



CHARTERHOUSE

# GOVERNING BODY OF CHARTERHOUSE SCHOOL

## ANNUAL REPORT OF GOVERNORS AND FINANCIAL STATEMENTS

31 JULY 2022



Charity Number: 312054

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# CHARITY REFERENCE AND BACKGROUND INFORMATION



Charterhouse School and Edgeborough School are registered with the Charity Commission under the name the Governing Body of Charterhouse School and charity number 312054. The financial statements comply with current statutory requirements and the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP and FRS 102).

Particulars of the Charity’s main professional advisors are given at Page 16.

The Charity comprises Charterhouse School, a senior school for boys and girls aged 13 to 18 and Edgeborough School, a preparatory school for boys and girls aged 2-13.

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 Charterhouse 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. Charterhouse became fully co-educational in September 2021.

On 31 July 2021 the Charity merged with Edgeborough Educational Trust Ltd (charity number 312051). Edgeborough School was founded in 1906 as a preparatory school for boys and moved to its current location in Frensham Place in 1939. It became co-educational in 1992.



# OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

## Charitable Object

The charitable object of the schools 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 schools within the meaning of the Act is enshrined within the objects, as noted above.

## Aims and Intended Impact

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

The schools value all pupils as individuals with unique talents and interests, and seek 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, all of which contribute to a balanced and well-informed approach to life.

## Objectives for the Year

The Charity's current strategy was endorsed in 2017 with the objectives of introducing full co-education at Charterhouse in September 2021, while developing all aspects of its education provision and improving its non-fees income to assist in supporting public benefit. An annual management plan is produced which sets out specific tasks in support of the Strategy.

Specifically, the objectives for 2021-2022 were:

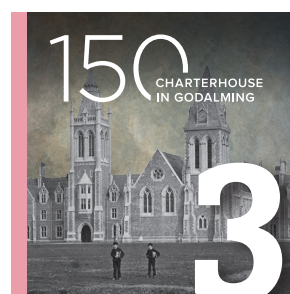


**To introduce full co-education to Charterhouse while continuing to provide the highest quality education possible.** September 2021 marked a historic landmark for Charterhouse with the arrival of 13+ girls for the first time. Demand was higher than expected and the four years spent planning for this moment proved invaluable as the transition to co-education has been

seamless and fully embraced by the whole community. This happened against the backdrop of the lifting of Covid-19 restrictions and the re-introduction of school trips, sports against other schools, drama and music performances with live audiences and the return of visitors to the school site. Most challenging has been preparing pupils for public examinations against a background of uncertainty and two years of Covid-19 disruption.



**To develop academic and administrative links with Edgeborough School.** The merger with Edgeborough School has gone extremely well and now allows the Charity to provide high quality education for all school ages. Throughout the year Charterhouse and Edgeborough staff have worked closely to share best practice and, where appropriate, align and/or consolidate systems and processes. This has included areas such as Sport, Music, IT, Human Resources and Finance. It also saw Edgeborough making use of Charterhouse facilities particularly during the cricket season.



**To celebrate Charterhouse's 150th anniversary at Godalming with a year of community actions.** 2022 is the 150th anniversary of Charterhouse's move to Godalming and the School has held a number of events throughout the year. This has included an Art Exhibition in Godalming; a series of Vaughan Williams Concerts; Carthusian Day; football and netball fixtures with Broadwater School; the Godalming Cricket Club matches with the 1st XI girls' and boys' teams as well smaller activities involving the local community. Post-Covid one of the aims of these activities was to improve relations and integration with the local residents and organisations.



**To develop the Charity’s HR strategy including Equality, Diversity and Inclusivity (EDI) and remuneration matters.**

This year saw the development of a whole-charity HR Strategy covering recruitment, retention, training and talent management. In addition, an external review of HR was commissioned; this was very positive and identified a few

areas for development. As a result, a number of processes/systems, in particular recruitment, have been revised to ensure the Charity is seen as an inclusive community that treats all staff fairly. There have been a few changes to terms and conditions but any further changes await, amongst other things, the results of the next Government review of the Teachers’ Pension Scheme (TPS).



**To complete the major refurbishment of Science and Maths and the Lecture Theatre by September 2022.**

The old Science building has been refurbished over a few years. A new entrance was created in summer 2020 and the first and second floor refurbished in summer 2021. The final phase, the ground floor and the link block were completed on 2 September

2022. This summer also saw the start of the creation of the new Business, Leadership and Entrepreneur Centre. This work began with the refurbishment of the Lecture Theatre in summer 2022 which was completion in November 2022. Next summer will see the creation of the new Business/Entrepreneur suite and break out areas.



**To start the Creative Arts project.**

Following planning approval, this project is being undertaken in two phases. The refurbishment of the Design Technology building and the completion of the foundations of the new Creative Art extension were successfully completed in summer 2022. The building of the new extension will start in summer 2023 for completion in 2024. This will provide 4 new studio classrooms as well as two display areas.



**Principal Activities During the Year**

During the year the Charity provided education as follows:

	Age Group	Average Pupils for the Year		Remarks
		2021/22	2020/2021	
Charterhouse	13-18	890	814	Of which 850 were boarders and 246 girls
Edgeborough	2-13	377	348	Of which 27 boarded per night on average and 177 were girls

This has been an historic and exciting year for the Charity with the start of full co-education at Charterhouse, the merger of Charterhouse with Edgeborough School, integration of the Charterhouse Club into Charterhouse Enterprises, and the opening of the first international school. These activities have not been without their challenges, particularly given the background of lifting Covid-19 restrictions, world economic uncertainty, and conflict in Ukraine. However, all areas have been successful and the Governors have reason for optimism as registrations for future years increase.



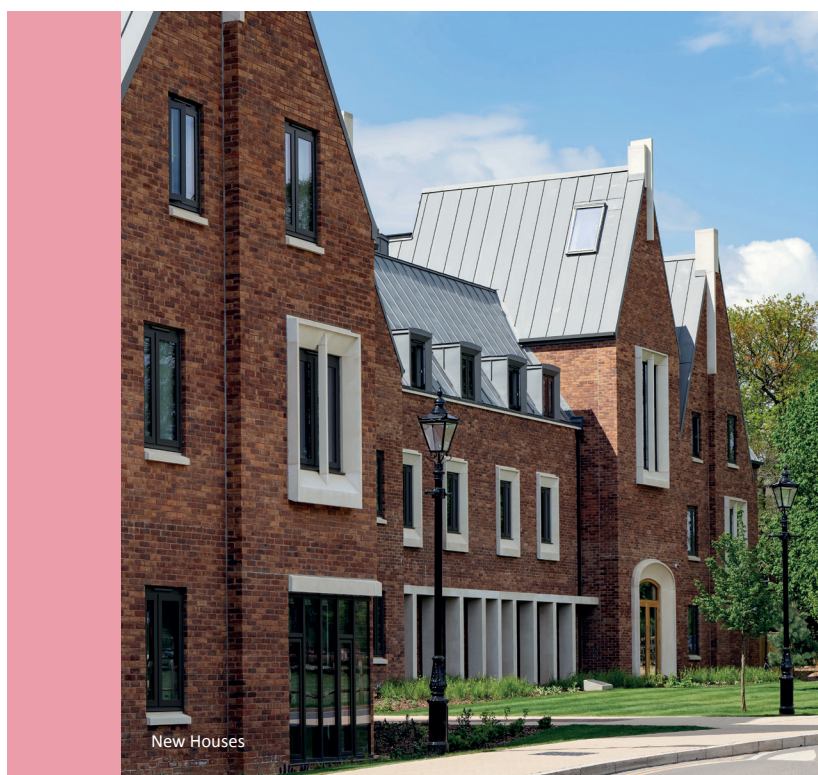
September 2021 saw the entry of 13+ girls into Charterhouse for the first time in its 400-year history. Initial planning anticipated 48 girls to start in the Fourths (Yr9) with no girls entering the Removes (Yr10). However, demand was such that 57 and 28 girls started in each of these years in addition to the 159 (2020: 153) girls in the Specialists (Sixth Form). To accommodate this change two new girls' houses were created; Sutton and Northbrook. The transition has gone extremely well with the girls fully integrated to all areas of the school.

August 2021 saw the completion of the merger with Edgeborough School. This means the Charity is now able to offer education from age 3 to University entry, while sharing the skills and facilities of each school. While Edgeborough will remain a distinct prep school, much work has been undertaken to ensure integration of staff, policies and systems. Initially this has been much more visible in terms of support functions but also include academic areas. The departure of Dan Thornburn, former headmaster, to a new role at Millfield was managed well with Rob Smith acting as the interim Head until the arrival of Daniel Cox, former deputy head at Lambrook, in April 2022. Working

together, the Governors, Executive and Staff have made significant progress in setting out a new strategy for Edgeborough, underpinned by three key values: Adventure, Responsibility and Kindness. In addition, an infrastructure master plan has been developed to support the new strategy.

