



CHELTENHAM
COLLEGE



CHELTENHAM
PREP SCHOOL

Council's Report and Financial Statements
Year ended 31 August 2022

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Introduction by the President of Council

Following the pandemic-induced challenges and upheaval of the previous two years, I'm pleased to be able to open with the news that the 2021-22 academic year saw a welcome return to near-normality in virtually all aspects of College life.

I'm equally pleased to be able to report that the pandemic didn't have the negative impact on pupil numbers that many sector commentators had suggested it might. Far from it, across Cheltenham College the pupil roll has never been stronger – that's something we believe is due in large-part to the superb online programme our teams worked so hard to create and deliver during those very difficult days of lockdown.

In spite of the unique challenges they faced, and supported, when necessary, by the excellent online teaching programme, our 2021-22 examination cohorts produced some really encouraging results, both at GCSE and A Level. Hard-earned examination successes allowed the majority of our 2022 pupil leavers to secure places at their first-choice universities whether that be Oxford & Cambridge, Russell Group, top overseas universities, or elsewhere. Rarely can a group of pupils have been so deserving of our admiration for what they have achieved.

We continue to look beyond our own classroom walls in our efforts to deliver meaningful public benefit. We have further invested time, energy, and resources into our established partnerships with All Saints' Academy and with Saint John's Church of England Primary School. Our focus in these partnerships is on broadening opportunity and enriching the experience of pupils – not only at our partner schools, but here at Cheltenham College too. These are partnerships in the true sense with benefit flowing in both directions, and we feel very proud about all that we are achieving together. In addition to these two focused partnerships College is maintaining and developing long-term relationships with other schools and charitable organisations – our aim is to build on a shared vision that makes an outstanding and meaningful difference to our local community and beyond.

Back at College, significant building projects were undertaken during the year and whilst there has been some minor disruption at times, the comings and goings of school life have continued largely as normal. The final phase of our newest boarding house, College Lawn, was completed, with pupil numbers now very much in line with other houses. Meanwhile, at the Prep, our state-of-the-art new Nursery School was completed on time and within budget, delivering a completely transformational change to our Early Years provision. And whilst not glamorous, the completion of additional changing accommodation at the Sports Centre has greatly enhanced the sports facilities for both schools. In addition to these major projects, the Estates team worked tirelessly to deliver a wide range of other projects, in a market where securing materials and labour has been particularly challenging.

Naturally, it would be true to say that introductions to Annual Reports rarely make mention of utility contracts, but I am very pleased to be able to report that Council made the decision to fix its energy prices in Summer 2021 for both gas and electricity. As a result, we have been protected from the worst of the price surges seen since early 2022 and we will continue to benefit from the price fix for a few years hence. As part of College's ongoing focus on sustainability it is gratifying to add that in addition to the price fix, 100% of our electricity is now derived from renewable sources.

Our overseas partnerships continue to make good, carefully measured progress. Cheltenham Muscat, the first premium UK branded school in Oman, enjoyed a very successful opening in September 2021 whilst in China, The Cheltenham Centre at Junhwa School, Jinhua, opened its doors in September 2022. These overseas projects are already contributing to enhanced bursary provision – there were nine College pupils who benefited from bursary awards of 90% and above during the year and an additional 51 pupils across both schools received support ranging from 50% to 85% of fees. While bursaries have long been an important element of our provision, Council continues to seek innovative ways to widen access to the many benefits of a College education.

There is no doubt that the future may pose challenges – political and economic environments will probably ensure that the next few years won't always be plain-sailing. However, as you'll see from this Annual Report, and just as importantly from pupil achievements, College continues to be very well run on all fronts – academic, pastoral, co-curricular, financial. So, whilst it's possible that there may be choppy waters ahead, the Council is confident that the future will be very bright for generations of Cheltonians to come, just as it has been for generations past.

William Straker-Nesbit

4 March 2023

Council Members, Officers and Advisors

The members of College Council are the trustees of the charity. The following served as members of Council during the period from 1 September 2021 to the date of this report.

		(1)	(2)	(3)	(4)	(5)	(6)
Mr. W J Straker-Nesbit (President)		*	*	*	*	*	*
Mr. H Monro (Deputy President)		*	*	*	*	*	*
Mr. A Barr		•	•				
Mr. J Beardmore-Gray				•			
Dr. A Butland	(Retired 26 November 2022)					•	
Mr. P Brettell							
Mr. M Chicken					•		
Mr. C Cooper		•	•				
Mrs. K Dallimore	(Appointed 4 March 2023)						
Ms G Elwood		•				•	•
Dr. D Flower	(Appointed 4 March 2023)						
Ms. E Goldsmith	(Resigned 11 June 2022)			•			
Mr. L Humphreys-Davies	(Resigned 15 August 2022)	•				•	
Ms. L Kalindawalo	(Appointed 4 March 2023)						
Mrs. D Kelly	(Appointed 11 June 2022)						
Ms. C Lehr	(Appointed 4 March 2023)						
Mr. D McNiffe							
Mr. N Roskilly		•	•				
Mr. T Smith	(Retired 26 November 2022)	•	•			•	•
Mr. D Stewart		•					
Revd. Canon K Wilkinson				•	•		•
Mrs. C Willgoss				•		•	
Dr. P Wingfield							

- (1) Finance, Risk & Development (FRD) committee
- (2) Audit committee
- (3) Education committee
- (4) Welfare & Safeguarding committee
- (5) Membership & Governance committee
- (6) Remuneration committee

* The President and Deputy President sit, in an ex-officio capacity, on all Committees of the Council.

During the year the activities of the Governing Body were carried out through the Council itself and through the Committees shown on page 4.

Executive

Mrs. N Huggett (MA (Oxon))	Head of College
Mr. T O'Sullivan (LLB (Hons))	Head of Preparatory School
Mr. P Attwell (BA MSc)	Bursar

Principal address

Bath Road, Cheltenham GL53 7LD

Investment manager

Quilter Cheviot Limited, Second floor, Three Temple Quay, Temple Way, Bristol, BS1 6DZ

Independent auditor

Crowe U.K. LLP, St. James House, St. James Square, Cheltenham GL50 3PR

Banker

Lloyds Bank plc, 130 High Street, Cheltenham GL50 1EW

Solicitor

Harrison Clark Rickerbys Limited, Ellenborough House, Wellington Street, Cheltenham GL50 1YD

Website

www.cheltenhamcollege.org

Charity name

Cheltenham College and Cheltenham College Preparatory School, also known as Cheltenham College.

Annual Report of the Council

The Council is pleased to present its Annual Report for the year ended 31 August 2022 under the Charities Act 2011.

Status and administrative information

Cheltenham College was founded in 1841 and is registered with the Charity Commission under charity number 311720.

College operates two schools known as Cheltenham College and Cheltenham College Preparatory School.

There is one Governing Body for the two Schools called the Council. Details of the membership of College Council, its executive officers and professional advisors are given on pages 4 and 5.

Structure, governance and management

Governing Documents

The Charity is governed by the Cheltenham College Act 1894 and the Charities (Cheltenham College) Orders 1976 and 2011.

Council

The governance of College is vested in the President and Council, as laid down in the governing documents. Membership of Council is as follows: -

- The President and Deputy President, elected by Council;
- Not fewer than ten and not more than eighteen co-opted members appointed by Council;
- Seven members nominated, from time to time, by the Universities of Oxford, Cambridge and such Higher Education institution as the Council of Cheltenham College, the Cheltonian Association, the Cheltonian Society, the teaching staff of Cheltenham College and the teaching staff of Cheltenham College Preparatory School.

Appointment and induction of Council Members

On the occurrence of a vacancy amongst the nominated members of the Council (other than the member nominated by the Cheltonian Society) the President shall be responsible, on behalf of the Council, for notifying and entering negotiations with the nominating authority.

The elections of the members of the Council to be nominated by the teaching staff of either College or the Preparatory School are conducted by the Head or by a member or members of the teaching staff delegated by him, who shall report the methods by which the elections were conducted and their results to the Council.

Co-opted members of Council are identified and nominated by the Nominations Committee and elected by Council.

All new members of Council receive a comprehensive briefing pack and induction workshop from the Bursar and Secretary to Council on trusteeship, the workings of College, its policies and objectives. Newly appointed, as well as established Council members, are encouraged to attend training courses, conferences, regulatory updates and other appropriate externally organised events in order to continually develop the knowledge and expertise of the governing body.

Organisational Management

By virtue of The Cheltenham College Act 1894, the Council is responsible for "the entire management of the concerns and property of College" and "may receive, invest, lay out and dispose of all the stocks, effects, funds, money and securities for the benefit of College". It meets not less than three times each year. Both the President and Deputy President are ex-officio members of the principal sub-committees but are not required to chair them.

The Finance, Risk & Development Committee (FRD) was chaired for 10 years by Mr. Tim Smith but, following his retirement as a Trustee in November 2022, Mr. Alastair Barr was appointed Chairman. FRD meets not less than five times a year and sets financial targets for approval by the full Council and monitors results against such targets. The Committee is also responsible for overseeing risk management, compliance with statutory legislation and facilities development. College executive team is responsible for managing the business within the financial parameters and general policy laid down by Council on the recommendations of the FRD.

The Audit Committee is chaired by Mr. Chris Cooper and meets at least annually to review the annual accounts and receive the independent auditor's report.

The Education Committee meets termly and is chaired by Revd. Canon Wilkinson and is a consultative forum in which issues of educational policy, provision and performance are discussed. Executive authority lies with the Council, which may, however, through the President, delegate such authority to the Committee.

The Membership & Governance Committee meets once per term and is chaired by Ms. Gillian Ellwood. Its principal duties include regular review of the composition of Council in terms of its numbers, skills and experience as well as succession planning for retiring members. The Committee also maintains oversight of the governance of Cheltenham College, promoting the adoption and use of accepted best practice based on the Charity Governance Code.

