



CHARTERHOUSE

GOVERNING BODY OF CHARTERHOUSE SCHOOL

ANNUAL REPORT OF GOVERNORS AND FINANCIAL STATEMENTS

31 JULY 2023

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 to 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. Each of our pupils will become future-ready during their time at the School, in preparation for the challenges and opportunities that they will face within our rapidly evolving society.

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. The strategy is regularly reviewed, most recently in September 2023. An annual management plan is produced which sets out specific tasks in support of the Strategy.

Specifically, the objectives for 2022-2023 were:



To continue to provide the highest quality co-education possible.

This year has seen major reviews of curriculum and co-curricular activities at both schools. Charterhouse has updated its IB (International Baccalaureate) offer, introduced a new SMSC/PSHE (Spiritual, Moral, Social and Cultural / Personal, Social, Health and Economic) curriculum, and a new Outdoor

activities programme. The focus has been on improved tracking of pupils’ progress and aligning this with individual pupil pastoral needs to ensure the best outcomes possible. Edgeborough has seen major reviews in all academic and co-curricular areas, resulting in a number of changes. The development of the new Enquiry-Based learning model in Years 1 and 2 has been well received by all and will continue in future years. In addition a new Leadership, Enquiry, Aspiration and Perseverance (LEAP) learning strategy has been produced.



To progress the new Creative Art extension and the Business, Leadership and Entrepreneurship Centre projects at Charterhouse and to start the reception and pedestrianisation projects at Edgeborough.

It has been another busy year for projects with the completion of the new Lecture Theatre in October 2022. This is part of the Business, Leadership

and Entrepreneurship Centre which will be completed by October 2023. This exciting new facility will mean Charterhouse will be the first school to offer an externally accredited Entrepreneurship Diploma. The refurbishment of the Design & Technology building was completed at the end of August 2022 and the construction of the new Creative Arts extension started in July 2023 for completion in September 2024. At Edgeborough the new Reception and Office project started in June 2023 and completed in September 2023. Progress on the Pedestrianisation project has been slowed by planning requirements but initial works will be completed by September 2023 with the full project due for completion in 2024.



To start the conversion of Weekites from a boys’ house to a girls’ house.

Due to strong demand for girls’ places Charterhouse started the conversion of Weekites in September 2023 with girls in the Fourths, Removes and First Year Specialist year groups. The conversion has been well received by pupils, staff and parents. This transition will continue in 2024 with Weekites

being fully girls in September 2025. Similar systems will be used when Girdlestoneites starts its conversion in September 2023.



To develop an online education offer for launch in September 2023.

Organised through Charterhouse International Limited, a new and exciting range of online learning programmes has been developed. These include a one year accelerated learning A-level programme with two on-site modules, as well as re-take and revision modules. Marketing started in early 2023 with the first students enrolled in September 2023.



Completed Lecture Theatre



Creative Arts extension

Principal Activities During the Year

During the year the Charity provided education as follows:

| | Age Group | Average Pupils for the Year | | Remarks |
|--------------|-----------|-----------------------------|-----------|---|
| | | 2022/23 | 2021/2022 | |
| Charterhouse | 13-18 | 930 | 890 | 626 boys; 304 girls. 852 boarders |
| Edgeborough | 2-13 | 367 | 377 | 190 boys; 177 girls. 27 boarded per night on average |

This year has been the first year of full activities at both schools since the Covid-19 pandemic. In addition to busy academic and sport programmes, this has included having parents at school events, overseas trips, and partnership work with local state schools. Despite the continued economic uncertainty, pupil numbers have continued to grow and trading activities have been very positive. While the Governors and the Executive have spent significant time this year planning for possible future financial tax changes, they are confident about the continued success of both schools.



September 2022 saw girls in each year group at Charterhouse, which is one year earlier than originally planned. The girls' houses are now well established and co-education is thriving. The conversion of Weekites from a boys' to a girls' house has started well and has proved very popular with pupils. Demand for both girls' and boys' places continues to be very strong. Plans are in-hand to increase the number of girls to achieve a 50:50 girl/boy balance within 5 years.

