



CHELTENHAM
COLLEGE



CHELTENHAM
PREP SCHOOL

Council's Report and Financial Statements
Year ended 31 August 2023

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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 2022-23 academic year saw a welcome return to near-normality in virtually all aspects of College life. While the restrictions to normal living are now in the past, it is fair to say that there will be a Covid legacy for some time, but we are moving forward.

Our 2022-23 examination cohorts produced some really encouraging results, both at GCSE and A Level. Hard-earned examination successes allowed the majority of our 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. The attractiveness of Universities further afield is growing, but the vast majority of pupils are still seeking to progress in the United Kingdom.

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.

Back at College, a number of 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. An additional staff residence has been added to Hazelwell releasing pupil space inside the house; and the College acquired a new building on the periphery of the campus (Dewestone, on College Lawn). Significant refurbishment is required, but once complete it will be occupied by administration staff, releasing desirable space in the centre of the College campus. It will also offer further staff residential accommodation which will assist in our task of recruiting and retaining teachers. Significant refurbishment of the former nursery building and coach house was also completed, and these spaces are now occupied by the Prep drama and learning support, and sports coaching teams.

Our overseas partnerships continue to make good, carefully measured progress. In Particular, Cheltenham Muscat, the first premium UK branded school in Oman, enjoyed a very successful opening in September 2021 and pupil numbers are growing strongly. We have continued to grow our partnership in China, with the Cheltenham Centre at Junhwa School, Jinhua, entering its second year. And other promising discussions are underway, to bring us towards our ambition to have up to six overseas schools. Income from these projects is steered towards bursaries, enabling pupils to attend Cheltenham College, whose means might otherwise not allow them to.

There is no doubt that there are challenges ahead. I spoke at Prize Giving and at Speech Day about the looming threat of VAT and loss of Mandatory Business Rate Relief, which will inevitably place additional pressure on fee paying parents and on the College. The Council continues to review scenarios for these eventualities and I am sure that if these significant changes happen, that the College will fund a way of steering through. 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

25 March 2024

Council Members, Officers and Advisors

Members of the College Council are the trustees of the charity. The following served as members of Council during the period from 1 September 2022 to the date of this report.

		(1)	(2)	(3)	(4)	(5)	(6)
Mr. W J Straker-Nesbit (President)		*	*	*	*	*	*
Mr. A H Monro	(Retired 31 December 2023)	*	*	*	*	*	*
Mr. D Stewart (Deputy President)		*	*	*	*	*	*
Mr. A Barr		•	•				
Mr. B Beardmore-Gray				•			
Mr. P Brettell							
Mr. M Chicken	(Resigned 18 April 2023)				•		
Mr. C Cooper		•	•				•
Mrs. K Dallimore				•	•		
Miss G Elwood		•				•	•
Dr. D Flower					•		
Mrs. E Hattersley	(Appointed 17 April 2023)				•		•
Ms. L Kalindawalo		•				•	
Mrs. D Kelly				•			
Ms. C Lehr							
Mr. D McNiffe				•	•		
Mr. N Roskilly		•	•			•	
Revd. Canon K Wilkinson				•	•		•
Mrs. C Willgoss				•		•	
Dr. P Wingfield	(Retired 31 December 2023)						

- (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. Mr David Stewart was elected as Deputy President from 1 January 2024 following the retirement of Mr Hugh Monro.

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

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 2023 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 another Higher Education institution, 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 Membership & Committee and elected by Council.

All new members of Council receive a comprehensive briefing pack and induction workshop from the 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 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 5 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. The College executive team is responsible for managing the business within the financial parameters and general policy laid down by Council on the recommendation of the FRD.

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

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

The Membership & Governance Committee meets once per term and is chaired by Miss 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 & 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 the Bursar. They are also supported by Cheltenham Executive Committee (CEC) (the key management for the purposes of these financial statements) and several other senior management teams spanning the academic, pastoral and operational aspects 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 Monro 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 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.

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 March 2018 and has been consolidated in the financial statements following the commencement of trading during 2020-21.

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 invasion of Ukraine by Russia and the continuing economic effects thereof. The combined realised and unrealised losses during the period, after the reinvestment of income totalled £313,000 (2022: net losses of £1,098,000) on an opening portfolio of £6.9 million closing at £6.7 million. 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.

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 1,160 pupils (2022: 1,150); in College 81% of pupils were boarders or day boarders (2022: 81%), the balance were day pupils. The Prep School continues to be predominantly a day school, with day pupils representing 89% (2022: 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 506 bursaries, scholarships and other fee reductions, such as discounts to serving members of the armed forces, across both schools, totalling £3.2m (2022: 493 awards totalling £3.2m). Within this, means-tested awards, based on a sliding scale according to financial circumstances, totalled £1.8m including 14 pupils for 85% or more of fees when scholarship awards are included (2022: £1.6m). The increase in bursaries provided additional support to certain parents whose incomes had been negatively affected by the invasion of Ukraine and the economic effects thereof. 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 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) and this relationship remains at the heart of our partnership work. For example, as they approached their Oxbridge admission, Year 13 pupils from the Academy received advice and interview preparation from College staff. As in previous years, Year 11 Pupils continued to receive at College GCSE exam focused tutorial sessions in English, Maths and Physics.