Following the winding up of the Charterhouse Club, the registered charity that managed the Queen's Sport Centre and the local fitness membership club, the Charity took back management of the QSC building and Charterhouse Enterprises Ltd took over the fitness membership. This transition has gone well and is proving successful.

September 2021 also saw the opening of Charterhouse Malaysia, an international school through Charterhouse International Ltd in partnership with Charterhouse Asia. Given the Covid-19 restrictions, the school has opened with a small number of pupils but the education provided is of high quality and materially higher numbers are expected for next year.



New Houses



Charterhouse Malaysia

### Grant-Making Policy

The Charity sets aside funds to support means-tested bursaries and scholarships. In particular the Charity 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 or Edgeborough, 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 schools 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 285 (2021: 195) scholarships, bursaries and other awards were made at a total cost of £1.950m (2021: £1.478m); £1.493m (2021: £1.308m) from Charity funds, £347k (2021: £nil) from restricted funds and £110k (2021: £184k) from third party funds. Additional support was given to existing Ukrainian pupils as result of the conflict in their country.

### Volunteers

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

# PUBLIC BENEFIT AND COMMUNITY ENGAGEMENT

The Charity remains committed to the aim of providing public benefit in accordance with its founding principles. The Charity provided education to 1,015 pupils who might otherwise have been educated in maintained schools at public expense. However, the Charity recognises that it has wider responsibilities to the community and to assist in making the education offered at Charterhouse and Edgeborough more accessible. This year has seen continued development of the Charity’s public benefit activities to ensure maximum impact. There are four core elements to the public benefit it provides.

## Widening Access and Bursaries

In 2022/2023, a total of 285 pupils at both schools benefited from scholarships and/or bursaries. Bursary spending totalled £1.570m (2021: £1.314m). In total 59 pupils benefited from bursaries of which five pupils were on 100% bursaries. This year also saw support to Ukrainian pupils who suffered as a result of the Ukrainian Crisis and an additional five bursaries were provided. The Charity also continues to be part of the Boarding School Partnership in support of transformational bursaries and has linked up with the Royal National Children’s Springboard Foundation, the social mobility charity that works with some of the UK’s leading independent schools to help ensure that bursary opportunities are targeted towards young people who need them most.

## Working with other Educational Providers

The Governors continue to believe strongly in the many benefits of educational partnerships with maintained and Academy Trust schools. This partnership comes in various forms:

- Thirteen members of teaching and support staff are governors of other schools having a positive impact on over 2500 pupils;
- 291 pupils from local state schools have taken part in Science Lessons and GCSE Revision Courses run at Charterhouse;
- 150 junior school pupils have taken part in three musical events organised at Charterhouse;
- 123 pupils from local schools have taken part in activities to prepare them for future work such as Higher Education guidance and residential camps for Performing Arts;
- The Shaftesbury Park Primary School summer camp returned for the first time since the start of Covid-19 and was a great success;
- Providing Maths and Physics training for teachers as part of the National SCITT programme. This year the Charity has trained four teachers. In addition, the Charterhouse has supported Teach First trainees from Broadwater School and 40 state school teachers have benefited from various CPD opportunities provided by Charterhouse;
- This year has also seen a new CCF partnership with Broadwater School where Charterhouse staff are delivering training to Broadwater cadets until they can establish their own detachment.

## Community Access and Engagement

With the lifting of the Covid-19 restrictions the Charity has been able to allow greater use of its facilities to external users. Charterhouse 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. A major event this year was the junior schools’ triathlon in May which involved around 960 children on site. Also, a number of local community groups and organisations used school facilities, such as Guildford Hockey Club, Guildford Swimming and London Pulse.

## Charitable Activity

The Charity continues to place great value on its charitable activities. This year has seen support for a variety of charities, particularly Amnesty International (£2,437) Shooting Star Children’s Hospices (£4,228) and the Samaritans (£1,640). In addition this year both staff and pupils raised funds in support of the Ukrainian Crisis sending two trucks worth of goods to Ukrainian.

## Volunteering

Volunteering continues to be highly valued at the Charity, 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 1,685 hours to volunteering.



Shaftesbury Park Primary School summer camp



Broadwater CCF Cadets

# REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR



This year has seen a return to full school activities at both Charterhouse and Edgeborough as the lifting of Covid-19 restrictions has allowed mixed co-curricular activities, trips, and visitors to the site, which has been greatly valued by pupils and parents alike. Not surprisingly there has been a greater demand from parents to be involved in school events and it has been very rewarding to see the return of busy sports weekends for example.

In August 2021 Charterhouse successfully passed an ISI Material Change Inspection in preparation for co-education. All areas were found to be compliant which was an excellent external confirmation of the planning undertaken over recent years.

In February 2022 Edgeborough School also successfully passed an ISI Material Change Inspection as a result of the merger and the recent increase in pupil numbers. In addition in September 2022 the School passed a full ISI inspection. Again, all areas were found to be compliant which is a credit to the whole Senior Leadership Team.

In December 2021 Charterhouse had an unannounced ISI inspection which was followed up by a monitoring inspection in October 2022 that found the School's strengthened RSE (Relationships and Sex Education) and PSHE (Personal, Social, Health and Economic education) programme to be fully compliant.

## Academic Performance

Academic life returned to normality during this year though examination awarding bodies made some adjustments to syllabuses in order to assist pupils whose two-year GCSE, A Level and International Baccalaureate classes had been disrupted by Covid-19. Under such circumstances, the performance of Charterhouse pupils in examinations was extremely commendable:

- At GCSE, 45% of grades were 8-9 and two thirds of grades were 7-9. 12 pupils gained at least eight grade 9s, and 26 achieved all grades 7-9 (A/A\*);
- The IB Diploma achieved excellent results with an average score of 36 points (equivalent to AAA at A Level). 8 achieved a Bilingual Diploma, successfully taking two 'first' languages as part of their curriculum;
- A Level results were excellent, with 31% graded A\* and 62% A\*/A. 24 pupils achieved 3A\*s or more, and 79 pupils achieved at least 3 A grades;
- 94% of our leavers have taken up places at university this autumn, with the remaining re-applying for 2023. A larger number of students than ever before (29) has chosen to study in North America, including Ivy League. The majority of leavers for UK universities have placed at the elite Russell Group Universities, including Oxbridge.

It has been a very positive year for Edgeborough. Pre-Prep PUMA tests provide evidence of strong attainment in Maths and GL assessments progress tests with significantly higher results compared to the national average in all year groups. Common Entrance Results were excellent with 44% of grades A\*/A, and 78% A\*-B. Of the Year 8, all are moving to high quality schools including Charterhouse, Christ's Hospital, Marlborough, Radley, Wellington College and Lord Wandsworth College with 9 winning scholarships for academic, sport, music, art or dance.





**ARTS, MUSIC,  
SPORTS AND OTHER  
ACHIEVEMENTS**



**Music**

The return to live performance with live audiences has been wonderful. Notable events include six performances of a double-cast production of *Fame*; incidental music to a Christmas carol; 12 concerts celebrating the 150th Anniversary of OC Vaughan Williams’ birth, including a collaborative concert with the Britten Sinfonia; an outstanding Concerto Concert with four virtuoso performers; 6 hours of continuous musical performance on Carthusian Day and an array of different performances in Artifex including a superb Prom in the Park.

**Art**

The art department has enjoyed the return of art workshops, trips, life drawing sessions as restrictions were lifted. The introduction of girls has enhanced the atmosphere in Studio. Exhibition visits this year have included Helen Pinkney’s ceramics based on landscape, James Bingham at the Lightbox Woking, Peter Monkman at the Contemporary British Portraits Painters Exhibition, and Godalming Museum Jubilee. Trips have included Wisley Gardens and the Tate Britain, with collaborations including *Fete Noel* paintings with the French Department, an international competition with schools from Nigeria, Pakistan and the UK, a joint venture with Broadwater and a workshop with Godalming Brownies.

**Drama and Dance**

The year started with the pupil-led *Lack of Talent* which raised money for Amnesty International. This was followed by an excellent double-cast production of *A Christmas Carol*. The main production this year was the musical *Fame* which involved girls and boys of all ages and combined dance and drama for the first time; the shows standard of the shows was outstanding and greatly appreciated by performers and audience alike.

At Edgeborough there have been a number of exciting performances, including the Yr6 *Comedy Showcase* and the Arts Festival in July.