Edgeborough has undergone a major transformation under the new Head, Dan Cox, with a new strategy approved in December 2022. The new Vision was launched in 2022 and this aims to develop all areas

of the curriculum while improving facilities to ensure the best prep school education possible. Reviews of all areas are complete and have resulted in major changes to academic, pastoral and co-curricular areas. Upgrades to the Senior Prep classrooms were completed in summer 2022 with a new infrastructure master plan now in place.

Trading activities have now returned to pre-Covid levels with strong membership of the Charterhouse Sports Club and a full summer letting programme. In addition Charterhouse International has announced plans for the opening of another international school in September 2024, this time in Lagos, Nigeria.



Co-education



Edgeborough reception

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, the maximum scholarship value being 10% of the fee. Scholarships may be supplemented by bursary support up to the full value of fees in cases of proven financial need.

During the year some 274 (2022: 285) bursaries, scholarships and other awards were made at a total cost of £2.450m (2022: £1.950m); £2.096m (2022: £1.493m) from Charity funds, £12k (2022: £347k) from restricted funds and £342k (2022: £110k) 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 1,297 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 five core elements to the public benefit it provides.

Widening Access and Bursaries

In 2022/2023, a total of 243 pupils across both schools benefited from bursaries and/or scholarships. Bursary spending totalled £1.919m (2022: £1.570m). In total 79 pupils benefited from bursaries of which 9 pupils were on 100% bursaries. This year saw continued support to three Ukrainian pupils who suffered as a result of the Ukrainian crisis. The Charity also continues to be part of the School Partnership Alliance in support of transformational bursaries and has linked up with the Royal National Children’s Springboard Foundation which has seen our first pupil enter Charterhouse into the 6th form.

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 2,500 pupils;
- 320 pupils from local state schools have taken part in educational activities at Charterhouse, for example Mathematics masterclasses, Science in schools lectures and workshops, and sporting events;
- 30 teachers from other schools have benefited from attending courses hosted and taught by Charterhouse;
- 950 children have had enhanced opportunities and activities as a result of Charterhouse, such as residential summer schools, the Broadwater learning partnership, Chapel use, CCF partnerships and revision courses;
- The annual Shaftesbury Park Primary School summer camp took place in July 2023 providing activities and opportunities for 40 students and yet again was a great success.



Charterhouse Summer School

Community Access and Engagement

The Charity has continued to allow 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 at schools including Guildford Grove School, Kensington Aldridge Academy, Godalming Junior School, Amesbury and Aldro Prep Schools. These activities enabled children to enjoy physical activity, outdoor space and nature safely. A major event this year was the Restless Development Schools’ triathlon which involved over 1,000 children on site. This raised over £105,000. Also, a number of local community groups and organisations used school facilities, including 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 Godalming Community Store, the Meath, and Shooting Star Children’s Hospices. In addition, this year both staff and pupils raised funds in support of the Ukrainian crisis sending two trucks’ worth of goods to Ukraine. In total just over £15,000 has been raised for charities. For the first time in July 2023 the Charity took part in the Tall Ships Youth Trust activities sponsoring a number of pupils for local schools.

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, over 250 pupils have been involved in the Duke of Edinburgh Award Scheme, which includes 3-12 months of service. Overall, pupils dedicated 1,685 hours to volunteering.



Shaftesbury Park Primary School summer camp

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR



Gold DofE Paddlers' Expedition – Norway



This year has seen a return to full school activities at both Charterhouse and Edgeborough with co-curricular activities, overseas 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 full involvement of the Charterhouse and Edgeborough communities in school activities.