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.

College pupils attend a number of CEP events and College teachers are responsible for a range of CEP provision. For example, College staff continue to deliver the CEP Latin programme and the CEP Literature Society. College also hosted a very successful session of CEP's 'Chelt4Change' series. Eighty pupils from 8 schools were involved in this event.

Other partnership activity with schools in the maintained sector continued to flourish. The Science department organised a Series of Science Lectures, Science Intervention support sessions, as well as the annual 'Chemistry Spectacular' event.

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. College 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 were able to run an even bigger programme, albeit with some Hospital and Care Home venues still unable to accept pupils due to Covid restrictions. Those where pupils have been able to visit have been very successful with Cheltonians involved in all sorts of fun games, craft activities, gardening, music. For example, the team at Cotswold Riding for the Disabled were able to accommodate more pupils this year, all of whom were experienced riders. They have enjoyed the opportunity to be out of the classroom and to help with an array of tasks at the riding centre.

Over half of the programme saw pupils volunteering at local Schools – primary, secondary and those for children with special needs. One particular success involved a group of pupils helping in Drama sessions. Another group were tasked with helping young readers to improve their skills – and were even part of an inspection! Pupils based in schools for children with special needs initially found the environments daunting, but quickly found their feet. They have delighted in seeing how quickly their charges have progressed, which in turn has cemented their desire pursue a career in medicine.

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 2022-23 the new pupil leadership team elected to support the work of Cirencester Housing for Young People (CHYP) as their main charity. Based in Gloucestershire, CHYP's mission is to find housing and support for homeless young people in Cirencester and across the county. The main fundraising event was a whole College Zumbathon which took place on the Cotswold Astro one Sunday morning in October.

The annual charity rugby match at against Sir Thomas Rich's School took place at Kingsholm (a loss for College) in November. The two key events in the Spring term were the Valentines Gift Project and the annual charity Netball match. By year's end, the total raised for CHYP was in excess of £24,000. Other house fundraising activities, all focused on their adopted charities, brought the total amount raised by College pupils to £50,000.

The Bellamy Charity Cup was deservedly won this year by Westal. Over six and half thousand pounds was raised for Westal's adopted charity *A Life for a Cure* – a charity which raises awareness of meningitis. The chief fund-raising event was a black-tie performance and auction evening. This was followed by a series of fundraising event throughout the year which included a Casino Night, a bake sale and a 36-hour sponsored cycle. Westal also adopted a second charity, a Cheltenham foodbank and community centre – 'Springbank'. Over the course of the year every girl from the House has volunteered one hour of their time to Springbank, stacking and refilling shelves, helping families find food, and working on the check-out tills. In addition to this, at least 16 pupils from Westal have undertaken individual fundraising challenges for a wide range of charities.

College continues to support – through its Humanitarian Aid Project Fund – Bradet School (Kenya), and Shamrock School (Nepal). The Langa Township Pre-School Trust (Cape Town) has also been a major recipient of fund this year; over £25,000 has been donated to part-fund a new facility for pre-school children.

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 51% of A level exams achieving A* to A grade (2022: 54%) and 78% A* to B grade (2022: 80%). 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 (2022: 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, College invested over £7.5 million in substantial improvements to teaching spaces, boarding houses and sports and co-curricular facilities during 2021-22. 2022-23 has been a quieter year concentrating on improvements to a number of our boarding houses including new accommodation for a resident tutor at Hazelwell and repurposing the former Nursery building to accommodate the Prep Drama, Learning Support and sports coaching teams. Dewerstone House on the corner of College Lawn and Thirlestaine Road was acquired in the Spring of 2022, and this Grade II listed Victorian villa has been undergoing a comprehensive refurbishment. We expect to transfer a number of support functions into Dewerstone in the Autumn of 2024 so that a number of newly vacated buildings and rooms can be used for a range of teaching spaces. Dewerstone will also provide residential accommodation to assist in our efforts to recruit new teachers to the College.

Fundraising performance

Donations received for the year increased to £400,236 (2022: £215,000). 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 2023.

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 second year of operation in June 2023 and commenced its third year in August 2023 with circa 720 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 2022 and planning is underway for phase two, on its site in the Al Seeb district of the city.

The Executive Principal is Oona Carlin, who was previously Principal of King's College Doha.

