

Charity Number: 312054

**GOVERNING BODY OF  
CHARTERHOUSE SCHOOL  
REPORT AND ACCOUNTS  
31 JULY 2021**

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
ANNUAL REPORT OF THE GOVERNING BODY (CONTINUED)  
YEAR ENDED 31 JULY 2021**

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**Members**

Ms V Tuck MA - Chair <sup>9,7,10</sup>  
 K Awuku-Asabre <sup>3,7</sup> (Appointed 4 December 2020)  
 E D A Barnes BA <sup>3,4,7,9,10</sup>  
 Ms C L Baldwin MA <sup>4,7</sup>  
 J N B Bovill BA <sup>1,5</sup> (Resigned 25 June 2021)  
 Ms C Brown <sup>3,6,10</sup> (Appointed 25 June 2021)  
 Cllr C M Curran BSc (Resigned 11 October 2020)  
 Prof V C Emery PhD FSB FAST <sup>1,4,9</sup>  
 J Goldsmith BSc <sup>5,9</sup>  
 The Very Revd. D L Gwilliams BA MA <sup>4, 6</sup>  
 Dr N Krause MSc PsychD <sup>4</sup>  
 C W D Macey FCA <sup>2,3,9</sup>  
 P Malcolm <sup>1,5</sup>  
 Ms E Matthews <sup>4</sup> (Resigned 9 July 2021)  
 J McIlroy <sup>1,9,10</sup> (Appointed 25 June 2021)  
 J R Olsen BA <sup>1,7,10</sup>  
 C H M Oulton MA <sup>3,4</sup>  
 A M Reid MA MBA FCA <sup>1, 2</sup>  
 D J G Royds BSc <sup>1,2,5,9</sup>  
 M WT Walton <sup>5,8,10</sup> (Appointed 25 June 2021)

**Appointed by:**

Governing Body  
 Governing Body  
 Masters of the School  
 Governing Body  
 Governing Body  
 Governing Body  
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 Sutton's Hospital  
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<sup>1</sup> Indicates membership of the Finance and Business Development Committee

<sup>2</sup> Indicates membership of the Investment Sub-Committee

<sup>3</sup> Indicates membership of the Audit, Risk, and Compliance Committee

<sup>4</sup> Indicates membership of the Education Committee

<sup>5</sup> Indicates membership of the Projects and Planning Committee

<sup>6</sup> Indicates governor with special responsibility for Safeguarding and Child Protection

<sup>7</sup> Indicates membership of the Nominations and Governance Committee

<sup>8</sup> Indicates governor with special responsibility for Health & Safety

<sup>9</sup> Indicates membership of the Chairs' Committee

<sup>10</sup> Indicates membership of the Edgeborough School Committee

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**YEAR ENDED 31 JULY 2021**

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**HEAD**

Dr A L R Peterken BA, MA, EdD

**DIRECTOR OF FINANCE AND STRATEGY**

D S Armitage MBE BSc MSc

**CLERK TO THE GOVERNING BODY**

Ms E Winfield (Resigned 9 March 2021)

Ms A Warburton (Appointed 19 April 2021)

**AUDITOR**

Crowe U.K. LLP

55 Ludgate Hill

London, EC4M 7JW

**BANKERS**

Lloyds Bank Plc

49 High Street

Godalming

Surrey, GU7 1AT

**SOLICITORS**

Farrer & Co

66 Lincoln's Inn Fields

London, WC2A 3LH

**INVESTMENT MANAGERS**

Veritas Investment Management LLP

90 Long Acre

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Flagstone Investment Management

1<sup>st</sup> Floor, Clareville House,

26-27 Oxendon Street,

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Vanguard Asset Management Ltd

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25 Walbrook,

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**INSURANCE BROKERS**

Marsh Brokers Limited

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**SCHOOL ADDRESS**

Charterhouse

Godalming

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GU7 2DX

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The Governors present their annual report under the Charities Act 2011, together with the audited financial statements, for the year ended 31 July 2021.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Reference and administrative information is set out on pages 1 and 2 and forms part of this report. The financial statements comply with current statutory requirements and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP and FRS 102).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**History and Constitution**

Charterhouse was founded in 1611 under the terms of the will of Thomas Sutton who died on 12 December 1611. His bequest provided for the establishment of a school for poor boys and also an alms house for 80 elderly gentlemen, known today as "Sutton's Hospital", on the site of an ancient Carthusian monastery in London.

In 1872 this Foundation was divided in two with Sutton's Hospital remaining in London and the School moving to its present site in Godalming. From that date the School was administered by its own Governing Body which is separate from the Governors of Sutton's Hospital. Following the report of the Clarendon Commission, Charterhouse was one of seven schools to have its constitution regulated by an Act of Parliament, namely The Public Schools Act 1868.

The School is a registered charity, number 312054.

**Governing Documents**

The School's own Statutes and Regulations are made in accordance with the provisions of the Public Schools Act and its amendments. The Statutes were last amended on 13 December 2017.

**Governing Body**

The Governors of the School are the Trustees of the charity. Up to 15 governors can be appointed by the School with a further three appointed by the Governors of Sutton's Hospital in Charterhouse and one appointed following a nomination by the teaching staff of the School. Governors, except the Chair, serve a term of up to five years and may, if reappointed by the Governing Body, serve for one further term of up to five years. The Chair may serve the remainder of their term as a governor and then one further term of up to five years if reappointed by the Governing Body.

**Recruitment and Training of Governors**

New Governors are inducted into the workings of the School by the Head, the Director of Finance and Strategy, and the Clerk to the Governors. Governors also visit the School and observe lessons as well as attend relevant training workshops and presentations.

Members of the Governing Body attend external trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

**Organisational Management**

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School. They meet at least three times a year to review reports and discuss strategic issues.

Following a governance review, the committee structure is:

- The Finance and Business Development Committee considers financial matters, admissions data, and commercial opportunities.
- The Investment Sub-Committee scrutinises investments, reviews the investment and treasury policies and reports to the Finance and Business Development Committee.
- The Education Committee considers academic, co-curricular and pastoral matters.

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- The Projects and Planning Committee considers infrastructure and other development projects.
- The Audit, Risk and Compliance Committee oversees the formal external audit process, reviews the internal risk management matrix, and considers compliance matters.
- The Nominations and Governance Committee reviews the effectiveness and membership of the Governing Body.
- The Chairs' Committee sits prior to the Governing Body meetings to discuss major issues and prepare the agenda for the main meetings.
- Since Year-End, the Edgeborough School Committee has been formed to oversee the educational and pastoral aspects of the preparatory school.
- Governors are also designated as the leads for Safeguarding, Health & Safety, and Boarding.

The Governing Body appoints the Head and the Director of Finance and Strategy according to the Regulations of the School and delegates day-to-day running of the School to them.

The Head, Director of Finance and Strategy, the Senior Deputy Head, the Director of Business Development and External Relations, the Deputy Head (Academic), Deputy Head (Pastoral), and Deputy Head (Pupils and Communities) form the Charterhouse Executive Committee. Since Year End this Committee also includes the Head of Edgeborough School. This Committee oversees strategic and financial matters and reports to the appropriate governor committees. This allows the Senior Leadership Teams of each school to focus on the daily management issues of the school.

Remuneration is set by the Governing Body, with a policy of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success. This also covers members of the key management personnel.

Mindful of the Charity Governance Code, the School continues to review its processes and procedures to ensure the best possible governance. The reorganisation of the committees has worked well as has a new software system for managing board papers. This year governor skills were reviewed and individuals allocated to the appropriate committees. In addition, the governor handbook has been developed providing clear direction on all procedures.

#### **Associated Charities**

Sutton's Hospital in Charterhouse (Charity No: 207773) was the charity governing both the School and Sutton's Hospital until the School moved to Godalming in 1872 and is administered by its own Governors. The Governors of Sutton's Hospital in Charterhouse manage the permanent endowment bequeathed by Thomas Sutton and pay over to the School the Moiety; for this last financial year the School received £484,000 (2020: £440,000).

The Carthusian Trust, a Charitable Incorporated Organisation (Charity No: 1171955), provides a permanent fund to promote active participation in the School. The principal aims of the Trust are to assist with financing the school developments and to provide bursaries to enable pupils to complete their education at the School. During the year the Trust provided £82,844 (2020: £84,953). The Carthusian Trust also pays for up to nine Birley scholarships amounting to £8,880 (2020: £8,488).

The Carthusian Society Charitable Fund (Charity No: 1099809) was formed in 1938 with three objects; to provide additional finance for the Old Carthusian Club, to provide amenities for the School which would help enrich experiences, and to foster relations between the School and Old Carthusians.

The Charterhouse War Memorial and Tercentenary Trust (Charity No: 268012) was established to provide grants to help pupils whose parents experience financial hardship to remain at the School until a natural breakpoint. During the year £36,508 (2020 : £38,933) was provided to the School as bursaries.

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**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

**Charitable Object**

The charitable object of the School is to advance education by the provision of a boarding and day school for boys and girls. The Governors ensure that this charitable purpose is carried out for public benefit by making education available to all who are sufficiently talented and, where possible, irrespective of financial circumstances.

The Governors confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the general guidance issued by the Charity Commission on public benefit.

The charitable purpose for the School within the meaning of the Act is enshrined within its object, as noted above.

**Aims and Intended Impact**

The aim at Charterhouse is to equip pupils to lead fulfilled and purposeful lives by providing an all-round education based on the Charterhouse values. Teaching and learning are at the heart of what the School does, although this does not mean achieving only qualifications and passing examinations. A Charterhouse education should endure long after examinations. The School offers a distinctive mix of characteristics that combine to create a certain mindset within young people that equips them to head out confidently and contribute something new to the world.

The School values all pupils as individuals with unique talents and interests, and seeks to instil intellectual curiosity and the ability to learn independently; the skills and attitudes to succeed in a fast-changing, multi-cultural society; a sense of personal values based on compassion, integrity and sound judgement; a commitment to service of others and to society; and spiritual, moral, cultural and aesthetic awareness, which contributes to a balanced and well-informed approach to life.

**Objectives for the Year**

The School's main objective for the year was to continue to provide education which is demanding and of the highest quality even under Covid-19 restrictions. The current strategy for the School was endorsed by Governors in December 2016. It is ambitious and sees the School expanding and becoming fully co-educational in September 2021. An annual management plan is produced which sets out specific tasks in support of the Strategy.

The objectives for 2020-21 were to:

- 1. Continue to provide the highest quality of education possible, including online under Covid-19 restrictions.** This year has been dominated by managing the Covid-19 crisis within government restrictions with online learning only during the LQ (Spring Term) and the cancellation of external examinations. The School facilities were set up in a Covid-safe manner for the start of the year and teaching adapted, where appropriate, to manage in-class, self-isolation, and online learning so that pupils were able to cover the necessary academic work. Building on the experience of CQ (Summer term) 2020, an improved online Charterhouse@Home was available when the School was forced to physically close during the LQ (Spring Term). Despite these disruptions, the School continued to develop its educational offer in readiness for full co-education in September 2021 completing a full review of the Fourths curriculum, introducing greater digital learning, and producing new development plans for all co-curricular departments.
- 2. Complete pastoral and curriculum changes in preparation for co-education in September 2021.** Preparation for co-education has been ongoing since 2017 and this year has seen the completion of these plans. This has included a revised academic curriculum and sports provision providing appropriate courses for both girls and boys. Developments have involved teaching and sports facilities, including pedestrianisation of the centre of school, the construction of 4 new netball/tennis courts, improved changing and toilet facilities, and better security systems. Importantly the pastoral structure and systems have been developed to include greater capacity for the increased pupil numbers with more residential staff in each boarding house, a new Director of Wellbeing, the introduction of CPOMS, and the appointment of a new catering contractor. During the year the new Deputy Head (Pupils and Community) has successfully implemented an existing Equality, Diversity and Inclusion

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Strategy and developing Pupil Voice. The nationwide focus on “Harmful Sexual Behaviours” thanks to the Everyone’s Invited website added momentum to further refine the School’s education and pastoral procedures as it anticipates full co-education in September 2021. This year the Governors held an extraordinary meeting to ensure that the School was responding appropriately to the issues identified by the Everyone’s Invited website.