Academic Performance

The academic performance of Charterhouse pupils in Summer 2023 was extremely pleasing, notwithstanding the recalibration of examination results with standards reverting to the 'pre-Covid' period prior to 2020:

- At GCSE, pupils' achievement improved on that of 2022. The first-ever GCSE co-educational cohort achieved 72% grades 7-9 (65% in 2022), with 90 of the year group achieving at least eight grade 7s or better.
- In the Sixth Form, students sat public examinations for the first time (having been awarded GCSEs through Teacher Assessed Grades in 2021). A Level results were similar to pre-pandemic with 82% at grades A*-B. Performance in STEM subjects was very positive with 86% at A*-B. 32 pupils achieved 2A*s or more, and 81 pupils achieved at least AAB.

- International Baccalaureate Diploma grading was also revised downwards in 2023 to reflect pre-Covid standards. Nevertheless, the Charterhouse average Diploma score of 34.1 continued to compare very favourably to the international average of 30.2.
- 95% of our leavers have taken up places at university with the remaining leavers re-applying for 2024 entry or finding employment. Twenty of those going to university have chosen to study for a first degree in North America, including two at the Ivy League (Yale and Columbia), and seven will be studying at Cambridge or Oxford.

Pupils at Edgeborough have also had an impressive year, with standardised testing data providing evidence of strong attainment across English, Maths and Science. GL assessment results show that pupils from Year 1 to Year 8 are producing results significantly higher than the national average. Common Entrance Results were excellent with 45% of grades A*/A, and 66% A*-B. Year 8 pupils all move on to excellent academic establishments: Bryanston, Canford, Charterhouse, Churcher's College, Frensham Heights, Hurstpierpoint, King Edward's School Witley, Lord Wandsworth College, Millfield, St Edmund's, Tonbridge, Wellington College and Winchester College. There were an impressive 11 scholarships awarded to the Year 8 cohort this year, including academic scholarships and scholarships for sport, music and art.



Former Director of Music, Mark Shepherd



Fête de Noël



XI football team winning the HUDL League



Edgeborough Hockey

Music

This has been an excellent year for music with a strong group of Music Scholars. The Ralph Vaughan Williams 150th concert series was held in the first term and was very well received. This was followed by an outstanding concert at the Holy Trinity Church in Sloane Square. Collaboration with junior schools continued with a performance of *Freedom* with Edgeborough, Godalming and St Polycarp’s schools. As ever the Bank Show was excellent as were numerous concerts throughout the year, including a surprise farewell to the Director of Music, Mark Shepherd. The choirs continued to go from strength to strength with the inclusion of girls at all ages much appreciated. Rock music has now been added to the options and has quickly established itself with at least five groups.

Art

This year Charterhouse has expanded its curriculum to embrace fashion and textiles at both GCSE and A level with a larger number of pupils than usual studying Art. Of these, five students have gone on to study architecture. The curriculum has also been broadened to include more female and minority artist groups while pupils have taken part in a number of trips including to the Tate, the Victoria and Albert museum, and a field trip to New York. In addition societies have been expanded to include ceramics, film and fashion design with several shows displaying the wide ranging talent from students of all ages. The Department continues to develop links with the wider community including the Godalming Brownies, the local museum and the Watts Gallery and the Newnham gallery in Petworth.

Drama and Dance

It has been another year of outstanding performances, with increasing pupil involvement both on and off stage. In September, *Lack of Talent* raised money for one of the Charterhouse-in-Southwark charities: TheatreTroupe. This was followed by a moving and uplifting production of *Almost, Maine* which gave our senior pupils the chance to really shine. Artifex saw a Fourths and Remove production of *Alibi* in the woods, as well as an amazing pupil-led version of the musical, *Six*. The major production for the year was a musical based on *Titanic*, which brought a cast of 55 pupils from all year groups to the stage; it was an amazing achievement and enjoyed by all. With these and other events through the year, audiences have been larger than ever before and the Theatre has been a very busy and creative place for many pupils.