The Welfare & Safeguarding Committee meets three times a year and was chaired, until her retirement, by Dr. Andrea Butland. Revd. Canon Wilkinson is the new Chair. Its principal duties include the review of policies relating to Child Protection and Safeguarding to ensure compliance with regulatory requirements in College and Prep, and the monitoring of pupil and staff welfare matters.

Matters relating to strategic planning sit primarily with the Council, which considers proposals for the development of the School and advises senior management of the strengths and weaknesses of strategic options. The Council may establish ad hoc committees to undertake more detailed planning and appraisal of development proposals.

The day-to-day running of the schools is delegated to the respective Heads and Bursar. They are also supported by Cheltenham Executive Committee (CEC) (the key management for the purposes of these financial statements) and a number of other senior management teams spanning the academic, pastoral and operational areas of the two schools.

Remuneration

Remuneration of the key management personnel is set by the Remuneration Committee, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to College's success. The Remuneration Committee was chaired by Mr. Hugh Munro and meets twice a year; once in the Autumn Term and again in the Summer Term.

It is essential for College to engage credible professionals to bring sector expertise, significant leadership experience and strong capability to drive inspirational teaching and learning excellence, strong academic results, high quality pastoral care, a strong and vibrant community of pupils and staff, excellent facilities and sound finances. In the light of this strategy, College's pay policy seeks to:

- pay the median to upper quartile range for similar organisations in the UK Independent Schools sector market but not to compete on salaries with the public or private sectors;
- ensure performance is reviewed and reported to the appropriate Committee on an annual basis;
- apply performance related pay elements only where required by the relevant market sector; and
- monitor Independent School sector salary trends through ISBA and through participation in surveys such as those for Baines Cutler and Haysmacintyre as required.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that College remains sensitive to the broader issues of pay and employment conditions elsewhere.

College aims to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of College's charitable vision and purpose is primarily dependent on our key management personnel (with the CEC being the most senior operations committee) and staff costs are the largest single element of our charitable expenditure.

Employment policy

College is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of College.

Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues.

Group structure and relationships

At the year end Cheltenham College had one wholly owned active trading subsidiary, Cheltenham College Services Limited, which continues to provide corporate letting facilities, transport and retailing services. Cheltenham College International Limited was incorporated in 2019-20 and has been consolidated in the financial statements following the commencement of trading during 2020-21.

Other subsidiaries, Cheltenham College Enterprises Limited and Cheltenham College 2nd Hand Clothing were both dissolved during the year.

Cheltenham College Charitable Trust (CCCT) is an Independent Charity with objects similar to those of Cheltenham College. It holds a number of funds raised for specific activities or purposes and these include the provision of scholarships, bursaries and prizes. It also holds funds raised for development projects at Cheltenham College and accumulates these funds until released to help finance the projects the funds were donated for. Whilst it is managed, and run, as an independent charity, due to the majority of trustees being common to Cheltenham College, its financial statements are consolidated with those of College to comply with FRS 102.

The financial performance of each subsidiary is described in note 23. Details on transactions between group companies are also set out in note 23.

Cheltenham College maintains membership of appropriate representative bodies with the aim of ensuring familiarity with, and delivery of, the highest educational and pastoral care standards.

College also seeks and develops strong relationships with other local schools (both independent and state-maintained) with the clear objective of further widening public access to the benefits our pupils enjoy, whilst at the same time developing in our own pupils, a better understanding of the wider social context in which we operate.

Investment policy and objectives

College's investment objectives in relation to funds held in College and in CCCT are to balance the current and future needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure and, in relation to the Fees in Advance Fund, act as asset backing for future liabilities; and
- delivering these objectives within acceptable levels of risk.

To meet these objectives, College's investments as a whole are managed to produce capital growth and income, maintaining diversification across a range of asset classes to produce an appropriate balance between risk and return. The investment strategy and policy are monitored by the Finance, Risk and Development sub-committee, as is investment performance for which appropriate asset management sector benchmarks have been determined.

In 2006 College made the decision to adopt an ethical investment strategy, restricting investments to exclude any tobacco and armaments providers.

All the investments held by College and the Charitable Trust suffered as a result of a difficult investment climate following the end of the Covid pandemic and the invasion of Ukraine by Russia. The combined realised and unrealised losses during the period, after the reinvestment of income and sale of investments, totalled £1,098,000 (2021: net gains of £1,113,000) on an opening portfolio of £7.9 million closing at £6.9 million, following the sale of investments. Further details are set out in note 13 to the financial statements.

Charity Governance Code

The Council is acutely aware of the updated guidance from the Charity Commission in relation to the Code and fully supports the core values, principles and disciplines the Code seeks to inculcate into the governance of College.

As such, all Council members (in their capacity as Trustees) complete a 'Board Appraisal' annually. The appraisal includes 30 statements (drawing on the seven principles of the Code), which Council members are asked to consider and then rate how strongly they agree, or disagree, with them. The appraisal seeks to follow the 'key outcomes' for good governance as identified in the Code as well as seeking to improve the operations and effectiveness of the Council as the governing body of College.

The Appraisal will be completed annually in the Autumn term in respect of the preceding academic year. Council members' ratings and comments will be collated and progress in each of the areas covered by the statements will be tracked and reported over time.

Objects, aims, objectives and activities

The principal objective of College is to provide an excellent academic and broadly based education, in a predominantly boarding environment, for boys and girls from the age of three to eighteen in accordance with Christian principles. Within these objectives, College also has to maintain its heritage endowment of Grade I and II listed buildings; various works of art; artefacts; books and historical documents relating to College's history, as well as a number of trust funds held for special purposes in connection with the development of College's facilities, the provision of scholarships, bursaries, prizes and for other educational purposes.

College has continued to focus on the provision of improved academic performance, improving the quality of the built environment and continuing to widen access to College for pupils for whom an independent education would otherwise be unaffordable. Further details are set out below.

College welcomes pupils from all backgrounds, who have the potential to benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment process. College is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment.

Policy

The Council's fundamental policy is to ensure that: -

- the principal objectives of Cheltenham College and Cheltenham College Preparatory School are met through the proper provision of the necessary staff and other resources to the highest possible standards; and
- a sound financial base is maintained to support these resources and the future development of College.

Strategies to achieve the year's objectives

Cheltenham College and Cheltenham College Preparatory School continued a value-added approach, not only with the objective of achieving academic excellence but balanced by a strong emphasis on sport, music, drama and other co-curricular activities. There was also a clear focus on the development of leadership, for both pupils and staff, and social skills together with the provision of a wide variety of activities, including College's Humanitarian Aid Projects (CHAPS) in Romania, Kenya and the Shamrock School in Nepal. Both schools continued to conduct adventurous expeditions and international sports and choral tours.

Principal activity

College's principal activity remains the advancement of education and, in this, College has again had a successful year. The combined schools averaged 1,150 pupils (2021: 1,129); in College 81% of pupils were boarders or day boarders (2021: 81%), the balance were day pupils. The Prep School continues to be predominantly a day school, with day pupils representing 89% (2021: 89%) of the total.

Public benefit

College remains committed to the aim of providing public benefit in accordance with its founding principles. Charity legislation includes a requirement to demonstrate that public benefit for any charitable purpose where it had hitherto been presumed in the absence of evidence to the contrary. In this regard, the Council remains committed to giving full and careful consideration to the Charity Commission's general guidance on public benefit and confirm that they have complied with their duty under Section 17 of the Charities Act 2011.

The awarding of means-tested bursaries is a measurable means of providing public benefit. College takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important, but not to the exclusion of the much wider benefit that College provides within the community. Those pupils who attend our schools and who receive financial support contribute to the school community in a variety of ways, and so the benefit is not purely to these pupils but to the whole College and, in some cases, to the wider community.

During the year College pupils benefited from 493 bursaries, scholarships and other fee reductions, such as discounts to serving members of the armed forces, across both schools, totalling £3.2m (2021: 524 awards totalling £3.1m). Within this, means-tested awards, based on a sliding scale according to financial circumstances, totalled £1.6m including 10 pupils for 90% or more of fees when scholarship awards are included (2021: £1.4m). The increase in bursaries provided additional support to certain parents whose incomes had continued to be negatively affected by Covid-19. In the context of a continuous review of bursaries, the

provision of bursaries to pupils who are expected to contribute fully to both schools over a broad spectrum of academic and non-academic activities remains a key part of College's strategy. Further fee subventions are granted in respect of certain staff children.

In addition to bursaries, College has engaged in a number of other activities that provide benefit to the public within College's objectives. College continues to invest in its enhanced partnerships with two local state schools; College with All Saints' Academy, and the Prep School with Saint John's C of E Primary School. The formal parameters of these partnerships have been codified in MOUs.

The scope and depth of these partnerships is being co-ordinated by the Director of Partnerships (together with the Director of Outreach at the Prep school) but the principal focus of both is raising academic attainment for state school pupils. Beyond that immediate focus, the artistic and sporting needs of these pupils is also being addressed, and College is making available support in terms of facilities, coaching and logistical support.

In addition, College is closely involved in developing long-term relationships with other schools and charitable organisations. Through these links our aim is to build on a shared vision that makes an outstanding and meaningful difference to our local community.

College supports two core partnership endeavours. Firstly, College has established an 'Enhanced Partnership' with All Saints' Academy (Cheltenham). The partnership began in 2015 and was formalised in 2018 with the signing of a MOU. Current partnership activities between College and the Academy include the following:

- Termly leadership team meetings
- Annual HODs meetings followed by curry supper
- Shared CPD Teaching and Learning
- 7UP exam preparations
- Oxbridge mentoring
- Oxbridge interview workshops for UPA students
- Mini MBA annual programme
- Shared Drama workshop and trip to Oxford Playhouse
- Shared production of *Into the Woods*
- Departmental moderation and sharing of good practice
- Bishop's Award hosted in College Chapel
- MDR provision for ASA pupils
- Community Action programme - Academic Work Experience
- Community Action programme - Sports Leader Work Experience
- Public Speaking workshop and competition
- English and Librarians networking event
- Shared Science A-Level Practical

Future partnership activities include College offering 10+ work placement opportunities for Year 12 pupils from the Academy.

