procedures updated as appropriate and are available at the school for inspection.

In setting the School's objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Achievements and performance

a. Review of activities

Parents are attracted to the School by the small class sizes, excellent exam results and the caring and stimulating environment that is provided. There is a strong emphasis on pastoral care, behaviour and moral standards.

Achievements and performance

Carleton House was recently ranked as the highest-placed independent preparatory school in Merseyside by the Parent Power, The Sunday Times Schools Guide 2020. It was ranked 8th overall nationally.

The majority of our pupils obtain their first choice preference at secondary school level. The places secured for 2019-2020 were as follows:

The Blue Coat School	11 pupils
Merchant Taylors' School	4 pupils
St Mary's College	3 pupils
King David High School	3 pupils
Liverpool College	1 pupils
St Francis Xavier's College	1 pupil

The achievements of our pupils are usually in measured in Statutory Attainment Tests (SATs) using a scaled

Achievements and performance (continued)

score. Due the Coronavirus pandemic, statutory testing did not take place in summer 2020, therefore there are no available scaled scores for the children who left in 2020. Our SATs results in previous years have been significantly higher than the national average.

The school was closed to all but children of key workers in line with government instruction in March 2020. The staff at the school worked hard to develop high quality online provision, which was offered to the pupils learning remotely. This took the form of live remote lessons and pre-recorded teaching content, work packs, weekly reading book picks up, and remote music provision.

The school has adapted to the restrictions caused by the pandemic and worked in accordance with Government guidance on the safe opening of schools, including a full risk assessment which was updated as risks evolved during the pandemic.

The School continued to provide a daily hot lunch for every child prepared by their own chef in the kitchen to meet national food standards in schools. The quality of food and choice is closely monitored and has been a great success with the children and staff.

b. Fundraising activities and income generation

The school has continued to support local charities throughout the pandemic, including local Food Bank and charities to support less fortunate families.

Financial review

a. Going concern

After making appropriate enquiries, the Board of Trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

In what has been a difficult year with high amounts of financial uncertainty, the Board of Trustees have continued to evaluate the reserves requirements to ensure the continued running of the school. Due to prudent financial management over recent years, our reserves have been growing, which meant that we were in a strong position to mitigate the financial risks arising from the pandemic. As a general rule, the Board of Trustees have decided that the school should have cash reserves equivalent to between three and six months costs for business as usual operations, although this may be reduced in periods where significant capital investment is needed.

The current year surplus is £60,193. The general reserve has increased to £913,181, including cash balances of £329,492. This is within the range of reserves agreed by the Board of Trustees, although some of the retained reserves have been set into a specific fund which will be utilised to finance an ambitious development of the current premises, which is planned to be phased over the next three years.

c. Principal risks and uncertainties

The current pandemic situation remains an unknown, however the Board of Trustees has monitored the school’s risk mitigations carefully and is encouraged by the strong position with respect to pupil numbers and our current finances.

d. Principal funding

The principal source of funding is the fees charged to parents for the provision of school places for their children.

Structure, governance and management

a. Constitution

Carleton House Preparatory School Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 May 1976.

The Memorandum and Articles of Association were altered by special resolution on 18th June 2020.

The principal object of the company is to provide a first class, independent co-educational school to pupils aged 3 to 11 years. The Head Teacher is a member of the Independent Schools Association, which gives accreditation by the Independent Schools Council. The School is a Catholic School which accepts children of other denominations and faiths. It has strong links with the Archdiocese of Liverpool and the Parish of Our Lady of the Annunciation Bishop Eton.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The Board of Trustees determines the general strategy and policy of the school, but the day-to-day management of the school is delegated to the Head Teacher. The Board meets at least termly and there are a number of sub-committees convening such areas as Curriculum and Safeguarding, Finance, Buildings and Health and Safety and Pay and Appraisal.

d. Policies adopted for the induction and training of Trustees

The trustees who served during the year are shown on page one. Trustees are appointed by the Board of Trustees (also known as the Governing Body) and serve for a period of three years. Upon the end of each three-year term, trustees are eligible for re-election. Vacant trustee positions are advertised within the school with the majority of trustees being parents of pupils within the school. New trustees are provided with an introduction into the nature and running of the school.

e. Financial risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

a. FUTURE DEVELOPMENTS

Building plans are in progress to replace our existing cloakroom which is housed in an original conservatory. The new build extension will include a new cloakroom, relocation of the Head Teacher's office and the main office and the realisation of a new whole school library. The current school office will be repurposed as a small group teaching space during the school day and a dedicated After School Club space. Building work was expected to be completed during 2020 but was delayed due to the pandemic. It is anticipated, pending a review of the current situation with regards to the pandemic, that work will commence Spring 2022.

b. INFORMATION ON FUNDRAISING PRACTICES

The restrictions imposed by the pandemic have unfortunately curtailed our larger PTA fundraising events and parental social events although we have run some remote fundraising challenges.