**Sport**

This year Charterhouse offered Football, Hockey, Golf, Cricket, Netball, Lacrosse, Athletics, Tennis, Squash, Fives, Racquets, Basketball, Cross Country, Swimming and Water Polo as the principal sports. The return of competitive matches with supporters was greatly welcomed and crowds at matches were greater than ever before. Highlights this year included the first ever mixed hockey tournament, the U14A and U15A boys’ football team qualifying for the Elvin League, the Girls’ bronze medal in the Invitation Lacrosse tournament, the U14A girls’ hockey team coming second in the Surrey Hockey Tournament, the unbeaten season of the U14A girls’ netball team, the U14 boys’ bronze medal at the National Schools’ Squash Tournament and the Water Polo team finishing runners-up in the National Plate. In addition, one boy represented Surrey at U18 cricket, two pupils (one boy and one girl) represented GB at shooting, one boy gained a bronze medal at the National Fencing Championships, and one girl represented Ukraine at Lacrosse in the 2022 EuroLax Sixes Cup.

This year Edgeborough offered Football, Rugby, Hockey, Athletics, Swimming, Netball and Cricket though other sports were also available. It was a particularly successful year with the senior boys and girls reaching the IAPS National Finals in football and hockey respectively. In addition, eight pupils qualified for the National Athletic Finals and eleven pupils swam in the national finals at the London Aquatic Centre.



Charterhouse Football



Edgeborough Hockey



Business, Leadership and Entrepreneurship Centre

### Leadership and Outdoor Education

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

DofE activities returned to full strength this year with expeditions throughout the year. In total there were 28 pupils who successfully completed their Silver DofE Award and 30 pupils who completed their Gold DoE Award. For next year, Charterhouse will introduce the Bronze Award.

#### Pioneers

'Pioneers' is a non-uniformed outdoor education programme for pupils in their Removes (Yr10) year who are not members of the CCF. The programme has small groups (six to eight) of pupils engaged in the 'round-robin' programme of activities, which includes map and compass skills, navigation, orienteering, team-building tasks, countryside and environmental awareness, first aid, indoor climbing and camp cooking. Trips included a 20km walk across the South Downs and a two-night expedition through challenging Hampshire countryside.

#### CCF

It has been a good year for CCF with strong participation and 75% of the Fourths (Yr9), including a good proportion of the girls, electing for CCF as their Outdoor Education option. The contingent continues to excel being awarded 3rd place (out of 28) in the Cadet Military Skills Competition, 2nd place at the Brigade Camp (out of 45) and again Commonwealth Champions in Three-Positional shooting discipline. This year has also seen a new CCF partnership with Broadwater School where Charterhouse staff are delivering training to Broadwater cadets until they can establish their own detachment.

### Fundraising

The Charity has three priorities for donations: bursaries, infrastructure projects, and social responsibility. This year a total of £1.816m (2021: £1.097m) has been donated. This result is one of the best in recent times. Overall the Foundation Office raised a total of £1.706m (2021: £0.883m), of which £1.439m (2021: £0.717m) was restricted donations. The restricted gifts were mainly for the Business and Leadership hub. For this year, the return on investment of the Charity's fundraising was £4.27 for each £1 spent, based on expenditure of £400k.

All fundraising activities for the Charity are carried out by our staff with assistance from parents and pupils for specific fundraising events. The Charity does not use professional fundraisers. All fundraising activities are managed by the Foundation Director and monitored by the Charity's Executive. No complaints relating to fundraising activities have been received by the Charity during this financial period though there are procedures in the event of a complaint. The Charity 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 based on national guidelines. In particular the Charity considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion.



Gold DoE Award

# REVIEW OF FINANCIAL ACTIVITIES

This year has seen the merger with Edgeborough School and the restructuring of Charterhouse Enterprises Ltd following the winding up of the Charterhouse Club as a separate charity. The Charity aims to generate a surplus to enhance its facilities, to offer education of the highest quality and to help enable its ambitions to widen access to its education. This year has been challenging due to inflation and the Ukrainian Crisis though resources have been managed to ensure minimum impact on the pupils' education.

For 2021/2022, Charterhouse had a target surplus of 10.5% of fees receivable or £1.877m and achieved 11.68% or £2.087m (2021: 9.39% and £817k). Edgeborough School had a target surplus of 8.45% of fees receivable or £165k and achieved 11.67% or £501k (2021: 7.1% and £324k).

The Governors of Sutton's Hospital in Charterhouse manage the permanent endowment bequeathed by Thomas Sutton in 1611 and pay over to the Charity the Moiety. This forms the Foundation income and is applied to the provision of bursaries. For this financial year the Charity had expected to receive £400k, however these funds did better than expected and as a result the Charity received £523k (2021: £484k).

The wholly owned subsidiary and trading company, Charterhouse Enterprises Limited, continues to manage the letting and hiring of facilities at the School. This now includes running the external club membership for the Queen's Sports Centre. For the year ending 31 July 2022 the trading company will make a gift aid payment of £269k (2021: £3k). The gift-aid has increased significantly following the lifting of Covid-19 restrictions and a return to full letting activities in the holidays. The increase in demand looks promising for the future.

The wholly owned subsidiary company, Charterhouse School Design & Build Limited, is responsible for some major new building projects. September 2021 saw the successful completion of the two new boarding houses and the Company gift-aid was £284k (2021: £nil). The next project for this company will be the construction of two houses for staff accommodation starting in August 2022.

The wholly owned subsidiary and trading company, Charterhouse International Limited, has continued 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. Unfortunately due to Covid-19 and regulations changes in China the Shenzhen school will not be continuing. While the Kuala Lumpur school started with small pupil numbers, the future looks promising. Plans to open an online one-year A-level education were postponed due to Covid-19 from a launch date of September 2021 to September 2022, though some expenditure continues. As a result of the Shenzhen school and the online postponement, the Charity invested £250k of capital in Charterhouse International to help cashflow over the next 12 months. This decision was based on future gift-aid projections. This year the Company made a loss of £75k (2021:£1.26m profit).



Total income for the year was £46.210m (2021:£ 44.886m) up 2.9%. This is largely due to the fee income with an increase at Charterhouse and the inclusion of Edgeborough School but excluding the one-off receipt of assets from Edgeborough. Expenditure was £42.243m (2021: £31.847m) up 32% which is due to the inclusion of Edgeborough School expenditure.

Overall this year, net income from operations was £3.967m (2021: £13.039m). Last year was extraordinary because of the one-off asset gain of £8.824m following the merger with Edgeborough School and Covid-19. This year is a return to a more expected position. Despite the turbulence in markets and inflation, there were net gains on investments of £1.013m (2021: £4.1m) and the pension scheme position also improved with an actuarial gain of £1.760m (2021: £1.279m). This resulted in net movement in funds for the year being £6.740m (2021: £18.426m).

## Reserves

The Charity's unrestricted funds stand at £66.408m (2021: £62.925m) at the year end, and total group funds are £71.675m (2021: £64.935m). £62.925m (2021: £62.925m) represents funds deployed as part of the schools premises and equipment. Free reserves are unrestricted general funds less the fixed assets deployed for Charity use. On this basis, the Charity has £3.483m of free reserves (2021:Nil), 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.



New Houses Northbrook and Saunderites



Edgeborough refurbishment of five Senior Prep classrooms

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 Charity would have an overdraft facility to meet this requirement.

Much of the Charterhouse estate is not attributed at 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.

**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 Charity’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. In 2021 the investment strategy was reviewed 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 2021 assessed the scheme deficit had reduced and a new recovery plan was agreed between the Charity and the Fund Trustees, which maintained Charity payments at £408k per annum with the aim of clearing the deficit in a shorter time frame. The next triennial review results are due at the end of 2024.

**Capital Expenditure**

Charterhouse 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 Charterhouse infrastructure master plan continues. This year saw the opening of two new 64-bed boarding houses as well as the completion of the 3-year refurbishment of the Science building. Work also started on the refurbishment of Art and DT, the Lecture Theatre and Brooke Hall with planning for the new Drama Studio.

Edgeborough School is smaller at 55 acres and a new infrastructure master plan has just been developed. This plan covers academic, sport and residential requirements and will be completed over a 10-15 year period. This summer saw the refurbishment of five Senior Prep classrooms with planning starting on the reception and pedestrianisation projects.

# PRINCIPAL RISKS

The Governing Body is responsible for overseeing the management of risks faced by the Charity. 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 and Edgeborough senior leadership teams take responsibility for identifying and managing the operational risks. The key controls in the Charity 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 development strategies;
- 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 reviews of 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 Charity has developed a revised risk register in light of the merger with Edgeborough School. The key risks identified were:

**1. The economic climate adversely affects affordability and pupil numbers.** Pupil numbers for next year have increased and demand remains strong, despite inflation, the Ukraine Crisis and the Covid-19 crisis. In the short term any immediate parental financial difficulties can be managed with additional bursaries and expenditure contained. However in the longer term affordability will become an even greater issue than it is currently unless inflation returns to target levels and the economy grows. As a result, the Governing Body continues to work hard with the Executive to identify areas for cost-efficiency, as well as to develop non-fee income streams, such as international schools, to try to restrict future fee increases.