College is proud of its established partnership with All Saints' Academy and attributes its ongoing success to the following factors:

- Full and public support from both Headteachers
- Key problems identified & addressed – logistics, communication, suspicion.
- Mutual benefits/objectives identified
- Partnership champions communicate and meet regularly
- Shared Anglican ethos

- Non-ideological/political
- Shared commitment to local community
- Annual joint HODs meeting
- MOU agreed and signed

The second core partnership endeavour is the Cheltenham Education Partnership (CEP), an equal partnership combining 12 of Cheltenham's state and independent secondary schools, plus the University of Gloucestershire (full partners), supported by a number of the town's important organisations: Cheltenham Festivals, The Cheltenham Trust, the National Cyber Security Centre, Cheltenham Christian Arts Festival, Gloucestershire County Council, Cheltenham Borough Council and the Diocese of Gloucester (supporting partners).

The structure of CEP includes a Steering Group, comprising leaders from our full and supporting partners, who meet termly and have strategic oversight of the CEP. An Operations Group brings together 'champions' from each full and some supporting partners, who meet every 4-6 weeks to plan the Programme of Activities. The full-time CEP Coordinator chairs the Operations Group meetings and leads the administration, planning and delivery of the Programme of Activities. The CEP Coordinator reports back to the Steering Group on the partnership's activities.

The aims of CEP, to which College has invested professional staff time and financial support, are as follows:

- Ensure the best interests of young people are at the heart of education initiatives in Cheltenham.
- Provide outstanding educational opportunities for young people in Cheltenham.
- Reach out to all young people with potential regardless of social, economic or educational background.
- Provide stimulating professional development for teachers and update areas of knowledge, understanding, skills and attitudes.
- Promote mutual respect amongst education professionals and students across the state and independent sectors.
- Foster social cohesion in Cheltenham.

College pupils attend a number of CEP events and College teachers are responsible for offering the following CEP provision:

- GCSE Latin
- Literary Society
- Sinfonietta
- RS Conference
- Science lecture

College continues to strive to awaken in our pupils an awareness of the social context of the all-round education they receive. The overriding aim is to connect our pupils with communities of disadvantage, deprivation or disability. The Community Action Program (CAP) continues to offer a strong presence within the locality of Cheltenham. Over fifty Sixth Form pupils and six Year 10 & 11 pupils took part in the program in a variety of settings including visits to Care Homes, Schools and Cotswold Riding for the Disabled.

This year we secured new additional placements for volunteering; including the Leonard Cheshire Home where pupils engaged virtually, via Zoom Calls, with individuals with physical disabilities – this required creativity in preparing material for weekly sessions – including Bingo, video tours of College, music and poetry recitals.

Although the majority of the pupils on the program are Year 12 and Year 10, we continue to offer a small number work experience places at the Hospital for Upper Sixth pupils wishing to undertake medicine at

university. This has been invaluable for them and their personal statements, giving them experience of working in a hospital setting.

In service week (June 2022) a group of 14 Year 10 pupils completed a Community Action Project based at a local Animal Shelter (GAWA). The brief was to help the team at the shelter to get ready for their annual Open Weekend. Pupils participated in a range of tasks, and got to meet some of the animals at the end! Many members of staff, in addition to the Director of Community and Partnerships, managed the delivery of this programme.

College continues to work with local charities and educational bodies in our ongoing endeavours to widen public access to the schooling we provide. Our sports facilities, including the Swimming Pool, are made available to local primary schools at minimal cost.

At the start of the academic year 2021-22 the new pupil leadership team elected to support the work of Pied Piper Appeal, a local (Gloucestershire) charity with the following objectives:

- Funds The Children Centre at Gloucestershire Royal Hospital as well as other county hospitals
- Supports SEND schools with equipment and resources.
- Sends children with life limiting illnesses and their families on a WISH holiday.
- Improves mental health facilities in the country – more aimed at children.

A variety of fundraising events were organised by the PLT. Getting the year off to a great start was a Colour run on College Field involving the whole school, which raised over £4k. November gave the opportunity to hold the Annual Charity Rugby Match again. At Kingsholm Stadium, College 1st XV took on Sir Thomas Rich's School, another £4k was raised for Pied Piper. In addition, pupils pledged to continue supporting the charity 'Active Impact', a Gloucestershire based disability charity. One pupil singlehandedly organised a Valentines Gift Project, raising £435, sharing a little love around College. Another annual event took place in March – the charity Netball match against Malvern College - raised £2,245. At year's end, the total raised for The Pied Piper Appeal was in excess of £11,000 whilst a further £4,000 had been raised for Active Impact.

In the Summer term, Houses collected non-perishable food for the foodbank of Cheltenham Open Door – over 600 items were donated. In response to the humanitarian crisis in Ukraine, a superb concert was held in Chapel, with College pupils performing alongside nationally renowned musicians. Donations *in lieu* of tickets were made to the DEC. This event raised in excess of £6,000.

During 2021-22 Covid continued to impose restrictions on our ability not only to raise funds but also to undertake appropriate due diligence checks on the beneficiaries of the grants paid out. As such the funds paid out were below expectation with College donating £16,100 (2021: £22,600) from its Humanitarian Aid fund towards supporting schools in Nepal, Kenya, South Africa and Romania. These schools flourish through the dedicated care of College and overseas staff. Our main focus is to:

- Offer educational opportunities to disadvantaged children
- Contribute to building and renovation work
- Fundraise
- Monitor achievements and performance.

College has also partnered with the charity 'The Talent Tap' and All Saints' Academy. The mission of the Talent Tap is to support students from less advantaged backgrounds to access opportunities, support and networks which they are unable to gain through their own home environments. Since 2017 College has sponsored 12 students to access Talent Tap' multi year programme (training, introductions, coaching and internships). TT recently appealed to OCs to offer work placements, mentoring, coaching.

Intended impact

With the combination of the provision of first class education, an extensive range of co-curricular activities and the granting of significant bursaries and scholarships, College continues to develop the academic, sporting, artistic and social potential of children from a broad spectrum of financial and social backgrounds.

Review of achievements and performance for the year

College's consistently excellent performance in public examinations was maintained this year with 54% of A level exams achieving A* to A grade (2021: 75%) and 80% A* to B grade (2021: 91%). College retains its place amongst the top schools in the country for academic performance which, combined with the added breadth of the educational experience, enables pupils to reach their full potential. At the Prep School, every final year pupil moved to their first choice senior school with 28 pupils (2021: 28) obtaining scholarships and exhibitions at their chosen school.

Maintaining a mix of excellent academic achievement and sporting and cultural activities this year remained a key element of our ethos. College has a policy of sport for all and as a result up to five teams per year group represent us in each sport. The 'major' sports include rugby, netball, hockey, cricket, tennis, racquets and athletics. A broad range of 'minor' sports are also promoted.

College gives a high priority to the performing arts. In addition to a strong academic performance across drama and music in public examinations, there are weekly concerts, major music and drama productions, house concerts and group productions, many of which allow a broad participation for pupils across the age range from 8 to 18.

Capital and other projects

After a period of relative inactivity forced upon College by the Covid-19 pandemic, during 2021-22 we invested over £7.5 million in substantial improvements to teaching spaces, boarding houses and sports and co-curricular facilities. The proposed extension to College Lawn of 16 new bedrooms and Housemistress accommodation commenced in July 2022 and was completed in time for the start of the new 2022-23 academic year.

Improvements to the facilities at Pre-Prep were completed during the 2022 Summer holidays in time for the new 2022-23 year. In particular the groundworks and construction of a new Nursery School commenced in November 2022. The project was completed in August on schedule and in line with Budget. The new Nursery School welcomed 35 children at the start of the Autumn term and it is anticipated that the facility can offer a refreshing modern learning environment for up to 60 children by 2023-24.

In addition, this academic year saw a significant investment into the changing room facilities at the Sports Hall for both home and away teams at College and the Prep. This project includes the expansion of the Sports Hall with new changing rooms and the refurbishment of the current facilities. Work commenced in January 2022 with the extension being completed in time for the new Autumn term. The refurbishment was completed in December 2022 ready for the start of the Spring 23 term.

College purchased a Grade II listed Victorian villa which sits on the edge of College's main playing fields. The acquisition will allow College to bring the main support functions under one roof while freeing the newly vacated buildings and rooms for broadening the range of teaching spaces.

Fundraising performance

Donations received for the year increased substantially, following the economic uncertainty that arose from Covid-19, to £215,000 (2021: £23,000). Donations received were either restricted to a specific use, such as bursaries and various capital projects, or directed to the area of greatest need. All donations received are held in the Cheltenham College Charitable Trust (Charity No. 1006429).

Cheltenham College's Code of Practice for Fundraising, which is available on the College website, states that:

- All fundraising for and on behalf of the College is to be undertaken by the Development department. The Director of Development has responsibility for all fundraising.
- The Director of Development follows the Code of Practice for Fundraising as set out by The Institute of Fundraising which includes policies regarding the protection of vulnerable people and the wider public from undue pressure.
- All suggestions and projects requiring fundraising are passed in writing in the first instance to the Bursar, outlining the purpose of the project, the benefits of the project, the estimated costs and the timeframe.
- All fundraising priorities, as part of the overall Fundraising Strategy, are to be agreed by the Heads, Bursar, Council and Director of Development.
- The Development department, alongside the Accounts department, has responsibility for ensuring that all gifts are recorded, additional benefits claimed and donors thanked. It is a requirement of everyone to notify the Development department of any donations received, the amount, the purpose of the gift and the details of the donor.
- All funds raised for a particular cause must be used for that particular cause.
- College is fully accountable and as such will report on all monies raised and how those monies have been spent.