The pupil role for 2023-24 comprises 80% Omani and 20% ex-pat students. The staff and leadership team have thus had to grow and adapt fast in their first three years 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 Prep School are planning a one week visit by Year 7 pupils to Muscat in October 2024.

The Jinhua Cheltenham Centre, at Junwha International School, China

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 current British Principal is Mr Simon Ruscoe-Price, formerly a teacher at Wellington College China. The Chinese Head is Ms Yang Yang, who holds a PhD in Education from Cambridge University.

The first A-level students completing their studies this year will all go to top 100 Universities in the UK and Australia.

Other opportunities

Cheltenham College International Limited (CCIL) has recently completed signing of the Franchise Agreement with Edumaax Sdn in Malaysia, for the opening of a co-educational day school in Kuala Lumpur. This is expected to open in September 2024. Fees income to Cheltenham College International Limited will be received from July 2024 onwards, with a minimum payment of £100,000 per annum.

CCIL has an MOU signed and now working on final contract negotiations for Cheltenham Italy (also owned and operated by Edumaax Sdn, Malaysia), and, Cheltenham Thailand, located in Chiang Mai. Both schools are expected to open in 2025, with a minimum annual payment of £125,000 per annum.

Financial Review

Results for the year

The group's net income for the year to 31 August 2023 amounted to £1,120,000 (2022: £480,000). Realised and unrealised investment losses of £313,000 (2022: losses of £1,098,000) 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 £72.5 million (2022: £71.4 million) which included unrestricted funds of £66.3 million (2022: £65.5m). The 'free reserves' at the year-end represented £22.0m in deficit as £88.7m and £621,000 were held in tangible fixed assets and designated funds respectively. The negative free reserves are a consequence of the College's investment in the capital assets of the school. The Governors are mindful of this position and are looking to make the reserves positive over the longer term, whilst satisfied that the assets attributable to each fund are still sufficient to meet their obligations.

The Unrestricted Designated Funds of £308,000 (2022: £466,000) 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. The Lottery element of these funds are used throughout the academic year to subsidise school trips in the Prep and College (including in 2022-23 Italy history of art trip, Malaysia hockey trip, Upper

College Bourdeaux trip, Salamanca language trip , and Italy Rugby trip) as well as fund projects in our partner schools in Nepal and Kenya, and the Romanian Orphanage project.

The Restricted Funds of £2,405,000 (2022: £2,011,000) 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 £3,723,000 (2022: £3,767,000) 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 pupil numbers. For September 2023, the Council limited fee charges 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 regarding 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 2023 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.

A working group of Council was established during the year to consider the risk posed by the imposition of VAT on school fees. A number of scenarios were considered, and this process will develop further as we progress in 2024. The College will not be in a position to absorb VAT on fees, so it will be important that the Executive can respond quickly to a range of different scenarios.

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 has updated its budget and cashflow forecasts to reflect anticipated future demand for pupil places in conjunction with assessing the impact of key risks facing the independent schools sector, including the potential for a government to introduce VAT on school fees.

Having considered all these factors, 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

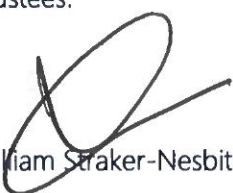
The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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
25 March 2024

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 2023 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 2023 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, as set out on page 20, 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

March 2024

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 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed funds £'000	2023 Total £'000	2022 Total £'000
Income and endowments from:						
Charitable activities						
School fees receivable	2	32,700	-	-	32,700	30,132
Ancillary trading income	3	3,030	-	-	3,030	2,121
Other trading activities						
Other activities	4	25	-	-	25	33
Investments						
Investment income	5	54	89	-	143	129
Bank and other interest	6	92	-	-	92	66
Donations, grants and legacies	7	118	360	-	478	333
Total income		36,019	449	-	36,468	32,814
Expenditure on:						
Raising funds						
Non-ancillary trading	8	(373)	-	-	(373)	(294)
Financing costs	9	(611)	-	-	(611)	(400)
Investment management		(14)	(2)	(22)	(38)	(41)
Fundraising and development		(362)	-	-	(362)	(291)
Total deductible costs	8	(1,360)	(2)	(22)	(1,384)	(1,026)
Charitable activities						
Education and grant making	8	(33,585)	(66)	-	(33,651)	(30,210)
Total expenditure		(34,945)	(68)	(22)	(35,035)	(31,236)
Net income/(expenditure) before investment gains		1,074	381	(22)	1,433	1,578
(Losses)/Gains on investments	13	(213)	(12)	(88)	(313)	(1,098)
Net income/ (expenditure)		861	369	(110)	1,120	480

Consolidated Statement of Financial Activities for the year end 31 August 2023 (continued)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total £'000	2022 Total £'000
Net income/(expenditure)		861	369	(110)	1,120	480
Transfers between funds	24	(91)	25	66	-	-
Net movement in funds		770	394	(44)	1,120	480
Reconciliation of funds						
Fund balances brought forward at 1 September 2022		65,571	2,011	3,767	71,349	70,869
Fund balances carried forward at 31 August 2023		66,341	2,405	3,723	72,469	71,349

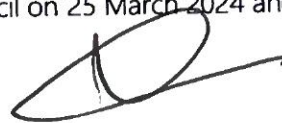
The notes on page 30 to 54 form part of these financial statements.