**2. Government policies adversely affect international pupil numbers.**

The UK Government's handling of the Covid-19 crisis and BREXIT has created concern for overseas parents. Whilst Charterhouse 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.

**3. Future governments change the law to remove charitable tax status.**

The Charity is committed to improving support to other schools and the wider community, and to improving accessibility to the education provided at Charterhouse and Edgeborough. While the Charity believes it is meeting its public benefit requirements with the expansion of its partnerships with state schools, access to the schools and bursaries, it is undertaking contingency planning in case of tax changes being introduced.

**4. Increases to Employer Contributions for the Teachers' Pension Scheme (TPS) is a significant concern.**

At present the Charity feels that it is appropriate to remain in the TPS during this key phase in the Charity's development strategy. However, the Charity is undertaking contingency planning in case of further changes to the contribution rates.

**5. Failure to address Environmental Issues affects reputation.**

The schools have developed their own environmental strategies 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 Charity 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 Charity, 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 Charterhouse development strategy was endorsed by Governors in December 2016 and has been subject to annual review. The first phase was successfully completed with the start of full co-education and the introduction of girls at 13+ in September 2021. The next phase is to continue to develop the curriculum and facilities over the coming few years to enable the necessary girl numbers in every year group within the School.

A new development strategy for Edgeborough School was endorsed in June 2022 which again will be subject to annual review. The aim is to build on the School’s existing strengths and develop both academic and pastoral provision, with the appropriate infrastructure.

In both cases demand is very strong and the future is looking promising though the Governors and Executive are not complacent. The objectives for 2022-2023 in support of these strategies are:

1. To continue to provide the highest quality co-education possible including a new PSHE programme, focus on GCSE outcomes and promoting the IB Diploma;
2. To develop the online education offer for launch in September 2023;
3. To construct the new Creative Art extension and the Business, Leadership and Entrepreneur Centre projects at Charterhouse and to start the reception and pedestrianisation projects at Edgeborough;
4. To start the conversion of Weekites from a boys’ house to a girls’ house.



# GOVERNORS AND CHARITY TRUSTEES



## Members

- Ms V Tuck BA MA – Chair** <sup>9,7,10</sup>
- K Awuku-Asabre BSc Dip LAW** <sup>3,7</sup>
- E D A Barnes BA** <sup>4,7,9,10</sup>
- Ms C L Baldwin MA** <sup>4,7,9</sup> (Resigned June 2022)
- Ms C Brown MA PgDL LPC** <sup>3,6,10</sup>
- Ms G Byrom BSc MA** (Appointed June 2022)
- Prof V C Emery PhD FRSB FAST** <sup>1</sup>
- J Goldsmith BSc MRICS** <sup>1,5,9</sup>
- The Very Revd.D L Williams BA MA** <sup>4,6</sup>
- Dr N Krause BSc MSc Psychol C.Psychol C.Sci AFBPs** <sup>4</sup>
- C W D Macey FCA** <sup>2,3,9</sup>
- P Malcolm** <sup>1,5</sup>
- J McIlroy FCA ATII** <sup>1,9,10</sup>
- J R Olsen BA** <sup>1,10</sup>
- C H M Oulton MA** <sup>3,4</sup> (Resigned June 2022)
- A M Reid MA MBA FCA** <sup>1,2</sup>
- D J G Royds BSc** <sup>1,2,5,9</sup>
- M W T Walton MA MBA FRICS** <sup>5,8,10</sup>

## Appointed by:

- Governing Body
- Governing Body
- Teachers of the Charterhouse
- Governing Body
- Governing Body
- Governing Body
- Governing Body
- Sutton’s Hospital
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- Governing Body
- Governing Body

<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



## OFFICERS

- Head of Charterhouse School
- Director of Financial Strategy Charterhouse School
- Head of Edgeborough School
  
- Bursar of Edgeborough School

- Dr A L R Peterken BA, MA, EdD
- D S Armitage MBE BSc MSc
- D Thornburn BA MEd FCMI (Resigned December 2021)
- R Smith BEd MEd (Interim January – March 2022)
- D Cox BA MSc (Appointed April 2022)
  
- S Riley

## CLERK TO THE GOVERNING BODY

Ms A Warburton

# ADVISORS



## 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  
London, WC2E 9RA

**Flagstone Investment Management**  
1st Floor, Clareville House,  
26-27 Oxendon Street,  
London, SW1Y 4EL

**Vanguard Asset Management Ltd**  
4th Floor, The Walbrook Building,  
25 Walbrook,  
London, EC4N 8AF

## INSURANCE BROKERS

**Marsh Brokers Limited**  
Capital House  
1-5 Perrymount Road  
Haywards Heath  
West Sussex, RH16 3SY

## PRINCIPAL ADDRESSES

**Charterhouse**  
Godalming  
Surrey  
GU7 2DX

**Edgeborough School**  
84 Frensham Road  
Lower Bourne,  
Farnham  
GU10 3AH



# STRUCTURE, GOVERNANCE AND MANAGEMENT

## Governing Documents

The Charity'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 are the Trustees of the Charity. Up to 15 governors can be appointed by the Charity 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 schools. 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 Charity by the Head, the Director of Finance and Strategy, and the Clerk to the Governors. Governors also visit the schools 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 schools. They meet at least three times a year to review reports and discuss strategic issues.

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;
- 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;
- The Edgeborough School Committee oversees 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 for Charterhouse and the Head and Bursar of Edgeborough School and delegates day-to-day running of the schools to them. The Head of Edgeborough School reports to the Head of Charterhouse School and the Bursar of Edgeborough School reports to the Director of Finance and Strategy of Charterhouse.

Each School has its own Senior Leadership Team which is responsible for the daily management of the school. In addition the Head and Director of Finance and Strategy for Charterhouse and the Head and Bursar of Edgeborough School meet regularly. For this year the Charterhouse Executive Committee continued to meet to consider longer-term issues but in light of the merger it has been decided to disband this group and form a Strategy Committee in September 2022 that looks across both schools.

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 schools' success. This also covers members of the key management personnel.

Mindful of the Charity Governance Code, the Charity 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

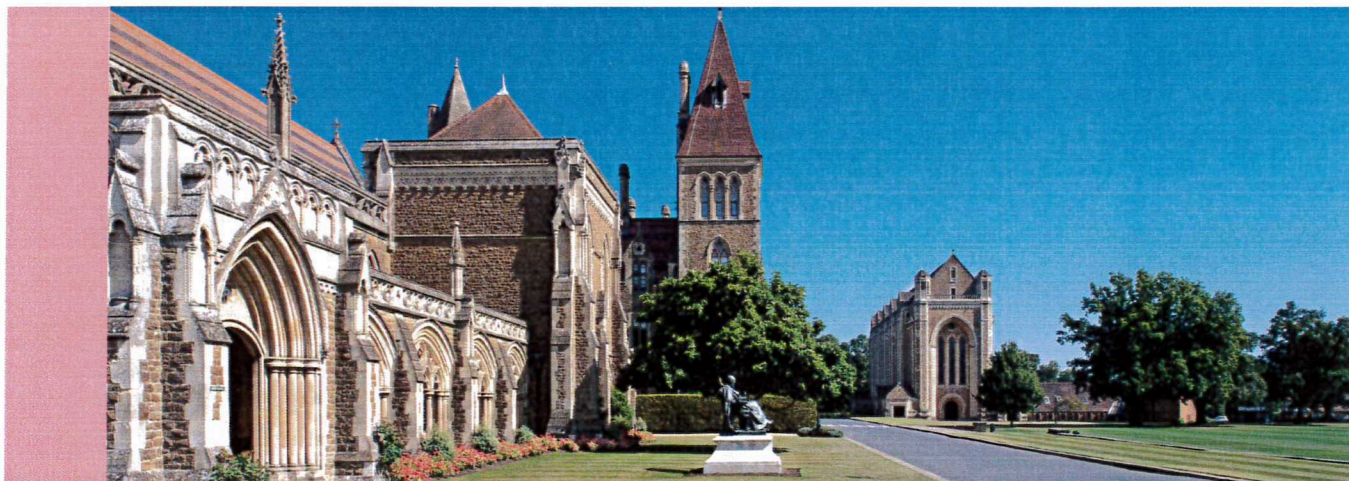
Sutton's Hospital in Charterhouse (Charity No: 207773) was the charity governing both Charterhouse School and Sutton's Hospital until Charterhouse moved to Godalming in 1872 and is administered by its own Governors. The Governors of Sutton's Hospital in Charterhouse manage the permanent endowment bequeathed by Thomas Sutton and pay over to the Charity the Moiety; for this last financial year the Charity received £523,000 (2021: £484,000).

The Carthusian Trust, a Charitable Incorporated Organisation (Charity No: 1171955), provides a permanent fund to promote active participation in the Charterhouse. 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 Charterhouse. During the year the Trust provided £79,531 (2021: £82,844). The Carthusian Trust also pays for up to nine Birley scholarships amounting to £12,070 (2021: £8,880).