This year we have been able to support The South Liverpool Foodbank, Comic Relief, Children in Need, The Whitechapel Centre for the Homeless, Christmas Shoebox Collection and Radio City Cash for Kids.

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The school carries out exit interviews for all staff leaving the organisation and responds positively and proactively to all feedback from staff leavers.

The company has implemented a number of detailed policies in relation to all aspects of personnel matters including an equal opportunities policy and a health & safety policy.

In accordance with the company's equal opportunities policy, the company has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the company's offices.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial . 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 company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Langtons Professional Services Limited, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 19 May 2021 and signed on their behalf by:



D J Fletcher
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL LIMITED

Opinion

We have audited the financial statements of Carleton House Preparatory School Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL LIMITED (CONTINUED)



Andrew McCall (Senior statutory auditor)

for and on behalf of
Langtons Professional Services Limited

Chartered Accountants
Statutory Auditor

The Plaza

100 Old Hall Street

Liverpool

L3 9QJ

19 May 2021

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income from:				
Donations and legacies	3	**90,231**	**90,231**	*5,234*
Charitable activities	4	**1,275,494**	**1,275,494**	*1,367,812*
Investments	5	**750**	**750**	*632*
Total income		**1,366,475**	**1,366,475**	*1,373,678*
Expenditure on:				
Charitable activities	6	**1,306,281**	**1,306,281**	*1,253,364*
Total expenditure		**1,306,281**	**1,306,281**	*1,253,364*
Net movement in funds		**60,194**	**60,194**	*120,314*
Reconciliation of funds:				
Total funds brought forward		**901,384**	**901,384**	*781,070*
Net movement in funds		**60,194**	**60,194**	*120,314*
Total funds carried forward		**961,578**	**961,578**	*901,384*

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

The notes on pages 15 to 30 form part of these financial statements.

CARLETON HOUSE PREPARATORY SCHOOL LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 01260765

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £		*2019 £*
Fixed assets					
Tangible assets	11		**1,297,156**		*1,296,093*
			1,297,156		*1,296,093*
Current assets					
Stocks	12	**1,289**		*2,505*	
Debtors	13	**1,205,413**		*1,140,431*	
Cash at bank and in hand		**329,492**		*443,873*	
		1,536,194		*1,586,809*	
Creditors: amounts falling due within one year	14	**(1,558,416)**		*(1,605,084)*	
Net current liabilities			**(22,222)**		*(18,275)*
Total assets less current liabilities			**1,274,934**		*1,277,818*
Creditors: amounts falling due after more than one year	15		**(313,357)**		*(376,434)*
Net assets excluding pension asset			**961,577**		*901,384*
Total net assets			**961,577**		*901,384*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	*2019 £*
Charity funds			
Restricted funds	17	**-**	*-*
Unrestricted funds	17	**961,577**	*901,384*
Total funds		**961,577**	*901,384*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 19 May 2021 and signed on their behalf by:



D J Fletcher
Trustee

The notes on pages 15 to 30 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	*2019* *£*
Cash flows from operating activities		
Net cash used in operating activities	**19,532**	*232,373*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(45,296)**	*(4,539)*
Net cash used in investing activities	**(45,296)**	**(4,539)**
Cash flows from financing activities		
Repayments of borrowing	**(88,617)**	*(103,257)*
Net cash used in financing activities	**(88,617)**	**(103,257)**
Change in cash and cash equivalents in the year	**(114,381)**	**124,577**
Cash and cash equivalents at the beginning of the year	**443,873**	*319,296*
Cash and cash equivalents at the end of the year	**329,492**	*443,873*

The notes on pages 15 to 30 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

Carleton House Preparatory School Limited is a private company limited by guarantee without share capital, incorporated in England and Wales. The address of the registered office is 145 Menlove Avenue, Liverpool, Merseyside L18 3EE. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The presentational currency of these financial statements is pound sterling; the financial statements are rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Carleton House Preparatory School Limited 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.

2.2 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- Over 50 years - buildings only (land not depreciated)
Extensions & building	- 5 to 25 years straight line
Fixtures and fittings	- 2-6 years straight line
Office equipment	- 3-5 years straight line

2.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

Retirement benefits for employees who are teachers of the School are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit schemes which is externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS). Contributions to the TPS are charged as incurred.

Contributions to the TPS scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

The company also contributes to personal pension plans for administrative employees and the pension charge represents the amounts payable by the company for the year.