Cheltenham College did not receive any complaints with respect to fundraising for the year to 31 August 2022.

International operations

Building a family of international schools strengthens the profile and reach of the Cheltenham College brand internationally and offers a growing range of opportunities for staff and pupil cooperation and development. We currently have two schools operating under the Cheltenham College name and other opportunities are under review.

Cheltenham College Muscat

Cheltenham Muscat completed its first year of operation in June 2022 and commenced its second year in August 2022 with 530 pupils. It is the first British branded, co-educational independent school to be established in Oman. Phase one of construction was completed in the summer of 2021 and planning is underway for phase two, on its site in the Al Seeb district of the city.

Crispin Dawson, former acting Head at Cheltenham College fulfilled the role of Founding Principal of the school, assisting in setting up the school, establishing its academic standards and operating model. This role of Executive Principal has now been taken on by Oona Carlin, who was previously Principal of King's College Doha.

The pupil role for 2022-23 comprises 80% Omani and 20% ex-pat students. The staff and leadership team have thus had to grow and adapt fast in their first 18 months of operation. The curriculum combines both the compulsory national Islamic and Arabic language and cultural studies, with a full timetable of subjects at KS1 up to IGCSE.

Cheltenham Centre at Junwha International School

The Cheltenham Centre at Junhwa International School is the International High School Department of a Chinese bi-lingual school in the city of Jinhua, about two hours from Shanghai with 80 pupils aged between 14 and 18. The curriculum, extra-curricular activities and pastoral care roles are currently being remapped and staff

trained to move to closer to a British boarding offering. Cheltenham College is providing support and guidance in these areas. The school teaches core IGCSE and A Levels, with the aim of helping students apply for universities internationally.

The school has recently structured itself around four new Houses, named after prominent Cheltenham locations; Cleeve Hill, Sandford Park, Tivoli and Leckhampton. The school is operated by CL Capital, led by Jeffrey Chen. The Founding Head is Stephen Jones, previously Head of St Edwards School, Oxford, and a former Maths teacher at Cheltenham College. The Chinese Head is Bruce Chen, who has worked for many years at leading international schools in China.

Financial Review

Results for the year

The group's net income for the year to 31 August 2022 amounted to £521,000 (2021: £2,559,000). Realised and unrealised investment losses of £1,098,000 (2021: gains of £1,113,000) are included in this figure. The losses on investment do not form part of the core financial planning for College; excluding these losses, College met the financial performance targets set by Council. Such a surplus will strengthen College's ability to invest in facilities in both schools in the years to come.

Our trading subsidiary has contributed to the above achievements by optimising the use of College's assets and generating a trading surplus for donation to College as reported below.

Reserves

College does not hold any free reserves; all operating surpluses are invested in fixed assets and infrastructure to ensure the continued development of College. The general reserve, accumulated since the founding of College has been retained to cover these fixed assets investments, provide working capital and also a buffer against fluctuations in income resultant from significant adverse variations in pupil numbers. In the unlikely event of the need to call upon reserves, the level and variety of fixed assets held are such that disposal of an appropriate asset could realise sufficient resources to meet the requirement. The Trustees have reviewed the reserves policy as part of their strategic planning and decided that continued investment in College's facilities remains essential to ensure continued recruitment of healthy pupil numbers through the provision of excellent facilities in both schools.

Total consolidated funds at the year end stood at £71.4 million (2021: £70.9 million).

The Unrestricted Designated Funds of £466,000 (2021: £728,000) are used to hold College Lottery receipts, unused amounts from bequests and to make provision for future discounts in respect of fees paid in advance. Following the closure of the Closed FIA scheme in May 2015 (see note 18) College continues to hold a prudent proportion of advance fees in liquid investments. The Lottery element of these funds are used throughout the academic year to subsidise school trips in the Prep and College (including cricket and netball tours to Dubai, a geography trip to Cuba and the annual Prep year 8 trip to Bude) as well as fund projects in our partner schools in Nepal and Kenya, and the Romanian Orphanage project. Other funds will be allocated according to need.

The Restricted Funds of £2,011,000 (2021: £1,818,000) are scholarship income (normally all used in the year of receipt), College's bursary fund that is subscribed to by parents on accepting a place for their children at the Senior School and monies belonging to the CCCT.

The Endowed Funds of £3,767,000 (2021: £4,370,000) consist of Scholarship, Bursary and Prize Funds, which are invested to provide income for scholarships and other awards, which are designed to help widen access to College.

Note 26 to the accounts analyses the assets attributable to the various funds. These assets are sufficient to meet the Charity's obligations on a fund-by-fund basis.

The reserve maintained for the Fees in Advance Scheme will continue to provide a strong level of asset backing for longer term liabilities. The restricted and endowed investment reserves are held through College's Scholarship and Endowment Reserves or through CCCT and continue to support College's development as well as providing support for specific pupil grants.

Principal risks and uncertainties

The Council considers the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risks faced by College. With investments in College Lawn and the Nursery School complete, College expects expansion in pupil numbers to slow marginally compared to the last five years or so. The Council remains acutely aware of the importance of affordability of fees in maintaining the expansion of the pupil body. For September 2022, the Council has limited fee changes to a 6.0% increase which we believe to be relatively low compared with College's peer group and underlying inflationary pressures during the Spring and Summer of 2022. The provision of bursaries remains a key plank in College's strategy to make fees affordable.

College continues to review the political risks that attach to the independent schools sector. These include maintenance of charitable status, possible VAT on fees, and rates relief on principal buildings.

Health and safety, and pupil safeguarding are always a fundamental area for risk management and reflect the immense responsibilities College takes in regard to both pupils and staff. A robust set of policies is constantly updated and supported by a number of well-established committees which include the senior officers of College. Recruitment of staff is the first step in inculcating College's policies in regard to these risks. Further communication of those policies to staff and pupils, and the monitoring of compliance is a vital part of the ongoing risk management plan.

College seeks to ensure that the requirements of a range of regulatory bodies that oversee elements of College's operations are understood and implemented by staff, and maintained throughout the school year. These include the Independent Schools Inspectorate, the Department for Education and the DfE's National Minimum Standards for boarding schools.

College has continued to invest heavily both in terms of IT hardware and IT staff during the last year. This is not only to provide the level of bandwidth and resilience that teachers, operational staff and pupils require but also to provide stability and reliable back-up facilities in the event of an IT infrastructure failure. In addition the expansion of online e-learning into the pupil body from September 2022 requires a secure and stable IT environment

The loss of Tier 4 Sponsor status, whereby College takes responsibility for a number of overseas pupils, is deemed to be a risk to College's reputation and could result in the loss of a number of overseas pupils. College's Director of Compliance and Operations continues to oversee compliance with UK Visas and Immigration requirements.

Detailed consideration of risk is delegated to FRD, which reports formally to the Council. The risk management process and the resulting report identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks. The generic controls used by College to minimise risk include:

- detailed terms of reference together with formal agendas for Committee and Board activity;
- strategic development planning, reviewed annually by FRD;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;

- formal written policies including clear authorisation and approval levels; and
- vetting procedures as required by law for the protection of the vulnerable.

The Council regularly review the effectiveness of current plans and strategies for managing all identified major risks for both College and its subsidiaries.

Future plans

College's current Development Plan has been agreed by Council and is subject to annual review. The primary future plans for College are set out in the core elements of the Development Plan. These are:

- to provide a happy and secure pastoral environment, suitable for both day and boarding pupils, in which all pupils are offered opportunities for leadership and service to others;
- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to offer all pupils the opportunities of experiencing a broad range of intellectual, cultural, sporting and wider community influences;
- to continue to ensure the campus has a safe and attractive environment for pupils, staff and visitors alike;
- to provide first class catering facilities and produce to all pupils and staff;
- to continue to upgrade the quality of accommodation for the boarding houses in College and Prep;
- to increase the capability of College to offer education to children whose parents are unable to afford full fees;
- to provide an enjoyable and appropriately challenging environment within which members of staff may develop their careers; and
- to ensure that College plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

These aims underpin development plans which have been developed for each of the two schools and so College continues to enhance its ability to provide a first-class education to its pupils.

Going concern

College remained vigilant to the effects of Covid-19 among the pupil and staff bodies during 2021-22 and indeed continues to do so. This vigilance regrettably led to the continued curtailment of a large number of co-curricular activities such as sporting fixtures, overseas and UK based trips and attendance at Chapel. It is therefore hugely gratifying to be able to return, albeit with a watchful eye, to the activities that so enhance our pupils' learning and personal development environment.

The 'Capital and other projects' section of this report highlights some of the substantial investments College has made in 2021-22. These projects will enhance the academic and pastoral life of pupils and staff while seeking to meet the challenges of new teaching methodologies. They reflect a strong growth in pupil numbers in both College and Prep over recent years and a healthy demand for new places for both schools in the future.

While some funding for the investment in buildings, infrastructure and IT have drawn on College's financial resources we have funded the balance through bank loans. This financial support is a powerful expression of confidence in the College and its staff in building a stable institution maintaining high academic standards and firm ethical principles. In light of the various factors touched on above, Council believe that College's financial resources and contingency planning are sufficient to ensure the ability of College to continue as a going concern for the foreseeable future and therefore the financial statements have been prepared on this basis.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales 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 the Group and of the incoming resources and application of resources of the Charity and the Group 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Annual Report and this Statement of Trustees' responsibilities have been signed on behalf of the Trustees.

William Straker-Nesbit
President of the Council
4 March 2023

Independent Auditor's Report to the Trustees of Cheltenham College

Opinion

We have audited the financial statements of Cheltenham College for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 group's and the parent charity's affairs as at 31 August 2022 and of the group's 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 Charities Act 2011.

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 group 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 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 or the group'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

Trustees are responsible for the other information contained within the annual report. 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.