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 Charterhouse 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 Charterhouse until a natural breakpoint. During the year £nil (2021: £36,508) was provided to Charterhouse as bursaries.

# 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: 2022

# 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 2022 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 2022 and of the group’s income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charity 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, Health and Safety regulation, Employment legislation 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.

*Crowe U.K. LLP*

**Crowe U.K. LLP** – Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP, Statutory Auditor, London  
Date 30 January 2023

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



# FINANCIAL STATEMENTS

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 JULY 2022**

	Notes	Unrestricted Funds £'000	Endowed Funds £'000	Restricted Funds £'000	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
<b>INCOME AND ENDOWMENTS FROM</b>						
<b>Charitable activities</b>						
Fees receivable	2	40,485			40,485	29,602
Foundation income		523			523	484
Charitable trading income	3b	-			-	68
<b>Other trading activities</b>						
Income of trading subsidiaries	3a	1,712			1,712	1,971
<b>Donations</b>		<b>267</b>	<b>-</b>	<b>1,549</b>	<b>1,816</b>	<b>1,097</b>
<b>Donation of net assets from Charterhouse Club</b>	20	-	-	-	-	204
<b>Gift of net assets from Edgeborough Educational Trust</b>	20	-	-	-	-	8,824
<b>Investment and interest income</b>	4a	<b>179</b>	<b>23</b>	<b>20</b>	<b>222</b>	<b>281</b>
<b>Other income</b>	4b	<b>1,249</b>			<b>1,249</b>	<b>1,495</b>
Gain on disposal of fixed assets		203			203	860
<b>Total income and endowments</b>		<b>44,618</b>	<b>23</b>	<b>1,569</b>	<b>46,210</b>	<b>44,886</b>
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Trading subsidiaries	5,6	1,192			1,192	660
Financing costs		1,275	-	-	1,275	1,251
Investment management		137	18	17	172	161
Fundraising		400	-	-	400	284
<b>Total deductible costs</b>		<b>3,004</b>	<b>18</b>	<b>17</b>	<b>3,039</b>	<b>2,356</b>
<b>Charitable activities</b>						
Schools and grant making		38,595	5	604	39,204	29,491
<b>Total expenditure</b>	6	<b>41,599</b>	<b>23</b>	<b>621</b>	<b>42,243</b>	<b>31,847</b>
<b>Net income from operations</b>		<b>3,019</b>	<b>-</b>	<b>948</b>	<b>3,967</b>	<b>13,039</b>
Net gain on investment assets	8	810	105	98	1,013	4,108
<b>NET INCOME for the year</b>		<b>3,829</b>	<b>105</b>	<b>1,046</b>	<b>4,980</b>	<b>17,147</b>
Actuarial Gain	17	1,760	-	-	1,760	1,279
Net movement in funds for the year		5,589	105	1,046	6,740	18,426
Balances brought forward at 1 August 2021		58,863	2,539	3,533	64,935	46,509
<b>BALANCES CARRIED FORWARD AT 31 JULY 2022</b>		<b>64,452</b>	<b>2,644</b>	<b>4,579</b>	<b>71,675</b>	<b>64,935</b>

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

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**BALANCE SHEETS**  
**AT 31 JULY 2022**

		Consolidated		Schools	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible fixed assets	7	83,325	77,247	83,244	77,152
Investments	8	22,457	24,402	22,707	24,402
		<u>105,782</u>	<u>101,649</u>	<u>105,951</u>	<u>101,554</u>
<b>CURRENT ASSETS</b>					
Stocks	9	98	142	27	24
Debtors and prepayments	10	2,435	2,262	2,848	3,601
Bank and other deposits		24,078	21,092	24,078	21,092
Cash and bank balances		2,338	2,470	1,709	942
		<u>28,949</u>	<u>25,966</u>	<u>28,662</u>	<u>25,659</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(23,205)</u>	<u>(18,758)</u>	<u>(23,016)</u>	<u>(18,360)</u>
<b>NET CURRENT ASSETS</b>		<u>5,744</u>	<u>7,208</u>	<u>5,646</u>	<u>7,299</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>111,526</u>	<u>108,857</u>	<u>111,597</u>	<u>108,853</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12	<u>(37,895)</u>	<u>(39,860)</u>	<u>(37,895)</u>	<u>(39,860)</u>
<b>NET ASSETS EXCLUDING PENSION FUND LIABILITY</b>		<u>73,631</u>	<u>68,997</u>	<u>73,702</u>	<u>68,993</u>
Pension fund liability	17	<u>(1,956)</u>	<u>(4,062)</u>	<u>(1,956)</u>	<u>(4,062)</u>
<b>NET ASSETS</b>	13	<u>71,675</u>	<u>64,935</u>	<u>71,746</u>	<u>64,931</u>
<b>Total Unrestricted Funds</b>		<u>66,408</u>	<u>62,925</u>	<u>66,479</u>	<u>62,921</u>
Restricted funds		4,579	3,533	4,579	3,533
Endowed funds		2,644	2,539	2,644	2,539
<b>Total Restricted Funds</b>		<u>7,223</u>	<u>6,072</u>	<u>7,223</u>	<u>6,072</u>
<b>Total Funds before pension liability</b>		<u>73,631</u>	<u>68,997</u>	<u>73,702</u>	<u>68,993</u>
Pension scheme fund	17	<u>(1,956)</u>	<u>(4,062)</u>	<u>(1,956)</u>	<u>(4,062)</u>
<b>Total Funds</b>	14	<u>71,675</u>	<u>64,935</u>	<u>71,746</u>	<u>64,931</u>

The net result for the year dealt within the financial statements of the parent charity was a surplus of £6.815m (2021 surplus £18,402 m).

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



**V TUCK MA**

Chair

Dated: 2022



**CWD MACEY FCA**

Chair of Audit, Risk and Compliance

Dated: 2022

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 2022**

	Notes	<b>2022</b> <b>£'000</b>	<i>2021</i> <i>£'000</i>
<b>Net cash flow from operations</b>			
Net cash provided by operating activities	15	<b>10,644</b>	<i>10,488</i>
<b>Cash flows from investing activities</b>			
Cash from transfer of Edgeborough Educational Trust assets	20	-	<i>931</i>
Cash from transfer of Charterhouse Club assets	20	-	<i>94</i>
Payments for tangible fixed assets		<b>(9,615)</b>	<i>(16,261)</i>
Proceeds from sale of property, plant and equipment		<b>274</b>	<i>1,347</i>
Receipts from sale of investments		<b>3,000</b>	<i>200</i>
Investment income and interest received		<b>9</b>	<i>50</i>
<b>Net cash (used) in investing activities</b>		<b>(6,332)</b>	<i>(13,639)</i>
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		-	<i>5,000</i>
Bank loan repayments		<b>(1,458)</b>	<i>-</i>
Net cash provided by financing activities		<b>(1,458)</b>	<i>5,000</i>
Change in cash and cash equivalents in the reporting period		<b>2,854</b>	<i>1,849</i>
Cash and cash equivalents at the beginning of the reporting period		<b>23,562</b>	<i>21,713</i>
<b>Cash and cash equivalents at the end of the reporting period</b>	15	<b>26,416</b>	<i>23,562</i>

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

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**1. ACCOUNTING POLICIES**

**Charity Information**

The Schools 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 Charity is considered to be GBP because that is the currency of the primary economic environment in which the Charity 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 Charity 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 challenging economic situation as a result of COVID-19 and Ukrainian crisis, the Governors have reviewed various financial scenarios related to pupil numbers, inflation, non-fee income and tax, to ensure that both schools can deliver excellent educational outcomes and the master plan infrastructure projects. If necessary, options are available to react to any adverse situation, including delaying non-essential projects. There are also current significant cash balances and investments should additional liquidity be required through this period of uncertainty. Given the record number of pupils in September 2022 and the increase in registrations for future years, the Governors have a reasonable expectation that the schools have 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 2022**

---

**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 Charity'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 Schools, 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 Schools.

**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 2022**

---

**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 Schools. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The Charity 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 XX). 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**

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 2022**

---

**1. ACCOUNTING POLICIES (CONTINUED)**

**Stocks**

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

**Fund accounting**

The endowed funds of the Charity 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 Charity held financial assets at fair value through income or expenditure of £22,457m (2021: £24,402m).