Balance Sheets as at 31 August 2023

	Note	Group		College	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Tangible assets	12	88,541	88,058	88,771	88,278
Investment in subsidiaries	13	-	-	736	736
Fees in Advance Scheme invested	13	2,318	2,484	2,318	2,484
Securities investments	13	4,363	4,401	3,041	3,063
		<u>95,222</u>	<u>94,943</u>	<u>94,866</u>	<u>94,561</u>
Current assets					
Stock	14	116	111	90	90
Debtors	15	2,466	1,531	2,880	1,519
Cash and deposits		1,746	1,100	76	55
		<u>4,328</u>	<u>2,742</u>	<u>3,046</u>	<u>1,664</u>
Current liabilities					
Creditors payable within one year	16	(11,042)	(12,383)	(11,287)	(12,611)
		<u>(6,714)</u>	<u>(9,641)</u>	<u>(8,241)</u>	<u>(10,947)</u>
Net current (liabilities)					
Total assets less current liabilities		<u>88,508</u>	<u>85,302</u>	<u>86,625</u>	<u>83,614</u>
Long-term liabilities					
Creditors payable after one year	17	(16,039)	(13,953)	(16,039)	(13,953)
		<u>72,469</u>	<u>71,349</u>	<u>70,586</u>	<u>69,661</u>
Net assets					
Represented by:					
Endowed funds	24	3,723	3,767	3,042	3,063
Restricted funds	24	2,405	2,011	1,203	1,121
Unrestricted funds					
General and designated reserves	24	66,341	65,571	66,341	65,477
		<u>72,469</u>	<u>71,349</u>	<u>70,586</u>	<u>69,661</u>

The surplus, before losses on investments, for the financial year dealt with in the financial statements for College was £1,201,000 (2022: before losses £1,446,000).

These financial statements were approved by the Council on 25 March 2024 and were signed on its behalf by:
William Straker Nesbit (President of Council)



The notes on page 30 to 54 form part of these financial statements.

Consolidated Cashflow statement for the year ending 31 August 2023

	Note	2023		2022	
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	(a)		1,386		5,050
Cash flows provided by/(used in) investing activities:					
Payments for tangible fixed assets		(1,971)		(9,125)	
Proceeds on sale of tangible fixed assets		18		16	
Additions to securities investments portfolio		(986)		(968)	
Withdrawals from securities investments portfolio		876		906	
Net cash used in investing activities			(2,063)		(9,171)
			(677)		(4,121)
Cash flows provided by/(used in) financing activities:					
New loans		3,250		2,690	
Loan repayments		(1,256)		(1,666)	
Finance income received		143		129	
Bank interest paid		(529)		(329)	
Net cash used in financing activities			1,608		825
Fees in advance schemes					
New fees in advance contracts		2,802		2,940	
Refunded fees		(65)		-	
Capital utilised in year		(2,498)		(2,144)	
			239		796
Change in cash and cash equivalents			1,170		(2,500)
Reconciliation of net cash flow to movement in net funds					
Increase/ (Decrease) in cash in the year	(b)		1,170		(2,500)
Cash (outflow)/inflow from movement in debt and hire purchase			(1,993)		(1,057)
Net bank debt at 1 September 2022			(9,889)		(6,332)
Net bank debt at 31 August 2023			(10,712)		(9,889)

The notes on page 30 to 5 form part of these financial statements.

Consolidated Cashflow statement for the year ending 31 August 2023 (continued)

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

	2023		2022	
	£'000	£'000	£'000	£'000
Net income before investment gains		1,433		1,578
Elimination of non-operating cash flows:				
Finance income received	(143)		(129)	
Bank interest paid	529		329	
Fees in advance fair value adjustment	(23)		(30)	
Depreciation charge	1,242		1,151	
(Profit)/loss on sale of assets	227		(13)	
Decrease/(Increase) in stocks	(5)		15	
(Increase)/decrease in debtors	(935)		(424)	
Increase/(decrease) in creditors (excluding fees in advance scheme and bank loans)	(939)		2,573	
		(47)		3,472
Net cash inflow from operations		1,386		5,050

(b) Analysis of changes in net debt

	1 September 2022	Cash flows	31 August 2023
	£'000	£'000	£'000
Cash at bank	1,100	646	1,746
Overdraft	(1,709)	524	(1,185)
Loans due within 1 year	(1,178)	15	(1,163)
Loans and overdraft due within 1 year	(2,887)	539	(2,348)
Loans due after 1 year	(8,102)	(2,008)	(10,110)
Net bank debt including overdraft	(9,889)	(823)	(10,712)

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 subsidiaries, Cheltenham College Services Limited and Cheltenham College International 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.