At Edgeborough the Dunbar Hall Theatre has been a fitting venue for some tremendous performances. The Pre-Prep *Nativity*, Year 5

production of *Porridge* and the senior production of *The Lion King* were three such examples where full audiences were treated to some wonderful theatre. The volume and quality of music in school is excellent. From the Carol Service to the Belgium Choir Tour, our choirs have brought joy to so many through their accomplished performances. In addition, there have been countless concerts and recitals which have seen pupils, all at different stages of their musical journey, perform with confidence and poise.

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. Overall there are 16 different sports with 188 teams playing 1,213 competitive fixtures. Tours have included netball in Dubai, football in Gothia, and cricket in South Africa. In addition Charterhouse has hosted a range of sporting events with local schools, including masterclasses in hockey, netball and football.

It has been a very successful year for sport. At team level, the undoubted highlight was the boys’ 1st XI football team winning the HUDL League as well as reaching the ISFA Cup final. Other team achievements include the boys’ basketball team winning the U18 Public Schools Tournament, girls’ Lacrosse team winning the regional tournament, the girls’ Football team winning the plate at the Bradfield tournament, boys’ U15A Football side reaching the Elvin League semi-finals, the boys’ U14A Hockey team achieving a 90% win record, and the Fives team qualifying for the National Championships. At an individual level one girl became the U18 National Schoolgirls’ Singles Racquets Champion, an amazing achievement, with a boy and girl representing Great Britain at U17 and U16 shooting respectively, a girl making the semi-finals of the Real Tennis U15 National Schoolgirls’ Championships and two pupils representing Surrey in cricket and hockey.

Over the course of the academic year, Edgeborough has offered the major sports of football, rugby, hockey and cricket for the boys and netball, hockey and cricket for the girls. In addition, the introduction of girls’ football has been a huge success. Pupils are also offered cross-country, swimming, tennis and athletics. Seven pupils qualified for the IAPS National Swimming Finals this year, culminating in one IAPS National Champion in the 50m breaststroke, with our U11 boys’ hockey and football teams both qualifying for the IAPS National Finals. The introduction of the Year 8 Leadership Unit within the PE curriculum culminated with the Year 8 pupils planning and leading a Year 1 PE lesson, as well as helping at the Pre-Prep Sports Day.



Duke of Edinburgh's (DofE) Award

Leadership and Outdoor Education

Duke of Edinburgh's (DofE) Award

There have been record numbers of pupils participating in DofE this year. The introduction of the Bronze Award for the Fourth Form (Yr9) saw all 182 pupils complete the necessary expedition and volunteering projects. The re-designated Remove Expedition is now the DofE Silver Practice Expedition which means the Fifth Form (Yr11) can now complete Silver by Christmas. This change saw Silver numbers doubling from 74 to 154. Gold numbers at 40 remain very strong. The possibilities of combining expeditions with local state schools and Charterhouse Malaysia are being looked at for next year.

Pioneers

'Pioneers' is a non-uniformed outdoor education programme for pupils in the Removes (Yr10) who are not members of the CCF. The programme has small groups (six to eight) of pupils engaged in a '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.

Overseas Expeditions

Ten Fourths (Yr9) and Remove (Yr10) pupils spent two weeks on a World Challenge expedition in Vietnam in July accompanied by two members of staff. Activities included a community service project and a challenging trek.

Combined Cadet Force (CCF)

It has been an excellent year for CCF with 83% of the Fourths (Yr9) electing to take part. In addition the partnership with Broadwater School has doubled in size to 30 cadets. The Contingent continues to perform well in competition, as does the shooting team; two cadets have been selected to represent Great Britain and the team has achieved overall Commonwealth Champion status. As an active contingent, CCF was very busy with exercises as well as weekly training and the unit is held in high regard nationally.

Fundraising

The Charity has three priorities for donations: bursaries, infrastructure projects, and social responsibility. This year a total of £3.206m (2022: £1.816m) has been donated. This result is one of the best ever. Overall the Foundation Office raised a total of £2.851m (2022: £1.706m), of which £2.751m (2022: £1.439m) was in the form of 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 £7.50 (2022 £4.27) for each £1 spent, based on expenditure of £380k (2022: £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.