**2. FEE INCOME**

	<b>2022</b>	<i>2021</i>
	<b>£'000</b>	<i>£'000</i>
Gross fees, including music fees	<b>41,978</b>	<i>30,896</i>
Less: Scholarships and bursaries:		
Schools – scholarships and awards	<b>(380)</b>	<i>(164)</i>
– bursaries	<b>(1,570)</b>	<i>(1,314)</i>
	<b>40,028</b>	<i>29,418</i>
Fees receivable		
Add back: Bursaries and other awards paid for by restricted funds	<b>457</b>	<i>184</i>
	<b>40,485</b>	<i>29,602</i>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**3. TRADING INCOME AND EXPENDITURE**

**a. Subsidiary companies**

The Charity 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 Charity. Trading results extracted from their audited accounts are shown below:

	<b>2022</b>	<b>2022</b>	<b>2022</b>	<i>2021</i>	<i>2021</i>	<i>2021</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>127</b>	<b>1,893</b>	<b>1,584</b>	1,500	8,602	471
Cost of sales	-	<b>(1,605)</b>	<b>(754)</b>	-	<b>(8,598)</b>	<b>(224)</b>
Gross profit	<b>127</b>	<b>288</b>	<b>830</b>	1,500	4	247
Administration	<b>(202)</b>	<b>(4)</b>	<b>(559)</b>	(215)	(4)	(242)
Interest payable			<b>(2)</b>		-	(2)
Profit / (Loss) before taxation	<b>(75)</b>	<b>284</b>	<b>269</b>	1,285	-	3
Taxation				-	-	-
Profit/(Loss) after taxation	<b>(75)</b>	<b>284</b>	<b>269</b>	1,285	-	3
Gift aid to Charterhouse School	-	<b>(284)</b>	<b>(269)</b>	(1,261)	-	(3)
Retained loss b/fwd	-	-	-	<b>(24)</b>	-	-
Loss retained for the financial year	<b>(75)</b>	-	-	-	-	-

The net assets of CEL at 31 July 2022 were £2 (2021: £2) and for CSD&BL were £1 (2021: £1) and net assets for CIL were £174,788 (2021: (net liabilities £25k)).

Income of the trading subsidiaries, amounts to £3.6m (2021: £10.573m) which represents the turnover of CEL of £1.584m (2021: £471k), the turnover of CSD&BL of £1.892m (2021: £8.602m) and the turnover of CIL of £127k (2021: £1.5m).

During the year, CEL paid the Charity £541k which included Staff Costs £401k, Rent £40k and Event expenditure £60k (2021: £264k). The Charity paid CEL £288k which included Pupils Retail invoices £153k and Miscellaneous £6,700 (2021: £262k). At the year end £3k was owed by the Charity to CEL (2021 £8.9k) and CEL owed the Charity £453k which included the gift aid due for the year of £270k.

The Charity paid CSD&BL £1.34m (2021: £8.886m) for New Building work of which £706k was outstanding at the year end (2021 £187k).

The Charity paid CIL £nil (2021 £nil). CIL paid the School £122k (2021 £180k). CSD&BL paid the Charity £nil (2021 £17k).

At the year end CIL owed the Charity £6k which included VAT.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**3b. CHARITABLE TRADING INCOME**

	<b>2022</b>	<i>2021</i>
	<b>£'000</b>	<i>£'000</i>
Premises and equipment rental from Charterhouse Club Limited	-	68
	<u>-</u>	<u>68</u>

**4a. INVESTMENT AND INTEREST INCOME**

Dividends receivable	201	<i>215</i>
Interest receivable	21	<i>66</i>
	<u>222</u>	<u>281</u>

**4b. OTHER INCOME**

Registration fees	444	<i>425</i>
Surcharge for late payment of school fees	48	<i>3</i>
Rental income – staff housing	413	<i>292</i>
Grant income	-	<i>430</i>
Other	344	<i>345</i>
	<u>1,249</u>	<u>1,495</u>

**5. EXPENDITURE**

Expenditure includes:

Auditor's remuneration:

For audit	55	<i>32</i>
For non-audit	5	<i>28</i>
Depreciation and amortisation - Schools	3,445	<i>2,653</i>
- Charterhouse Enterprises Limited	14	<i>15</i>
Discounts given on Advanced Fees	14	<i>11</i>
Operating lease expenditure – hire of vehicles and equipment	160	<i>160</i>

Total staff costs:

Salaries and wages	18,409	<i>14,102</i>
Social security costs	2,020	<i>1,539</i>
Pension contributions	3,012	<i>2,152</i>
Other including pension past service costs	121	<i>342</i>
	<u>23,562</u>	<u>18,135</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2022**

**5. EXPENDITURE (CONTINUED)**

The average number of full time employees in the year was 279 (2021: 226) and 147 (2021: 96) full time equivalents. Of these:

		<b>2022</b>	<i>2021</i>
		<b>No.</b>	<i>No.</i>
Teaching staff	- Full time	<b>146</b>	<i>107</i>
	- Part time /(full time) equivalent	<b>32</b>	<i>19</i>
Grounds staff	- Full time	<b>14</b>	<i>14</i>
	- Part time /(full time) equivalent	<b>1</b>	<i>1</i>
Maintenance staff	- Full time	<b>23</b>	<i>19</i>
	Part time /(full time) equivalent		<i>-</i>
Pastoral & Domestic staff	- Full time	<b>25</b>	<i>26</i>
	Part time /(full time) equivalent	<b>80</b>	<i>53</i>
Administration & Other	- Full time	<b>71</b>	<i>62</i>
	Part time /(full time) equivalent	<b>34</b>	<i>24</i>

The average number of the Charity's employees during the year calculated on an actual head count basis was 653 (2021: 485).

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

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
£60,001 - £70,000	<b>37</b>	<i>33</i>
£70,001 - £80,000	<b>25</b>	<i>17</i>
£80,001 - £90,000	<b>14</b>	<i>17</i>
£90,001 - £100,000	<b>13</b>	<i>7</i>
£120,001 - £130,000	<b>-</b>	<i>1</i>
£130,001 - £140,000	<b>1</b>	
£140,001 - £150,000	<b>1</b>	<i>1</i>
£170,001 - £180,000		<i>1</i>
£180,001 - £190,000	<b>1</b>	
£200,001 - £210,000		<i>1</i>
£220,001 - £230,000	<b>1</b>	

Of those in the bandings shown above, 78 (2021: 69) were members of the Teachers' Pension Scheme a defined benefits pension scheme and 12 (2021: 9) were members of Charterhouse DC Pension Plans, "Defined contribution schemes". There was 3 (2021:0) Opt-Out from TPS. Employer's contributions to the Charterhouse DC Plans were **£523,369** (2021: £444,361).

Neither the Governors nor persons connected with them received any remuneration or other benefits. There were 6 (2021: 4) Governors who were reimbursed travelling expenses of £1,947 (2021: £304) incurred in attending meetings.

Aggregate employee-benefits of key management personnel was **£2,225,926** (2021: £1,588,822). The senior leadership team is seen as the key management personnel.

Termination payments were **£39,124** (2021: £44,378) and £23,130 (2021 £36,281) were outstanding at year end.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**6. ANALYSIS OF TOTAL EXPENDITURE**

	Staff costs £'000	Other £'000	Depreciation £'000	<b>Total 2022 £'000</b>	<i>Total 2021 £'000</i>
<b>Raising funds</b>					
Trading subsidiaries	-	1,192	-	<b>1,192</b>	660
Financing costs	-	1,275	-	<b>1,275</b>	1,251
Investment Management	-	172	-	<b>172</b>	161
Fundraising	285	115	-	<b>400</b>	284
	<u>285</u>	<u>2,754</u>	<u>-</u>	<u><b>3,039</b></u>	<u>2,356</u>
<b>Charitable activities</b>					
Teaching costs	16,544	1,734	70	<b>18,348</b>	13,279
Welfare	2,399	3,512	-	<b>5,911</b>	4,682
Premises	2,008	4,723	2,914	<b>9,645</b>	7,369
Support costs	2,326	2,371	475	<b>5,172</b>	3,961
Grants, awards and prizes	-	108	-	<b>108</b>	190
Governance costs	-	20	-	<b>20</b>	10
Charity trading	-	-	-	<b>-</b>	-
	<u>23,277</u>	<u>12,468</u>	<u>3,459</u>	<u><b>39,204</b></u>	<u>29,491</u>
<b>Schools and grantmaking costs</b>					
	<u>23,277</u>	<u>12,468</u>	<u>3,459</u>	<u><b>39,204</b></u>	<u>29,491</u>
<b>Total expenditure</b>	<u>23,562</u>	<u>15,222</u>	<u>3,459</u>	<u><b>42,243</b></u>	<u>31,847</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