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 20.

The Council have undertaken detailed planning and forecasting and continue to closely monitor the key risks impacting the independent schools sector. 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.

(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.

(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.

(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.

2. Charitable activities – Fees receivable

	2023	2022
	£'000	£'000
Fees receivable consist of:		
School fees	36,896	34,261
Less: Total scholarships and bursaries	(4,304)	(4,195)
	<u>32,592</u>	<u>30,066</u>
Add back: Bursaries and other awards paid for by restricted funds	108	66
	<u>32,700</u>	<u>30,132</u>

A total of 376 awards including scholarships, bursaries and other awards were in place and allocated to pupils across both schools in the year to 31 August 2023 (2022: 493). Within this means-tested bursaries totalling £1.67 million were granted (2022: £1.53 million).

3. Ancillary Trading income

	2023	2022
	£'000	£'000
Extras and trips	1,294	802
Lettings and other revenue	1,528	1,045
Entrance and registration fees	208	274
	<u>3,030</u>	<u>2,121</u>

4. Other trading activities

	2023	2022
	£'000	£'000
Other activities		
Profit on sale of assets	21	16
Other income	4	17
	<u>25</u>	<u>33</u>

5. Investment Income

	Unrestricted	Restricted	Endowed	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Equities	54	89	-	143	129
As at 31 August 2022	45	84	-	129	

6. Bank and other interest income

	Unrestricted	Restricted	Endowed	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Interest on overdue fees and other charges	92	-	-	92	66

7. Donations, grants and legacies

	Unrestricted	Restricted	Endowed	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Grants to Group for Bursaries from:					
College Lottery Scheme	108	-	-	108	99
Donations and legacies	10	360	-	370	234
	118	360	-	478	333

8. Analysis of Expenditure

(a) Total expenditure

	Staff costs (note 11) £'000	Depreciation (note 12) £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Expenditure on raising funds					
Non-ancillary trading	-	11	362	373	294
Financing costs (note 9)	-	-	611	611	400
Investment management	-	-	38	38	41
Fundraising and development	208	-	154	362	291
Total costs of raising funds	208	11	1,165	1,384	1,026
Charitable expenditure					
Education and grant making					
Teaching	14,664	225	3,976	18,865	16,568
Welfare	3,790	-	1,898	5,688	4,917
Premises	1,214	1,003	3,183	5,400	5,297
Support costs of schooling	2,090	3	1,209	3,302	3,106
Governance costs	159	-	59	218	195
Grants, awards and prizes (note 8(b))	-	-	178	178	127
Total charitable expenditure	21,917	1,231	10,503	33,651	30,210
Total expended	22,125	1,242	11,668	35,035	31,236

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

	2023 £'000	2022 £'000
From Restricted Funds:		
Bursaries and other grants and awards	78	86
From Unrestricted Funds:		
Prizes and leaving awards	100	41
	178	127

8. Analysis of Expenditure (continued)

	2023	2022
	£'000	£'000
(c) Other governance included above:		
Remuneration paid to auditor:		
- for audit services	23	21
- for taxation and VAT (included in Support costs of Schooling)	6	9
- for Teachers Pension returns	2	2
Council expenses	25	17
Reimbursement of personal expenses to Council	3	4
	59	53

Travel expenses were reclaimed by 5 members (2022: 1) of the Council in relation to attendance at Council meetings.

9. Financing costs

	2023	2022
	£'000	£'000
Fees in Advance debt-financing cost	105	101
Release of fair value provision for Fees in Advance	(23)	(30)
Bank and loan interest	529	329
	611	400

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.

11. Staff costs and related party transactions

	2023	2022
	£'000	£'000
The aggregate payroll costs for the year were as follows:		
Wages and salaries	17,847	16,336
Social security costs	1,622	1,477
Other pension costs (note 22)	2,618	2,377
Life assurance costs	38	66
	22,125	20,256

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 (2022: 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:

	2023	2022
	£'000	£'000
Aggregate employee-benefits of the CEC:	961	874

	2023	2022
	number	number
Number of higher paid employees (excluding National Insurance and Pension) including the CEC, in bands of:		
£60,001 to £70,000	14	5
£70,001 to £80,000	7	7
£80,001 to £90,000	5	3
£90,001 to £100,000	1	-
£120,001 to £130,000	-	1
£140,001 to £150,000	1	-
£160,001 to £170,000	1	1
£190,001 to £200,000	-	1
£220,001 to £230,000	1	-
	30	18