3. **Complete the construction of two new Boarding Houses.** The two new boarding houses were started in December 2019. While construction has been affected by the Covid-19 crisis they were completed on 3 September 2021 ready for the start of the OQ (Autumn Term) and the start of full co-education. One of the new houses is now Saunderites, a boys’ house, which moved from an existing old school building. The old building has now been occupied by Sutton, a girls’ house. The other house is Northbrook, a new girls’ house. This means the School now has 4 girls’ houses and 11 boys’ houses with a good spread of girls’ and boys’ houses across the site. During the year the School announced it would be converting Weekites and Girdlestoneites from boys’ to girls’ houses, starting in September 2022, to provide a better girl/boy balance across the School.
4. **Complete of a new café in the centre of school.** Previously the School provided house dining. To improve the quality of catering the School moved to central dining for the newer houses in September 2019 though the old houses remained with house dining. To provide the same quality experience the School has been constructing a new café/dining room in the centre of school, off Scholars’ Court. This work was started in 2020 and was completed on 13 August 2021. The new facility will provide central dining for Sutton, Verites, Gownboys, and Girdlestoneites as well as be available as a café for all outside formal meal times.
5. **Start the pedestrianisation of the centre of school.** Following the granting of planning permission, the School constructed a new car park on Lessington grounds with a link road from Reception. This work was finished in September 2020 allowing the removal of cars from the centre of school, which has improved health and safety as well as the environment around the teaching facilities.
6. **Refurbish two existing boarding houses and create three new residential facilities.** The School aims to refurbish two existing boarding houses each year. Despite the Covid-19 crisis, the School has undertaken significant work to Sutton and Gownboys, as well as minor improvements to Chetwynd and Fletcherites. In addition, residential tutor flats were created in Sutton, Verites and Robinites. This means all boarding houses now have three residential members of staff.

#### **Principal Activities During the Year**

During the year, the School has provided education for 814 (2020: 799) pupils of whom 780 (2020: 774) were boarders and 34 (2020: 25) day pupils. There were 153 (2019: 131) girls in the Sixth Form. Interest in co-education from September 2021 continues to grow with registration numbers exceeding places, which is encouraging for the future plans.

This year has been both challenging, with the Covid-19 crisis continuing to dominate, and exciting with the final preparations for the start of full co-education in September 2021. Preparations for the OQ (Autumn Term) focussed on setting up both teaching and boarding facilities to allow the safe provision of education in line with government guidelines. This included the introduction of “bubbles” in boarding houses and year groups, the reorganisation of teaching and catering facilities to ensure social distancing, and the introduction of one-way systems and additional cleaning regimes. These measures, alongside a strong testing regime and clear self-isolation protocols were very successful and allowed the School to continue to operate up to Christmas with no major disruptions. In January 2021 the School was forced to physically close as part of the Government’s lockdown measures and switched to providing education online. Building on lessons learned from last summer, the School moved to an improved Charterhouse@Home, our interactive online learning offer. Once the national lockdown was eased the School returned to on-site education in the CQ (Summer Term) though with continued government restrictions, including weekly LFT testing. Perhaps the biggest challenge this year has been the cancellation of external examinations and the preparation of pupils for internal assessments to provide the best outcomes possible through Teacher Assessed Grades (TAGs). The School followed a

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rigorous and fair process involving a large number of staff prior to submission to the appropriate examination boards.

Following on from the initial communications in light of the Black Lives Matter protests, the School had developed an Equality, Diversity and Inclusion Strategy with the aim of actively promoting fundamental British values while standing against all forms of discrimination and developing a culture of inclusion. This strategy included work strands covering curriculum, pastoral care, pupil voice and support areas. Charterhouse, like many schools, has been mentioned in some media and accepts it still has work to do. Therefore, the Senior Leadership Team, with the newly appointed Deputy Head (Pupils and Communities) leading, has further developed its action plan with the active involvement of pupils. The School is committed to reporting on its progress on the inclusion and diversity agenda regularly in the future.

### **Significant Transactions**

In February 2021 the School announced that on 31 July 2021 Charterhouse would be merging with Edgeborough School, a co-educational prep school near Farnham that provides day and boarding education for girls and boys aged 3 to 13. This proposal brings together two high-quality educational establishments to offer an excellent co-educational pathway for children from aged three to University entry whilst also offering financial stability and cost-efficiencies that larger organisations can provide. Following the combination, a single Governing Body is responsible for both schools though each will retain their individual identity, name and ethos.

Since 1994 the Charterhouse Club, a registered charity (10499252) and registered company (02965748), has leased the Queen's Sport Centre from the School to manage the facility and run a membership club. This worked well until the recent decline in membership numbers due to the changing nature of fitness clubs. Unfortunately, the Covid-19 crisis and the Government requirement to close sports centres significantly adversely affected the Club's finances making its long-term future untenable. Therefore, the Charterhouse Club directors decided that winding up was the only option and sold the business to the School on 31 July 2021 for a nominal sum. This meant the relinquishing of the lease, with the School taking on the management of the Queen's Sports Centre and the movement of any letting activities to Charterhouse Enterprises Limited, the School's trading company.

### **Grant-Making Policy**

The School sets aside funds to support means-tested bursaries and scholarships. In particular the School aims to build a bursary fund from various income sources to support future requirements. Bursaries, which range from 10% to 100% of the tuition fees, are offered to parents/guardians of pupils who could not otherwise afford to send their children to Charterhouse, based on a comprehensive assessment of financial need, largely at entry, though some funds are available for parents who suffer financial hardship during the year. These bursaries are re-assessed annually and may change during a pupil's time at the School depending on changes to their financial situation. Scholarships and awards are based on educational ability. Scholarships may be supplemented by bursary support up to the full value of fees in cases of proven financial need. The maximum scholarship value is 10% of the fee.

During the year some 195 (2020: 246) scholarships, bursaries and other awards were made at a total cost of £1.478m (2020: £1.500m); £1.308m (2020: £1.266m) from School funds, £nil (2020: £7k) from designated funds and £184k (2020: £234k) from third party funds. Due to the Covid-19 crisis requests for short-term bursaries increased and these were dealt with by the Governor-led Hardship Sub-Committee.

### **Volunteers**

Alumni, parents and members of the local community assisted and supported the School's educational and cultural activities throughout the year. The Governing Body would like to record its appreciation for this continuing support.

## **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

As stated earlier, activities this year have been significantly affected by the Covid-19 pandemic. This required a number of government enforced restrictions that changed the educational offer of the School.

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However, both the staff and pupils have shown great resilience and resourcefulness to ensure that excellent learning and co-curricular activities have continued with much success.

### **Academic Performance**

The pupils at Charterhouse continue to deliver excellent academic performances, though the Covid-19 crisis has made the year extremely challenging for both staff and pupils. With the Government cancelling external examinations for the second year running, staff and pupils had to work hard to produce the appropriate evidence to support the Teacher Assessed Grades (TAGs), a process that was introduced this year. Results were slightly above those seen in recent years, reflecting the ability and commendable application of both pupils and their teachers.

At (I)GCSE, there were 118 candidates and the results this year were very pleasing with 83% at grades 9/8/7 (2020: 79%) and 60% at 9/8 (2020: 55%). All pupils take a minimum of nine (I)GCSEs; 11 pupils gained straight grade 9s, 22% achieved all 9/8, and 44% of the entire cohort achieved all 9/8/7 grades. This year's IB Diploma Programme (IB DP) cohort of 41 pupils achieved some outstanding results with the average points score per candidate being over 38 out of 45, which is the highest average in five years (2020: 36 out of 45); this remains significantly above the worldwide average of 30 points. Three-quarters of all candidates achieved 36 points or more (well above the average score for entry to top Russell Group universities) and 46% of candidates achieved 40 points or more which is a typical benchmark for Oxbridge.

In terms of Pre-U and A Level, results were very good, and better than in recent years with 67% of grades awarded A\*-A or equivalent (2020:61%) and 88% awarded A\*-B or equivalent (2020:89%). 78 pupils achieved A/A\* grades (or Pre-U distinction) in all subjects taken (2020:53); 56 students achieved two or more A\* grades and, of those, 25 achieved A\*s (or equivalent) in all of their subjects.

Of those leavers who made a university application for 2021 or for deferred entry, 97% gained places at university. Three pupils achieved their offers for Oxbridge entry and a number of pupils have taken up offers to leading American universities including Brown (Ivy League), Boston, UC San Diego, and NYU, as well as other top-flight international universities in Europe.

### **Arts, Music, Sports and Other Achievements**

#### **Music**

Despite the unique challenges of the year, there have been many triumphs and innovations, such as the adoption of pre-recordings by staff being sent to pupils who then played or sang to produce multi-track recordings. Individual musicians flourished and many commented on how beneficial it was to receive one-to-one tuition during online learning. Additionally, the chance to practise was the perfect antidote to lockdown. Clearly group musicians were disadvantaged with much bigger challenges; online live performances were not possible but huge effort was made to record a backing track for pupils to follow with mixing of multiple tracks recorded by pupils on various devices. Success in these areas was only possible with significant effort by both pupils and staff. Highlights were the Leavers' Service where huge investment in recording and filming of ensembles and choirs resulted a highly accomplished and professional standard final product.

As pupils and staff adjusted to the Covid restrictions more innovative ways were found to make music despite social distancing and Year Group "bubbles". Throughout the year Chapel services were furnished with recorded music while the Chapel Choir sang in specific year groups and filmed a number of carols for local schools and other organisations within the local community. The use of recordings, video and editing increased significantly during the year resulting in a legacy of developed skills in these areas that will prove a lasting asset.

As restrictions relaxed in the CQ (Sumer Term) there was a flurry of performances from Quarter Concerts, Evening Recitals, and a busy week of concerts in Artifex festival week which illustrated both the determination and enthusiasm of pupils and staff to re-ignite the opportunities for music-making. This ended with a fully-staged performance of Les Misérables in June with a superb professional band augmented by nine pupils who played throughout and learned a huge amount in the process. A number of the cast excelled themselves in lead roles despite never having sung a note before rehearsals started. Despite many setbacks it has been a year where determination and imagination have been in

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abundance and the outcome has been enormously profitable. Undoubtedly it will be a year that the pupils never forget.

### **Art**

Prior to the start of the year much work was undertaken to ensure a safe but productive environment for Studio. In addition, methods of teaching were adapted to embrace the opportunities offered by IT as a dynamic learning tool for collaborative working.

This year saw A level Art launched to replace the Pre-U, with the theme of 'Growth'. Pupils were encouraged, where possible, to visit exhibitions including 'Among the Trees' at the Hayward and to make use of the outstanding school grounds for drawing opportunities, with the results exhibited in Studio. During the Black History month in October several classes of Fourths created collage portraits of significant figures in British Black history and thought about issues such as memorialization and who should be given status. Their art was celebrated in a virtual exhibition which was shared with the community.

During the LQ (Spring Term) lockdown the House Art competition, for the first time, challenged the pupils from each house to produce a 2-minute video reflecting the theme of 'Outside In' using collaboration and editing skills to communicate in an original way. For the judging there was a live link up with LA, London and Charterhouse with OCs; media star Luke Millington Drake and film maker Lallie Doyle. In February, the Art scholars launched a virtual exhibition of their work featuring all year groups.

For TAGs, Art was fortunate in having a good range of portfolios to mark during Pre-U and GCSE moderating. While this process was critical, this year also saw a strong physical exhibition by Pre-U pupils. Out of the 18 pupils taking Pre-U Art, 15 are going on to study fine art, design, fashion, or architecture which is a strong testimony to the subject. CQ (Summer Term) also marked the new pop-up recycled outdoors space for sketching, meetings, and outside gatherings. Finally, Artifex saw a range of exciting and educational events such as the graffiti competition, the Theory of Knowledge exhibition in Chapel, and the digital art competition projected in Studio marking the end of a challenging but creative year.

### **Drama and Dance**

Even with restrictions drama and dance continued to thrive throughout the year. The year started with *Lack of Talent*, the house-based competition, which took place without live audiences but performances were filmed to help these fund-raising events. This was followed by the OQ (Autumn Term) play, a series of Shakespeare shorts which took place in year-group bubbles. Despite losing some actors to Covid isolation, the *Dream*, *Much Ado* and *Twelfth Night* were staged over several nights to a social distanced live audience and it was a joy to see the Theatre in use at last.

A key development this year was the involvement of the West End musical theatre star, Dean Chisnall, in the School as an Actor in Residence. His skills and experience were an invaluable addition and greatly benefitted the pupils. Unsurprisingly the year's focus was the preparation for performing *Les Misérables*. Another development was an official partnership with the Philippa Hogan School of Dance. This offers a range of classes, including Ballet and Musical Theatre Jazz, to pupils and builds on the School's current provision.

Throughout LQ (Spring Term) worked focused on the first ever Theatre Radio plays where a group of pupils and teachers video conferenced each week to record Agatha Christie's *Witness for the Prosecution* for broadcast over the newly-launched 'Charterhouse Radio' waves; another theatrical positive to come out of the pandemic.

CQ (Summer Term) finished with *Les Misérables*. Having started rehearsals in OQ (Autumn Term), the performances should have happened in Spring but this was prevented by the second lockdown. Therefore, the show took place in late June with a reduced audience. Despite everything it was an amazing success with some outstanding performances for our talented pupils.