7. TANGIBLE FIXED ASSETS	Freehold Property £'000	Leasehold Property £'000	Plant, Vehicles and Equipment £'000	Total £'000
<b>Consolidated</b>				
Cost:				
At 1 August 2021	94,836	546	7,269	102,651
Additions at cost	8,963	-	652	9,615
Disposals at cost	-	(113)	-	(113)
<b>At 31 July 2022</b>	<b>103,799</b>	<b>433</b>	<b>7,921</b>	<b>112,153</b>
Depreciation:				
At 1 August 2021	18,967	141	6,296	25,404
Provision for the year	2,847	5	607	3,459
Disposals	-	(35)	-	(35)
<b>At 31 July 2022</b>	<b>21,814</b>	<b>111</b>	<b>6,903</b>	<b>28,828</b>
<b>Net book value</b>				
<b>At 31 July 2022</b>	<b>81,985</b>	<b>322</b>	<b>1,018</b>	<b>83,325</b>
<i>At 31 July 2021</i>	<i>75,869</i>	<i>405</i>	<i>973</i>	<i>77,247</i>
<b>Schools</b>				
Cost:				
At 1 August 2021	94,836	546	6,918	102,300
Additions at cost	8,963	-	652	9,615
Disposals at cost	-	(113)	-	(113)
<b>At 31 July 2022</b>	<b>103,799</b>	<b>433</b>	<b>7,570</b>	<b>111,802</b>
Depreciation:				
At 1 August 2021	18,955	141	6,052	25,148
Provision for the year	2,847	5	593	3,445
Disposals	-	(35)	-	(35)
<b>At 31 July 2022</b>	<b>21,802</b>	<b>111</b>	<b>6,645</b>	<b>28,558</b>
<b>Net book value</b>				
<b>At 31 July 2022</b>	<b>81,997</b>	<b>322</b>	<b>925</b>	<b>83,244</b>
<i>At 31 July 2021</i>	<i>75,881</i>	<i>405</i>	<i>866</i>	<i>77,152</i>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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

Prior to 2000 the cost of land and buildings within the curtilage of Charterhouse School had been written off and not capitalised. In 2000 the cost of buildings constructed since 1974 was reinstated at cost. In addition, Charterhouse 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 £5.501m (2021: £20.686m) which have not been depreciated.

**8. INVESTMENTS 2022**

	General £'000	Endowed & Restricted Funds £'000	Total £'000
<b>Consolidated</b>			
Opening balance			
Investments	18,558	4,657	<b>23,215</b>
Cash capital	949	238	<b>1,187</b>
	<hr/>	<hr/>	<hr/>
At 1 August 2021	19,507	4,895	<b>24,402</b>
New Investment		100	<b>100</b>
Reinvested income	171	43	<b>214</b>
Amounts extracted	(3,079)	(21)	<b>(3,100)</b>
Investment management fees	(137)	(35)	<b>(172)</b>
Gain	810	203	<b>1,013</b>
	<hr/>	<hr/>	<hr/>
Carried forward at 31 July 2022	17,272	5,185	<b>22,457</b>
Closing balance			
Investments	16,401	4,924	<b>21,325</b>
Cash capital	871	261	<b>1,132</b>
	<hr/>	<hr/>	<hr/>
At 31 July 2022	17,272	5,185	<b>22,457</b>
<b>Listed Investments</b>			
Fixed Interest			<b>1,682</b>
Equities			<b>16,539</b>
<b>Alternative Assets</b>			
Bonds			<b>2,853</b>
Gold			<b>251</b>
Cash			<b>1,132</b>
			<hr/>
<b>Charity Investments</b>			<b>22,457</b>
			<hr/>
UK			<b>4,227</b>
Overseas			<b>18,230</b>
			<hr/>
			<b>22,457</b>
			<hr/>

During the year the Charity invested £250k in Charterhouse International Ltd share issue.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**8. INVESTMENTS 2021**

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

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**9. STOCKS**

	Consolidated		Schools	
	2022	2021 £'000	2022 £'000	2021 £'000
Catering	27	12	27	12
Retail shop	68	118	-	-
Merchandise	3	12	-	12
	<u>98</u>	<u>142</u>	<u>27</u>	<u>24</u>

**10. DEBTORS AND PREPAYMENTS**

Fees and other pupil expenses	1,036	948	1,036	948
Staff mortgages and loans	6	5	6	5
Loans to subsidiary undertaking *	-	-	40	60
Trade debtors	376	107	117	79
Amounts due from subsidiary companies	-	-	742	1,696
Prepayments and accrued income	135	260	130	260
Other debtors	882	942	777	553
	<u>2,435</u>	<u>2,262</u>	<u>2,848</u>	<u>3,601</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	2,500	1,459	2,500	1,459
Taxation and social security	1,019	734	949	734
Trade creditors	4,922	3,026	4,486	2,983
Amounts owed to group and associated undertakings	-	-	709	197
Other creditors	743	470	743	470
Accruals and deferred income	5,749	5,921	5,357	5,369
	<u>14,933</u>	<u>11,610</u>	<u>14,744</u>	<u>11,212</u>
Deposits from parents (note 12a)	7,181	6,406	7,181	6,406
Deferred income – fees received in advance (note 12c)	1,091	742	1,091	742
	<u>23,205</u>	<u>18,758</u>	<u>23,016</u>	<u>18,360</u>

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

Bank loans/Private Placement (note 12b)	36,042	38,541	36,042	38,541
Advanced fees (note 12c)	1,853	1,319	1,853	1,319
	<u>37,895</u>	<u>39,860</u>	<u>37,895</u>	<u>39,860</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2022**

**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 Schools.

	<b>2022</b>	<i>2021</i>
	<b>£'000</b>	<i>£'000</i>
<b>Consolidated</b>		
Within 1 year	<u>7,181</u>	<u>6,406</u>

Pupil Fees Deposits – the total amount held in relation to fee deposits of £7.181m is included above. In the normal course of business the expected repayment of these amounts will be £1.923m (2021: 1.909m) within one year and £5.258m (2021: £4.497m) after more than one year.

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

The Charity has a £35m partially amortising private placement with a term of 40 years at a fixed rate. Principal repayments beginning in 2024 and ending in 2058. The Charity also has a CBILS loan of £5m with a tenor of 3 years at 2.25% over base rate, repayments beginning in January 2022.

	<b>2022</b>	<i>2021</i>
	<b>£'000</b>	<i>£'000</i>
<b>Consolidated</b>		
Within 1 year	<u>2,500</u>	<u>1,459</u>
	<b>2,500</b>	<i>1,459</i>
Within 2 to 5 years	<b>2,902</b>	<i>4,621</i>
After 5 years	<b>33,140</b>	<i>33,920</i>
	<b>36,042</b>	<i>38,541</i>

**12c. ADVANCED FEES FUND**

Parents may enter into a contract to pay to the Schools 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>2022</b>	<i>2021</i>
	<b>£'000</b>	<i>£'000</i>
Within 2 to 5 years	<b>1,853</b>	<i>1,319</i>
Within 1 year	<b>1,091</b>	<i>742</i>
	<b>2,944</b>	<i>2,061</i>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2022**

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

	2022		2021	
The movements during the year were:	£'000	£'000	£'000	£'000
At 1 August 2021		2,061		877
Edgeborough (transfer)		-		507
New contracts		2,155		1,465
Repayments		<u>(90)</u>		<u>(43)</u>
		4,126		2,806
Amounts used to pay fees	1,153		734	
Amounts added to value of fees	<u>29</u>		<u>11</u>	
		<u>(1,182)</u>		<u>(745)</u>
At 31 July 2022		<u>2,944</u>		<u>2,061</u>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**13. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS 2022**

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities £'000	Pension fund liability £'000	<b>Total £'000</b>
<b>Consolidated:</b>						
General funds	-	17,272	3,706	(20,978)	-	-
<i>Designated funds:</i>						
Tangible fixed assets reserve	83,325	-	-	(16,917)	-	<b>66,408</b>
<b>Endowed funds</b>	-	2,644	-	-	-	<b>2,644</b>
<b>Restricted funds</b>	-	2,541	2,038	-	-	<b>4,579</b>
<b>Pension scheme fund</b>	-	-	-	-	(1,956)	<b>(1,956)</b>
	<u>83,325</u>	<u>22,457</u>	<u>5,744</u>	<u>(37,895)</u>	<u>(1,956)</u>	<u><b>71,675</b></u>

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

	Tangible fixed assets £'000	Investments £'000	Net current assets / (liabilities) £'000	Long term liabilities £'000	Pension fund liability £'000	<b>Total £'000</b>
<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>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**14. FUNDS 2022**

	<i>Balance</i> 31 July 2021 £'000	Income £'000	Expenditure £'000	Investment gains / (losses) £'000	<b>Balance</b> 31 July 2022 £'000
Undesignated general reserves	-	44,618	(41,945)	810	<b>3,483</b>
Designated funds:					
Tangible fixed assets reserve	<u>62,925</u>	-	-	-	<b>62,925</b>
Total unrestricted funds	<u>62,925</u>	44,618	(41,945)	810	<b>66,408</b>
Restricted funds:					
Prizes	562	5	(5)	23	<b>585</b>
Scholarships and bursaries	1,680	525	(474)	70	<b>1,801</b>
Other	120		(1)	5	<b>124</b>
Donations other	545	208		-	<b>753</b>
Donations Business Hub	426	831	(131)	-	<b>1,126</b>
Donations Wei Music Fund	<u>200</u>		(10)	-	<b>190</b>
	<u>3,533</u>	1,569	(621)	98	<b>4,579</b>
Endowed funds:					
Prizes	569	5	(5)	24	<b>593</b>
Scholarships and bursaries	1,873	17	(17)	77	<b>1,950</b>
Other	<u>97</u>	1	(1)	4	<b>101</b>
	<u>2,539</u>	23	(23)	105	<b>2,644</b>
Pension scheme fund	<u>(4,062)</u>	-	346	1,760	<b>(1,956)</b>
	<u>64,935</u>	46,210	(42,243)	2,773	<b>71,675</b>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**14. FUNDS 2021**

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

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2022**

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**14. FUNDS (CONTINUED)**

The Tangible Fixed Asset reserve incorporates the Reinstated Property net book value of Charterhouse 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 schools.