11. Staff costs and related party transactions (continued)

	2023	2022
	number	number
The number with retirement benefits accruing	5	4
- in Defined Contribution schemes:		
of which the contributions amounted to (£000's)	63	54
- in Defined Benefit schemes:	25	10
of which the contributions amounted to (£000's)	468	223

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

	2023	2022
	number	number
Teaching	332	313
Welfare	120	114
Premises	50	50
Support	107	102
Other activities	16	11
	625	590

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

	2023	2022
	number	number
Teaching	215	211
Welfare	81	74
Premises	32	35
Support	70	68
	398	388

During the year there were a number of termination payments made which amounted to £49,000 (2022: £23,000). These payments arose out of the restructuring of a number of departments within College and were calculated in line with College's contractual commitments.

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 2022	92,148	368	9,220	211	101,947
Transfers	257	(257)	-	-	-
Additions	1,208	252	459	52	1,971
Disposals	(157)	(86)	(62)	(90)	(395)
At 31 August 2023	93,456	277	9,617	173	103,523
Depreciation					
At 1 September 2022	7,611	-	6,096	182	13,889
Charge for the year	584	-	641	17	1,242
Disposals	(13)	-	(53)	(83)	(149)
At 31 August 2023	8,182	-	6,684	116	14,982
Net book value					
At 31 August 2023	85,274	277	2,933	57	88,541
At 31 August 2022	84,537	368	3,124	29	88,058

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 2022	92,461	368	8,747	238	101,814
Transfers	257	(257)	-	-	-
Additions	1,208	252	458	52	1,970
Disposals	(157)	(86)	(23)	(90)	(356)
At 31 August 2023	93,769	277	9,182	200	103,428
Depreciation					
At 1 September 2022	7,670	-	5,656	210	13,536
Charge for the year	588	-	629	17	1,234
Disposals	(13)	-	(14)	(86)	(113)
At 31 August 2023	8,245	-	6,271	141	14,657
Net book value					
At 31 August 2023	85,524	277	2,911	59	88,771
At 31 August 2022	84,791	368	3,091	28	88,278

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

13. Securities Investments

	Fees in advance		Scholarship and Trust	
	Investments		investments	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Group investments				
At 1 September 2022	2,484	2,802	4,401	5,092
Net dividends	54	45	95	89
Investment management fees	(14)	(16)	(26)	(29)
Net losses in value of investments	(206)	(347)	(107)	(751)
Group investments at 31 August 2023	2,318	2,484	4,363	4,401
Investments comprise:				
Listed investments				
Fixed interest	1,454	1,404	936	590
Alternative investments	515	703	447	659
Equities	304	311	2,844	2,911
Cash	45	66	136	241
Group investments	2,318	2,484	4,363	4,401
College investments				
At 1 September 2022	2,484	2,802	3,063	3,559
Net dividends	53	45	67	66
Investment management fees	(14)	(16)	(18)	(20)
Net losses in value of investments	(205)	(347)	(71)	(542)
College investments at 31 August 2023	2,318	2,484	3,041	3,063

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

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

14. Stock

	Group		College	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Works department materials	6	9	6	9
Catering	27	28	27	28
Other	83	74	57	53
	116	111	90	90

Stock in the Group is stated after a provision for impairment of £2,400 (2022: £2,400).

15. Debtors

	Group		College	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Due in one year				
Fees and extras	1,203	856	1,203	856
Trade	358	260	119	66
Other debtors	69	53	32	33
Other prepayments and accrued income	836	362	823	353
Amounts due from subsidiary companies	-	-	703	211
	2,466	1,531	2,880	1,519
Due after one year				

Fees and extras are stated after impairment provisions totalling £329,612 (2022: 295,207)

16. Creditors: amounts falling due within one year

	Group		College	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank loans and overdraft (note 20)	2,348	2,887	2,348	2,887
Deposits from parents	588	393	588	393
Fees received from parents in advance of term	3,458	3,226	3,458	3,226
Trade creditors	627	1,269	616	1,256
Taxation and social security	435	28	413	5
Other creditors	370	365	354	351
Fees in Advance Scheme (note 18)	2,371	2,256	2,371	2,256
Fees in Advance Scheme - Fair value (note 18)	17	26	17	26
Accruals	828	1,933	753	1,863
Amounts due to subsidiary companies	-	-	369	348
	11,042	12,383	11,287	12,611

The amount owed to subsidiaries is repayable on demand.

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

	College & Group	
	2023 £'000	2022 £'000
Deposits from parents	2,886	2,917
Fees in Advance Schemes (Note 18)	3,003	2,880
Fees in Advance Scheme - Fair value (Note 18)	40	54
Bank loans (Note 20)	10,110	8,102
	16,039	13,953

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.