REVIEW OF FINANCIAL ACTIVITIES

While it has been a challenging year with high inflation and market uncertainty, the Charity has seen a return to full activities, particularly in terms of trading, for the first time since the Covid-19 crisis. The aim has been to generate a surplus to enhance its facilities, to offer an education of the highest quality and to help enable its ambitions to widen access to its education.

For 2022/2023, Charterhouse had a target surplus of 4.1% of fees receivable or £1.601m and achieved 14.2% or £6.280m (2022: 11.68% and £2.087m). The increase at Charterhouse was largely due to significant donations (£3.206m), some property sales, and higher than expected pupil numbers. The small loss for Edgeborough (£20k) (2022: £501k profit) was expected this year as it develops its facilities for future growth.

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 £500k, however these funds performed slightly worse than expected and as a result the Charity received £461k (2022: £523k).

The wholly owned subsidiary and trading company, Charterhouse Enterprises Limited, continues to manage the letting and hiring of facilities at the School, including the external club membership for the Queen’s Sports Centre. For the year ending 31 July 2022 the trading company made a gift-aid payment to the Charity of £514k (2022: £269k). 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. This year has seen the construction of two houses for staff use which were completed in July 2023. The Company gift-aid was £30k (2022: £284k). Following the completion of this project, no further work is planned in the near future.

The wholly owned subsidiary and trading company, Charterhouse International Limited, has continued to develop our international schools business. The school in Kuala Lumpur, Malaysia continues to grow and an agreement has been signed for a second school in Lagos, Nigeria which is due to open in September 2024. Discussions are ongoing for the possible opening of two more schools. In addition, an online one-year A-level education offer has been developed for a 2023/24 start and further online learning offers continue to be explored. This year the Company made a profit of £71k which offset against the retained loss brought forward (2022:£75k loss).

Total income for the year was £54.102m (2022:£ 46.210m) up 17%. This is largely due to increased pupil numbers at Charterhouse.



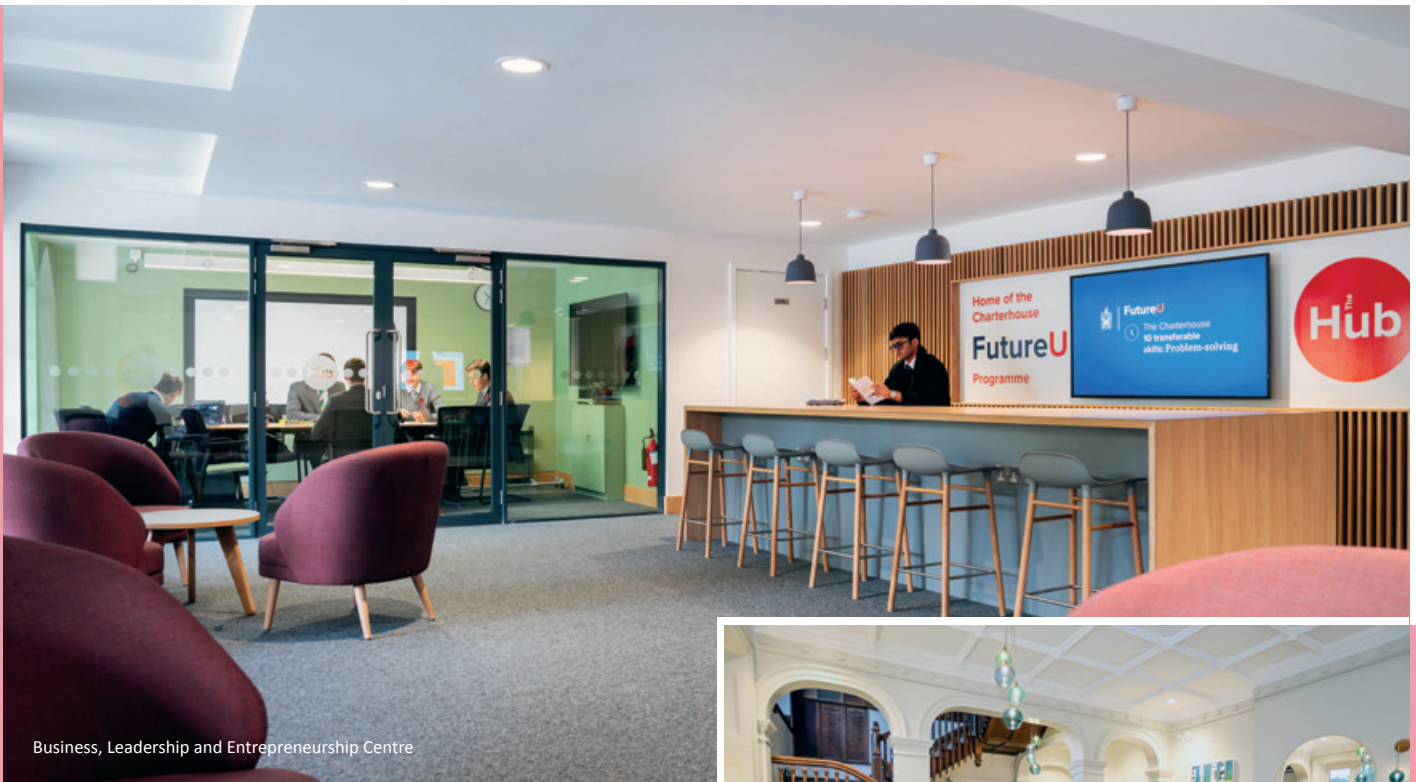
Expenditure was £47.750m (2022: £42.243m) up 13% due to increased cost associated with the increase in pupil numbers and due to general cost inflation.