LAMDA lessons and exams continued through the year with pupils showcasing their monologues online and in the Theatre. This included performances from our first GCSE Drama cohort as well as our A Level groups, and the Under School pupils performed scripted pieces for Artifex.

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It is of partial note that one of your leaving girls won a much-coveted place on the three-year Musical Theatre course at London's prestigious Urdang Academy. She was also successful in auditioning for this year's British Youth Music Theatre.

### **Sport**

The year started for the boys with an exciting Inter-House Football Festival run in a Champions League style competition and a Premier League competition style for each year group. Each team played each other in a league format with the top four teams qualifying for the Cup competition and the other four teams entering the Plate competition. This was a huge success which resulted in excellent participation levels as well as exciting competition throughout. For the girls the focus was house competitions based around hockey and fives, though there were also opportunities to take part in fencing, swimming, climbing football and lacrosse. The term also saw the introduction of the Charterhouse Athlete Programme for elite pupils and ended with the Under School pupils taking part in a 5km house event.

Unfortunately, lockdown prevented onsite sports for much of LQ (Spring Term). However, pupils rose to the challenge with various initiatives including the Charterhouse Challenge Cup, with pupils attempting sporting challenges at home and posting the results for all to see, regular HIIT sessions run via Zoom, online hockey masterclasses run by ex-GB captain Dan Fox and virtual netball masterclasses with Lefebvre Rademan from London Pulse. Perhaps most interesting was the 3km virtual race against Radley College with 75 pupils and 23 members of staff taking part and Charterhouse ending up as the winners.

Fortunately, pupils returned in CQ (Summer Term) as did school fixtures, though still following Covid-19 guidelines. It was great to hear the sound of pupils playing cricket after so long and the 1<sup>st</sup> X1 played some good cricket early on against some strong opposition and highlights of the season included close games against Radley and Wellington and wins against Reeds, Bede's and Westminster.

Tennis continued to go from strength to strength with a number of competitive matches across all year groups against a variety of different schools. Alongside this, there were many internal competitions which included various age group school singles, house tennis, the Aryaman Nagpal Trophy and the Family Doubles.

Athletics were allowed and events took place against Tonbridge, Eton and RGS Guildford. The House Athletics proved to be a great success and was enjoyed by pupils, staff and parents.

Golf did continue throughout the year when restrictions allowed ending the year with the competitive matches in the ISGA national finals.

To finish the year our Yr 13 pupils were able to play football fixtures against Westminster and hockey against RGS Guildford. This was a positive end for these pupils who missed out on external sporting fixtures due to the pandemic in the winter months.

Overall it has been an unusual year but it is encouraging to see the pupils and staff involved in sport pulling together to make the best of a challenging situation. It was particularly good to see non-team sports thriving with fives, racquets, badminton, swimming and basketball all proving popular.

### **Leadership and Outdoor Education**

#### **Duke of Edinburgh's (DofE) Award**

When allowed DoE took place and the School still managed to get both the previous and current DofE year groups through their assessment. Because of restrictions, the School ran eleven expeditions in nine weeks in CQ (Summer Term). In total there were ninety-eight participants (37 1YS and 61 Fifth Formers) who participated and completed their Silver DofE Award, completing their training and practice expedition in the Surrey Hills, while working hard to complete their volunteering, physical and skill sections at home during lockdown.

44 Sixth Formers also participated and completed their Gold DofE Award. Of those, four 2YS decided to kayak, with paddle training both in the School pool and at Chichester Harbour. Their training

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expedition was also at Chichester Harbour due to the COVID-19 restrictions, but we were able to hold their assessment in the Summer Isles, Scotland in July. The others opted to trek and completed their assessment in the Cairngorms, Scotland.

Overall the School is very proud of what these pupils have achieved over the last 15 months during difficult times.

#### **Pioneers**

'Pioneers' is a non-uniformed outdoor education programme for pupils in their Removes year who are not members of the CCF. With a return to school in Autumn 2020, the programme resumed with pupils assigned to small groups (six to eight) that engaged in the 'round-robin' programme of activities. These included map and compass skills, navigation, orienteering, team-building tasks, countryside and environmental awareness, first aid, indoor climbing and camp cooking. New for this academic year was a trip to the PGL Outdoor Education centre at Hindhead for a day's teambuilding and adventure activities as part of OQ (Autumn Term) Activities Weekend. This was greatly enjoyed by pupils and a repeat booking has already been made for OQ 2021. The second Covid-19 lockdown meant that much of LQ (Spring Term) was spent away from school, although online information, films, and ideas for outdoors activities were still provided. On return to School, the focus was on preparation for the annual three-day expedition (Camp craft, route planning and outdoor cooking). Fortunately, all our outdoor education expeditions and events were able to go ahead during the final week of CQ (Summer Term), so the Pioneers completed their expedition in fine weather and good spirits.

#### **CCF**

In OQ the Contingent trained in year-group bubbles which required additional CCF training afternoons each week with Specialists and Under School meeting at different time. This worked very well and enabled more bespoke Method of Instruction (MOI) training for the older cadets. As a result, they are now qualified and able to deliver lessons to the younger cadets. It is planned to continue this innovation for next year as it allows more ambitious cadets greater opportunities. Unfortunately, planned residential training was not possible during the Autumn Term so the usual programme of the CADSAAM competition, Pringle Competition and Activities Weekend were cancelled.

Despite the lockdown in the LQ (Spring Term), the training programme was maintained online throughout Charterhouse@Home, which enabled the cadets to keep in touch with their cadet training which was much appreciated.

The summer saw as much face-to-face training as possible, which was largely undertaken in bubbles. Planning for residential trips continued with changes as guidance was updated. In the end the Fourths took part in Activity Week, the Army Section summer camp took place at Longmoor, and the Shooting Team competed at Bisley. All proved to be very successful.

In the wider community, the Contingent was invited, for the first time, to 'Raise the Flag' for the Town Council on Armed Forces Day in June and the pupil Head of Army Section did a superb job in representing the School at this event, gaining much praise from the Mayor.

#### **Fundraising**

The School has three priorities for donations; bursaries, infrastructure projects, and social responsibility. This year a total of £1.097m (2020: £0.917m) has been donated. This result is not as good as expected largely due to the COVID-19 crisis and the concerns of potential donors, though pledges to the proposed Business Hub and Lecture Theatre have been positive. Overall the Foundation Office raised a total of £0.883m (2019: £0.360m), of which £0.717m (2019: £0.245m) was restricted donations. The restricted gifts were mainly for the Business and Leadership hub and the Wei Music Award.

For this year, the return on investment of the School's fundraising was £3.86 for each £1 spent, based on expenditure of £284k.

All fundraising activities for the School are carried out by our staff with assistance from parents and pupils for specific fundraising events. The School does not use professional fundraisers. All fundraising activities are managed by the Foundation Director and monitored by the Charterhouse Executive Committee.

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No complaints relating to fundraising activities have been received by the School during this financial period though there are procedures in the event of a complaint. The School does not currently subscribe to any specific fundraising standards or schemes but considers that it has set appropriate standards for the operations and management of its fundraising activities. In particular the School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion.

**Public Benefit and Community Access**

Charterhouse remains committed to the aim of providing public benefit in accordance with its founding principles. The School provided education to 550 pupils who might otherwise have been educated in maintained schools at public expense. However, the School recognises that it has wider responsibilities to the community and to assist in making the education offered at Charterhouse more accessible. This year has seen continued development of the School's public benefit activities to ensure maximum impact. There are four additional elements to the public benefit it provides.

**Bursaries**

Since its foundation, Charterhouse has embraced its tradition of welcoming able pupils who will benefit from the education provided and the Governors encourage applicants from diverse religious, ethnic and financial backgrounds. Within the funding available, bursaries of up to 100% of fees are available for those who cannot afford the fees, subject to the candidate meeting the School's entrance requirements. The majority of bursaries are made available on entry to the School, either at 13 or 16, though some funding is available for those facing in-year financial hardship. This year also saw the continuation of the governor Hardship Bursary Sub Committee to deal with parents suffering financial hardship due to the Covid-19 crisis and an additional 6 bursaries were provided. The School also continues to be part of the Boarding School Partnership in support of transformational bursaries.

In the year ending 31 July 2021, bursaries totalling £1.314m (2020: £1.224m) were awarded, which is equivalent to 4.5% of the School's fee income. These bursaries are based on parental circumstances, including income and assets. In total 57 pupils benefited from bursaries of which 4 pupils were on 100% bursaries.

The revised public benefit strategy sets out an aim to increase bursary funds via non-fee income streams, such as the Moiety, fundraising, and trading both at home and abroad.

**Working with other Educational Providers**

The Governors continue to believe strongly in the many benefits of educational partnership with maintained and Academy Trust schools. This year activities have been curtailed by the Covid-19 crisis but the School's relations with other schools have continued to strengthen. For example, thirteen members of teaching and support staff are governors of other schools having a positive impact on over 2500 pupils. One member of staff is chair of governors of a local special school, with some 130 children and young people with Autistic Spectrum Disorder and severe and complex learning difficulties and medical needs. Another has joined the Guildford Diocese Board of Education, contributing to the support of 83 schools and academies across the diocese.

The Broadwater School and Charterhouse partnership has continued in spite of the restrictions which prevented visits to each others' campuses. Useful links were forged between heads of departments at both schools, with a focus on sharing best practice in learning and teaching. The Raising Aspirations programme saw Broadwater's best Year 11 pupils undertake a virtual visit joining a series of lessons, as well gaining advice from the senior academic team on making A Level choices. For next year there are plans to expand a mentoring programme for underperforming Year 11 pupils and for Charterhouse to provide further academic enrichment opportunities to Year 7-9 pupils on Broadwater's gifted and talented register.

The relationship between the Kensington Aldridge Academy and Charterhouse benefitted from technology, with Kensington staff delivering online inset to Charterhouse heads of department and Charterhouse providing additional Physics lessons to Kensington Year 12 pupils. The change in restrictions in the summer also enabled three pupils to visit Charterhouse to make use of the laboratory facilities and equipment.

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The School also provided online talks to over 30 maintained and academy sector schools in support of developing life skills and supporting Oxbridge applications. This included societies and committees, such as the Academic Committee (a series of talks by university lecturers), the Law Society (including high profile judges and political leaders), Unity Society (led by the brother of Stephen Lawrence) and Climate Conference (with speakers included the Chief Scientific Advisor to the United Nations' Trillion Tree Campaign), giving a large number of pupils access to inspiring talks and the opportunity to ask questions of people in positions of influence. Oxbridge interview practice was also given by Charterhouse teachers to 40 Year 13 pupils in several maintained schools, colleges and Academies.

In addition to working with UK educational partners, it also retains and develops links with appropriate organisations supporting vulnerable children and young people overseas. This year, two Year 12 pupils established a mentoring relationship with children at King's Orphanage in Lagos, Nigeria which included weekly lessons in a range of required subjects which proved very popular with all. With travel not possible, our links with partner schools have evolved and are likely to remain largely online in the future thereby limiting air travel and any environmental impact.

The School also continued to lead the Guildford Hub of the National Maths and Physics (NMAPS) training course for local teachers, providing expert initial teacher training in these two shortage subjects. Initial teacher training to boost specialist science knowledge of maintained and academy sector teachers continued throughout the pandemic with online delivery of annual residential science courses. The number of Maths trainees supported by Charterhouse subject and professional mentors will double to four in the next year.

#### **Community Access and Engagement**

This year the School has revised its procedures for booking facilities to better identify and support public benefit activities with total discounts providing a benefit of around £19k to users. Despite the Covid-19 restrictions, the School has maintained its long-standing relationship with the local community supporting a wide range of activities for children, including Guildford Grove School, Kensington Aldridge Academy, Godalming Junior School, Amesbury and Aldro Prep Schools, Goslings Nursery. These activities enabled children to enjoy physical activity, outdoor space and nature safely during this year of restrictions. Also, a number of local community groups and organisations used School facilities, such as the Godalming & District Chamber of Commerce. This year the School also offered its facilities as a Covid-19 testing and vaccination centre, and for the first time its facilities were used as a polling station for the local elections in May 2021.

#### **Charitable Activity**

The School continues to place huge value on its charitable activities. The Covid-19 crisis caused limited disruption to the pupil-led charities work which focussed on fundraising for causes close to the hearts of our community. Our relationship with the Godalming-based epilepsy charity, The Meath, continued with the production of a charity calendar, with 550 sold raising £4,000. The School also supported Show Racism The Red Card, a national charity working through sport to combat all forms of racism, including 'wear red' on mufti day which proved a great success raising awareness of this important cause. The other major charity supported worked on providing clean water and safe sanitation in some of the poorest parts of the world. Toilet Twinning was chosen with over £1,000 raised. Alongside these efforts were house-based events with Weekites leading the way by raising over £5,000 for The Meath charity.