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:

	2023	2022
	£'000	£'000
Due within one year	2,371	2,256
Adjustment for fair value due in one year	17	26
	<u>2,388</u>	<u>2,282</u>
Within one to two years	1,130	1,265
Within two to five years	1,654	1,419
After five years	219	195
Adjustment for fair value due in more than one year	40	54
	<u>3,043</u>	<u>2,933</u>
Balance at 31 August 2023	<u>5,431</u>	<u>5,215</u>
Summary of movements in liability	2023	2022
	£'000	£'000
Balance at 1 September 2022	5,215	4,449
New contracts	2,802	2,940
Release of fair value provision	(23)	(30)
Repayments	(65)	-
Amounts used to pay fees	<u>(2,498)</u>	<u>(2,144)</u>
Balance at 31 August 2023	<u>5,431</u>	<u>5,215</u>

19. Fees in Advance Scheme - Complex financial instrument

	2023	2022
	£'000	£'000
Closed FIA scheme liability (opening balance)	225	366
Transfer to fee income before finance charge	(38)	(109)
Revenue foregone (finance charge)	(20)	(32)
Refunds to parents	-	-
	<hr/>	<hr/>
Closed FIA scheme liability before future finance charge	128	225
Present value of future finance charges		
Due in one year	17	26
Due after one year	40	54
	<hr/>	<hr/>
Fair value of full liability grossed up for future finance charges	185	305

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 three years is calculated on an average rate of 3.25%. 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 2023, 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 £128,000 (2022: £255,000).

20. Loans & Overdraft

An analysis of loans and overdrafts is below:

	College & Group	
	2023	2022
	£'000	£'000
Bank Loans		
Due within one year	2,348	2,887
Due between one and two years	1,151	1,112
Due between two and five years	2,176	2,276
Due after five years	6,783	4,714
	<hr/>	<hr/>
Due after more than one year	10,110	8,102
	<hr/>	<hr/>
Total bank loans (excluding cash)	12,458	10,989

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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Financial assets measured at fair value	6,500	6,577	5,224	5,305

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

22. Pensions

The 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 (2022: £1.87 million) and at the year-end £nil (2022: £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 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

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 £526,000 (2022: £507,000).

23. Subsidiaries

To better reflect the contribution of the companies within the Cheltenham College group, it has been deemed appropriate to recharge a number of costs directly attributable to each subsidiary but paid for or charged into Cheltenham College. These costs primarily consist of three categories. The individual salaries or a proportion of the salaries of certain individuals, the depreciation charge incurred by College of assets used by a subsidiary and, thirdly, the utility costs borne by College for buildings used by a subsidiary.

Cheltenham College Services Limited (company number 02872804) is a wholly owned trading subsidiary of Cheltenham College. As at 31 August 2023 CCCL had total net assets of £739,997 (2022: £749,164) CCCL's revenue for the period was £709,040 (2022: £647,924). A charge of £176,500 (2022: £Nil) for a proportion of College's Sports Centre staff costs relating to activities outside those provided to College and its pupils, as well as a charge for management and accounting services. A charge of £184,500 for a share of depreciation of the Sports Centre's land and buildings and sports equipment and for the utility costs for lighting and heating the Sports Centre. The gift aid donation made to Cheltenham College as at 31 August 2023 was £64,641. At the balance sheet date, Cheltenham College owed CCCL £195,673 (2022: £280,994)

Cheltenham College International Limited (company number 11246905) is a wholly owned trading subsidiary of Cheltenham College. A charge of £88,400 (2022: £Nil) to cover the salary costs of staff directly involved in promoting College's overseas interests as well as a charge for management and accounting services. £247,591 profit was generated by CCIL during the period 2022-23 and £236,183 was gifted to Cheltenham College. At the balance sheet date, CCIL owed £440,736 (2022: £136,754) to Cheltenham College. The net assets of CCIL at the year-end are £1.

Cheltenham College Charitable Trust (CCCT) is an independently run charity (Charity number 1006429) (CCCT). The charity is consolidated in order to comply with FRS102 section 9. As at 31 August 2023 CCCT had total net assets of £2.14m (2022: £1.94m) CCCT's revenue for the period was £429,406 (2022: £238,588). A charge of £83,600 (2022: £Nil) was made by Cheltenham College to cover the salary costs of staff directly involved in promoting and managing CCCT as well as a charge for management and accounting services. At the balance sheet date, CCCT owed £90,658 (2022: £8,012) to Cheltenham College. During the year grants for projects, bursaries and prizes were made to Cheltenham College of £97,189 (2022: £53,526).

