



Annual Report and Accounts

The London Orphan Asylum (Reed's School)

For the year ended 31 August 2023

Reed's School
Annual Report of the Trustees for the year ended August 2023

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The London Orphan Asylum, 'The Charity', now known as Reed's School, was founded 1813 and is registered with the Charity Commission under charity number 312008. The Governors of Reed's School, who are also the Trustees of the Charity, present their annual report for the year ended 31 August 2023 under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, its Constitution and the Charities Statement of Recommended Practice on Accounting and Reporting (FRS102).

Principal activity

The Charity is based in Surrey and provides education through two schools:

- Reed's School in Cobham, an independent day and boarding school for boys which is co-educational in Sixth Form, with over 800 pupils aged between 11 and 18.
- Ripley Court School in Ripley, an independent co-educational day school for up to 200 children aged between 3 and 11.

In addition, the Charity has an active trading subsidiary, Reed's School Enterprises Ltd, that provides services to pupils of the Charity's schools, namely school uniform, sportswear and tuck shops. The company also lets out sport and social facilities when not in use by the schools, operates sports clubs and holiday camps. The Charity has one dormant subsidiary, Reed's School International Ltd.

The Charity and its schools are committed to being truly representative of all sections of society and the school communities, and for each pupil and employee to feel respected and able to give their best. It aims to create a supportive and inclusive environment where all can reach their full potential, without prejudice and discrimination. It is the positive responsibility of all members of the community to encourage, cultivate and nurture an atmosphere and ethos free from discrimination in a culture where respect and understanding is fostered, and the diversity of people's backgrounds and circumstances is positively valued.

All Trustees give their time voluntarily and receive no benefit from the Charity. Any expenses reclaimed from the charity are set out in note 3(c) to the financial statements.

Charitable purpose

The purpose of the Charity is to advance the education of boys and girls with preference for the education and maintenance of boys and girls who come within one or more of the following categories and, in particular, boys and girls who, in the opinion of the Governors, are in need of financial assistance:

- Boys or girls who have lost one or both parents;
- Boys or girls who have been abandoned by their parents or guardians; or
- Boys or girls whose parents are divorced or separated and whose home life is, for any reason, unsatisfactory, unhappy or abnormal.

The Charity's founder, Andrew Reed, believed that simply because a child had lost a parent they should not be condemned to a life of deprivation and that with an education in a safe and caring environment these children could flourish.

Continuing to build on the legacy of Andrew Reed is at the core of the Charity: a Foundation place is not merely a financial bursary but incorporates the specialist pastoral support that these children need to thrive. The Foundation team, teachers, housemasters and support staff are all specially trained to assist these children and provide them with stability and love.

Aims, values and impact

Andrew Reed founded the London Orphan Asylum, now known as Reed's School, over two hundred years ago and his legacy of the transformative potential of education permeates the fabric of its two schools on a daily basis. Their ethos allows children to develop the self-esteem and self-confidence that underpin happy pupils. The outstanding pastoral care provided nurtures physical health, emotional maturity and spiritual richness, which in turn foster enthusiasm, perseverance, tolerance, compassion and kindness.

The Charity has ambition for every child to succeed and wants all to realise their full potential through its schools. The schools seek to inspire within their pupils a lifelong love of learning by creating a culture of excellent, innovative, dynamic and progressive teaching. This ensures that as pupils learn, they are excited, curious and, like their teachers, passionate about their interests. All pupil successes are celebrated, no matter how big or small, so that they grow in confidence and start to unlock their true potential.

The schools see their duty as to prepare pupils for the demands of the modern world and give them desire to shape it for the better. Pupils are prepared for their next step, whether that is secondary education or university, and also for the careers that they will ultimately pursue. Pupils are educated to understand the responsibilities they have to society on both a local and global scale and encouraged to develop the mind-set to grow and evolve.

Reed's School wants its pupils to leave as rounded individuals with a strong moral compass who exhibit the core values of integrity, compassion, curiosity, resilience, responsibility and independence. Ripley Court School supports its pupils to become confident, inquisitive and compassionate learners who embody values of perseverance, aspiration, curiosity and kindness. The uniqueness of every individual child is celebrated.

Public benefit

The Governors have had regard to the Charity Commission guidance on public benefit. The Charity provides a number of means-tested bursary awards to children who have lost the support of one or both parents and who are in need of pastoral care and financial assistance to enable them to attend Reed's School. The target is for 10% of the pupil population to be Foundation-pupils and in this financial year there were 71, 8.9% (2022: 68, 8.6%). This includes four Ukrainian refugee pupils (3 at Reed's School and 1 at Ripley Court School). During the year a total of 381 (2022: 356) pupils benefited from scholarships, bursaries, other awards and discounts.

In 2012, the Reed's Primary and Secondary Forum was established as a means to extend the reach of the Charity and raise the aspirations and attainment of children in the state sector. The Forum offers a programme of activities and events throughout the year that are aimed at enriching the children's curriculum and raising aspirations. A full range of exciting activities from sport to the arts to STEM across a variety of formats, including half day, full day and regular weekly activities are planned with the Charity's operational partners, such as Chelsea FC Foundation, assisting with the delivery of some programmes.

In a typical year 3,500 state school children benefit from these partnerships. Pupils from outreach partner schools are also invited to attend School-run Future Careers seminars which are held three times a year. The Charity's facilities at its schools are also offered to local schools for no charge or at significantly reduced rates.

All partner schools are encouraged to recommend children for means-tested Foundation bursaries.

Grant-making policy

Scholarships, bursaries and other awards are granted on the basis of a child's educational potential or in accordance with the Charity's purpose. In the year ended 31 August 2023 these totalled £3.5m million (2022: £3.3 million). This included total funding for Foundation pupils of £1,896k of which £568k came from external supporters of the Foundation.

The availability of bursaries for fee assistance is advertised on the school websites - Reed's School: www.reeds.surrey.sch.uk; Ripley Court School: www.ripleycourt.co.uk; and The Andrew Reed Foundation: www.andrewreedfoundation.org. The terms and conditions for each type of award are available on request.

For Foundation pupils the Selection Committee looks to secure a package of funding for each child which could include the parent/guardian making some financial contribution, funding from the Charity and sponsorship from outside trusts and charities. The decision of the Foundation Selection Committee is final and not subject to review on entry, unless there is a significant change of circumstances. An annual review is held thereafter.

STRATEGIC REPORT

Achievements

This summer performances at GCSE and A Level were significantly above the independent schools' and national averages. Grading returned to the same level as operating before the pandemic and comparison between the School's performance in 2023 with 2019, the last pre-pandemic examination year, are favourable. 53% (2019: 52%) of GCSE grades were awarded at grade 9 or 8 and 99% (2019: 95%) at grades 9 to 5, meaning that the vast majority of pupils were able to access the A Level courses of their choice in the new academic year. At A-Level, 58% (2019: 50%) of grades were awarded at A* or A. The majority of A Level leavers took up university places through the 2023 application cycle including Oxbridge and medical courses. The majority of pupils progressed to Russell Group universities with an increasing minority gaining places to study at top universities in the United States, including several Ivy League colleges.

At Ripley Court School teachers continue to use The Literary Curriculum for English lessons and, this year, a new spelling scheme (Schofield & Sims Spelling) has been introduced to align with the national curriculum year group expectations. As part of the September INSET, teachers received White Rose Maths training. This scheme continues to be embedded across all year groups following the fluency, reasoning and problem-solving teaching structure. Two further curriculum schemes were introduced

this year: Discovery RE (Religious Education) and Purple Mash (Computing). The Discovery RE scheme uses an enquiry-based model where children's critical thinking skills can be developed, their motivation to learn increased, and their knowledge and understanding of people and their beliefs

enhanced. The Purple Mash scheme of work is a comprehensive set of resources aligned to the National Curriculum for Computing, Technology and Digital Competence.