Next year the School is celebrating its 150-year anniversary in Godalming and the focus will be on local charity fundraising, though that will not preclude one-off events in aid of causes further afield.

#### **Volunteering**

Volunteering continues to be highly valued at the School, reflecting as it does our values of responsibility and kindness with at least 70 teaching and support staff involved this year in various activities. In addition, around 250 pupils have been involved in the Duke of Edinburgh Award Scheme, which includes 3-12 months of service. Pupils dedicated 1339 hours to volunteering though Covid restrictions limited activities for much of the year.

Next year the School plans to recommence pupil leadership of co-curricular activities in local schools, including modern languages, music, science, sport, art, coding, English/literacy and Maths/numeracy as well as re-start visits to local care homes for the elderly.

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**REVIEW OF FINANCIAL ACTIVITIES**

This year has been an unusual year with the Covid-19 crisis adversely affecting both school and lettings income but with Charterhouse International delivering a sizeable one-off income and the business combinations with Edgeborough School and Charterhouse Club increasing income and assets significantly.

The School aims to generate a surplus to enhance its facilities and to offer education of the highest quality. This year has been extremely challenging due to the Covid-19 crisis, particularly with the Government national lockdown physically closing all schools in the LQ (Spring Term). For that period the education provision was online and as a result the boarding fees for the spring term were reduced by 20%, significantly reducing fee income. In addition, Government restrictions have prevented a number of commercial activities taking place which also reduced non-fee income. While the School reduced expenditure where possible to mitigate these losses, the overall financial performance has been adversely affected and the School operations made a loss of £1.14m taking into account financing costs. The mitigation included making limited use of the Government's Coronavirus Job Retention Scheme, with the furloughing of a proportion of support staff who were not required while the School was closed in the Spring Term. The use of furlough was strictly limited to non-teaching staff for whom there was no work to do with the School campus closed and all those staff were brought back to School as soon as possible.

For 2020/2021 the School had a target surplus of 7.58% of fees receivable or £660k and achieved 9.39% or £817k (2020: achieved 5.1% and £1.450m).

The Governors of Sutton's Hospital in Charterhouse manage the permanent endowment bequeathed by Thomas Sutton in 1611 and pay over to the School the Moiety. This forms the Foundation income and is applied to the provision of bursaries. For this financial year the School had expected to receive £300k, however these funds did better than expected and as a result the School received £484k (2020: £440k).

The wholly owned subsidiary and trading company, Charterhouse Enterprises Limited, continues to manage the letting and hiring of facilities at the School. For the year ending 31 July 2021 the trading company will make a gift aid payment of £3k (2020: £19k). The gift-aid was reduced because of the Covid-19 crisis not allowing lettings to take place last August and the cancellation of most residential lettings in July 2021. This was unfortunate as this year bookings were the best ever and the School had budgeted for £300k. It is hoped that performance next year will start to return to normal, particularly with the inclusion of the Queen's Sport Centre lettings and membership.

The wholly owned subsidiary company, Charterhouse School Design & Build Limited, is responsible for some major new building projects. December 2019 saw construction start on two new boarding houses and the Company gift-aid was £nil (2020: £nil). This construction is due to be complete in early September 2021 ready for the start of term.

The wholly owned subsidiary and trading company, Charterhouse International Limited, has started to develop our international schools' business. During the year the Company has finalised plans for opening two schools in September 2021; one in Shenzhen, China and one in Kuala Lumpur, Malaysia. This has resulted in a £1.5m one-off payment from our partner and therefore this year the Company gifted-aided £1.261m (2020:Nil). Because of the Covid-19 crisis future revenue from these international schools is likely to be depressed but the Company will now have an annual income stream.

The merger with Edgeborough School took place on 31 July 2021 when all assets and liabilities were transferred at fair value to the Governing Body of Charterhouse School. This has resulted in a one-off gift of £8.824m income with an increase to tangible fixed assets of £8.723m.

The purchase of Charterhouse Club took place on 31 July 2021 for £1. All assets and liabilities were transferred at fair value to the Governing Body of Charterhouse School. This has resulted in a one-off gift of £204k with an increase in tangible assets of £144k.

Total income for the year was £44.886m (2020: £32.188m) up 39%. Income from fees was down £1.3m due to the fees reduction in spring. However, this is offset by the £1.5m one-off payment for the opening of our first international school and the gift of £8.824m net assets from Edgeborough. Expenditure was £31.847m (2020: £31.280m) up 1.8%. Despite savings during the physical closure costs did increase from the previous year due to inflation and higher pupil numbers.

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Overall this year, with the mergers with Edgeborough and Charterhouse Club, there is an extraordinary net income from operations of £13.039m (2020: £908k). Despite the Covid-19 crisis, there were net gains on investments of £4.1m (2020: £1.272m) and the pension scheme position also improved with an actuarial gain of £1.279m (2020: loss of £0.730m). This resulted in net movement in funds for the year being £18.426m (2020: £1.450m). Despite the Covid-19 crisis, the result was much better due to the one-off gift from Edgeborough and gains from international schools and investments.

In 2018 the School secured a £35m loan via a 40-year fixed-interest partially amortising private placement. Interest payments have been made this year with the principal instalments to be paid annually beginning 2024 and balancing payment in 2058. These funds were used to repay the Lloyds loan as well as provide funds for the first stage of the new infrastructure master plan. In light of the COVID-19 crisis and loss of income the School also took a £5m Coronavirus Business Interruption Loan to cover any short-term cash flow issues over the next 2-3 years with repayments starting in 2022.

### **Reserves**

The School's unrestricted funds stand at £62.925m (2020: £47.494m) at the year end, and total funds are £64.935m (2020: £46.509m). £62.925m (2020: £47.494m) represents funds deployed as part of the School premises and equipment. Free reserves are unrestricted general funds less the fixed assets deployed for School use. On this basis, the School has no free reserves, (2020:none), due to the long-term investment in buildings (see note 14). The Governors continue to be satisfied that external financial facilities provide an acceptable level of support and the asset base includes property which can be realised to support the schools capital programme, if it should be required. The Governors believe that the conditions for preparing these financial statements on the going concern basis are met and have therefore prepared them accordingly.

The Governing Body normally considers the budget for the new financial year initially in March and finalises it in June. In addition, financial forecasts are produced that estimate incoming funds and expenditure, as well as capital expenditure, providing a clear understanding of its short- and medium-term financial obligations. The Governors' target level of operational liquidity is approximately £5m which would cover up to two months of operating costs. Currently this can be met with available funds from the private placement and the CBIL. If not, then the School would have an overdraft facility to meet this requirement.

Much of the School's estate is not attributed any value in the balance sheet, particularly the Victorian buildings erected when the School moved to Godalming in 1872 and the Memorial Chapel built in 1926 to seat some 800 people (the largest war memorial in England). All these buildings are Grade II listed properties whose costs were written off at time of building.

The Governing Body considers that the going concern basis remains appropriate for the preparation of the School's accounts.

### **Investments**

The Trustees' investment powers are governed by the scheme approved by the Charity Commission on 12 October 1989. The portfolios are managed by investment managers who have been given discretion to manage them, within agreed guidelines, by investing in mainly equities and fixed interest securities. Following the revision to the investment policy in 2019, the School's portfolio is now divided with equity investment with Veritas Investment Management LLP and medium-term investment grade bonds with Vanguard Investments. Advanced fees are invested entirely in bank deposits. The portfolio and its performance is regularly reviewed by the Investment Sub-Committee which reports to the Finance and Business Development Committee.

### **Pension Scheme**

Following the review in 2018, the administration of the Charterhouse Retirement Benefits Scheme is now with First Actuarial. This year has seen a review of the investment strategy and as a result the scheme funds are now invested in Veritas Investment Management LLP, M&G Total Return Credit Investment Fund, a Partnership Group semi-liquid fund and an LDI managed by Legal & General. The triennial review of the Pension Scheme held in 2018 assessed the scheme deficit had reduced and a

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new recovery plan was agreed between the School and the Fund Trustees, which maintained school payments at £408k per annum with the aim of clearing the deficit in a shorter timeframe. The next triennial review results are due at the end of 2021.

### **Capital Expenditure**

The School has a significant 250-acre estate to maintain and modernise, as well a number of residential properties for certain teachers and support staff. This requires the setting of priorities and financial plans. It is the policy of the Governing Body, if possible, to provide annually funds of the order of £2m towards investment in equipment and facilities, including the refurbishment of existing buildings.

Work on the School's new infrastructure master plan continues. This year saw the opening of two new netball courts at the Queen's Sport Centre (QSC) and another two at Prom, plus the completion of the first phase of pedestrianisation with the opening of the Lessington Car Park and the removal of all cars from the centre of school. The construction of the two new 64-bed boarding houses was finished in time for the start of the OQ (Autumn Term). This works means the School now has 4 girls' houses and 11 boys' houses, all with three residential members of staff. In addition, the year has seen the completion of the new café in the centre of school and the completion of phase 2 of the Science and Maths major refurbishment project. Planning work has started on the new Creative Art extension and the construction of a car park at the Theatre and QSC.

### **PRINCIPAL RISKS**

The Governing Body is responsible for overseeing the management of risks faced by the School. Detailed consideration of risk management policy and strategy is delegated to the Audit, Risk and Compliance Committee, which is assisted by the Director of Finance and Strategy, and reports back to the Governing Body regularly. The Charterhouse Executive Committee takes responsibility for identifying and managing the operational risks. The key controls in the School include the following:

- Policies and procedures required by law to protect the vulnerable
- Detailed terms of reference for all Committees
- Formal agendas for all Governing Body and Committee meetings
- The creation and ongoing review of a new Development Strategy
- Comprehensive planning, budgeting and management accounting
- Formal written policies
- Schemes of delegation, formal financial regulations, and systems of internal control
- Regular review of activities with lessons learned process
- External auditors review policies and procedures
- Expert advice and support from professional support teams including HR, Estates, Finance, Health and Safety Management, Catering and Domestic services, Admissions and Communications and from qualified and experienced academic staff with dedicated responsibility for safeguarding and pastoral care.

This year the School risk process and risk register has been reviewed a number of times in light of the Covid-19 crisis, not only to cover short-term issues but also to examine the longer-term effects on the education market. These reviews include emergency meetings of Governors to discuss the Covid-19 crisis. The key risks identified were:

1. **Government policies adversely affect international pupil numbers.** The UK Government's handling of the Covid-19 crisis has created significant concern for overseas parents, particularly in the Far East, whether related to health risks or travel restrictions. In addition, BREXIT has made it more difficult for European pupils to study in the UK. Whilst the School has reassured parents on both issues, with practical assistance where possible, there is a strong possibility that demand from overseas pupils will reduce unless these matters are managed properly by the Government.

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2. **The economic climate adversely affects affordability and pupil numbers.** Pupil numbers for next year have increased and demand remains strong, despite the Covid-19 crisis significantly affecting the economy and future inflation. In the short term any immediate Covid-19 financial difficulties can be managed with additional bursaries but the economy needs to continue to improve if affordability is not to become an even bigger issue. As a result, the Governing Body feels that it is important to contain fee increases in the future, identify areas for cost-efficiency, as well as develop non-fee income streams, such as international schools.
3. **Adverse publicity affects reputation and our ability to recruit pupils.** While there was much recognition in the traditional media and on social media that independent schools provided very well for their pupils during the pandemic, there was significant adverse publicity related to the climate and culture in some schools, exposed in the Everyone's Invited website. Charterhouse continues to appreciate fully that its reputation is based on the quality of the experience of its current and most recent pupils and maintains vigorously its commitment to the Equality, Diversity and Inclusion Strategy reflecting its declared values of Responsibility, Moral Courage, Perseverance, Open Mindedness and Kindness.
4. **Future governments change the law to remove charitable tax breaks.** The School is committed to improving support to other schools and improving accessibility to the education provided at Charterhouse. While the School believes it is meeting its public benefit requirements with the expansion of its partnerships with state schools, access to the school and bursaries, it is undertaking contingency planning in case of tax changes being introduced.
5. **Increases to Employer Contributions for the Teachers' Pension Scheme (TPS) is a significant concern.** At present the School feels that it is appropriate to remain in the TPS during this key phase in the School's development strategy. However, the School is undertaking contingency planning in case of further changes to the contribution rates.
6. **Failure to address Environmental Issues affects reputation.** The School has developed its own Environmental Strategy this year covering education, biodiversity, energy, healthy living, grounds, transportation and waste/recycling. A number of actions have started, including solar panels on suitable buildings, electric car charging points, and reduced paper usage. However, the School understands this is a critical issue and achieving net zero will not be easy and therefore is continuing to involve pupils and staff in planning so that more can be done.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

## **FUTURE PLANS**

The School's development strategy was endorsed by Governors in December 2016 and has been subject to annual review. It is ambitious and September 2021 sees the start of full co-education and the introduction of girls at 13+. The next phase is to continue to develop the curriculum and facilities over the coming few years as girls move into every year group within the School. With demand outstripping places the future is looking promising though the Governors and Executive are not complacent and therefore expect to continue the positive developments. The key objectives for next year in support of this strategy are:

1. To continue to provide the highest quality co-education possible
2. To develop academic and administrative links with Edgeborough School
3. To celebrate the School's 150<sup>th</sup> anniversary at Godalming with a year of community actions
4. To develop the School HR strategy including Equality, Diversity and Inclusion (EDI) and remuneration matters
5. To complete the major refurbishment of Science and Maths and the Lecture Theatre by September 2021
6. To start the Creative Arts project.