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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees Responsibilities statement, Trustees 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 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, Trustees are responsible for assessing the group and the parent 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within bursaries, scholarships and other discounts, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over bursaries, scholarships and other discounts, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and Ofsted, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

28 March 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities for the year end 31 August 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed funds £'000	2022 Total £'000	2021 Total £'000
Income and endowments from:						
Charitable activities						
School fees receivable	2	30,132	-	-	30,132	27,094
Ancillary trading income	3	2,121	-	-	2,121	1,458
Other trading activities						
Non-ancillary trading income	4	-	-	-	-	2
Other activities	4	33	-	-	33	27
Investments						
Investment income	5	45	84	-	129	115
Bank and other interest	6	66	-	-	66	53
Donations, grants and legacies	7	134	199	-	333	317
Total income		32,531	283	-	32,814	29,066
Expenditure on:						
Raising funds						
Non-ancillary trading	8	(294)	-	-	(294)	(273)
Financing costs	9	(400)	-	-	(400)	(339)
Investment management		(16)	(1)	(24)	(41)	(43)
Fundraising and development		(291)	-	-	(291)	(193)
Total deductible costs	8	(1,001)	(1)	(24)	(1,026)	(848)
Charitable activities						
Education and grant making	8	(30,144)	(66)	-	(30,210)	(26,772)
Total expenditure		(31,145)	(67)	(24)	(31,236)	(27,620)
Net income/(expenditure) before investment gains		1,386	216	(24)	1,578	1,446
(Losses)/Gains on investments	13	(391)	(62)	(645)	(1,098)	1,113
Net income		995	154	(669)	480	2,559

Consolidated Statement of Financial Activities for the year end 31 August 2022 (continued)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000	2021 Total £'000
Net income		995	154	(669)	480	2,559
Transfers between funds	24	(105)	39	66	-	-
Net movement in funds		890	193	(603)	480	2,559
Reconciliation of funds						
Fund balances brought forward at 1 September 2021		64,681	1,818	4,370	70,869	68,310
Fund balances carried forward at 31 August 2022		65,571	2,011	3,767	71,349	70,869

The notes on page 29 to 53 form part of these financial statements.

Balance Sheets as at 31 August 2022

	Note	Group		College	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Tangible assets	12	88,058	80,084	88,278	80,302
Investment in subsidiaries	13	-	-	736	-
Fees in Advance Scheme invested	13	2,484	2,802	2,484	2,802
Securities investments	13	4,401	5,092	3,063	3,559
		<u>94,943</u>	<u>87,978</u>	<u>94,561</u>	<u>86,663</u>
Current assets					
Stock	14	111	126	90	101
Debtors	15	1,531	1,107	1,519	1,829
Cash and deposits		1,100	1,891	55	1,292
		<u>2,742</u>	<u>3,124</u>	<u>1,664</u>	<u>3,222</u>
Current liabilities					
Creditors payable within one year	16	(12,383)	(8,694)	(12,611)	(9,243)
Net current (liabilities)		<u>(9,641)</u>	<u>(5,570)</u>	<u>(10,947)</u>	<u>(6,021)</u>
Total assets less current liabilities		85,302	82,408	83,614	80,642
Long-term liabilities					
Creditors payable after one year	17	(13,953)	(11,539)	(13,953)	(11,539)
Net assets		<u>71,349</u>	<u>70,869</u>	<u>69,661</u>	<u>69,103</u>
Represented by:					
Endowed funds	24	3,767	4,370	3,063	3,558
Restricted funds	24	2,011	1,818	1,121	1,031
Unrestricted funds					
General and designated reserves	24	65,571	64,681	65,477	64,514
		<u>71,349</u>	<u>70,869</u>	<u>69,661</u>	<u>69,103</u>

The surplus, before losses on investments, for the financial year dealt with in the financial statements for College was £1,446,000 (2021: before gains £1,420,000).

These financial statements were approved by the Council on 4 March 2023 and were signed on its behalf by:
William Straker Nesbit (President of Council)

The notes on page 29 to 53 form part of these financial statements.

Consolidated Cashflow statement for the year ending 31 August 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	(a)		5,050		2,576
Cash flows provided by/(used in) investing activities:					
Payments for tangible fixed assets		(9,125)		(1,159)	
Proceeds on sale of tangible fixed assets		16		2	
Additions to securities investments portfolio		(968)		(1,586)	
Withdrawals from securities investments portfolio		906		1,514	
Net cash used in investing activities			(9,171)		(1,229)
			(4,121)		1,347
Cash flows provided by/(used in) financing activities:					
New loans		2,690		-	
Loan repayments		(1,666)		(943)	
Finance income received		129		115	
Bank interest paid		(329)		(257)	
Net cash used in financing activities			825		(1,085)
Fees in advance schemes					
New fees in advance contracts		2,940		2,384	
Refunded fees		-		(71)	
Capital utilised in year		(2,144)		(2,191)	
			796		122
Change in cash and cash equivalents			(2,500)		384
Reconciliation of net cash flow to movement in net funds					
(Decrease)/increase in cash in the year	(b)		(2,500)		384
Cash (outflow)/inflow from movement in debt and hire purchase			(1,057)		943
Net bank debt at 1 September 2021			(6,332)		(7,659)
Net bank debt at 31 August 2022			(9,889)		(6,332)

The notes on page 29 to 53 form part of these financial statements.

Consolidated Cashflow statement for the year ending 31 August 2022 (continued)

(a) Reconciliation of net income to net cash flow from operating activities

	2022		2021	
	£'000	£'000	£'000	£'000
Net income before investment gains		1,578		1,446
Elimination of non-operating cash flows:				
Finance income received	(129)		(115)	
Bank interest paid	329		257	
Fees in advance fair value adjustment	(30)		(15)	
Depreciation charge	1,151		1,102	
(Profit)/loss on sale of assets	(13)		3	
Decrease/(Increase) in stocks	15		(19)	
(Increase)/decrease in debtors	(424)		108	
Increase/(decrease) in creditors (excluding fees in advance scheme and bank loans)	2,573		(191)	
		<u>3,472</u>		<u>1,130</u>
Net cash inflow from operations		<u>5,050</u>		<u>2,576</u>

(b) Analysis of changes in net debt

	1 September	Cash flows	31 August
	2021		2022
	£'000	£'000	£'000
Cash at bank	1,891	(791)	1,100
Overdraft	-	(1,709)	(1,709)
Loans due within 1 year	(1,576)	398	(1,178)
Loans and overdraft due within 1 year	<u>(1,576)</u>	<u>(1,311)</u>	<u>(2,887)</u>
Loans due after 1 year	<u>(6,647)</u>	<u>(1,455)</u>	<u>(8,102)</u>
Net bank debt including overdraft	<u>(6,332)</u>	<u>(3,557)</u>	<u>(9,889)</u>

Notes to the Financial Statements

Cheltenham College ("College") is a Public Benefit Entity registered as a charity on 10 June 1965 in England and Wales (number 311720). Its principal office is Bath Road, Cheltenham GL53 7LD.

1. Principal Accounting Policies

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice (the Charities SORP (FRS 102)) 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 statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting for Charities that prepare their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(a) Basis of Consolidation

The consolidated Statement of Financial Activities and Balance Sheet include the financial statements of Cheltenham College and its wholly owned trading subsidiary, Cheltenham College Services Limited.

Cheltenham College Charitable Trust is an independently run charity. The charity is consolidated into College in order to comply with FRS 102 Section 9. Cheltenham College International Limited was incorporated in 2019-20 and commenced trading with the opening of Cheltenham College Muscat during the year and as such has been included in the consolidated financial statements.

College has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements.

(b) Going Concern

Having reviewed the funding facilities available to the Group together with the expected ongoing demand for places and the Group's future projected cash flows, the Council have a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Group's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 19.

The Council have undertaken detailed planning and forecasting and continue to closely monitor the developing situation. Please refer to pages 18 to 19 of the Council's Report where they have reflected on the current situation and have outlined the impact for the College. Despite the current circumstances the Council believe that the College's financial resources and contingency planning is sufficient to ensure the ability of College to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

(c) Fees Receivable

Fees receivable consists of charges billed for fees, board and tuition for the School less bursaries and allowances. They are accounted for in the period in which the services are provided. Fees received for education to be provided in future years are carried forward as deferred income.

Notes to the Financial Statements

(d) Trading Activities

Trading income comprises the trading activities of College and the subsidiaries and is credited to the Statement of Financial Activities on a receivables basis.

(e) Donations, Grants and Legacies

Donations, grants and legacies are recognised in the financial statements when the Group has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

(f) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates. Costs of generating funds includes all staffing and fundraising costs. Charitable activity expenses are allocated to functional groups on a direct cost basis or apportioned on a staff time basis.

Governance costs are included in charitable expenditure and comprise the costs of running College including strategic planning for its future development, also external audit, any legal advice for the Council, and all the costs of complying with constitutional and statutory requirements, such as the costs of Council meetings and of preparing statutory financial statements and satisfying public accountability.

(g) Pension Scheme Arrangements

College is involved with a number of pension schemes for its employees.

Cheltenham College contributes to the Teachers' Pension Defined Benefit Scheme at rates set by the Scheme Actuary and advised to College by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme, which are attributable to College. In accordance with FRS 102 Section 28.11 the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

Other staff have the option of joining a defined contribution scheme operated by an insurance company. College and members of staff pay fixed percentages of salaries to the insurance company. College's contributions are charged in the Statement of Financial Activities as they fall due.

(h) Fund Accounting

Details and the nature and purpose of each fund is set out within the Investment policy and objectives on page 9 of the Annual Report of the Council. Funds held for the general purpose of College are held as unrestricted funds. Those held by College for specific purposes outside normal operations such as College lottery, bequests and the Tinson Hardship Fund are held as designated funds and set aside by the Trustees. Those subject to specific wishes of the donors are included within the relevant restricted or endowed funds.

(i) Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition and is subject to a de-minimis limit of £1,000. Freehold land and buildings include original cost and subsequent alterations and additions. The cost of land and buildings includes interest paid on specific related borrowings during the construction period.