The 2022-2023 Year 6 cohort comprised of 20 pupils who applied to a total of 18 independent schools and two state schools. Forty-seven offers to independent senior schools were received including 9 scholarships and 1 sports award. The scholarships offered included 5 art, 3 academic, and 1 sport. 2 offers were made to state schools. These tremendous results showcase the outstanding teaching delivered, alongside the hard work and abilities of the Year 6 pupils.

Fundraising

The Charity's Development Office, through its fundraising activities, continues to provide an important contribution to Reed's School and its Foundation pupils. The Charity is registered with the Fundraising Regulator and follows its fundraising standards. No complaints have been received about the Charity's fundraising activities.

During the year ended 31 August 2023, the Development Office generated £1,244k and a further £625k in committed longer-term giving. The Friends of Reed's School (FORS) donated £39k. The breakdown of donations is as follows:

Foundation funding

Fundraising specifically to sponsor Foundation pupils and to run outreach programmes with primary and secondary schools totalled £938k (2022: £874k), some of which was restricted giving and is part carried forward to future periods. A further £625k was pledged for committed future funding for Foundation pupils.

Included in this year's fundraising is £357k (2022: £433k) raised via the Reed's School Annual Foundation Appeal. The Charity's Annual Foundation Appeal has been held since 1815 and is one of the oldest continuous charitable appeals in the country. Oliver Stocken led the Appeal for the year ended 31 August 2023, strongly supported by individuals, trusts and foundations, City livery companies, other companies, and the wider Reed's School community.

Endowment and Restricted Funds

Through the Growth Fund and the Cazenove Andrew Reed Bursary Fund, the Charity has been focussing on building the School's funds to ensure the long-term sustainability of the Foundation. The total amount raised in the year for these funds was £185k (2022: £47k).

Capital fundraising

Fundraising for capital projects totalled £36k (2022: £149k). This was comprised mainly of committed regular giving towards school facilities.

Investment performance

Under the Act and Constitution, the endowment and other funds are permitted to be invested in securities and property. This is represented in the accounts by freehold land, buildings and other School amenities, securities quoted on the Stock Exchange and other approved investment vehicles.

In June 2021 a decision was made to transfer investments in securities quoted on the Stock Exchange to holdings in the Schroder Charity Multi-Asset Fund. As at 31 August 2023 the Charity's investments totalled £5.5m and had generated a loss of 1.8% for the year ended on the same date.

The Governors believe that the investments are appropriately managed to provide current income for the support of Foundation pupils while maintaining capital values for the long term.

FINANCIAL REVIEW

Results for the year

Net income amounted to £464k (2022: £318k) for the financial year ending 31 August 2023. All surpluses generated are used to benefit the pupils through funding better facilities and through further raising the quality of education provided. 2023 saw an increase in total income but costs were impacted significantly by rising inflation, particularly catering, transport and building costs. Return to normal operations and a full extra-curricular program also contributed towards higher costs than prior years. The Charity's investments were impacted by the downturn in financial markets during the twelve-month period generating net losses for the year.

The wholly owned subsidiary, Reed's School Enterprises Limited, contributed positively to the School Fund with the School uniform and tuck shops operating at full capacity. There were strong income flows from cricket lettings and the tennis school operations. The consolidated net assets of the Charity at 31 August 2023, principally land and buildings, were £34.1m (2022: £33.7m). This does not take account of the market value of the land and buildings at Reed's School which are included on the Balance Sheet at cost.

Reserves

At the 31 August 2023 the Charity had total net assets and reserves of £34.1m. This comprises restricted funds of £0.9m, endowed funds of £4.0m and unrestricted general funds of £29.2m. The total value of the Charity's fixed assets, which are held for use in the school is £33.3m. The Charity has outstanding bank loan finance of £4.9m against these assets.

The Charity's policy remains to build its reserves to fulfil its charitable purpose, to fund continuing investment and improved infrastructure and facilities and to maintain adequate free reserves to enable any unforeseen emergency to be met from its own resources. The Charity aims to achieve these reserves by means of annual operating surpluses and judicious management of its investment assets, supplemented by periodic appeals for both specific and general purposes.

At 31 August 2023, the Charity did not carry any free reserves (excluding designated and restricted funds and tangible fixed assets, less loans to fund their purchase). The intention of the Governors is to build free reserves to a level which represents one term's expenditure. The Governors review the Charity's financial plans on a termly basis by monitoring income and expenditure against forecasts within the context of the annual budget and a rolling 5-year financial plan. Cash flows are closely reviewed particularly in the light of the Charity's current borrowing commitments and repayment requirements.

Going concern

As part of the effective stewardship of the Charity the Governors regularly review the finances and budgets together with a cash flow analysis. The Charity has a continuing programme of refurbishment, development, and investment to maintain excellent teaching facilities for pupils.

The policy of the Governors is to build reserves, which are sufficient to maintain and develop the quality of the schools' educational offer and infrastructure as well as to provide resilience against the

impact of uncontrollable and unforeseeable events which might jeopardise their future.

This policy does not operate in isolation but is complemented by strict management of cash flow and banking facilities which provide the liquidity necessary to pay debt as it arises as well as a necessary margin to protect against uncontrollable and unforeseeable events.

The Governors consider that, given the strength of the Charity's balance sheet, the stable cash flow from fee payers, the ongoing popularity and reputation of the schools, and the available banking facility that can be called upon if need arises, the Charity remains a going concern. As part of their assessment the Governors have taken into account the impact of the Covid-19 pandemic and with the experience gained from closures in 2020/21, the Governors are confident that the Charity can operate through any future challenges arising from the pandemic. The impact of the current economic environment will present challenges over the next few years and energy, food and transports costs in particular are being closely monitored. Registrations for the schools remain strong and the Charity benefits from a fixed term energy contract until November 2023.

The Governors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Political and economic risks

Senior leadership continues to monitor the prospects for the UK economy. Macroeconomic risks associated with global supply shocks, labour market tightness, and associated inflationary pressure may have adverse effects on the Charity's schools, its staff and fee payers. In addition, a change in Government may result in the removal of charitable status for tax purposes and the imposition of VAT on school fees and the removal of business rates relief which would significantly impact fee affordability. The Treasurer, Bursar and Director of Finance are considering scenarios should this situation arise.

Financial risks

Reed's School is over-subscribed with a strong pipeline of future entrants. Pupil numbers at Ripley Court School are growing steadily with a significant uplift in both enquiries and registrations.

The cost of membership of the Teacher's Pension Scheme increased significantly in 2019 and the Governors were concerned that the higher cost was unsustainable and that further increases may be seen. To this end the Governors proposed that a defined contribution pension arrangement be adopted to protect the Charity from further unaffordable increases in employment costs and the Governors consulted with teachers on this proposal. In April 2022 a hybrid arrangement was introduced allowing those colleagues that wish to remain in TPS to do so but offering a defined

contribution arrangement for those that prefer a more flexible scheme and for new teachers to the School. The cost of pension provision and associated benefits for the Charity will be capped at 20% of teachers' salaries from September 2024.