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**STATEMENT OF RESPONSIBILITIES OF THE GOVERNING BODY**

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Governors must prepare financial statements so that they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the group's net incoming / outgoing resources for that period. In preparing these financial statements, the Governors 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 and the group will continue to operate.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group, and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (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.

By order of the Governing Body



**V Tuck MA** Chair

Dated: 17th December 2021

# **Independent Auditor's Report to the Members of the Governing Body of Charterhouse School**

## **Opinion**

We have audited the financial statements of the Governing Body of Charterhouse School ('the charity') and its subsidiaries ('the group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Parent and Charity Balance Sheets, 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 charity's affairs as at 31 July 2021 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 charity/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 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**

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.

## **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 18, 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 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](http://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 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 charity 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 and General Data Protection Regulation (GDPR).

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 trading subsidiary income, procurement processes for significant capital projects, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit, Risk & Compliance 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 regulatory correspondence with the Charity Commission and Independent Schools Inspectorate, 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.



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

London

Date 20 January 2022

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.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 JULY 2021**

	Notes	Unrestricted Funds £'000	Endowed Funds £'000	Restricted Funds £'000	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
<b>INCOME AND ENDOWMENTS FROM</b>						
<b>Charitable activities</b>						
Fees receivable	2	29,602	-	-	29,602	28,347
Foundation income		484	-	-	484	440
Charitable trading income	3b	68	-	-	68	68
<b>Other trading activities</b>						
Income of trading subsidiaries	3a	1,971	-	-	1,971	694
<b>Donations</b>		161		936	1,097	917
<b>Donation of net assets from Charterhouse Club</b>	20	204	-	-	204	-
<b>Gift of net assets from Edgeborough Educational Trust</b>	20	8,824	-	-	8,824	-
<b>Investment and interest income</b>	4a	235	24	22	281	396
<b>Other income</b>	4b	1,495	-	-	1,495	1,290
Gain on disposal of fixed assets		860	-	-	860	36
<b>Total income and endowments</b>		<b>43,904</b>	<b>24</b>	<b>958</b>	<b>44,886</b>	<b>32,188</b>
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Trading subsidiaries	5,6	660	-	-	660	677
Financing costs		1,251	-	-	1,251	1,279
Investment management		129	17	15	161	140
Fundraising		284	-	-	284	346
<b>Total deductible costs</b>		<b>2,324</b>	<b>17</b>	<b>15</b>	<b>2,356</b>	<b>2,442</b>
<b>Charitable activities</b>						
School and grant making		29,307	-	184	29,491	28,838
<b>Total expenditure</b>	6	<b>31,631</b>	<b>17</b>	<b>199</b>	<b>31,847</b>	<b>31,280</b>
<b>Net income from operations</b>		<b>12,273</b>	<b>7</b>	<b>759</b>	<b>13,039</b>	<b>908</b>
Net gain on investment assets	8	3,287	424	397	4,108	1,272
<b>NET INCOME for the year</b>		<b>15,560</b>	<b>431</b>	<b>1,156</b>	<b>17,147</b>	<b>2,180</b>
Transfer between funds	14	205	-	(205)	-	-
Actuarial Gain/(Loss)	17	1,279	-	-	1,279	(730)
Net movement in funds for the year		17,044	431	951	18,426	1,450
Balances brought forward at 1 August 2020		41,819	2,108	2,582	46,509	45,059
<b>BALANCES CARRIED FORWARD AT 31 JULY 2021</b>		<b>58,863</b>	<b>2,539</b>	<b>3,533</b>	<b>64,935</b>	<b>46,509</b>


The notes on pages 25 to 51 form part of these accounts.


**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**BALANCE SHEETS**  
**AT 31 JULY 2021**

		Consolidated		School	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>					
Tangible fixed assets	7	77,247	55,275	77,152	55,165
Investments	8	24,402	20,424	24,402	20,424
		<u>101,649</u>	75,699	<u>101,554</u>	75,589
<b>CURRENT ASSETS</b>					
Stocks	9	142	204	24	29
Debtors and prepayments	10	2,262	1,766	3,601	1,693
Bank and other deposits		21,092	21,599	21,092	21,599
Cash and bank balances		2,470	114	942	13
		<u>25,966</u>	23,683	<u>25,659</u>	23,334
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(18,758)</u>	(11,854)	<u>(18,360)</u>	(11,372)
<b>NET CURRENT ASSETS</b>		<u>7,208</u>	11,829	<u>7,299</u>	11,962
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>108,857</u>	87,528	<u>108,853</u>	87,551
<b>CREDITORS: amounts falling due after more than one year</b>	12	<u>(39,860)</u>	(35,344)	<u>(39,860)</u>	(35,344)
<b>NET ASSETS EXCLUDING PENSION FUND LIABILITY</b>		<u>68,997</u>	52,184	<u>68,993</u>	52,207
Pension fund liability	17	<u>(4,062)</u>	(5,675)	<u>(4,062)</u>	(5,675)
<b>NET ASSETS</b>	13	<u>64,935</u>	46,509	<u>64,931</u>	46,532
<b>Total Unrestricted Funds</b>		<u>62,925</u>	47,494	<u>62,921</u>	47,517
Restricted funds		3,533	2,582	3,533	2,582
Endowed funds		2,539	2,108	2,539	2,108
<b>Total Restricted Funds</b>		<u>6,072</u>	4,690	<u>6,072</u>	4,690
<b>Total Funds before pension liability</b>		<u>68,997</u>	52,184	<u>68,993</u>	52,207
Pension scheme fund	17	<u>(4,062)</u>	(5,675)	<u>(4,062)</u>	(5,675)
<b>Total Funds</b>	14	<u>64,935</u>	46,509	<u>64,931</u>	46,532

The net result for the year dealt within the financial statements of the parent charity was a surplus of £18,402 (2020 surplus £1.4740m).

Approved and authorised for issue by the Governing Body and signed on its behalf by

  
**V TUCK MA**  
 Chair  
 Dated: 17th December 2021

  
**CWD MACEY FCA**  
 Chair of Audit, Risk and Compliance  
 Dated: 17th December 2021

**The notes on pages 25 to 51 form part of these accounts.**

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2021**

	Notes	<b>2021</b> £'000	2020 £'000
<b>Net cash flow from operations</b>			
Net cash provided by operating activities	15	<u>10,488</u>	<u>1,237</u>
<b>Cash flows from investing activities</b>			
Cash from transfer of Edgeborough Educational Trust assets	20	931	-
Cash from transfer of Charterhouse Club assets	20	94	-
Payments for tangible fixed assets		(16,261)	(9,725)
Proceeds from sale of property, plant and equipment		1,347	36
Receipts from sale of investments		200	300
Investment income and interest received		50	196
<b>Net cash (used) in investing activities</b>		<u>(13,639)</u>	<u>(9,193)</u>
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		5,000	-
Net cash provided by financing activities		<u>5,000</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		1,849	(7,956)
Cash and cash equivalents at the beginning of the reporting period		21,713	29,669
<b>Cash and cash equivalents at the end of the reporting period</b>	15	<u>23,562</u>	<u>21,713</u>

The notes on pages 24 to 51 form part of these accounts.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

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**1. ACCOUNTING POLICIES**

**Charity Information**

The School is a charity registered with the Charity Commission in England and Wales (charity number 312054) and is a Public Benefit Entity operating from its registered office Charterhouse, Godalming, Surrey, GU7 2DX.

**Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

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 by Charities preparing 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.

The charity 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 with the consolidated financial statements.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School on a line by line basis with its wholly owned subsidiaries Charterhouse Enterprises Limited, Charterhouse International Limited and Charterhouse Design and Build Limited. No separate SOFA has been presented for the Charity alone.

On 31<sup>st</sup> July 2021 Edgeborough School gifted its net assets and operations to Charterhouse School please see note 20.

On 31<sup>st</sup> July 2021 Charterhouse School purchased the Charterhouse Club for £1 and was gifted its net assets please see note 20.

**Going concern**

In light of the continuing COVID-19 crisis, the Governors have undertaken various scenario planning exercises to ensure that pupils' education can continue at any level of Government restrictions and that expenditure can be managed should income be reduced. In particular, while planning for future infrastructure projects, it would be possible to delay non-essential projects should that prove necessary. There are also current significant cash balances and investments should additional liquidity be required through this period of uncertainty. Given the record numbers of pupils at September 2021 and increase in registrations for future years, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and have prepared the financial statements on the going concern basis.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**Critical accounting judgements and key sources of estimation uncertainty**

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

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

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

**Fee income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants.

**Donations**

Donations subject to specific wishes of the donors are carried to relevant restricted funds.

**Foundation Income**

Foundation Income is recognised on a cash received basis.

**Grant Income**

Grant income is recognised where there is evidence of entitlement, the receipt is probable and the amount can be reliably measured. There were no performance related conditions attached to grant income received.

**Expenditure**

Expenditure is accounted for on an accruals basis. Expenditure and irrecoverable VAT is allocated to expense headings on a direct cost basis except for central costs which are apportioned on the basis of an estimate of time spent on the relevant function. Support costs comprise staff and other costs incurred directly supporting the teaching function and general running of the School.

**Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**Pension schemes**

The Charity 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 a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The School operates the Charterhouse Retirement Benefits Scheme for non teaching staff. This Scheme was closed to new entrants on 31 July 2002.

**Finance and other costs**

Other costs include amounts accrued in accordance with the terms of the Advanced Fee contracts and private placement interest.

**School buildings and equipment**

All School buildings and houses erected on campus since 1974 together with off campus houses are capitalised. Properties are included at cost and major upgrade and refurbishment expenditure is also capitalised. The cost of pre 1974 school properties are not included in these accounts and the historical nature of these is reported in the Finance section of the Annual Report of the Governing Body (page 14). All IT equipment and software is capitalised. Plant, vehicles and other items of equipment with an individual purchase price of £5,000 or above are also capitalised.

**Depreciation**

During the year the Governors reconsidered the useful economic life of the major dwelling house refurbishment which has resulted in a change to the estimated lives of these assets and them being written off over an extended time period. Major dwelling house refurbishment will be written off over 25 years rather than 10 years. The depreciation charge has been adjusted to reflect the change in useful economic life which is disclosed in note 7.

Depreciation of assets is provided at the following rates to write off the excess of cost over estimated residual amount evenly over their estimated useful economic lives.

These rates are currently as follows:

School buildings	-	50 years (full year in year of completion)
Dwelling houses	-	50 years (full year from acquisition excluding land)
Dwelling houses refurbishment	-	between 10 and 25 years
Plant and vehicles	-	4 years
IT equipment and software	-	1 to 3 years
Shop fittings and furniture	-	3 to 10 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**Investments**

Investments are shown at their year end market value. Realised and unrealised gains less losses are credited to the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**Stocks**

Stocks are carried at the lower of cost and estimated selling price.

**Fund accounting**

The endowed funds of the School are capital funds where normally only the income arising may be applied, in some cases on restricted purposes. Restricted funds have arisen either from restrictions applied by donors or due to the terms of the appeal by which the funds were raised. Designated funds have been set aside by the Trustees for specific purposes.

**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 trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, deferred income and provisions.

Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

At the balance sheet date the School held financial assets at fair value through income or expenditure of £24,402 (2020: £20.424m).