2.13 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	7,741	**7,741**
Government grants	82,490	**82,490**
	90,231	**90,231**

	Unrestricted funds 2019 £	*Total funds 2019 £*
Donations	*5,234*	*5,234*

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
School fees	1,141,566	**1,141,566**
Other income	133,928	**133,928**
Total 2020	1,275,494	**1,275,494**

	Unrestricted funds 2019 £	*Total funds 2019 £*
School fees	*1,240,212*	*1,240,212*
Other income	*127,600*	*127,600*
Total 2019	*1,367,812*	*1,367,812*

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest received	750	**750**

	Unrestricted funds 2019 £	*Total funds 2019 £*
Bank interest received	*632*	*632*

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £
Unrestricted funds	1,306,281	**1,306,281**

	Unrestricted funds 2019 £	*Total funds 2019 £*
Unrestricted funds	*1,253,364*	*1,253,364*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Unrestricted funds	1,193,794	112,488	**1,306,282**

	Activities undertaken directly 2019 £	*Support costs 2019 £*	*Total funds 2019 £*
Unrestricted funds	*1,129,811*	*123,554*	*1,253,365*

8. Auditor's remuneration

	2020 £	*2019 £*
Fees payable to the company's auditor for the audit of the company's annual accounts	**5,775**	*5,775*

9. Staff costs

	2020 £	*2019 £*
Wages and salaries	**736,699**	*700,381*
Social security costs	**52,805**	*56,706*
Contribution to defined contribution pension schemes	**104,364**	*70,722*
	893,868	*827,809*

9. Staff costs (continued)

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Teaching Staff	**24**	*23*
Administrative Staff	**2**	*2*
Kitchen	**4**	*4*
Caretaking Staff	**1**	*1*
	31	*30*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	**1**	*1*

The key management personnel of the School comprises the Trustees, the Head Teacher, the Deputy Head Teacher and the Assistant Head Teacher. The School's Trustees are not remunerated. The total amount of employee benefits (including employer pension contributions) received by the Head Teacher, Deputy Head Teacher and the Assistant Head Teacher was £193,248 *(2019: £181,819*). It represents remuneration for these three members of staff who are all substantially involved in teaching and the supervision of students.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2019 - £NIL)*.

During the year ended 31 August 2020, no Trustee expenses have been incurred *(2019 - £NIL)*.

11. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 September 2019	**1,466,163**	**390,324**	**1,856,487**
Additions	**-**	**45,296**	**45,296**
At 31 August 2020	**1,466,163**	**435,620**	**1,901,783**

11. Tangible fixed assets (continued)

	Freehold property £	Fixtures and fittings £	Total £
Depreciation			
At 1 September 2019	**191,170**	**369,224**	**560,394**
Charge for the year	**24,350**	**19,883**	**44,233**
At 31 August 2020	**215,520**	**389,107**	**604,627**
Net book value			
At 31 August 2020	**1,250,643**	**46,513**	**1,297,156**
At 31 August 2019	*1,274,993*	*21,100*	*1,296,093*

Included in land and buildings is freehold land at valuation of £500,000 *(2019 - £500,000)* which is not depreciated.

12. Stocks

	2020 £	*2019 £*
School uniforms	**43**	*1,259*
Sundry stocks	**1,246**	*1,246*
	1,289	*2,505*

13. Debtors

	2020 £	*2019 £*
Due within one year		
Trade debtors	**1,147,813**	*1,122,326*
Other debtors	**44,508**	*1,324*
Prepayments and accrued income	**13,092**	*16,781*
	1,205,413	*1,140,431*

14. Creditors: Amounts falling due within one year

	2020 £	*2019 £*
Bank loans	**75,760**	*107,300*
Trade creditors	**22,929**	*45,928*
Other taxation and social security	**13,526**	*14,193*
Other creditors	**120,345**	*106,227*
Accruals and deferred income	**1,325,856**	*1,331,436*
	1,558,416	*1,605,084*

	2020 £	*2019 £*
Deferred income - school fees		
Deferred income at 1 September 2020	**1,107,859**	*1,107,859*

School fees are invoiced in July for the coming academic year, and are therefore included in deferred income at the year end.

The prior year deferred income balance has been released in full in the year, and the total current year balance has been deferred this year.

15. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	**247,357**	*304,434*
Other creditors	**66,000**	*72,000*
	313,357	*376,434*

Included within the above are amounts falling due as follows:

	2020 £	2019 £
Between one and two years		
Bank loans	**77,964**	*111,116*
Between two and five years		
Bank loans	**169,393**	*193,318*

The bank loan is secured on the company's freehold property by way of a first legal charge in favour of the bank. Interest is charged on this loan 2.75% over the bank's base rate.

16. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	**329,492**	*443,873*

	2020 £	2019 £
Financial liabilities		
Other financial liabilities measured at fair amortised cost	**(559,971)**	*(652,038)*

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade and other creditors, bank loans and accruals.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
Unrestricted funds					
Designated funds					
Site development fund	**43,200**	**-**	**-**	**-**	**43,200**
Personal donations fund	**4,367**	**-**	**-**	**829**	**5,196**
	47,567	**-**	**-**	**829**	**48,396**
General funds					
General Funds - all funds	**853,817**	**1,283,156**	**(1,223,792)**	**-**	**913,181**
Personal donations fund	**-**	**829**	**-**	**(829)**	**-**
	853,817	**1,283,985**	**(1,223,792)**	**(829)**	**913,181**
Total Unrestricted funds	**901,384**	**1,283,985**	**(1,223,792)**	**-**	**961,577**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2018 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 August 2019* £
Unrestricted funds					
Designated funds					
Site development fund	*43,200*	-	-	-	*43,200*
Personal donations fund	*52*	-	-	*4,315*	*4,367*
	43,252	-	-	*4,315*	*47,567*
General funds					
General Funds - all funds	*737,818*	*1,369,363*	*(1,253,364)*	-	*853,817*
Personal donations fund	-	*4,315*	-	*(4,315)*	-
	737,818	1,373,678	(1,253,364)	*(4,315)*	*853,817*
Total Unrestricted funds	781,070	1,373,678	(1,253,364)	-	*901,384*

18. Summary of funds

Summary of funds - current year

	Balance at 1 September 2019 £	**Income** £	**Expenditure** £	**Transfers in/out** £	**Balance at 31 August 2020** £
Designated funds	**47,567**	**-**	**-**	**829**	**48,396**
General funds	**853,817**	**1,283,985**	**(1,223,792)**	**(829)**	**913,181**
	901,384	**1,283,985**	**(1,223,792)**	**-**	**961,577**

18. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2018 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 August 2019* £
Designated funds	*43,252*	*-*	*-*	*4,315*	*47,567*
General funds	*737,818*	*1,373,678*	*(1,253,364)*	*(4,315)*	*853,817*
	781,070	*1,373,678*	*(1,253,364)*	*-*	*901,384*

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	**Total funds 2020 £**
Tangible fixed assets	1,297,156	**1,297,156**
Current assets	1,536,194	**1,536,194**
Creditors due within one year	(1,558,416)	**(1,558,416)**
Creditors due in more than one year	(313,357)	**(313,357)**
Total	961,577	**961,577**

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	*Total funds 2019* £
Tangible fixed assets	1,296,093	*1,296,093*
Current assets	1,586,808	*1,586,808*
Creditors due within one year	(1,605,083)	*(1,605,083)*
Creditors due in more than one year	(376,434)	*(376,434)*
Total	901,384	*901,384*

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	*2019* *£*
Net income for the period (as per Statement of Financial Activities)	**60,194**	*120,314*
Adjustments for:		
Depreciation charges	**44,233**	*46,220*
Decrease in stocks	**1,216**	*1,729*
Increase in debtors	**(64,982)**	*(42,929)*
Increase/(decrease) in creditors	**(21,129)**	*107,039*
Net cash provided by operating activities	**19,532**	*232,373*

21. Analysis of cash and cash equivalents

	2020 £	*2019* *£*
Cash in hand	**329,492**	*443,873*
Total cash and cash equivalents	**329,492**	*443,873*

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	**443,873**	**(114,381)**	**329,492**
Debt due within 1 year	**(107,300)**	**31,540**	**(75,760)**
Debt due after 1 year	**(304,434)**	**57,077**	**(247,357)**
	32,139	**(25,764)**	**6,375**

23. Pension commitments

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

23. Pension commitments (continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. 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) (Amendment and Savings) Directions 2019. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer contribution correction cost of 7.3% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2016 determines an employer rate of 23.68%, which was payable from September 2019.

The employer's pension costs paid to TPS in the year amounted to £94,267 *(2019 - £63,959)*.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

The School also makes contributions to personal pension plans for non-teaching staff. The total cost of these contributions was £10,097 *(2019 -* £6,762).

24. Operating lease commitments

At 31 August 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	*2019*
	£	*£*
Not later than 1 year	**6,962**	*7,326*
Later than 1 year and not later than 5 years	**6,002**	*12,964*
	12,964	*20,290*

25. Related party transactions

Trustees whose children attend the School pay fees at the same rate as any other parent.

There were no related party transactions entered into in the current or prior period.