Health and safety risks

Health and safety remains a significant area for risk management which involves regular and detailed risk assessments, planning and training for awareness of hazards. Health and Safety committees led by senior leadership, attended by staff and with Governor oversight are held termly at each school to

monitor accidents, near-misses, changes in policy and training. The Finance, Risk and Estates Committees maintain termly oversight of this risk for the School.

An increase in mental health challenges has been noted, particularly amongst teenage pupils, both during Covid-related lockdowns and on the subsequent return to school. Both Schools use tools to track and monitor the wellbeing of pupils and the Reed's School Pastoral Care and Ripley Court School Governor committees have monitored and overseen the policies in place to support the wellbeing of both pupils and staff. Additional training on mental health in children has also been undertaken by relevant staff members and increased specialist support provided. The Governors are confident that the mental health of pupils is adequately regarded and safeguarded in both schools.

Managing risks

The detailed consideration of risk is delegated to the Finance, Risk and Estates Committee, which reports formally to the Governors three times a year. The Committee is formed of Governors and is attended by senior leadership from both schools. The risk management process identifies risks and assesses their impact and likelihood and where possible recommends controls to mitigate and monitor those risks. The key controls operated by the School to mitigate risk include:

- Formal agendas for all Board and committee meetings and timely provision of papers and minutes;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and reporting lines;
- Formal written policies and their annual review;
- Clear authorisation and approval levels;
- Maintenance and review of risk and near-miss registers;
- Regular, detailed risk assessments for all activities which also consider covid-secure measures;
- A programme of visual inspection and maintenance of premises and facilities by staff adequately trained in health and safety matters;
A programme of health and safety training for new members of staff and refresher training for existing team members where appropriate;
- Safeguarding as required by law for the protection of the vulnerable including annual safeguarding and child protection training for all staff;
- Following of the Safer Recruitment guidelines.

Through the risk management processes established by senior leadership, the Governors are satisfied that, so far as possible, the major risks identified have been mitigated to an acceptable level. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. The Governors rely on the appointed auditor to highlight any concerns to the Finance, Risk and Estates Committee as part of the annual audit process.

FUTURE PLANS

A five year strategy was published in June 2019 after extensive consultation with Governors, staff, parents and alumni. The strategic aims for 2019-2024 are to:

- Build on the Andrew Reed Legacy through increased provision for Foundation pupils and increased breadth of and development of pupils' awareness of their responsibilities as citizens;
- Provide a nurturing environment by developing pastoral care with a greater focus on pupils' mental health and well-being and the provision of specialist support services where needed;
- Promote academic excellence in all pupils through the development of their higher-order skills and the continued professional development of teachers;

- Find the best in every pupil by celebrating and recognising pupil personal development in all areas of their lives and providing them with a myriad of opportunities to recognise and develop their strengths;
- Create a community for life by strengthening relationships between all areas of the Charity's community;
- Prepare pupils for the future through an innovative and dynamic curriculum that develops a wide skill set to prepare them for the ever-changing world and provide personalised careers and higher education advice.

Reed's School has undertaken a number of projects over the past year to improve both the teaching and learning provision but also accessibility for pupils and staff. The landscaping project at the front of school has been completed as has work at the entrance to the site to improve traffic flow and reduce congestion on Sandy Lane. A borehole and irrigation system has been installed which will not only improve the various playing fields across the site but also substantially reduce mains water costs. The cafe in the Sixth Form Centre has been relocated and expanded to improve the food offering but also provide an external seating and social area. Following the condition survey undertaken on the Main Building, a significant remedial works project has been carried out to replace roofing, guttering, insulation and rendering.

Ripley Court has undergone an extensive upgrade over the past 18 months, culminating in work in the Sports and Dining Halls this year as well as a number of the classroom blocks. A new Mindfulness area has been created for pupils and undertaken renovation of the car park and perimeter fence.

REFERENCE AND ADMINISTRATIVE INFORMATION

Governing documents

The London Orphan Asylum, known as Reed's School, was founded in 1813 and is registered with the Charity Commission under charity number 312008. The Patron, Members, School Officers and professional advisers are listed on pages 11 and 12. Further information on the schools, including the latest ISI Inspection Reports, is available on the schools' websites (www.reeds.surrey.sch.uk and www.ripleycourt.co.uk).

Structure, governance and management

The Charity was incorporated by an Act of Parliament in 1845. The Act has since been supplemented by a scheme written by the Minister of Education under the Endowed Schools Act 1869-1948 and approved by Her Majesty in Council on 24 January 1957. This was further varied by a scheme of the Charity Commissioners for England and Wales dated 7 May 1997 and a Constitution of 21 May 1997.

Under the Constitution, the Members of the Charity are the Presidents, Vice-Presidents, Treasurer and Governors and any others who are offered membership of it by the Governors from time to time.

Mr N Taunt and Baroness Virginia Bottomley were appointed as Vice Presidents for their service to the School with effect from 1 September 2023.

Governors

Mr N Taunt retired from his role as Governor on 22 June 2023. Mr Taunt was thanked for his extensive and longstanding service to the School as a Governor and Chair of RSE Ltd. Mrs M Adams, Ms A Burton Smith, Mr J Chinegwundoh and Mr J Price started their role as Governors from 14 September 2023.

Recruitment and training

Governors are appointed on the basis of eligibility, personal competence, skills and availability. The Governors are a self-appointing body and new Governors are inducted into the workings of the

Charity and its schools through meetings with the Chairman, Headmaster, Bursar and an induction programme. Training is arranged for all Governors as required on a regular basis with online, virtual and in-person modules.

Organisational management

The Governors have overall responsibility for the Charity and for its schools. The Governors meet four times a year. The committees of the Governors are listed on page 11. The day-to-day running of the Schools is delegated to the Executive Headmaster assisted by the Bursar, Senior Deputy and members of the Senior and Operational Leadership Teams. The Headmaster and/or the Bursar attend all the committees with relevant members of senior leadership. The Reed's School Designated Safeguarding Lead reports at all Governors' and Risk Management Committee meetings and the Ripley Court School Designating Safeguarding Lead reports to Ripley Court School Governors Committee meetings.

Staff remuneration is considered each summer. The Nominations and Remuneration Committee considers and sets the remuneration for the Headmaster, Bursar and Senior Deputy Head after consideration of benchmarking surveys such as those provided by the Association of Governing Bodies of Independent Schools (AGBIS) and Baines Cutler Solutions.

Group structure

The School has a wholly owned trading subsidiary, Reed's School Enterprises Limited (Registered Company Number 2503013). The principal activities of the Company are the provision of community swimming, tennis, and cricket lessons, letting of sports, general and social facilities including the sale of clothing and sportswear, and the provision of a tuck shop.

The School has a further wholly owned subsidiary, Reed's School International Ltd (Registered Company Number 9874554), the entity was dormant during the period.

In 2019 Ripley Court School merged into the Reed's School's charitable framework. The two schools separately maintain their names, identity, location, structure, and admissions process. The Headmaster of Reed's School is the Executive Head of the merged entity. Support functions including finance, operations, human resources, compliance, and IT are merged and managed centrally. The Ripley Court School Governors, including the Chair, are Trustee Governors of the Charity or members of the senior leadership of Reed's School.

Employment objectives

The School is an equal opportunities employer. All applications are anonymised at the initial stage for long listing and full and fair consideration is given to short-listed job applications from disabled persons with due consideration 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 interest.