Overall this year, net income from operations was £6.352m (2022: £3.967m) which was above budget due to donations and increased pupil numbers. Despite the turbulence in markets and inflation, there were net gains on investments of £321k (2022: £1.013m) and the pension scheme position also improved with an actuarial gain of £783k (2022: £1.760m). This resulted in net movement in funds for the year being £7.456m (2022: £6.740m).

Reserves

The Charity’s unrestricted funds stand at £72.361m (2022: £66.408m) at the year end, and total group funds are £79.131m (2022: £71.675m). £72.361m (2022: £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 no free reserves (2022: 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 should it be required. The Governors believe that the conditions for preparing these financial statements on the going concern basis are met and have therefore prepared them accordingly.

The Governing Body normally considers the budget for the new financial year initially in March and finalises it in June. In addition, financial forecasts are produced that estimate incoming funds and expenditure, as well as capital expenditure, providing a clear understanding of its short-and medium-term financial obligations. The Governors’ target level of operational liquidity is approximately £5m which would cover up to two months of operating costs. Currently this can be met with available funds from the private placement or through liquidation of some investments. Alternatively, the Charity would have an overdraft facility to meet this requirement.



Business, Leadership and Entrepreneurship Centre



Edgeborough reception

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 are 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. As the funding position improves the Charity and Trustees have agreed a de-risking investment strategy with a move from growth assets to matching assets; this process started this year. 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 as 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 funds of the order of £2.5m annually towards investment in equipment and facilities, including the refurbishment of existing buildings.

Work on the Charterhouse infrastructure master plan continues. The year saw the opening of the new Lecture Theatre, completion of the refurbishment of the Design & Technology building and of Brooke Hall, and the start of the new Creative Art extension which is due to open in May 2024. Refurbishment of the existing Art studio and connection to the extension will complete the project by September 2024. Work also started on refurbishment to the Ben Travers Theatre with construction of the new Drama Studio planned to start in summer 2024.

Strong progress was also made on the Business, Leadership and Entrepreneurship Centre which has been entirely funded through donations and opened in Autumn 2023.