Notes to the Financial Statements

(j) Depreciation

Depreciation is calculated on a straight-line basis to write off the cost, less estimated residual value, of fixed assets over their estimated useful lives as follows: -

Freehold buildings	1% - 20% on cost
Furniture & equipment	4% - 33% on cost, based on life expectancy
- Boilers	10% on cost
- Computers & electronic equipment	10% - 50% on cost
Cars	25% on cost
Other motor vehicles	10% - 50% on cost

Depreciation commences in the year of acquisition or when the asset is brought into use and as a result assets under construction are not depreciated. College's buildings have to be maintained in good working order, with many having listed building status. Most of these buildings are therefore considered to have an expected useful life in excess of one hundred years. In accordance with FRS 102 Section 27.7 the buildings are tested for impairment annually, because their expected useful life exceeds 50 years. College, in determining the value of the buildings, has based its consideration on the service potential of the assets to further their charitable objectives. Depreciation on those buildings not already being depreciated commenced in September 2000 at a rate of not less than 1% based on their life expectancy. Land is not depreciated.

(k) Investments

Investment in subsidiaries is stated at cost.

Listed investments are reported at their fair values at the balance sheet date based on their quoted market prices. Gains and losses arising on investment assets are disclosed separately in the Statement of Financial Activities which includes realised gains or losses where the investments have been sold and unrealised where they are still held at the balance sheet date. In both cases the gain or loss is calculated with regard to the market value at the beginning of the year, or its cost if purchased during the year.

(l) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is defined as the average cost of finished goods and raw materials including transport and handling costs. Net realisable value is based on estimated selling price less further costs expected to be incurred prior to disposal.

(m) Debtors

Short term debtors are measured at transaction price, less impairment. Details of these financial assets are set in note 15.

(n) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions.

(o) Creditors

Short term creditors are initially measured at the transaction price. Details of these financial liabilities are set in notes 16, 17 and 18 below.

Notes to the Financial Statements

(p) Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of investments and the complex fees in advance scheme, which are held at fair value.

Financial assets measured at their settlement value comprise cash, trade and fee debtors, group and other debtors and accrued income. See note 15 for further details.

Financial liabilities measured at their settlement value comprise trade creditors, bank loans and overdrafts, group and other creditors, and accruals. See notes 16, 17 and 20 for further details.

College offered an inflation free fees in advance scheme as described in note 19. The liability recognised in respect of this scheme is considered to be a non-basic financial instrument and has therefore been classified as a financial liability measured at fair value through profit or loss.

(q) Recognition of Liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits College to the obligation.

(r) Fees in Advance

Under the current FIA scheme, which was introduced in July 2015, a fee payer may enter into a contract to pay College in advance for fixed contributions towards the tuition fees for a period agreed with College. These contributions give rise to a fixed discount on future fees.

The discount arising on the contributions is charged to the Statement of Financial Activities on a year by year basis.

In the event of a parent withdrawing their capital sum from the old FIA scheme, interest arises on the un-drawn balance at 1% below the bank base rate. Any such interest is disclosed as a potential liability under the scheme.

(s) Judgments in applying Accounting Policies and Key Sources of Estimation Uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Useful economic lives of tangible assets

The annual depreciation charge for the tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the fixed assets and note 1(j) for the useful lives for each class of assets.

(ii) Impairment of debtors

The group makes an estimate of the recoverable value of fee and other debtors. When assessing impairment of fee and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors.

(iii) Fees in advance Scheme

As set out in notes 18 and 19 the liabilities of one of the extant Fees in Advance Schemes was closed for new business in May 2015.

Notes to the Financial Statements

2. Charitable activities – Fees receivable

	2022 £'000	2021 £'000
Fees receivable consist of:		
School fees	34,261	32,731
Less: Total scholarships and bursaries	(4,195)	(4,182)
Discount on fees/day fees arising from Covid 19	-	(1,507)
	<u>30,066</u>	<u>27,042</u>
Add back: Bursaries and other awards paid for by restricted funds	66	52
	<u>30,132</u>	<u>27,094</u>

A total of 493 awards including scholarships, bursaries and other awards were in place and allocated to pupils across both schools in the year to 31 August 2022 (2021: 536). Within this means-tested bursaries totalling £1.67million were granted (2021: £1.53 million).

3. Ancillary Trading income

	2022 £'000	2021 £'000
Extras and trips	802	443
Lettings and other revenue	1,045	591
Entrance and registration fees	274	424
	<u>2,121</u>	<u>1,458</u>

4. Other trading activities

	2022 £'000	2021 £'000
Trading income		
Tuck Shop	-	2
	<u>-</u>	<u>2</u>
Other activities		
Profit on sale of assets	16	2
Other income	17	25
	<u>33</u>	<u>27</u>

Notes to the Financial Statements

5. Investment Income

	Unrestricted	Restricted	Endowed	Total	Total
	£'000	£'000	£'000	£'000	£'000
				2022	2021
Equities	45	84	-	129	115

6. Bank and other interest income

	Unrestricted	Restricted	Endowed	Total	Total
	£'000	£'000	£'000	£'000	£'000
				2022	2021
Interest on overdue fees and other charges	66	-	-	66	53

7. Donations, grants and legacies

	Unrestricted	Restricted	Endowed	Total	Total
	£'000	£'000	£'000	£'000	£'000
				2022	2021
Grants to Group for Bursaries from:					
College Lottery Scheme	99	-	-	99	77
Donations and legacies	35	199	-	234	23
Government grant - Furlough	-	-	-	-	217
	134	199	-	333	317

Notes to the Financial Statements

8. Analysis of Expenditure

(a) Total expenditure

	Staff costs (note 11) £'000	Depreciation (note 12) £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
Expenditure on raising funds					
Non-ancillary trading	-	15	279	294	273
Financing costs (note 9)	-	-	400	400	339
Investment management	-	-	41	41	43
Fundraising and development	188	-	103	291	193
Total costs of raising funds	188	15	823	1,026	848
Charitable expenditure					
Education and grant making					
Teaching	13,403	206	2,959	16,568	14,053
Welfare	3,219	-	1,698	4,917	4,112
Premises	1,156	929	3,212	5,297	5,603
Support costs of schooling	2,147	1	958	3,106	2,755
Governance costs	142	-	53	195	167
Grants, awards and prizes (note 8(b))	-	-	127	127	82
Total charitable expenditure	20,067	1,136	9,007	30,210	26,772
Total expended	20,255	1,151	9,830	31,236	27,620

Governance costs consist of 15% of the salary costs of both Heads, 25% of the Bursar, Deputy Bursar and Director of Finance. The other governance costs are the audit fee, governance legal costs and Council members' expenses. See note 8(c) for further details.

(b) Grants, awards and prizes	2022 £'000	2021 £'000
From Restricted Funds:		
Bursaries and other grants and awards	86	52
From Unrestricted Funds:		
Prizes and leaving awards	41	31
	127	83

Notes to the Financial Statements

8. Analysis of Expenditure (continued)

	2022	2021
(c) Other governance included above:	£'000	£'000
Remuneration paid to auditor:		
- for audit services	21	17
- for taxation and VAT (included in Support costs of Schooling)	9	11
- for Teachers Pension returns	2	2
Council expenses	17	2
Reimbursement of personal expenses to Council	4	2
	53	34

Travel expenses were reclaimed by 3 members (2021: 1) of the Council in relation to attendance at Council meetings.

9. Financing costs

	2022	2021
	£'000	£'000
Fees in Advance debt-financing cost	101	97
Release of fair value provision for Fees in Advance	(30)	(15)
Bank and loan interest	329	257
	400	339

10. Taxation

College is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of College's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Notes to the Financial Statements

11. Staff costs and related party transactions

	2022	2021
	£'000	£'000
The aggregate payroll costs for the year were as follows:		
Wages and salaries	16,336	14,868
Social security costs	1,477	1,317
Other pension costs (note 22)	2,377	2,237
Life assurance costs	66	(89)
	20,256	18,333

None of the Governors received any remuneration or other benefits from College or from any connected body.

The key management for the purposes of the analysis below represents the five members (2021: five) of College Executive Committee (CEC) currently comprising the Heads of both schools, the Bursar, the Deputy Head Pastoral of College and one of the Deputy Heads of the Prep. The total employee benefits of those personnel sitting on CEC while employed by College, including employers' National Insurance and pensions costs, were:

	2022	2021
	£'000	£'000
Aggregate employee-benefits of the CEC:	874	804

	2022	2021
	number	number
Number of higher paid employees (excluding National Insurance and Pension) including the CEC, in bands of:		
£60,001 to £70,000	5	6
£70,001 to £80,000	7	3
£80,001 to £90,000	3	1
£120,001 to £130,000	1	1
£150,001 to £160,000	-	1
£160,001 to £170,000	1	-
£170,001 to £180,000	-	1
£190,001 to £200,000	1	-

Notes to the Financial Statements

11. Staff costs and related party transactions (continued)

	2022	2021
	number	number
The number with retirement benefits accruing		
- in Defined Contribution schemes:	4	4
of which the contributions amounted to (£000's)	54	52
- in Defined Benefit schemes:	10	9
of which the contributions amounted to (£000's)	223	198
The average number of College's employees during the year was as follows:		
	2022	2021
	number	number
Teaching	313	305
Welfare	114	115
Premises	50	55
Support	102	94
Other activities	11	7
	590	576

The average number of College's full time equivalent employees during the year was as follows:

	2022	2021
	number	number
Teaching	211	220
Welfare	74	90
Premises	35	45
Support	68	61
	388	416

During the year there were a number of termination payments made which amounted to £23,000 (2021: £22,000). These payments arose out of the restructuring of a number of departments within College and were calculated in line with College's contractual commitments.