Investment policy

The Governors aim to invest for growth of the investment funds in real terms into perpetuity within acceptable levels of risk and delegate the management of the investment funds to investment managers, Cazenove Capital, on a discretionary basis. In June 2021 a decision was made to transfer all investments to holdings in the Schroder Charity Multi-Asset Fund. The Finance and Investment Committee meets four times a year and at least twice a year with the appointed Investment Managers

to monitor their management of the portfolio and to review performance. For this purpose, formal reports and valuations incorporating comparative measurement are presented.

A total return distribution of 3.5% per annum is provided and this can be drawn from both income and capital. This total return distribution is reviewed on an annual basis.

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Charities Act 2011 requires the Governors, as the Trustees of the Charity, to prepare accounts for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year.

Crowe U.K. LLP were appointed as the Charity's auditors in 2021.

In preparing the accounts, the Governors should follow best practice and:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Follow applicable accounting standards and the Charities SORP (FRS102), disclosing and explaining any departures in the accounts.
- Prepare the accounts on the going concern basis unless it is inappropriate to assume that the School will continue in operation.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity at any time, and enable them, as Trustees, to ensure that the accounts comply with charity law. The Governors are also responsible for safeguarding the assets of the Charity and ensuring their proper application, in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

The Governors confirm that:

- So far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- As the Trustees of the Charity, they have taken the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This report was approved by the Governors on 11 December 2023.

M BAKER
CHAIRMAN

A handwritten signature in blue ink, appearing to read 'Mason Baker', written over a faint grid background.

Reed's School

Annual report for the Trustees for the year ended 31 August 2023

MEMBERS OF REED'S SCHOOL, OFFICERS AND ADVISERS

Governors (and Committee membership) who served throughout the year ended 31 August 2023 and later appointments.

Mr M Baker - Chair (1, 3, 5,8)
Mr M Soeting – Hon Treasurer (1, 3 - Chair, 5)
Mrs M Adams (7) appointed 14 September 2023
Ms A Burton Smith (7) appointed 14 September 2023
Mr J Chinegwundoh appointed 14 September 2023
Mrs C Davies-Shatz (7)
Mrs J Denham (6, 7)
Mr J A G Fulton (2 - Chair)
Mrs N Krekis (7)
Mrs K Lane (7)
The Right Hon. D Laws (1)
Mr P Madden (3)
Dr A M McLean (3, 6 – Chair, and designated Health & Safety Governor for Reed's School)
Mr R Mohindra (5, 7 - Chair for Ripley Court School)
Mrs L F Napier (3)
Mrs D M Peacock (1, 2, 4 - Chair, 6, 7)
Mr J Price (8) appointed 14 September 2023
Miss K Richardson (2, 5, 6)
Mr M Robinson (3)
Mr J Simpson (2, 4, 7)
Mr N D W Taunt (3, 5, 8 - Chair) retired 22 June 2023
Mr C Taylor (3, 7) Vice Chair and designated Health & Safety Governor for Ripley Court School

Committees:

- (1) Andrew Reed Foundation Board
- (2) Education Committee for Reed's School
- (3) Finance, Risk and Estates Committee
- (4) Foundation Selection Committee
- (5) Nominations and Remuneration Committee
- (6) Pastoral Care Committee for Reed's School
- (7) Ripley Court School Governor Board and Committees
- (8) RSE Board

Reed's School

Annual report for the Trustees for the year ended 31 August 2023

School Officers (key leadership personnel)

Headmaster Mr M W Hoskins BA (Hons) MA MSc

Bursar & Secretary to the Governors Mrs L K Hurford BSc (Hons) ACMA

School Advisers

Auditor Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Bankers Lloyds Bank
25 Gresham Street
London EC2V 7HN

Insurance Brokers Marsh Limited (appointed 1 September 2021)
4 Milton Road
Haywards Heath
West Sussex RH16 1AH

Investment Managers Cazenove Capital
12 Moorgate
London EC2R 6DA

Medical Officer Dr R J Draper MB ChB DA DCH DRCOG MRCP
Oxshott Medical Practice
Holtwood Road
Oxshott
Surrey KT22 0QL

Solicitors Penningtons Manches Cooper LLP
125 Wood Street
London EC2V 7AW

Registration information

Charity registration number 312008

Registered Office Reed's School
Sandy Lane
Cobham
Surrey KT11 2ES

Reed's School

Independent Auditor's Report to the Members of Reed's School

Opinion

We have audited the financial statements of Reed's School 'the Charity' and its subsidiaries, together 'the Group' for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the 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 the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

The 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.

Reed's School

Independent Auditor's Report to the Members of Reed's School

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 set out on page 10, the 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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 charitable company 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, taxation legislation, 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 charitable company'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

Reed's School

Independent Auditor's Report to the Members of Reed's School

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, Data Protection Regulation (GDPR), Health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the 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 the timing of recognition of donations income and other ancillary income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Investments Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing any regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 15 December 2023

Reed's School
Consolidated statement of financial activities
for the year ended 31 August 2023

	Notes	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2023	Total funds 2022
		£'000	£'000	£'000	£'000	£'000
<i>Income and endowments from:</i>						
<i>Donations and legacies</i>		406	1,320	187	1,913	1,072
<i>Charitable activities</i>						
<i>School fees receivable</i>	2	20,546	-	-	20,546	20,062
<i>Ancillary trading income</i>		1,451	-	-	1,451	265
<i>Other trading activities</i>						
<i>Non-ancillary trading income</i>		662	-	-	662	670
<i>Other activities</i>		127	-	-	127	73
<i>Other operating income</i>						
<i>Investments</i>						
<i>Income from investments</i>		65	-	184	249	255
Total income		23,257	1,320	371	24,948	22,397
<i>Expenditure on:</i>						
<i>Raising funds</i>						
<i>Non-ancillary trading</i>		(585)	-	-	(585)	(587)
<i>Fundraising and development costs</i>	3	(270)	-	-	(270)	(241)
<i>Financing costs</i>	3	(183)	-	-	(183)	(265)
<i>Charitable activities</i>						
<i>Education and grant making</i>	3	(22,438)	(653)	-	(23,091)	(20,692)
Total expenditure		(23,476)	(653)	-	(24,129)	(21,785)
<i>Changes in valuation of investments</i>	5	(107)	-	(248)	(355)	(294)
Net income		(326)	667	123	464	318
<i>Transfers between funds</i>	10-11	604	(420)	(184)	-	-
Net movement in funds		278	247	(61)	464	318
<i>Reconciliation of funds:</i>						
<i>Total funds brought forward</i>		28,934	694	4,033	33,661	33,343
Total funds carried forward		29,212	941	3,972	34,125	33,661

The notes on pages 21 to 41 form part of these financial statements.

Reed's School
Consolidated and Charity Balance sheets as at 31 August 2023

	Notes	Consolidated		Charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets:					
Tangible assets	4	33,285	32,513	33,275	32,507
Investments	5	5,484	5,694	5,734	5,944
Total fixed assets		38,769	38,207	39,009	38,451
Current assets:					
Stocks		181	186	9	9
Debtors	6	1,325	352	1,397	565
Cash at bank and in hand		6,195	6,164	5,893	5,686
Total current assets		7,701	6,702	7,299	6,259
Liabilities:					
Creditors:					
Amounts falling due within one year	7	(7,411)	(6,617)	(7,413)	(6,592)
		290	85	(114)	(333)
Total assets less current liabilities		39,059	38,292	38,895	38,118
Creditors:					
Amounts falling due after more than one year	8	(4,934)	(4,631)	(4,934)	(4,631)
Total net assets		34,125	33,661	33,961	33,487
The funds of the Charity:					
Restricted income funds	10	941	694	941	694
Endowed funds		3,972	4,033	3,972	4,033
General funds	11	29,094	28,813	28,930	28,639
Designated funds		118	121	118	121
Total unrestricted funds		29,214	28,934	28,880	28,760
Total Charity funds		34,125	33,661	33,961	33,487

The surplus for the financial year dealt with in the financial statements of the parent Charity was £291k (2022: £243k).