**2. FEE INCOME**

	<b>2021</b>	<i>2020</i>
	<b>£'000</b>	<i>£'000</i>
Gross fees, including music fees	<b>30,896</b>	29,613
Less: Scholarships and bursaries:		
School – scholarships and awards	<b>(164)</b>	<i>(276)</i>
– bursaries	<b>(1,314)</b>	<i>(1,224)</i>
	<hr/>	<hr/>
Fees receivable	<b>29,418</b>	28,113
Add back: Bursaries and other awards paid for by restricted funds	<b>184</b>	234
	<hr/>	<hr/>
	<b>29,602</b>	<i>28,347</i>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

**3. TRADING INCOME AND EXPENDITURE**

**a. Subsidiary companies**

The School owns 100% of Charterhouse Enterprises Limited (CEL), whose main activities include the operation of the School shop and the letting of buildings and sports grounds, 100% of Charterhouse School Design & Build Limited, whose main activity is major building projects (CSD&BL) and 100% of Charterhouse International Limited (CIL). All companies donate under gift aid their taxable profits to the School. Trading results extracted from their audited accounts are shown below:

	<b>2021</b>	<b>2021</b>	<b>2021</b>	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	<b>CIL</b>	<b>CSD&amp;BL</b>	<b>CEL</b>	<i>CIL</i>	<i>CSD&amp;BL</i>	<i>CEL</i>
Turnover	<b>1,500</b>	<b>8,602</b>	<b>471</b>	<i>2</i>	<i>3,295</i>	<i>693</i>
Cost of sales	<b>-</b>	<b>(8,598)</b>	<b>(224)</b>	<i>-</i>	<i>(3,290)</i>	<i>(426)</i>
Gross profit	<b>1,500</b>	<b>4</b>	<b>247</b>	<i>2</i>	<i>5</i>	<i>267</i>
Administration	<b>(215)</b>	<b>(4)</b>	<b>(242)</b>	<i>(26)</i>	<i>(5)</i>	<i>(245)</i>
Interest payable	<b>-</b>	<b>-</b>	<b>(2)</b>	<i>-</i>	<i>-</i>	<i>(3)</i>
Profit/(Loss) before taxation	<b>1,285</b>	<b>-</b>	<b>3</b>	<i>(24)</i>	<i>-</i>	<i>19</i>
Taxation	<b>-</b>	<b>-</b>	<b>-</b>	<i>-</i>	<i>-</i>	<i>-</i>
Profit/(Loss) after taxation	<b>1,285</b>	<b>-</b>	<b>-</b>	<i>(24)</i>	<i>-</i>	<i>19</i>
Gift aid to Charterhouse School	<b>(1,261)</b>	<b>-</b>	<b>(3)</b>	<i>-</i>	<i>-</i>	<i>(19)</i>
Retained loss b/fwd	<b>(24)</b>	<b>-</b>	<b>-</b>	<i>-</i>	<i>-</i>	<i>-</i>
Loss retained for the financial year	<b>-</b>	<b>-</b>	<b>-</b>	<i>(24)</i>	<i>-</i>	<i>-</i>

The net assets of CEL at 31 July 2021 were £2 (2020: £2) and for CSD&BL were £1 (2020: £1) and net assets for CIL were £1 (2020: (net liabilities £24k).

Income of the trading subsidiaries, amounts to £10.573m (2020: £3.990m) which represents the turnover of CEL of £471k (2020: £693k), the turnover of CSD&BL of £8.602m (2020: £3.295m) and the turnover of CIL of £1.5m (2020: £2k).

During the year, CEL paid the School £154k which included Staff Costs £130k, Rent £20k and Event expenditure £1k (2020: £264k). The School paid CEL £216k which included Pupils Retail invoices £153k and Miscellaneous £63k (2020: £262k). At the year end £10.5k was owed by the School to CEL (2020 £8.9k) and CEL owed the School £219k which included the gift aid due for the year of £3k.

The School paid CSD&BL £8.886m (2020: £2.821k) for New Building work of which £187k was outstanding at the year end (2020 £472k).

The School paid CIL £nil (2020 £nil). CIL paid CEL £nil (2020 £34). CIL paid the School £180k (2020 £3k). CSD&BL paid the School £17k (2020 £57k).

At the year end CIL owed Charterhouse School £216k which included VAT.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**3b. CHARITABLE TRADING INCOME**

	2021 £'000	2020 £'000
Premises and equipment rental from Charterhouse Club Limited	<u>68</u>	<u>68</u>
	<u>68</u>	<u>68</u>

**4a. INVESTMENT AND INTEREST INCOME**

Dividends receivable	215	174
Interest receivable	<u>66</u>	<u>222</u>
	<u>281</u>	<u>396</u>

**4b. OTHER INCOME**

Registration fees	425	338
Surcharge for late payment of school fees	3	13
Rental income – staff housing	292	259
Grant income	430	574
Other	<u>345</u>	<u>106</u>
	<u>1,495</u>	<u>1,290</u>

**5. EXPENDITURE**

Expenditure includes:

Auditor's remuneration:		
For audit	32	32
For non-audit	28	8
Depreciation and amortisation - Charterhouse School	2,653	1,917
- Charterhouse Enterprises Limited	15	15
Discounts given on Advanced Fees	11	23
Operating lease expenditure – hire of vehicles and equipment	<u>160</u>	<u>165</u>

Total staff costs:		
Salaries and wages	14,102	14,134
Social security costs	1,539	1,495
Pension contributions	2,152	2,139
Other including pension past service costs	<u>342</u>	<u>335</u>
	<u>18,135</u>	<u>18,103</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**5. EXPENDITURE (CONTINUED)**

The average number of full time employees in the year was 226 (2020: 220) and 96 (2020: 100) full time equivalents. Of these:

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>
Teaching staff		
- Full time	<b>107</b>	<i>104</i>
- Part time /(full time) equivalent	<b>19</b>	<i>20</i>
Grounds staff		
- Full time	<b>14</b>	<i>15</i>
- Part time /(full time) equivalent	<b>1</b>	<i>1</i>
Maintenance staff		
- Full time	<b>19</b>	<i>19</i>
Part time /(full time) equivalent	<b>-</b>	<i>1</i>
Pastoral & Domestic staff		
- Full time	<b>26</b>	<i>23</i>
Part time /(full time) equivalent	<b>53</b>	<i>53</i>
Administration & Other		
- Full time	<b>62</b>	<i>59</i>
Part time /(full time) equivalent	<b>24</b>	<i>25</i>

The average number of the School's employees during the year calculated on an actual head count basis was 485 (2020: 470).

The number of employees whose emoluments exceeded £60,000 were:

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>
£60,001 - £70,000	<b>33</b>	<i>25</i>
£70,001 - £80,000	<b>17</b>	<i>17</i>
£80,001 - £90,000	<b>17</b>	<i>19</i>
£90,001 - £100,000	<b>7</b>	<i>6</i>
£120,001 - £130,000	<b>1</b>	<i>1</i>
£140,001 - £150,000	<b>1</b>	<i>1</i>
£170,001 - £180,000	<b>1</b>	<i>1</i>
£200,001 - £210,000	<b>1</b>	<i>1</i>

Of those in the bandings shown above, 69 (2020: 61) were members of the Teachers' Pension Scheme a defined benefits pension scheme and 9 (2020: 9) were members of Charterhouse DC Pension Plans, "Defined contribution schemes". There was 0 (2020:1) Opt-Out from TPS. Employer's contributions to the Charterhouse DC Plans were **£444,361** (2020: £433,231).

Neither the Governors nor persons connected with them received any remuneration or other benefits. There were 4 (2020: 5) Governors who were reimbursed travelling expenses of £304 (2020: £3,643) incurred in attending meetings.

Aggregate employee-benefits of key management personnel was **£1,588,822** (2020: £1,480,461). The senior leadership team is seen as the key management personnel.

Termination and redundancy payments were **£44,378** (2020: £53,129) and £36,281 (2020 £nil) were outstanding at year end.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**6. ANALYSIS OF TOTAL EXPENDITURE**

	Staff costs £'000	Other £'000	Depreciation £'000	<b>Total 2021 £'000</b>	<i>Total 2020 £'000</i>
<b>Raising funds</b>					
Trading subsidiaries	-	660	-	<b>660</b>	677
Financing costs	-	1,251	-	<b>1,251</b>	1,279
Investment Management	-	161	-	<b>161</b>	140
Fundraising	240	44	-	<b>284</b>	346
	<u>240</u>	<u>2,116</u>	<u>-</u>	<u><b>2,356</b></u>	<u>2,442</u>
<b>Charitable activities</b>					
Teaching costs	12,399	880	-	<b>13,279</b>	13,521
Welfare	1,834	2,848	-	<b>4,682</b>	4,065
Premises	1,805	3,434	2,130	<b>7,369</b>	6,887
Support costs	1,857	1,580	524	<b>3,961</b>	4,025
Grants, awards and prizes	-	190	-	<b>190</b>	234
Governance costs	-	10	-	<b>10</b>	43
Charity trading	-	-	-	<b>-</b>	63
	<u>17,895</u>	<u>8,942</u>	<u>2,654</u>	<u><b>29,491</b></u>	<u>28,838</u>
<b>School and grantmaking costs</b>					
	<u>17,895</u>	<u>8,942</u>	<u>2,654</u>	<u><b>29,491</b></u>	<u>28,838</u>
<b>Total expenditure</b>	<u>18,135</u>	<u>11,058</u>	<u>2,654</u>	<u><b>31,847</b></u>	<u>31,280</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**7. TANGIBLE FIXED ASSETS**

	Freehold Property £'000	Leasehold Property £'000	Plant, Vehicles and Equipment £'000	Total £'000
<b>Consolidated</b>				
Cost:				
At 1 August 2020	71,010	714	6,467	78,191
Additions at cost	15,813	-	448	16,261
Transfer of assets from Edgeborough Educational Trust	8,500	-	223	8,723
Transfer of assets from Charterhouse Club	-	-	144	144
Disposals at cost	(487)	(168)	(13)	(668)
<b>At 31 July 2021</b>	<b>94,836</b>	<b>546</b>	<b>7,269</b>	<b>102,651</b>
Depreciation:				
At 1 August 2020	16,971	163	5,782	22,916
Provision for the year	2,135	6	527	2,668
Disposals	(139)	(28)	(13)	(180)
<b>At 31 July 2021</b>	<b>18,967</b>	<b>141</b>	<b>6,296</b>	<b>25,404</b>
<b>Net book value</b>				
<b>At 31 July 2021</b>	<b>75,869</b>	<b>405</b>	<b>973</b>	<b>77,247</b>
<i>At 31 July 2020</i>	<i>54,039</i>	<i>551</i>	<i>685</i>	<i>55,275</i>
<b>School</b>				
Cost:				
At 1 August 2020	71,010	714	6,116	77,840
Additions at cost	15,813	-	448	16,261
Transfer of assets from Edgeborough Educational Trust	8,500	-	223	8,723
Transfer of assets from Charterhouse Club	-	-	144	144
Disposals at cost	(487)	(168)	(13)	(668)
<b>At 31 July 2021</b>	<b>94,836</b>	<b>546</b>	<b>6,918</b>	<b>102,300</b>
Depreciation:				
At 1 August 2020	16,971	163	5,541	22,675
Provision for the year	2,123	6	524	2,653
Disposals	(139)	(28)	(13)	(180)
<b>At 31 July 2021</b>	<b>18,955</b>	<b>141</b>	<b>6,052</b>	<b>25,148</b>
<b>Net book value</b>				
<b>At 31 July 2021</b>	<b>75,881</b>	<b>405</b>	<b>866</b>	<b>77,152</b>
<i>At 31 July 2020</i>	<i>54,039</i>	<i>551</i>	<i>575</i>	<i>55,165</i>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**7. TANGIBLE FIXED ASSETS (Continued)**

Prior to 2000 the cost of land and buildings within the curtilage of the School had been written off and not capitalised. In 2000 the cost of buildings constructed since 1974 was reinstated at cost. In addition the School has over the years collected a number of historical assets the value of which cannot be easily ascertained. Included in freehold property are assets in the course of construction totalling £20.686m (2020: £7.418m) which have not been depreciated.