Notes to the Financial Statements

12. Tangible fixed assets

Group	Freehold Land & Buildings	Assets under Construction	Furniture & Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2021	84,019	509	8,959	209	93,696
Transfers	509	(509)	-	-	-
Additions	7,620	368	1,126	11	9,125
Disposals	-	-	(865)	(9)	(874)
At 31 August 2022	92,148	368	9,220	211	101,947
Depreciation					
At 1 September 2021	7,060	-	6,372	180	13,612
Charge for the year	551	-	589	11	1,151
Disposals	-	-	(865)	(9)	(874)
At 31 August 2022	7,611	-	6,096	182	13,889
Net book value					
At 31 August 2022	84,537	368	3,124	29	88,058
At 31 August 2021	76,959	509	2,587	29	80,084

Notes to the Financial Statements

12. Tangible fixed assets (continued)

College	Freehold Land & Buildings	Assets under Construction	Furniture & Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2021	84,332	509	8,486	236	93,563
Transfers	509	(509)	-	-	-
Additions	7,620	368	1,115	11	9,114
Disposals	-	-	(854)	(9)	(863)
At 31 August 2022	92,461	368	8,747	238	101,814
Depreciation					
At 1 September 2021	7,115	-	5,938	208	13,261
Charge for the year	555	-	572	11	1,138
Disposals	-	-	(854)	(9)	(863)
At 31 August 2022	7,670	-	5,656	210	13,536
Net book value					
At 31 August 2022	84,791	368	3,091	28	88,278
At 31 August 2021	77,217	509	2,548	28	80,302

College holds no 'heritage assets' as defined by FRS 102 as such assets are employed in operational use.

Notes to the Financial Statements

13. Securities Investments

	Fees in advance		Scholarship and Trust	
	Investments		investments	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Group investments				
At 1 September 2021	2,802	2,536	5,092	4,173
Net dividends	45	43	89	72
Investment management fees	(16)	(16)	(29)	(27)
Net (losses)/gains in value of investments	(347)	239	(751)	874
Group investments at 31 August 2022	2,484	2,802	4,401	5,092
Investments comprise:				
Listed investments				
Fixed interest	1,404	1,656	590	659
Alternative investments	703	681	659	795
Equities	311	371	2,911	3,462
Cash	66	94	241	176
Group investments	2,484	2,802	4,401	5,092
College investments				
At 1 September 2021	2,802	2,536	3,559	2,912
Net dividends	45	43	66	43
Investment management fees	(16)	(14)	(20)	(19)
Net gains/(losses) in value of investments	(347)	237	(542)	623
College investments at 31 August 2022	2,484	2,802	3,063	3,559

The main Securities investments and Fees in Advance Scheme investment deposits are managed for College by Quilter Cheviot Investment Management.

During the year College converted the outstanding unutilised balance on a prepayment (originally paid in 1993-94 to its wholly owned subsidiary, Cheltenham College Services Limited (CCSL)) of £735,800 into A Ordinary Shares in CCSL. CCSL is College's trading subsidiary and it was deemed appropriate to increase the capital base of CCSL.

Notes to the Financial Statements

13. Securities Investments (continued)

Alternative investments, as above, comprise investment in property and commodity fund and unit trusts.

Holdings at the year-end comprising more than 5% of the above combined total are:

	2022	2021
	£'000	£'000
Group and College		
Ishares II Index-linked Gilts UCITS	319	423
Charities Prop Property Fund Income	359	-

Further details on the investments in subsidiaries are set out in note 23.

14. Stock

	Group		College	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Works department materials	9	9	9	11
Catering	28	20	28	20
Other	74	97	53	70
	111	126	90	101

Stock in the Group is stated after a provision for impairment of £2,400 (2021: £2,400).

15. Debtors

	Group		College	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Due in one year				
Fees and extras	856	692	856	692
Trade	260	71	66	61
Other debtors	53	38	33	17
Other prepayments and accrued income	362	306	353	290
Amounts due from subsidiary companies	-	-	211	31
	1,531	1,107	1,519	1,091
Due after one year				
Prepayment to subsidiary company	-	-	-	738
	1,531	1,107	1,519	1,829

Notes to the Financial Statements

16. Creditors: amounts falling due within one year

	Group		College	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans and overdraft (note 20)	2,887	1,576	2,887	1,576
Deposits from parents	393	465	393	465
Fees received from parents in advance of term	3,226	2,528	3,226	2,528
Trade creditors	1,269	258	1,256	246
Taxation and social security	28	344	5	342
Other creditors	365	387	351	313
Fees in Advance Scheme (note 18)	2,256	1,899	2,256	1,899
Fees in Advance Scheme - Fair value (note 18)	26	37	26	37
Accruals	1,933	1,200	1,863	1,200
Amounts due to subsidiary companies	-	-	348	637
	12,383	8,694	12,611	9,243

The amount owed to subsidiaries is repayable on demand.

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

	College & Group	
	2022	2021
	£'000	£'000
Deposits from parents	2,917	2,379
Fees in Advance Schemes (Note 18)	2,880	2,440
Fees in Advance Scheme - Fair value (Note 18)	54	73
Bank loans (Note 20)	8,102	6,647
	13,953	11,539

Deposits from parents are received by College at the time of final acceptance of a place. These deposits are returned at the end of the term in which the pupil leaves College or Prep. Deposits for those pupils who College are aware are leaving, primarily Upper College leavers, are treated as due within one year.

Notes to the Financial Statements

18. Fees in advance schemes

College has liabilities arising from two separate Fees in advance (FIA) schemes. One of these schemes (the Closed Scheme) allowed the fee payer to fix future fees at the fee rates applicable at the time of entering into a contract. This scheme closed to new business in May 2015 albeit certain contracts remain. The financial obligations arising from the Closed Scheme FIA contracts are deemed under FRS 102 to arise from being a 'complex financial instrument'. Further details for the accounting of these obligations are set out in Note 19.

Under the new FIA scheme which was introduced in July 2015, a fee payer may enter into a contract to pay College in advance for fixed contributions towards the tuition fees for a period agreed with College. These contributions give rise to a fixed discount on future fees.

The money may be returned subject to specific conditions on the receipt of notice within no more than 90 days. Assuming pupils will remain in College, fees in advance under both schemes will be applied as follows:

	2022	2021
	£'000	£'000
Due within one year	2,256	1,899
Adjustment for fair value due in one year	26	37
	2,282	1,936
Within one to two years	1,265	791
Within two to five years	1,419	1,374
After five years	195	275
Adjustment for fair value due in more than one year	54	73
	2,933	2,513
Balance at 31 August 2022	5,215	4,449
Summary of movements in liability	2022	2021
	£'000	£'000
Balance at 1 September 2021	4,449	4,342
New contracts	2,940	2,384
Release of fair value provision	(30)	(15)
Repayments	-	(71)
Amounts used to pay fees	(2,144)	(2,191)
	5,215	4,449
Balance at 31 August 2022	5,215	4,449

Notes to the Financial Statements

19. Fees in Advance Scheme - Complex financial instrument

	2022	2021
	£'000	£'000
Closed FIA scheme liability (opening balance)	366	622
Transfer to fee income before finance charge	(109)	(202)
Revenue foregone (finance charge)	(32)	(36)
Refunds to parents	-	(18)
Closed FIA scheme liability before future finance charge	225	366
Present value of future finance charges		
Due in one year	26	37
Due after one year	54	73
Fair value of full liability grossed up for future finance charges	305	476

The fair value of the Closed FIA Scheme liability reflects the present value of the future expected fee income, where the discount rate used represents the financial effect of the expected fee increases forgone spread over the term of the arrangement. This fair value has been estimated by allocating the estimated expected future fee increases over the arrangement term on a straight-line basis. These estimated expected future fee increases are reviewed and revised where appropriate on an annual basis. At the year-end the annualised expected future fee increase over the next five years is calculated on an average rate of 2.75%. In the view of the Trustees this approach results in a carrying value which is materially consistent with that which would be generated by a more detailed fair value calculation.

There were no impairment losses charged to financial assets measured at amortised cost in the year. In the event of a request for a refund by all remaining participants in the Closed Scheme as at 31 August 2022, no accrued interest will be payable, calculated on the basis of a discount to prevailing bank base rate, over and above the capital payments received of £255,000 (2021: £366,000).

20. Loans & Overdraft

An analysis of loans and overdrafts is below:

	College & Group	
	2022	2021
	£'000	£'000
Bank Loans		
Due within one year	2,887	1,576
Due between one and two years	1,112	1,045
Due between two and five years	2,276	2,629
Due after five years	4,714	2,973
Due after more than one year	8,102	6,647
Total bank loans (excluding cash)	10,989	8,223

Notes to the Financial Statements

20. Loans & Overdraft (continued)

College bank loans as well as any overdrafts are secured by fixed charges over specific freehold land and building assets. The Bank also has a financial covenant requiring that College's consolidated net incoming resources before bank interest paid, depreciation, amortisation and corporation tax paid is not less than 125% of the capital repayments due on its structured loan facilities and the bank interest paid in the financial year. In addition, a security covenant requires that total borrowings do not exceed 70% of the value of all property.

21. Financial Instruments

An analysis of financial instruments, as defined under FRS 102, is below:

	Group		College	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Financial assets measured at fair value	6,577	7,624	5,305	6,152

Financial assets held at fair value include assets held as investments.

22. Pensions

College participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1.87 million (2021: £1.77 million) and at the year-end £Nil (2021 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

Notes to the Financial Statements

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

In addition to auto-enrolment, College also runs a scheme for its non-teaching staff, which is a defined contribution scheme. The cost for the year represents the school's contributions to the scheme and for auto-enrolment of £507,000 (2021: £467,000).

23. Subsidiaries

During the year College invoiced CCSL £25,600 (2021: £15,000) for catering and other services. CCSL invoiced College £11,400 (2021: £53,000) primarily for rental costs. At the year end College's intercompany balances with CCSL were a balance due to CCSL of £347,000 (2021: £576,000).