The notes on pages 21 to 41 form part of these financial statements.

The financial statements were approved by the Governors and authorised for issue on 11 December 2023 and signed on its behalf by:

M BAKER, CHAIRMAN

Reed's School
Consolidated statement of cash flows for the year ended 31 August 2023

	2023	2022
	£'000	£'000
Cash flows from Operating activities		
Net income	463	319
Adjustments for:		
Depreciation of tangible assets	1,206	1,259
Decrease/(increase) in stocks	6	(18)
Increase in debtors	(973)	(22)
Increase in creditors	109	76
Loss on investments	356	295
Increase in fees in advance	1,709	452
Net cash flows from operating activities	<u>2,876</u>	<u>2,361</u>
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(1,971)	(2,719)
Payments to acquire investments	(151)	(6,162)
Receipts from sale of investments	6	5,992
Net cash flows used in investing activities	<u>(2,116)</u>	<u>(2,889)</u>
Cash flows from financing activities		
Cash (outflows) from borrowing/repayment of long-term creditors	(729)	(3,612)
Net increase/(decrease) in cash and cash equivalents	31	(4,140)
Cash and cash equivalents at the beginning of the year	6,164	10,304
Cash and cash equivalents at end of year	<u>6,195</u>	<u>6,164</u>
Analysis of change in net debt		
Cash and Cash equivalent	6,195	6,164
Net debt		
Net increase in Fees in Advance	1,709	452
(Increase) in loan finance	(729)	(3,612)
Movement in Net Debt	<u>980</u>	<u>(3,160)</u>
Net debt at 1 September 2022 (2021)	8,563	11,723
Net debt at 31 August 2023 (2022)	<u>9,543</u>	<u>8,563</u>

The notes on pages 21 to 41 form part of these financial statements.

Reed's School

Notes to the financial statements for the year ended 31 August 2023

1. Accounting policies

1.1 Accounting convention

Basis of preparation

These financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable by charities preparing their accounts in accordance with applicable charity law in the UK and Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements consolidate those of the School with its wholly owned subsidiary trading company: Reed's School Enterprises Limited. Reed's School International is not consolidated on the basis that there were no significant transactions in the year.

The Charity has taken the advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a Charity only Cashflow Statement with the consolidated financial statements.

Going concern

Income expected to be available depends most importantly upon the estimate of pupil numbers as well as investment income, donations and trading income. Expenditure is primarily dependent upon salary costs, pension contributions and the planned maintenance of the infrastructure. The Trustees have reviewed budgets and projected cash flows and are confident that with continued support of existing bank funding levels the Charity will have adequate resources to continue in operational existence for the foreseeable future. The Trustees have considered the challenges of the current economic environment and still consider it appropriate to prepare the financial statements on the going concern basis.

1.2 Income

Fees and other income

Fees receivable and charges for services and for use of premises are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future under an advance fee payments scheme contract are held as liabilities until either taken to income in the term when used or else refunded.

Donations and legacies

Donations and legacies consist of all donations (and related tax recoverable) received during the year, including those resulting from legacies (including cases whereby the School is notified of a legacy in the year and the amount receivable can be reliably estimated at the year-end), the Annual Foundation Appeal and fundraising events.

Investment income

Investment income, dividends and interest, including the associated tax credits, have been recorded on a receipts basis. Interest on term deposit has been recorded on an accruals basis.

1.3 Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other expenditure not directly attributable to a particular cost centre is apportioned over the relevant categories on the basis of management estimates. The irrecoverable element of VAT is included with the item of expense to which it relates. Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory financial statements and satisfying public accountability.

Reed's School

Notes to the financial statements for the year ended 31 August 2023

1.4 Funds

Endowed funds

In compliance with SORP (FRS102), any income received with a specific purpose where the Charity is given power to retain them are disclosed as endowed funds, with income earned on the fund being spent in line with the purpose of the fund.

Restricted funds

Any income received which has restrictions attached to the use of such funds by the Charity, is separately identified within the Charity's accounts as restricted funds. Where these funds are utilised by the Charity for the purposes for which they are specified, they are released to match the corresponding expenditure in the appropriate accounting periods. Further information is set out in Note 10.

Designated funds

Designated funds are those which the Trustees have set aside for future specified purposes. These funds form part of the unrestricted funds and can be used at the discretion of the Trustees.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Assets under construction are stated at cost. Cost comprises directly attributable costs and professional costs. Such assets are not depreciated until they are reclassified after completion.

There is a de minimis capitalisation limit of £1,500.

Depreciation is provided at rates calculated to write off the excess of cost over the estimated residual value over the estimated useful economic life of each class of asset, subject to annual review. These rates are currently as follows:

Land and buildings	2%- 10% p.a. straight line
Fixtures, fittings and equipment	20% p.a. straight line
Computer equipment	33% in year of purchase
Motor vehicles	20% p.a. straight line

1.6 Investments

Investments are valued in the balance sheet at their bid price at the balance sheet date. The investment manager, Cazenove Capital Limited, is remunerated by way of management fees paid within those pooled funds which it manages.

1.7 Impairment review

Potential impairment of fixed assets is considered by the Governors on an annual basis to ensure that the carrying value of fixed assets is not higher than the recoverable amount.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with accrued income, trade and other debtors. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used

Reed's School

Notes to the financial statements for the year ended 31 August 2023

as working capital. Financial liabilities held at amortised cost comprise bank loans, trade creditors, other creditors and accruals. At the balance sheet date, the group held investments at fair value through income and expenditure of £5.5m (2022: £5.7m).

1.10 Deposits

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2023 have been included within current liabilities.

1.11 Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the lease term.

1.12 Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The Scheme is an unfunded multi-employer pension scheme. In accordance with FRS 102 the scheme is accounted for as a defined contribution scheme. In April 2022 a hybrid arrangement was introduced allowing those colleagues that wish to remain in TPS to do so but offering a defined contribution arrangement for those that prefer a more flexible scheme and for new teachers to the School. The cost of pension provision and associated benefits for the Charity will be capped at 20% of teachers' salaries from September 2024. The School also contributes to a defined contribution group personal pension scheme for most support staff and, for the rest, the People's Pension.

Contributions to all schemes are charged as they become payable in accordance with the rules of the schemes.

2. Charitable activities – fees receivable

	2023	2022
	£'000	£'000
Fees receivable consist of:		
School fees	23,636	22,888
Less: total scholarships, bursaries and other awards	(3,658)	(3,284)
Net fees receivable	19,978	19,604
Add back: bursaries and other awards paid for by restricted funds	568	458
Total school fees receivable	20,546	20,062

Scholarships, bursaries, other awards and discounts were given to 381 pupils (2022: 356). Within this, means-tested bursaries totalling £1,896k were awarded to 77 pupils (2022: £1,596k to 68 pupils).