**8. INVESTMENTS 2021**

	General £'000	Endowed & Restricted Funds £'000	Total £'000
<b>Consolidated</b>			
Opening balance			
Investments	15,366	3,836	19,202
Cash capital	978	244	1,222
	<u>16,344</u>	<u>4,080</u>	<u>20,424</u>
At 1 August 2020	16,344	4,080	20,424
Reinvested income	185	46	231
Amounts extracted	(180)	(20)	(200)
Investment management fees	(129)	(32)	(161)
Gain	3,287	821	4,108
	<u>19,507</u>	<u>4,895</u>	<u>24,402</u>
Carried forward at 31 July 2021	19,507	4,895	24,402
Closing balance			
Investments	18,558	4,657	23,215
Cash capital	949	238	1,187
	<u>19,507</u>	<u>4,895</u>	<u>24,402</u>
At 31 July 2021	19,507	4,895	24,402
<b>Listed Investments</b>			
Fixed Interest			1,341
Equities			18,871
<b>Alternative Assets</b>			
Bonds			3,003
Cash			1,187
			<u>24,402</u>
<b>School Investments</b>			<u>24,402</u>
UK			7,521
Overseas			16,881
			<u>24,402</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**8. INVESTMENTS 2020**

	<i>General</i> £'000	<i>Endowed, Restricted &amp; Designated Funds</i> £'000	<i>Total</i> £'000
<b>Consolidated</b>			
Opening balance			
Investments	14,052	3,508	<b>17,560</b>
Cash capital	<u>1,466</u>	<u>366</u>	<u><b>1,832</b></u>
At 1 August 2019	15,518	3,874	<b>19,392</b>
Reinvested income	160	40	<b>200</b>
Amounts extracted	(240)	(60)	<b>(300)</b>
Investment management fees	(112)	(28)	<b>(140)</b>
Gain	<u>1,018</u>	<u>254</u>	<u><b>1,272</b></u>
Carried forward at 31 July 2020	<u>16,344</u>	<u>4,080</u>	<u><b>20,424</b></u>
Closing balance			
Investments	15,366	3,836	<b>19,202</b>
Cash capital	<u>978</u>	<u>244</u>	<u><b>1,222</b></u>
At 31 July 2020	<u>16,344</u>	<u>4,080</u>	<u><b>20,424</b></u>
<b>Listed Investments</b>			
Fixed Interest			<b>1,650</b>
Equities			<b>14,593</b>
<b>Alternative Assets</b>			
Bonds			<b>2,959</b>
Cash			<u><b>1,222</b></u>
<b>School Investments</b>			
			<u><b>20,424</b></u>
<b>UK</b>			
Overseas			<b>7,376</b>
			<u><b>13,048</b></u>
			<u><u><b>20,424</b></u></u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**9. STOCKS**

	Consolidated		School	
	2021	2020 £'000	2021 £'000	2020 £'000
Catering	12	29	12	29
Retail shop	118	175	-	-
Merchandise	12	-	12	-
	<u>142</u>	<u>204</u>	<u>24</u>	<u>29</u>

**10. DEBTORS AND PREPAYMENTS**

Fees and other pupil expenses	948	545	948	545
Staff mortgages and loans	5	5	5	5
Loans to subsidiary undertaking *	-	-	60	120
Trade debtors	107	49	79	25
Amounts due from subsidiary companies	-	-	1,696	216
Prepayments and accrued income	260	99	260	100
Other debtors	942	1,068	553	682
	<u>2,262</u>	<u>1,766</u>	<u>3,601</u>	<u>1,693</u>

\* Interest is charged at 2% above Lloyds base rate and is repayable on reasonable notice. No security is given.

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Bank loans	1,459	-	1,459	-
Taxation and social security	734	746	734	746
Trade creditors	3,026	2,470	2,983	1,507
Amounts owed to group and associated undertakings	-	-	197	481
Other creditors	470	424	470	424
Accruals and deferred income	5,921	3,442	5,369	3,442
	<u>11,610</u>	<u>7,082</u>	<u>11,212</u>	<u>6,600</u>
Deposits from parents (note 12a)	6,406	4,239	6,406	4,239
Deferred income – fees received in advance (note 12c)	742	533	742	533
	<u>18,758</u>	<u>11,854</u>	<u>18,360</u>	<u>11,372</u>

**12. CREDITORS: amounts falling due after one year**

Bank loans (note 12b)	38,541	35,000	38,541	35,000
Advanced fees (note 12c)	1,319	344	1,319	344
	<u>39,860</u>	<u>35,344</u>	<u>39,860</u>	<u>35,344</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

**12a. ACCEPTANCE AND OVERSEAS DEPOSITS**

Parents are required to pay a deposit on acceptance of a place which is refundable at the end of the pupil's pupillage at the School.

	<b>2021</b>	<i>2020</i>
	<b>£'000</b>	<i>£'000</i>
<b>Consolidated</b>		
Within 1 year	<u><b>6,406</b></u>	<u>4,239</u>

Pupil Fees Deposits – the total amount held in relation to fee deposits of £6.406m is included above. In the normal course of business the expected repayment of these amounts will be £1.909m (2020: 1.894) within one year and £4.497m (2020: £2.345m) after more than one year.

**12b. BANK AND LOAN NOTE DEBT**

The School has a £35m partially amortising private placement with a term of 40 years. Principal repayments beginning in 2024 and ending in 2058. The School also has a CBILS loan of £5m with a tenor of 3 years, repayments beginning in 2022.

	<b>2021</b>	<i>2020</i>
	<b>£'000</b>	<i>£'000</i>
<b>Consolidated</b>		
Within 1 year	<b>1,459</b>	-
	<u><b>1,459</b></u>	<u>-</u>
Within 2 to 5 years	<b>4,621</b>	710
After 5 years	<b>33,920</b>	34,290
	<u><b>38,541</b></u>	<u>35,000</u>

**12c. ADVANCED FEES FUND**

Parents may enter into a contract to pay to the School up to the equivalent of five years' School fees in advance. Any proportion of the advanced fee may be repaid to the parents at their request.

	<b>2021</b>	<i>2020</i>
	<b>£'000</b>	<i>£'000</i>
Within 2 to 5 years	<b>1,319</b>	344
Within 1 year	<b>742</b>	533
	<u><b>2,061</b></u>	<u>877</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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**12C. ADVANCED FEES FUND (CONTINUED)**

The movements during the year were:	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At 1 August 2020	877	1,723
Edgeborough (transfer)	507	-
New contracts	1,465	124
Repayments	<u>(43)</u>	<u>(69)</u>
	<b>2,806</b>	<b>1,778</b>
Amounts used to pay fees	734	878
Amounts added to value of fees	<u>11</u>	<u>23</u>
	<u>(745)</u>	<u>(901)</u>
At 31 July 2021	<u><b>2,061</b></u>	<u><b>877</b></u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**13. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS 2021**

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities £'000	Pension fund liability £'000	Total £'000
<b>Consolidated:</b>						
General funds	-	19,507	6,031	(25,538)	-	-
<i>Designated funds:</i>						
Tangible fixed assets reserve	77,247	-	-	(14,322)	-	<b>62,925</b>
<b>Endowed funds</b>	-	2,539	-	-	-	<b>2,539</b>
<b>Restricted funds</b>	-	2,356	1,177	-	-	<b>3,533</b>
<b>Pension scheme fund</b>	-	-	-	-	(4,062)	<b>(4,062)</b>
	<u>77,247</u>	<u>24,402</u>	<u>7,208</u>	<u>(39,860)</u>	<u>(4,062)</u>	<u><b>64,935</b></u>

**ALLOCATION OF THE NET ASSETS BETWEEN FUNDS 2020**

	Tangible fixed assets £'000	Investments £'000	Net current assets / (liabilities) £'000	Long term liabilities £'000	Pension fund liability £'000	Total £'000
<b>Consolidated:</b>						
General funds	-	16,344	11,219	(27,563)	-	-
<i>Designated funds:</i>						
Tangible fixed assets reserve	55,275	-	-	(7,781)	-	<b>47,494</b>
<b>Endowed funds</b>	-	2,108	-	-	-	<b>2,108</b>
<b>Restricted funds</b>	-	1,972	610	-	-	<b>2,582</b>
<b>Pension scheme fund</b>	-	-	-	-	(5,675)	<b>(5,675)</b>
	<u>55,275</u>	<u>20,424</u>	<u>11,829</u>	<u>(35,344)</u>	<u>(5,675)</u>	<u><b>46,509</b></u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**14. FUNDS 2021**

	Balance 31 July 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment gains / (losses) £'000	Balance 31 July 2021 £'000
Undesignated general reserves	-	43,904	(31,965)	(15,226)	3,287	-
Designated funds:						
Tangible fixed assets reserve	47,494	-	-	15,431	-	62,925
Total unrestricted funds	47,494	43,904	(31,965)	205	3,287	62,925
Restricted funds:						
Prizes	467	5	(4)	-	94	562
Scholarships and bursaries	1,405	16	(24)	-	283	1,680
Other	100	1	(1)	-	20	120
Donations other	610	310	(170)	(205)	-	545
Donations Business Hub	-	426	-	-	-	426
Donations Wei Music Fund	-	200	-	-	-	200
Endowed funds:	2,582	958	(199)	(205)	397	3,533
Prizes	474	5	(5)	-	95	569
Scholarships and bursaries	1,553	18	(11)	-	313	1,873
Other	81	1	(1)	-	16	97
Pension scheme fund	2,108	24	(17)	-	424	2,539
	(5,675)	-	334	-	1,279	(4,062)
	46,509	44,886	(31,847)	-	5,387	64,935

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

14. FUNDS 2020	Balance 31 July 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment gains / (losses) £'000	Balance 31 July 2020 £'000
Undesignated general reserves	-	31,264	(31,324)	(958)	1,018	-
Designated funds:						
Tangible fixed assets reserve	46,203	-	-	1,291	-	47,494
Total unrestricted funds	46,203	31,264	(31,324)	333	1,018	47,494
Restricted funds:						
Prizes	442	4	(3)	(5)	29	467
Scholarships and bursaries	1,427	182	(245)	(53)	94	1,405
Other	94	-	-	6	-	100
Donations	144	717	(1)	(250)	-	610
Endowed funds:	2,107	903	(249)	(302)	123	2,582
Prizes	448	5	(3)	(5)	29	474
Scholarships and bursaries	1,476	15	(10)	(25)	97	1,553
Other	77	1	(1)	(1)	5	81
Pension scheme fund	2,001	21	(14)	(31)	131	2,108
	(5,252)	-	307	-	(730)	(5,675)
	45,059	32,188	(31,280)	-	542	46,509

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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**14. FUNDS (CONTINUED)**

The Tangible Fixed Asset reserve incorporates the Reinstated Property net book value of School buildings erected since 1974 that until 2000 were written off in the year of acquisition.

The restricted prizes, scholarships and bursaries funds are a consolidated fund of numerous individual gifts to provide prizes, scholarships and bursaries to enable pupils to attend the School.

The donations fund includes restricted funds donated in the year for which the expenditure has not yet been incurred. The Wei Music restricted fund is for a bursary for a exceptional musician and the Business hub is for a capital conversion of an existing space at the School.

£205k was transferred between restricted and unrestricted funds during the year to reimburse the unrestricted fund mainly for capital expenditure, scholarships, bursaries and prizes.

The endowed funds arose from legacies received for the permanent benefit of the School and £17k was drawn down during the year mainly for scholarships, bursaries and prizes.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**15. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £'000	2020 £'000
Net income from operations	13,039	908
Investment income and interest received	(281)	(396)
Investment manager and cash management fee	161	140
Depreciation	2,668	1,932
(Gain) on sale of tangible fixed assets	(860)	(36)
Gift of Edgeborough Educational Trust assets	(8,824)	-
Gift of Charterhouse Club assets	(204)	-
Pension scheme net finance costs	74	101
Contributions to the Charterhouse Retirement Benefit Scheme	(408)	(408)
Decrease in stocks	72	69
(Increase) in debtors	(420)	(41)
Increase / (Decrease) in creditors	4,794	(186)
Increase/(Decrease) in Advance Fee Scheme	677	(846)
	<b>10,488</b>	<b>1,237</b>

**Analysis of changes in net debt**

	1 August 2020 £'000	Cash flows £'000	31 July 2021 £'000
Cash in bank	6,279	6,485	12,764
Cash in hand	114	2,356	2,470
Notice deposits	15,320	(6,992)	8,328
	<b>21,713</b>	<b>1,849</b>	<b>23,562</b>
Cash and cash equivalents	21,713	1,849	23,562
Bank loans falling due after less than one year	-	1,459	1,459
Bank loans falling due after more than one year	35,000	3,541	38,541
	<b>35,000</b>	<b>5,000</b>	<b>40,000</b>
Total borrowings	35,000	5,000	40,000
	<b>13,287</b>	<b>3,151</b>	<b>16,438</b>
<b>Net debt</b>	<b>13,287</b>	<b>3,151</b>	<b>16,438</b>

**16. COMMITMENTS**

**Capital Expenditure**

During the year the School worked on various projects including a new café and boarding houses and £3.148m at year-end is contracted for but not accrued in respect of these; (2020: £2.603m).

**Operating Lease Commitments**

	Vehicles & Equipment	
	2021 £'000	2020 £'000
The future minimum lease payments under non-cancellable operating leases which are all payable as follows:		
Within one year	181	163
Between two and five years	58	183
	<b>239</b>	<b>346</b>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

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**17. PENSION FUNDS**

All members of the teaching staff are members of the Government scheme for the teaching profession, to which the school is a contributor. Some of the support staff are deferred members of the Charterhouse Retirement Benefits Scheme, a defined benefits scheme that was closed to new entrants on 31 July 2002. The actuarial valuation at 31 July 2018 indicated that the assets of the fund represented 66% of its liabilities. The position will be kept under review. From 1 August 2002 new members of the support staff were able to join a defined contribution scheme.