Cheltenham College Charitable Trust is an independently run charity (Charity number 1006429) (CCCT). The charity is consolidated in order to comply with FRS 102 section 9. As at 31 August 2022 CCCT had assets, including investments, of £1.94 million (2021: £1.97 million) and short term liabilities of £10,500 (2021: £3,080); as such its net assets were £1.94 million (2021: £1.97 million). CCCT had a balance due to College of £8,000 (2021: £31,000) at the year end. CCCT's revenue for the period was £239,000 (2021: £107,000) and its net loss was £36,700 (2021: net gain of £225,000). During the year CCCT made donations and grants towards various building projects and by way of financial support to a number of pupils at College. In 2021-22 these grants and donations totalled £53,500 (2021: £131,000).

Cheltenham College International Limited (company number 11246905) was incorporated during 2019-20 with a share capital of £1. and commenced trading with the opening of Cheltenham College Muscat during the year and as such has been included in the consolidated financial statements. At the year end College's intercompany balance with CCIL was a balance (due to College) of £137,500 (2021: £750).

Cheltenham College Enterprises Limited (company number 01849118) (CCEL) ceased trading during 2015-16 with its activities transferred to CCSL. CCEL was dissolved during the year; the balance due to College of £80 (2021: £80) was written off as a result as was the value of the Investment in Group Companies of £100.

Cheltenham College 2nd Hand Clothing Store Limited was also dissolved during the year.

Notes to the Financial Statements

24(a). Movement in Funds – Current year

Consolidated	1 September 2021 £'000	Net movement £'000	Transfers £'000	Investment gain/(losses) £'000	31 August 2022 £'000
Endowed funds					
College (Scholarship)	3,559	(20)	66	(540)	3,065
CCCT	811	(3)	-	(106)	702
Endowed	4,370	(23)	66	(646)	3,767
Restricted funds					
College (Bursary)	1,077	52	39	-	1,168
CCCT	741	163	-	(61)	843
Restricted	1,818	215	39	(61)	2,011
Unrestricted funds					
General reserve	63,531	1,285	(105)	-	64,711
CCCT	422	15	-	(43)	394
Designated (FIA & Lottery)	728	86	-	(348)	466
Unrestricted	64,681	1,386	(105)	(391)	65,571
Consolidated reserves movement	70,869	1,578	-	(1,098)	71,349
College					
Endowed funds (Scholarship)	3,558	(21)	66	(540)	3,063
Restricted funds					
College (Bursary)	1,031	51	39	-	1,121
Unrestricted funds					
General	63,950	1,329	(410)	-	64,869
Designated (FIA & Lottery)	564	87	305	(348)	608
Unrestricted	64,514	1,416	(105)	(348)	65,477
College reserves movement	69,103	1,446	-	(888)	69,661

Notes to the Financial Statements

24(a). Movement in Funds – Current year (continued)

The net transfers set out above of £105,000 (2021: £106,000) represents the net movement in College's Bursary Fund.

College's Endowed scholarship funds comprise a number of individual endowments of varying sizes. Those representing more than 5% of the total funds are:

General Fund (£348,000) (2021: £404,100)

Marsh Bequest (£616,900) (2021: £716,600)

For the benefit of the children of members of the medical profession

Victor Percival Bequest (£247,600)
(2021: £287,600)

For the benefit of the children of members of the medical profession

Unwin Bequest (£523,100) (2021: £607,600)

For the benefit of the children and descendants of those killed on active military service

Cadbury (£1,015,300) (2021: £1,109,100)

For the benefit of descendants of Martin and Anne Cadbury

College's restricted fund of £1,121,000 (2021: £1,030,000) comprises the contributions made by parents at registration towards the bursary fund less any drawdown on those funds by College during the year.

Further details of the restricted and endowed funds of CCCT are set out in the Annual Report of CCCT.

Designated funds, comprising accrued lottery surpluses and dividend income for the Fees in Advance investment fund, are drawn down annually to support the tours and projects ordinarily supported by the lotteries across both schools and to maintain a base of investments to support the Fees in Advance Schemes.

Notes to the Financial Statements

24(b). Movement in Funds - Prior Year

Consolidated	1 September 2020 £'000	Net movement £'000	Transfers £'000	Investment gain/(losses) £'000	31 August 2021 £'000
Endowed funds					
College (Scholarship)	2,913	(19)	52	613	3,559
CCCT	682	(4)	-	133	811
Endowed	3,595	(23)	52	746	4,370
Restricted funds					
College (Bursary)	981	42	54	-	1,077
CCCT	692	(25)	-	74	741
Restricted	1,673	17	54	74	1,818
Unrestricted funds					
General reserve	62,278	1,359	(106)	-	63,531
CCCT	374	(6)	-	54	422
Designated (FIA & Lottery)	390	99	-	239	728
Unrestricted	63,042	1,452	(106)	293	64,681
Consolidated reserves movement	68,310	1,446	-	1,113	70,869
College					
Endowed funds (Scholarship)	2,912	(19)	52	613	3,558
Restricted funds					
College (Bursary)	935	42	54	-	1,031
Unrestricted funds					
General	62,593	1,299	58	-	63,950
Designated (FIA & Lottery)	390	99	(164)	239	564
Unrestricted	62,983	1,398	(106)	239	64,514
College reserves	66,830	1,421	-	852	69,103

Notes to the Financial Statements

25. Capital commitments

At 31 August 2022 there were commitments for capital spend of £440,000 (2021: £1,944,000) for the second and final stage of the development of College's Sports Hall which includes refurbishment of the old showers and toilet facilities. The first stage of the development was completed at the end of August in time for the new academic year and comprises an extension including new changing facilities.

26(a). Allocation of Net assets between funds – Current year

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed funds £'000	2022 Total £'000
Consolidated (2022)				
Tangible Fixed assets	88,059	-	-	88,059
Securities investments	-	676	3,725	4,401
FIA Scheme investments	2,484	-	-	2,484
Net Current Assets/(Liabilities) excluding FIA	(8,737)	1,335	42	(7,360)
FIA current liabilities	(2,256)	-	-	(2,256)
FIA fair value adjustment	(26)	-	-	(26)
Long-Term Liabilities excluding FIA (< 1 yr)	(11,019)	-	-	(11,019)
FIA long term liabilities	(2,880)	-	-	(2,880)
FIA fair value adjustment (> 1 yr)	(54)	-	-	(54)
Total funds	65,571	2,011	3,767	71,349
College (2022)				
Tangible Fixed assets	88,278	-	-	88,278
Investment in subsidiaries	736	-	-	736
Securities investments	-	-	3,063	3,063
FIA Scheme investments	2,484	-	-	2,484
Net Current Assets/(Liabilities) excluding FIA	(9,786)	1,121	-	(8,665)
Fees in Advance current liabilities	(2,256)	-	-	(2,256)
Fees in Advance fair value adjustment	(26)	-	-	(26)
Long-Term Liabilities excluding FIA (< 1 yr)	(11,019)	-	-	(11,019)
FIA long term liabilities	(2,880)	-	-	(2,880)
FIA fair value adjustment (> 1 yr)	(54)	-	-	(54)
Total funds	65,477	1,121	3,063	69,661

Notes to the Financial Statements

26(b). Allocation of Net assets between funds – Prior year

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed funds £'000	2021 Total £'000
Consolidated (2021)				
Tangible Fixed assets	80,084	-	-	80,084
Securities investments	-	762	4,330	5,092
FIA Scheme investments	2,802	-	-	2,802
Net Current Assets/(Liabilities) excluding FIA	(4,730)	1,056	40	(3,634)
Fees in Advance current liabilities	(1,899)	-	-	(1,899)
Fees in Advance fair value adjustment	(37)	-	-	(37)
Long-Term Liabilities excluding FIA (< 1 yr)	(9,026)	-	-	(9,026)
FIA long term liabilities	(2,440)	-	-	(2,440)
FIA fair value adjustment (> 1 yr)	(73)	-	-	(73)
Total funds	64,681	1,818	4,370	70,869
College (2021)				
Tangible Fixed assets	80,302	-	-	80,302
Securities investments	-	-	3,558	3,558
FIA Scheme investments	2,802	-	-	2,802
Net Current Assets/(Liabilities) excluding FIA	(5,115)	1,031	-	(4,084)
Fees in Advance current liabilities	(1,899)	-	-	(1,899)
Fees in Advance fair value adjustment	(37)	-	-	(37)
Long-Term Liabilities excluding FIA (< 1 yr)	(9,026)	-	-	(9,026)
FIA long term liabilities	(2,440)	-	-	(2,440)
FIA fair value adjustment (> 1 yr)	(73)	-	-	(73)
Total funds	64,514	1,031	3,558	69,103

27. Related Party Transactions

Mrs. Huggett, Head of College, had two children attending College during the year. As is common practice within independent education, staff members are allowed a discount against fees. The discount was at the same percentage rate as that allowed to all staff members. No fees were outstanding at the year end (2021: £Nil).

There were no other related party transactions during the year which require disclosure.

Notes to the Financial Statements

28. College results

College's own results for the year included in the consolidated Statement of Financial Activities were:

	2022	2021
	Total	Total
	£'000	£'000
Income and endowments from:		
Charitable activities		
School fees receivable	30,133	27,093
Ancillary trading income	1,360	1,064
Other trading activities		
Non-ancillary trading income	-	2
Other activities	17	26
Investments		
Investment income	111	95
Bank and other interest	66	53
Donations, grants and legacies	688	480
Total income	32,375	28,813
Expenditure on:		
Raising funds		
Financing costs	(409)	(347)
Fundraising and development	(291)	(193)
Total deductible costs	(700)	(540)
Charitable activities		
Education and grant making	(30,229)	(26,853)
Total expenditure	(30,929)	(27,393)
Net income before investment gains	1,446	1,420
(Losses)/gains on investments	(888)	853
Net income on funds	558	2,273
Reconciliation of Funds		
Fund balances brought forward at 1 September 2021	69,103	66,830
Fund balances carried forward at 31 August 2022	69,661	69,103