24(a). Movement in Funds – Current year

Consolidated	1 September 2022 £'000	Net movement £'000	Transfers £'000	Investment gain/(losses) £'000	31 August 2023 £'000
Endowed funds					
College (Scholarship)	3,065	(18)	66	(70)	3,043
CCCT	702	(4)	-	(18)	680
Endowed	3,767	(22)	66	(88)	3,723
Restricted funds					
College (Bursary)	1,168	56	25	(1)	1,248
CCCT	843	325	-	(11)	1,157
Restricted	2,011	381	25	(12)	2,405
Unrestricted funds					
General reserve	64,711	1,111	(91)	-	65,731
CCCT	394	(84)	-	(8)	302
Designated (FIA & Lottery)	466	47	-	(205)	308
Unrestricted	65,571	1,074	(91)	(213)	66,341
Consolidated reserves movement	71,349	1,433	-	(313)	72,469
College					
Endowed funds (Scholarship)	3,063	(16)	66	(71)	3,042
Restricted funds College (Bursary)	1,121	57	25	-	1,203
Unrestricted funds					
General	64,869	1,111	(260)	-	65,720
Designated (FIA & Lottery)	608	50	169	(206)	621
Unrestricted	65,477	1,161	(91)	(206)	66,341
College reserves movement	69,661	1,202	-	(277)	70,586

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

The net transfers set out above of £91,000 (2022: £105,000) 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 (£345,000) (2022: £348,000)	
Marsh Bequest (£612,400) (2022: £616,900)	For the benefit of the children of members of the medical profession
Victor Percival Bequest (£245,900) (2022: £247,600)	For the benefit of the children of members of the medical profession
Unwin Bequest (£519,300) (2022: £523,100)	For the benefit of the children and descendants of those killed on active military service
Cadbury (£1,008,000) (2022: £1,015,300)	For the benefit of descendants of Martin and Anne Cadbury

College's restricted fund of £1,203,000 (2022: £1,121,000) 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.

24(b). Movement in Funds - Prior 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	69,103	1,446	-	(888)	69,661

25. Capital commitments

At 31 August 2023 there were commitments for capital spend of £1,179,000 (2022: £440,000) for final stages of the redevelopment of Dewerstone House.

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

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed funds £'000	2023 Total £'000
Consolidated (2023)				
Tangible Fixed assets	88,541	-	-	88,541
Securities investments	-	683	3,680	4,363
FIA Scheme investments	2,318	-	-	2,318
Net Current Assets/(Liabilities) excluding FIA	(6,091)	1,722	43	(4,326)
FIA current liabilities	(2,371)	-	-	(2,371)
FIA fair value adjustment	(17)	-	-	(17)
Long-Term Liabilities excluding FIA (< 1 yr)	(12,996)	-	-	(12,996)
FIA long term liabilities	(3,003)	-	-	(3,003)
FIA fair value adjustment (> 1 yr)	(40)	-	-	(40)
Total funds	66,341	2,405	3,723	72,469
College (2023)				
Tangible Fixed assets	88,771	-	-	88,771
Investment in subsidiaries	736	-	-	736
Securities investments	-	-	3,041	3,041
FIA Scheme investments	2,318	-	-	2,318
Net Current Assets/(Liabilities) excluding FIA	(7,057)	1,203	1	(5,853)
Fees in Advance current liabilities	(2,371)	-	-	(2,371)
Fees in Advance fair value adjustment	(17)	-	-	(17)
Long-Term Liabilities excluding FIA (< 1 yr)	(12,996)	-	-	(12,996)
FIA long term liabilities	(3,003)	-	-	(3,003)
FIA fair value adjustment (> 1 yr)	(40)	-	-	(40)
Total funds	66,341	1,203	3,042	70,586

26(b). Allocation of Net assets between funds – Prior 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)
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	65,571	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(Liabilities)/Assets 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

27. Related Party Transactions

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

28. College results

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

	2023	2022
	Total	Total
	£'000	£'000
Income and endowments from:		
Charitable activities		
School fees receivable	32,701	30,133
Ancillary trading income	1,915	1,360
Other trading activities		
Non-ancillary trading income	533	-
Other activities	(136)	17
Investments		
Investment income	121	111
Bank and other interest	92	66
Donations, grants and legacies	464	688
	<u>35,690</u>	<u>32,375</u>
Total income		
Expenditure on:		
Raising funds		
Financing costs	(632)	(409)
Fundraising and development	(362)	(193)
Total deductible costs	<u>(994)</u>	<u>(700)</u>
Charitable activities		
Education and grant making	<u>(33,495)</u>	<u>(30,229)</u>
	<u>(34,489)</u>	<u>(30,929)</u>
Total expenditure		
Net income before investment gains	1,201	1,446
	<u>(276)</u>	<u>(888)</u>
(Losses)/gains on investments		
Net income on funds	925	558
Reconciliation of Funds		
Fund balances brought forward at 1 September 2022	<u>69,661</u>	<u>69,103</u>
Fund balances carried forward at 31 August 2023	<u>70,586</u>	<u>69,661</u>