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 an exceptional musician and the Business hub is for a capital conversion of an existing space at Charterhouse School.

The endowed funds arose from legacies received for the permanent benefit of the schools and £23k 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 2022**

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

	2022	2021
	£'000	£'000
Net income from operations	3,967	13,039
Investment income and interest received	(222)	(281)
Investment manager and cash management fee	172	161
Depreciation	3,459	2,668
Loss/ (gain) on sale of tangible fixed assets	(203)	(860)
Gift of Edgeborough Educational Trust assets	-	(8,824)
Gift of Charterhouse Club assets	-	(204)
Pension scheme net finance costs	62	74
Contributions to the Charterhouse Retirement Benefit Scheme	(408)	(408)
Decrease in stocks	44	72
(Increase) in debtors	(173)	(420)
Increase in creditors	3,063	4,794
Increase/(Decrease) in Advance Fee Scheme	883	677
	<b>10,644</b>	<b>10,488</b>

**Analysis of changes in net debt**

	1 August 2021	Cash flows	31 July 2022
	£'000	£'000	£'000
Cash in bank	12,764	5,712	18,476
Cash in hand	2,470	(132)	2,338
Notice deposits	8,328	(2,726)	5,602
	<b>23,562</b>	<b>2,854</b>	<b>26,416</b>
Cash and cash equivalents			
	<b>23,562</b>	<b>2,854</b>	<b>26,416</b>
Bank loans falling due after less than one year	1,459	1,041	2,500
Bank loans falling due after more than one year	38,541	(2,499)	36,042
	<b>40,000</b>	<b>(1,458)</b>	<b>38,542</b>
Total borrowings			
	<b>40,000</b>	<b>(1,458)</b>	<b>38,542</b>
<b>Net debt</b>	<b>(16,438)</b>	<b>4,312</b>	<b>(12,126)</b>

**16. COMMITMENTS**

**Capital Expenditure**

During the year the Charity worked on various projects including the creative arts and lecture theatre and £6.727m at year-end is contracted for but not accrued in respect of these; (2021: £3.148m).

**Vehicles & Equipment**

**Operating Lease Commitments**

	2022	2021
	£'000	£'000
The future minimum lease payments under non-cancellable operating leases which are all payable as follows:		
Within one year	132	181
Between two and five years	385	58
	<b>517</b>	<b>239</b>

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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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 Charity 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 Charity 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 £2.236m (2021: £1.717m) and at the year-end £32k (2021 - £3k) 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 on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

#### **The Charterhouse Retirement Benefits Scheme**

The Charity operates a scheme for its non-teaching staff, The Charterhouse Retirement Benefits Scheme, which is a defined benefits scheme. The actuarial valuation does not separately identify the Charity'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 Charity. 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 2021. 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	£ 10,286,000
Value of accrued liabilities	£ 12,791,000
Shortfall	£ 2,505,000
Funding level	80%

#### Principal Actuarial Assumptions

- Discount rate after retirement	2.92%
- Discount rate before retirement	2.92%
- Future Retail Price Inflation	3.70%
- Future Consumer Price Inflation	3.20%
- Pension increases (RPI limited to 5%pa)	3.60%
- Pension increases (CPI limited to 3%pa)	2.60%
- Pension increases (RPI limited to 2.5%pa)	2.40%
- Deferred pension revaluation (CPI limited to 5%pa)	3.00%
- 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 2021.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**17. PENSION FUNDS (CONTINUED)**

To eliminate the funding shortfall the Trustees and the Charity have agreed that the Charity 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 2021. The following summarises that position:

Value of Scheme assets	£10,286,000
Value of winding up liabilities	£18,060,000
Shortfall	£7,774,000
Solvency level	57%

The shortfall is an estimate of the additional sum that the Charity 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 2021. Providing "winding up" information is a formal legal requirement and does not imply that the Charity is considering winding up the Scheme.

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

The allocation of fund assets is as follows:

Asset class	Allocation of fund assets			
	31 July 2022	31 July 2021	31 July 2020	31 July 2019
Equities	50%	54%	40%	32%
Bonds	22%	30%	44%	34%
Semi –liquid investments	19%	15%	15%	-
Diversified Credit Funds	8%	-	-	-
Cash and cash alternatives	1%	1%	1%	34%

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:

	2022	2021	2020	2019
Expected rate of return on scheme assets	-	-	-	-
Rate of increase in salaries	-	-	-	-
Pension increases – pre 1/9/07	3.25%	3.25%	2.85%	3.20%
Pension increases – post 1/9/07	2.30%	2.30%	2.15%	2.25%
Rate of discount	3.45%	1.60%	1.35%	2.00%
Inflation	3.30%	3.30%	2.90%	3.25%

**GOVERNING BODY OF CHARTERHOUSE SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**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 2022 are as follows:

	<b>2022</b>	<i>2021</i>
	<b>£'000</b>	<i>£'000</i>
Fair value of Scheme assets	<b>9,246</b>	<i>10,241</i>
Defined benefit obligation	<b>(11,202)</b>	<i>(14,303)</i>
Net liability	<b>(1,956)</b>	<i>(4,062)</i>

**Reconciliation of opening and closing Scheme liabilities**

	<b>2022</b>	<i>2021</i>
	<b>£'000</b>	<i>£'000</i>
<b>Opening defined benefit obligation</b>	<b>14,303</b>	<i>14,555</i>
Interest cost	<b>225</b>	<i>193</i>
Past service cost	<b>-</b>	<i>-</i>
Actuarial (gain) / loss	<b>(2,840)</b>	<i>26</i>
Estimated benefits paid (net of transfers in)	<b>(486)</b>	<i>(471)</i>
<b>Closing defined benefit obligation</b>	<b>11,202</b>	<i>14,303</i>

**Reconciliation of opening and closing Scheme assets**

<b>Opening fair value of Scheme assets</b>	<b>10,241</b>	<i>8,880</i>
Interest income	<b>163</b>	<i>119</i>
Actuarial (loss) / gain	<b>(1,080)</b>	<i>1,305</i>
Contributions by employer	<b>408</b>	<i>408</i>
Estimated benefits paid (net of transfers in)	<b>(486)</b>	<i>(471)</i>
<b>Closing fair value of Scheme assets</b>	<b>9,246</b>	<i>10,241</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>62</b>	<i>74</i>
<b>Total operating charge</b>	<b>62</b>	<i>74</i>

**Total other recognised gains and losses**

Actuarial gains	<b>1,760</b>	<i>1,279</i>
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**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2022**

**17. PENSION FUNDS (CONTINUED)**

**Amounts for current and previous periods**

	<b>31 July 2022 £'000</b>	<i>31 July 2021 £'000</i>	<i>31 July 2020 £'000</i>	<i>31 July 2019 £'000</i>	<i>31 July 2018 £'000</i>
Defined benefits obligation	<b>(11,202)</b>	<i>(14,303)</i>	<i>(14,555)</i>	<i>(13,664)</i>	<i>(12,987)</i>
Scheme assets	<b>9,246</b>	<i>10,241</i>	<i>8,880</i>	<i>8,412</i>	<i>7,623</i>
Deficit	<b><u>(1,956)</u></b>	<i><u>(4,062)</u></i>	<i><u>(5,675)</u></i>	<i><u>(5,252)</u></i>	<i><u>(5,364)</u></i>
Experience adjustments on Scheme liabilities	<b><u>(375)</u></b>	<i><u>(26)</u></i>	<i><u>(1,120)</u></i>	<i><u>(448)</u></i>	<i><u>488</u></i>
Experience adjustments on Scheme assets	<b><u>(1,080)</u></b>	<i><u>1,305</u></i>	<i><u>390</u></i>	<i><u>706</u></i>	<i><u>(12)</u></i>

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 2022**

**18. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

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

**GOVERNING BODY OF CHARTERHOUSE SCHOOL  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2022**

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**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**

For information in the prior year, 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>
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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 2022**

**20. TRANSFER OF ASSETS AND LIABILITIES**

**Charterhouse Club**

For information in the prior year, 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.



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