Reed's School
Notes to the financial statements for the year ended 31 August 2023

3. Analysis of expenditure

a) Total expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	2023 Total £'000	2022 Total £'000
Costs of raising funds					
Trading costs	202	-	383	585	587
Development costs	207	-	63	270	241
Financing costs	-	-	183	183	265
Total costs of raising funds	409	-	629	1,038	1,093
Charitable expenditure					
<i>Education and grant making</i>					
Teaching	9,912	-	2,458	12,370	11,458
Welfare	291	-	1,602	1,893	1,688
Premises	1,010	1,206	2,513	4,729	4,308
Support costs and governance	1,870	-	1,576	3,446	2,660
Grants, awards and prizes (3b)	-	-	653	653	578
Total expenditure	13,083	1,206	8,802	23,091	20,692
Total expended	13,492	1,206	9,431	24,129	21,785

b) Grants, awards and prizes awarded to pupils

	2023 £'000	2022 £'000
From restricted funds:		
Bursaries and other grants	568	458
From unrestricted funds:		
Awards and other grants	85	120
Total grants, awards and prizes	653	578

Reed's School

Notes to the financial statements for the year ended 31 August 2023

c) Governance included in support costs

	2023 £'000	2022 £'000
Staff costs	73	62
Governor training	-	0
Governor expenses	5	1
Auditor's remuneration for audit services - Charity	23	25
Governance costs - Charity	101	88
Auditor's remuneration for audit services - subsidiary company	5	6
Governance costs - group	106	94

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation in either year. In 2023 the Governors expenses notes above relate to External Governor Training courses and costs in relation to the Governor Away day paid for directly by the School. No Governors (2022: one Governor) were reimbursed expenses during the year in relation to travel and subsistence.

d) Staff costs

	2023 £'000	2022 £'000
Total staff costs comprised:		
Wages and salaries	10,341	10,115
Taxes and social security costs	1,111	984
Pension contributions	1,969	1,662
Medical insurance premium	73	94
	13,494	12,855
Aggregate employee benefits of key management personnel	473	388

The average number of employees during the year was 275 (2022: 261). Employees calculated on a full-time equivalent basis was 230 (2022: 228) of which 138 (2022: 131) were teaching staff.

During the year there were nil (2022: nil) termination payments made totalling £nil (2022: £nil).

Number of higher paid employees in bands of:

	2023	2022
£60,001 to £70,000	26	27
£70,001 to £80,000	6	7
£80,001 to £90,000	3	2
£90,001 to £100,000	2	1
£100,000 to £110,000	-	-
£110,001 to £120,000	2	1
£150,001 to £160,000	-	-
£180,001 to £275,000	1	1

Reed's School Notes to the financial statements for the year ended 31 August 2023

4. Tangible fixed assets

	Land and buildings freehold	Assets in the course of construction	Charity School office and computer equipment	Motor vehicles	Charity total	Furniture and equipment	Subsidiary Motor vehicles	Group consolidated total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At cost								
1 September 2022	40,375	2,210	3,040	393	46,018	21	7	46,046
Additions	110	1,419	414	29	1,972	10	-	1,982
Disposals	-	-	(1,078)	-	(1,078)	-	-	(1,078)
Completed in the year	1,169	(1,169)	-	-	-	-	-	-
31 August 2023	41,654	2,460	2,376	422	46,912	31	7	46,950
Depreciation								
1 September 2022	10,457	-	2,736	317	13,510	16	7	13,533
Disposals	-	-	(1,078)	-	(1,078)	-	-	(1,078)
Charge for the year	1,008	-	166	31	1,205	5	-	1,210
31 August 2023	11,465	-	1,824	348	13,637	21	7	13,665
Net book values								
31 August 2023	30,189	2,460	552	74	33,275	10	-	33,285
31 August 2022	29,917	2,210	304	76	32,507	6	-	32,513

Assets in the course of construction related to the new 6th Form Café, landscaping and pedestrianisation, the irrigation and borehole project and the reconstruction of the boiler room.

Reed's School

Notes to the financial statements for the year ended 31 August 2023

5. Investments

	Consolidated		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investments - listed	5,484	5,694	5,484	5,694
Investments - subsidiaries	-	-	250	250
	<u>5,484</u>	<u>5,694</u>	<u>5,734</u>	<u>5,944</u>

a) Investment in subsidiary undertakings

The School owns 100% of the issued share capital of Reed's School Enterprises Limited, incorporated in England and Wales under company number 2503013. The principal activities of the Company are the letting of sports, general and social facilities, the operation of a swimming club, the provision of community swimming, tennis and cricket coaching, the sale of clothing and sportswear, and the provision of a tuck shop. The company has been fully consolidated. The School also owns 100% of the issued share capital (£1) of Reeds School International Ltd (RSI Ltd) incorporated in England and Wales under company number 9874554. There have been no significant transactions in RSI Ltd and RSI Ltd has not been consolidated.

Subsidiary Investment	2023 £'000
Cost	
At 31 August 2023	<u>250</u>
Net Book Value	
At August 2023	<u>250</u>

The results for the year ended 31 August 2023 are as follows:

	2023 £'000	2022 £'000
Subsidiary company		
Turnover	300	281
Cost of sales	(207)	(192)
Gross profit	<u>93</u>	<u>89</u>
Other income	362	389
Administration charges	(383)	(400)
Net profit for the year before taxation	<u>72</u>	<u>78</u>
Taxation	-	-
Net profit for the year	<u>72</u>	<u>78</u>
Net assets	<u>416</u>	<u>425</u>

Reed's School

Notes to the financial statements for the year ended 31 August 2023

Investments in listed securities

At mid-market value	2023	2022
	£'000	£'000
Opening valuation	5,694	5,818
Additions	151	6,162
Disposals	(6)	(5,992)
Changes in Valuation	(355)	(294)
Closing valuation	<u>5,484</u>	<u>5,694</u>

Other investments represent equities, fixed interest securities, hedge funds and property including investments made through Common Investment Funds. These funds are pooled investment vehicles specifically set up for charities and established under the Charities Act 2011. The historical cost of these investments £6.2m (2022: £6.0m).

The Governors have delegated day to day management of these investments to Cazenove Capital Limited in accordance with the School's investment policy.

The entirety of the school's investment funds are now invested in Cazenove Capital Limited Charity Multi-Asset Fund.

Including unrealised losses of £355k (2022: losses of £1,359k) and realised income from disposals and dividends of £242k (2022: £1,282k) the total return on the investment portfolio amounts to -1.8% (2022: -1.3%).

6. Debtors

	Consolidated		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade debtors	62	58	-	-
School fees and disbursements recoverable	200	74	200	74
Prepayments and accrued income	1,062	219	1,061	219
Amounts owed by Group undertakings	1	1	136	272
	<u>1,325</u>	<u>352</u>	<u>1,397</u>	<u>565</u>

The increase in prepayments in the year is for a grant issued by our catering firm for investment in the school's catering facilities.

Reed's School
Notes to the financial statements for the year ended 31 August 2023

7. Creditors: amounts falling due within one year

	Consolidated		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank loans and overdrafts	777	777	777	777
Taxes and social security costs	283	299	283	299
Advance fees (Note 9)	3,835	3,154	3,835	3,154
Amounts owed to Group undertakings	-	-	16	£
Trade Creditors	333	471	324	461
Other creditors	163	208	158	185
Deposits	1,304	1,197	1,304	1,197
Accruals and deferred income	716	511	716	511
	<u>7,411</u>	<u>6,617</u>	<u>7,413</u>	<u>6,592</u>

8. Creditors: amounts falling due after one year

Charity	Bank loans £'000	Advance fees £'000	Total £'000
Amounts repayable by instalments:	822	374	1,196
In 1 to 2 years	2,593	562	3,155
In 2 to 5 years	464	119	583
After 5 years			
At 31 August 2023	<u>3,879</u>	<u>1,055</u>	<u>4,934</u>
At 31 August 2022	<u>4,606</u>	<u>26</u>	<u>4,632</u>

Reed's School

Notes to the financial statements for the year ended 31 August 2023

The Charity currently has two 10 year loan agreements with Lloyds Bank. One taken out in 2017 to fund the Sixth Form House development and the second taken out in 2019 to fund the development of the Bridgeman Building to provide additional classroom space. The 2017 loan is on a variable rate of 6.35% and the maturity date is May 2028. The 2019 is on a fixed rate of 3.29% until May 2023 and has a maturity date of December 2029. The loans are secured against three properties which the charity owns. During this financial year a process was started to restructure the loans in order to strengthen the Charity's cashflow and bring certainty around interest and capital repayments. It is the intention to merge the two loans and extend the repayment period extended for a further 15 years.