**Governments Teachers' Pension Defined Benefits 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 £1.717m (2020: £1.699m) and at the year-end £3k (2020 - £223k) was accrued in respect of contributions to this scheme.

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

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

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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**17. PENSION FUNDS (CONTINUED)**

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

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

**The Charterhouse Retirement Benefits Scheme**

The School operates a scheme for its non-teaching staff, The Charterhouse Retirement Benefits Scheme, which is a defined benefits scheme. The Scheme is shared with Charterhouse Club Limited. However, the share of assets and liabilities of this organisation are not material to the Scheme. The actuarial valuation does not separately identify the School's share of the underlying assets and liabilities of the Scheme. The Scheme was closed to new entrants on 31 July 2002. From 1 August 2002 new members of the support staff were able to join a defined contribution scheme.

The assets of the Scheme are held separately from those of the School. The Scheme is funded by contributions from the employees and employers.

The most recent formal actuarial valuation of the Scheme was carried out as at 31 July 2018. The following summarises the accrued funding position as at that date on the basis that the Scheme continues to operate as a going concern and is not wound up:

Value of Scheme assets	£ 7,655,000
Value of accrued liabilities	£11,550,000
Shortfall	£ 3,895,000
Funding level	66%

Principal Actuarial Assumptions

- Discount rate after retirement	3.70%
- Discount rate before retirement	3.70%
- Future Retail Price Inflation	3.30%
- Future Consumer Price Inflation	2.50%
- Pension increases (RPI limited to 5%pa)	3.20%
- Pension increases (CPI limited to 3%pa)	2.25%
- Pension increases (RPI limited to 2.5%pa)	2.35%
- Deferred pension revaluation (CPI limited to 5%pa)	2.55%
- Deferred pension revaluation (CPI limited to 2.5%pa)	2.50%

The value of accrued liabilities represented the Scheme Actuary's estimate of the sum required at the date of valuation to meet all future benefit payments in respect of members' service up to 31 July 2018.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**17. PENSION FUNDS (CONTINUED)**

To eliminate the funding shortfall the Trustees and the School have agreed that the School will pay contributions of £408,000 per annum into the Scheme. These contributions will be used to reduce the funding shortfall. It is expected that the deficit will be entirely cleared by 30 April

2030. The agreed contributions are set out in a Recovery Plan and Schedule of Contributions dated June 2019.

Despite these contributions it is possible that the funding position of the Scheme might not develop as well as expected if the experience of the Scheme subsequent to the valuation date, particularly the investment returns, is unfavourable compared to the actuarial assumptions used for the valuation. Contributions will therefore be subject to review at future actuarial valuations.

The Scheme Actuary certified that, in his opinion, the rates of contributions shown in the Schedule of Contributions dated June 2019 are such that the Statutory Funding Objective could have been expected on 31 July 2018 to be met by 30 April 2030.

As required by legislation, as part of the formal valuation of the Scheme, the Scheme Actuary also estimated what the funding position would have been if the Scheme had been wound up as at 31 July 2018. The following summarises that position:

Value of Scheme assets	£7,655,000
Value of winding up liabilities	£15,191,000
Shortfall	£7,536,000
Solvency level	50%

The shortfall is an estimate of the additional sum that the School would have needed to pay to an insurance company to secure all members' benefits in full had the Scheme been wound up on 31 July 2018. Providing "winding up" information is a formal legal requirement and does not imply that the School is considering winding up the Scheme.

There has not been any payment to the School out of Scheme funds.

The allocation of fund assets is as follows:

<b>Asset class</b>	<b>Allocation of fund assets</b>			
	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Equities	<b>54%</b>	40%	32%	46%
Bonds	<b>30%</b>	44%	34%	32%
Semi-liquid investments	<b>15%</b>	15%	-	-
Cash and cash alternatives	<b>1%</b>	1%	34%	22%

The assets of the Scheme have been included at market value and the liabilities under the FRS102 measure have been calculated using the following actuarial assumptions:

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Expected rate of return on scheme assets	-	-	-	-
Rate of increase in salaries	-	-	-	-
Pension increases – pre 1/9/07	<b>3.25%</b>	2.85%	3.20%	3.00%
Pension increases – post 1/9/07	<b>2.30%</b>	2.15%	2.25%	2.30%
Rate of discount	<b>1.60%</b>	1.35%	2.00%	2.70%
Inflation	<b>3.30%</b>	2.90%	3.25%	3.10%

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**17. PENSION FUNDS (CONTINUED)**

The liabilities are determined using the projected unit method as required by FRS 102, as distinct from the aggregate method used in the triennial actuarial valuation. Under the projected unit method, the current service costs will increase as the members of the Scheme approach retirement. On this basis, the balance sheet figures in respect of the Scheme at 31 July 2021 are as follows:

	<b>2021</b>	<i>2020</i>
	<b>£'000</b>	<i>£'000</i>
Fair value of Scheme assets	<b>10,241</b>	<i>8,880</i>
Defined benefit obligation	<b>(14,303)</b>	<i>(14,555)</i>
Net liability	<b>(4,062)</b>	<i>(5,675)</i>

**Reconciliation of opening and closing Scheme liabilities**

	<b>2021</b>	<i>2020</i>
	<b>£'000</b>	<i>£'000</i>
<b>Opening defined benefit obligation</b>	<b>14,555</b>	<i>13,664</i>
Interest cost	<b>193</b>	<i>268</i>
Past service cost	<b>-</b>	<i>-</i>
Actuarial loss	<b>26</b>	<i>1,120</i>
Estimated benefits paid (net of transfers in)	<b>(471)</b>	<i>(497)</i>
<b>Closing defined benefit obligation</b>	<b>14,303</b>	<i>14,555</i>

**Reconciliation of opening and closing Scheme assets**

<b>Opening fair value of Scheme assets</b>	<b>8,880</b>	<i>8,412</i>
Interest income	<b>119</b>	<i>167</i>
Actuarial gain	<b>1,305</b>	<i>390</i>
Contributions by employer	<b>408</b>	<i>408</i>
Estimated benefits paid (net of transfers in)	<b>(471)</b>	<i>(497)</i>
<b>Closing fair value of Scheme assets</b>	<b>10,241</b>	<i>8,880</i>

The charge to the Statement of Financial Activities over the financial year is as follows:

**Operating charge**

Past service cost equalisation of ages and GMP	<b>-</b>	<i>-</i>
Net interest expense	<b>74</b>	<i>101</i>
<b>Total operating charge</b>	<b>74</b>	<i>101</i>
<b>Total other recognised gains and losses</b>		
Actuarial (losses) / gains	<b>1,279</b>	<i>(730)</i>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**17. PENSION FUNDS (CONTINUED)**

**Amounts for current and previous periods**

	<b>31 July 2021 £'000</b>	<i>31 July 2020 £'000</i>	<i>31 July 2019 £'000</i>	<i>31 July 2018 £'000</i>	<i>31 July 2017 £'000</i>
Defined benefits obligation	<b>(14,303)</b>	(14,555)	(13,664)	(12,987)	(13,697)
Scheme assets	<b>10,241</b>	8,880	8,412	7,623	7,605
Deficit	<b>(4,062)</b>	(5,675)	(5,252)	(5,364)	(6,092)
Experience adjustments on Scheme liabilities	<b>(26)</b>	(1,120)	(448)	488	(268)
Experience adjustments on Scheme assets	<b>1,305</b>	390	706	(12)	(311)

The actuary has confirmed that the valuation made above under the requirements of FRS 102 does not indicate that there is an immediate funding requirement or that there is any need to change the current funding rate that was effective from the 2012 actuarial valuation.

The actuary has excluded from both assets and liabilities items which have neutral effect on the Scheme's financial position i.e. additional voluntary contributions, annuities secured in respect of pensions in payment and insurance contracts for death in service benefits.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**18. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

		Unrestricted	Endowed	Restricted	Year ended 31 July 2020 £'000
	Notes	Funds £'000	Funds £'000	Funds £'000	
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
Fees receivable	2	28,347	-	-	28,347
Foundation income		440	-	-	440
Charitable trading income	3b	68	-	-	68
<b>Other trading activities</b>					
Income of trading subsidiaries	3a	694	-	-	694
<b>Voluntary sources</b>					
Donations		33	-	884	917
Investment and interest income	4a	356	21	19	396
Other income	4b	1,290	-	-	1,290
Gain on disposal of fixed assets		36	-	-	36
Total income and endowments		<u>31,264</u>	<u>21</u>	<u>903</u>	<u>32,188</u>
<b>EXPENDITURE ON</b>					
	5,6				
<b>Raising funds</b>					
Trading subsidiaries		677	-	-	677
Financing costs		1,279	-	-	1,279
Investment management		112	14	14	140
Fundraising		345	-	1	346
<b>Total deductible costs</b>		<b>2,413</b>	<b>14</b>	<b>15</b>	<b>2,442</b>
<b>Charitable activities</b>					
School and grant making		<u>28,604</u>	<u>-</u>	<u>234</u>	<u>28,838</u>
<b>Total expenditure</b>	6	<u>31,017</u>	<u>14</u>	<u>249</u>	<u>31,280</u>
<b>Net income from operations</b>		<u>247</u>	<u>7</u>	<u>654</u>	<u>908</u>
Net gain on investment assets	8	1,018	131	123	1,272
<b>NET INCOME for the year</b>		<b>1,265</b>	<b>138</b>	<b>777</b>	<b>2,180</b>
Transfer between funds	14	333	(31)	(302)	-
Actuarial (Loss) /Gain	17	(730)	-	-	(730)
Net movement in funds for the year		868	107	475	1,450
Balances brought forward at 1 August 2019		<u>40,951</u>	<u>2,001</u>	<u>2,107</u>	<u>45,059</u>
<b>BALANCES CARRIED FORWARD AT 31 JULY 2020</b>		<u>41,819</u>	<u>2,108</u>	<u>2,582</u>	<u>46,509</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

**19. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the current or prior year other than those stated in note 3 in relation to the trading subsidiaries.

**20. TRANSFER OF ASSETS AND LIABILITIES**

**Edgeborough Educational Trust**

On 31 July 2021 Edgeborough School gifted its net assets and operations to Charterhouse. Edgeborough is a co-educational preparatory school for children set in a 50 acres of beautiful countryside outside Farnham in Surrey. The school has around 360 pupils and a gross fee income in the region of £5.2m per annum. The schools share a similar educational philosophy and both will benefit from the combination of outstanding staff and facilities allowing continuity of education throughout a children's primary and secondary education.

The main assets of the Edgeborough (the buildings and land) were valued by Savills in January 2021 and this value has been used. Other assets have been valued at fair value. The details of the assets and liabilities transferred to Charterhouse are as follows:

	Note	Book value £'000	Adjustments £'000	Fair Value £'000
Tangible fixed Assets	7	5,713	3,010	8,723
Stock		10	-	10
Debtors		66	-	66
Cash at bank and in hand		931	-	931
Creditors		(906)	-	(906)
<b>Total net assets</b>		<b>5,814</b>	<b>3,010</b>	<b>8,824</b>

Fixed Assets have been reviewed for fair value on a line by line basis, in the area of land and buildings and freehold land and building improvements a red book valuation has confirmed the current market value as £8.5m and therefore an adjustment of £3.010m has been made to reflect this. Stock has been reviewed on a line by line basis and is considered resaleable at cost. Debtors are considered to be collectible.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

**20. TRANSFER OF ASSETS AND LIABILITIES**

**Charterhouse Club**

On 31 July 2021 Charterhouse purchased Charterhouse Club for £1 and was gifted its net assets. Charterhouse Club was a charity set up to provide sports facilities to Charterhouse pupils and to the local community. Unfortunately due to financial issues brought on by Covid-19 the trustees of the Club decided to wind-up the charity. This meant releasing the lease of the Queen's Sport Centre to Charterhouse who now run the building and passing the community membership to Charterhouse Enterprises Limited. In this way the aims of the Charterhouse Club will be continued.

The Club had limited assets which have been valued by fair value. The details of the assets and liabilities transferred to Charterhouse are as follows:

	Note	Book Value £'000	Adjustments £'000	Fair value £'000
Fixed Assets	7	144	-	144
Stock		1	-	1
Debtors		13	-	13
Cash and Bank Balances		94	-	94
Creditors		(177)	129	(48)
<b>Total net assets</b>		<b>75</b>	<b>129</b>	<b>204</b>

Fixed Assets have been reviewed for fair value on a line by line basis and considered that the Fair Value is the same as the net book value. Obsolete stock lines were written off during the year and the remaining stock is considered saleable at cost. Debtors are considered to be collectable.