9. Advance fee payments

Advance fees include the early payment of the Autumn term 2023 fees. Parents may also pay future tuition fees in advance. The money may be returned on the receipt of one term's notice. The movements during the year were:

	2023	2022
	£'000	£'000
At 1 September 2022 (2021)		
Amounts falling due within one year	3,154	2,690
Amounts falling due after one year	26	38
	3,180	2,728
New contracts	1,780	236
Early payment of Autumn term 2023 (2022) fees	3,152	2,942
Amounts utilised in payment of fees	(280)	(166)
Early payment of Autumn term 2022 (2021) fees	(2,942)	(2,560)
	4,890	3,180
At 31 August 2023 (2022)		
Amounts falling due within one year	3,835	3,154
Amounts falling due after one year	1,055	26
	4,890	3,180

Reed's School
Notes to the financial statements for the year ended 31 August 2023

10. Endowed and restricted funds

	2022 total	Income	Expenditure	Investment income	Net gains/(losses) on investments	Transfer between funds	2023 total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Endowed Funds							
Consolidated small funds	1,061	-	-	43	(65)	(43)	996
Growth fund	2,331	185	-	115	(144)	(115)	2,371
Cazenove Andrew Reed bursary fund	629	-	-	26	(39)	(26)	591
The Royal Household	12	2	-	-	-	-	14
Total endowed funds	4,033	187	-	184	(248)	(184)	3,972
Restricted funds							
OR's syndicated fund	265	17	(17)	-	-	-	265
Forum fund	61	4	(15)	-	-	-	50
Other funds	368	1,299	(621)	-	-	(420)	626
Total restricted funds	694	1,320	(653)	-	-	(420)	941

Reed's School

Notes to the financial statements for the year ended 31 August 2023

Transfer between funds

The income distributed by Cazenove on the portfolio in the year is released to general reserves to offset foundation costs.

Consolidated small funds:

The consolidated small funds consist of funds held for specific purposes, and are represented mainly by investments. These funds were consolidated by a deed of administration approved and sealed by the Charity Commissioners on 18th April 1991. The clear income from the funds is used to offset foundation costs.

The small funds consolidated in 1991 comprised Clift Ford Thomerson Fund, Mullens Funds, Dove Fund, Gilliat Fund, The Barnett Prize Fund, Kirby's Fund, J Walter Smith Scholarship Fund, Cuthbertson Scholarship Fund, Borthwick Fund, The Reed Lecture Fund, The WH Rohrs Fund, the Verstage Donation and the Michel/Syms Fund.

Growth fund:

This is a fund that is being built up over time, with the intention that future foundation pupils will be supported from the income generated thereon.

Cazenove Andrew Reed bursary fund:

This fund was created in 2013/14, the School's Bicentenary Year, by former Cazenove partners. The intention is that a Foundation pupil will be funded into perpetuity using the Fund's investment income.

The annual investment income earned on the Consolidated small funds, the Growth fund and the Cazenove Andrew Reed bursary fund was used to provide Foundation bursary awards within the year.

Gifted Shares:

These shares were gifted to the Charity with the intention that they would be used to support the Foundation as a whole.

ORs' syndicated fund:

Funds raised by Old Reedonians' decade groups to be used to fund future Foundationers. The fund should be spent down within 5-10 years.

Capital fund:

Funds for the development of future capital projects. This was last used to fund the Cricket Centre Development and will be reviewed when new capital projects are approved.

Forum fund:

This fund has been set up to provide bursaries and a program of enrichment for schools in the Primary Forum Group and to assist with training of teachers from these schools.

Other funds:

This is an amalgamation of other small restricted funds (for reporting purposes). They are held in cash and include:

- The Ogden Trust - Physics, Maths and Science based Scholarships, matched by Reed's LTA Grants – applied in the year according to LTA specified purposes
- Honeypot fund - children selected by the Honeypot Charity
- Foundation Bursaries - funds donated for the support of named Foundationers

Reed's School
Notes to the financial statements for the year ended 31 August 2023

11. Unrestricted funds – movements in the year

	2022 total £'000	Income £'000	Expenditure £'000	Net gains on investments £'000	Transfer between funds £'000	2023 total £'000
Charity						
General Reserves	28,639	22,429	(22,635)	(107)	604	28,930
Designated Funds:						
Old Reedonians Fund	121	85	(88)	-	-	118
	<u>28,760</u>	<u>22,514</u>	<u>(22,723)</u>	<u>(107)</u>	<u>604</u>	<u>29,048</u>
Consolidated						
General Reserves	28,813	23,172	(23,388)	(107)	604	29,094
Designated Funds:						
Old Reedonians Fund	121	85	(88)	-	-	118
	<u>28,934</u>	<u>23,257</u>	<u>(23,476)</u>	<u>(107)</u>	<u>604</u>	<u>29,212</u>

Designated reserves exist where the Governors have allocated funds for a set purpose. The Old Reedonians' fund is intended to fund the activities or projects supported by the Old Reedonians within the next 5 years.

Reed's School
Notes to the financial statements for the year ended 31 August 2023

12. Analysis of net assets between funds

Charity	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total £'000
Tangible fixed assets	33,275	-	-	-	33,275
Investments	1,873	-	-	3,861	5,734
Cash at bank and in hand	4,724	118	940	111	5,893
Other net current liabilities	(6,007)	-	-	-	(6,007)
Creditors: amounts falling due after more than one year	(4,934)	-	-	-	(4,934)
Total funds	28,931	118	940	3,972	33,961

Consolidated	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total £'000
Tangible fixed assets	33,285	-	-	-	33,285
Investments	1,623	-	-	3,861	5,484
Cash at bank and in hand	5,026	118	940	111	6,195
Other net current liabilities	(5,905)	-	-	-	(5,905)
Creditors: amounts falling due after more than one year	(4,934)	-	-	-	(4,934)
Total funds	29,095	118	940	3,972	34,125

13. Capital commitments

Work commenced on the Irrigation and 6th Form Café projects during the Summer of 2023. The 6th Form Café Project is being partially funded by Sodexo. The remaining budgeted balance of £215k will be paid by the School. The final phase of the Irrigation Project will be completed in 2023/24 at a forecasted cost of £113k.

A final payment of £254k is outstanding for the Landscaping the Pedestrianisation project. The final payment for the Bridgeman Building Extension of £600k also remains outstanding.

Reed's School

Notes to the financial statements for the year ended 31 August 2023

14. Lease commitments

As at 31 August 2023 Reed's School had total commitments under operating leases as follows:

	2023 £'000	2022 £'000
Within 1 Year	59	59
Within 2-5 Years	104	163
Within more than 5 Years	-	-
	<u>163</u>	<u>222</u>

15. Related party transactions

Reed's School has invested in the whole of the issued share capital of Reed's School Enterprises Limited (the Company), a company incorporated in England and Wales.

During the year Reed's School Enterprises owed Reed's School the sum of £165k (2022: £261k).

The School's wholly owned subsidiary Reed's School International Ltd incurred £105 of charges in the year (2022: £650).

Governors donated £14,125 (2022: £12,800) to the Charity during the year.

Reed's School

Notes to the financial statements for the year ended 31 August 2023

16. Teachers' Pension Scheme

The School 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 £739k (2022: £1,259k) 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, which was published in October 2023. 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%.

Following a consultation in April 2021, the Governors entered into a phased withdrawal of the TPS from 1 April 2022. The TPS was closed to new members from the withdrawal date of 31 March 2022, and existing teaching staff could opt to remain in the TPS or join the schools Defined Contribution (DC) Scheme.

Where individuals remained within the TPS, the School's contribution is capped with any shortfall to the TPS employer contributions met by employees. Any future increases in TPS employer contributions will be absorbed by remaining members.

At the year-end there were 64 (2022: 83) employees remaining in the TPS.

Reed's School
Notes to the financial statements for the year ended 31 August 2023

17. Consolidated Statement of Financial Activities – Comparative figures for 2022 by fund type

	Notes	Unrestricted funds	Restricted funds	Endowed funds	Total funds 2022
		£'000	£'000	£'000	£'000
<i>Income and endowments from:</i>					
<i>Donations and legacies</i>		464	549	59	1,072
<i>Charitable activities</i>					
<i>School fees receivable</i>	2	20,062	-		20,062
<i>Ancillary trading income</i>		265	-		265
<i>Other trading activities</i>					
<i>Non-ancillary trading income</i>		670	-		670
<i>Other activities</i>		73	-		73
<i>Other operating income</i>					
<i>Government grants receivable</i>	2	-	-		-
<i>Investments</i>					
<i>Income from investments</i>		118	-	137	255
<i>Total income</i>		21,652	549	196	22,397
<i>Expenditure on:</i>					
<i>Raising funds</i>					
<i>Non-ancillary trading</i>		(587)	-	-	(587)
<i>Fundraising and development costs</i>	3	(241)	-	-	(241)
<i>Financing costs</i>	3	(265)	-	-	(265)
<i>Charitable activities</i>					
<i>Education and grant making</i>	3	(20,113)	(579)	-	(20,692)
<i>Total expenditure</i>		(21,206)	(579)	-	(21,785)
<i>Net gains/(losses) on investments</i>	5	(125)	-	(169)	(294)
<i>Net income</i>		321	(30)	27	318
<i>Transfers between funds</i>	10-11	137		(137)	-
<i>Net movement in funds</i>		458	(30)	(110)	318
<i>Reconciliation of funds:</i>					
<i>Total funds brought forward</i>		28,476	724	4,143	33,343
<i>Total funds carried forward</i>		28,934	694	4,033	33,661

Reed's School
Notes to the financial statements for the year ended 31 August 2023

18. Restricted and Endowed funds – Comparative figures for 2022

	2021 total £'000	Income £'000	Expenditure £'000	Investment income £'000	Net gains/(losses) on investments £'000	Transfer between funds £'000	2022 total £'000
Endowed funds							
Consolidated small funds	1,108	-	-	36	(47)	(36)	1,061
Growth fund	2,378	47	-	79	(94)	(79)	2,331
Cazenove Andrew Reed bursary fund	657	-	-	22	(28)	(22)	629
		12	-	-	-	-	12
Total endowed funds	<u>4,143</u>	<u>59</u>	<u>-</u>	<u>137</u>	<u>(169)</u>	<u>(137)</u>	<u>4,033</u>
Restricted funds							
OR's syndicated fund	265	19	(19)	-	-	-	265
Forum fund	79	2	(19)	-	-	-	62
Other funds	380	528	(541)	-	-	-	367
Total restricted funds	<u>724</u>	<u>549</u>	<u>(579)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694</u>

Reed's School
Notes to the financial statements for the year ended 31 August 2023

19. Unrestricted funds – Comparative figures for 2022

	2021 total	Income	Expenditure	Net gains on investments	Transfer between funds	2022 total
	£'000	£'000	£'000	£'000	£'000	£'000
Charity						
General Reserves	28,283	20,904	(20,558)	(127)	137	28,639
Designated Funds:						
Old Reedonians Fund	98	82	(59)	-	-	121
	<u>28,381</u>	<u>20,986</u>	<u>(20,617)</u>	<u>(127)</u>	<u>137</u>	<u>28,760</u>
Consolidated						
General Reserves	28,378	21,570	(21,147)	(125)	137	28,813
Designated Funds:						
Old Reedonians Fund	98	82	(59)	-	-	121
	<u>28,476</u>	<u>21,652</u>	<u>(21,206)</u>	<u>(125)</u>	<u>137</u>	<u>28,934</u>

Designated reserves exist where the Governors have allocated funds for a set purpose. The Old Reedonians' fund is intended to fund the activities or projects supported by the Old Reedonians within the next 5 years.

Reed's School
Notes to the financial statements for the year ended 31 August 2023

20. Analysis of net assets between funds – Comparative figures for 2022

Charity	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000
Tangible fixed assets	32,507	-	-	-	32,507
Investments	1,983	-	-	3,961	5,944
Cash at bank and in hand	4,799	121	694	72	5,686
Other net current liabilities	(6,019)	-	-	-	(6,019)
Creditors: amounts falling due after more than one year	(4,631)	-	-	-	(4,631)
Total funds	28,639	121	694	4,033	33,487

Consolidated	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total £'000
Tangible fixed assets	32,513	-	-	-	32,513
Investments	1,733	-	-	3,961	5,694
Cash at bank and in hand	5,277	121	694	72	6,164
Other net current liabilities	(6,079)	-	-	-	(6,079)
Creditors: amounts falling due after more than one year	(4,631)	-	-	-	(4,631)
Total funds	28,813	121	694	4,033	33,661

Reed's School

Notes to the financial statements for the year ended 31 August 2023

Joint Presidents and Vice-presidents are retired governors who continue to support the Foundation and attend annual court

Joint Presidents

Viscount Bridgeman
Mr P B Mitford-Slade OBE
Mr G M Nissen CBE
Mr I Plenderleith CBE

Vice-Presidents

The Earl of Verulam
Lord Howard of Penrith
Sir David Howard Bt
Sir Brian Jenkins GBE
Sir John Kemp-Welch
The Hon Julian F Byng
Mr J D Andrewes
Mrs I M Barker
Mr D Barnett
Mr P Barton DL
Mr D Blomfield
Mr D Brown
Mr D Caddy
Mr J Davie
Mr M Dobson
Mr R S Fidgen

Mr J W Flecker
M M A Grenier
Mr T W N Guinness
Mr D V Harvey JP
Mr C R Hawkins
Mr J Herbert
Mr C Holdsworth Hunt
Mr D W Jarrett
Mr M J Kirkwood CMG
Ms A Knight CBE
Mr M Loveday
Mr R L H Lyster
Mr G R Martin
Mrs V McKenna
Mr A Merry
Mr R Mew

Mrs A F Noakes
Ms B O'Brien-Twohig
Mrs A Overstall
Mr T D Page
Mr L A Ponsonby
Mr S Popham
Mr H Priestley
Mr D E Prince
Mr P D Reed
Mr J B Rogers
Mr R Stewart
Mr J G Tregoning
Mr P H H Verstage
Mr A Wotton

Visitor

The Lord Bishop of Guildford