Edgeborough School is smaller at 55 acres and an infrastructure master plan is now in place. The initial project was the refurbishment of five Senior Prep classrooms last summer. The new reception project started in June 2023 and is due for completion in September 2023. Planning for the pedestrianisation is well advanced with enabling works taking place in summer 2023 and the main works planned for 2024.

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 Operations, 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 Human Resources, 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.

The key risks identified are:

- 1. The economic climate adversely affects affordability and pupil numbers.** Pupil numbers continue to increase, with demand for places strong at both schools. However continued high inflation and an uncertain economic situation are a concern. 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. Increases to Employer Contributions for the Teachers’ Pension Scheme (TPS) is a significant concern.** To date, the Charity has felt it appropriate to remain in the TPS during this key phase in the Charity’s development strategy, notwithstanding the very significant increases to TPS contribution rates in recent years. A further increase in employer contributions of 21% (or 5% points from 23.6% to 28.6%) was confirmed in October 2023 and the Charity is reviewing its options in light of this.
- 3. Future governments change the law to remove charitable tax status or introduce VAT on independent school fees.** 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 the case of charitable tax reliefs being removed or the imposition of VAT on fee income.
- 4. Environmental issues create a financial burden.** The schools have developed their own environmental strategies and have started actions to reduce any adverse impact on the climate. This year it has undertaken two studies to understand how to achieve net zero energy at Charterhouse and Edgeborough. This will not be easy, particularly with listed buildings, and achieving it comes at a significant cost. Therefore the Charity has developed a long term plan to achieve net zero over the coming 20 years.

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



Art and Design Centre



Conversion of Girdlestoneites



The Charterhouse development strategy was endorsed by Governors in December 2016 and reviewed during this year. 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 and to achieve close to a 50:50 girl/boy balance while delivering outstanding education.

The Edgeborough development strategy was endorsed in June 2022 and a new vision document distributed to parents. The aim is to build on the School's existing strengths and develop both academic and pastoral provision, with the appropriate infrastructure.

In both schools demand is very strong and the future looks promising, though the Governors and Executive are not complacent. The key objectives for next year in support of these strategies are:

1. To continue to provide the highest quality co-education possible;
2. To construct the new Creative Art extension and complete the Business, Leadership and Entrepreneur Centre projects at Charterhouse;
3. To complete the new reception and start the pedestrianisation projects at Edgeborough;
4. To start the conversion of Girdlestoneites at Charterhouse from a boys' house to a girls' house;
5. To continue to grow non-fee income in order to increase funding for bursaries and public benefit;
6. To review opportunities to continue to develop the Charterhouse brand;
7. To review the Charity's structure and prepare for any future government tax changes.

GOVERNORS AND CHARITY TRUSTEES



Members

- Ms V Tuck BA MA** – Chair ^{9,7,10} (Resigned 31 July 2023)*
- Mr K Awuku-Asabre BSC Dip LAW** ^{3,7}
- Mr E D A Barnes BA** ^{4,7,9,10}
- Ms C Brown MA PgDL LPC** ^{3,6,10}
- Mr S Browne MA, MBA, PGCE, MCSI** ^{2,4} (Elected 16 March 2023)
- Ms G Byrom BSC MA** ⁴ (Resigned 25 January 2023)
- Prof V C Emery PhD FRSB FAST** ¹
- Ms H M Goatley BA LLB** ^{3,4} (Elected 2 December 2022)
- Mr J Goldsmith BSc MRICS** ^{1,5,9}
- The Very Revd. D L Gwilliams BA MA** ^{4,6}
- Dr N Krause MBE BSc MSc PsychD C.Psychol C.Sci AFBPsS** ⁴
- Mr C W D Macey FCA** ^{2,3,9}
- Mr P Malcolm** ^{1,5}
- Mr J McIlroy FCA ATII** ^{1,9,10}
- Mr J R Olsen BA** ^{1,7,9,10} (interim Chair from 1 August 2023)
- Mr A M Reid MA MBA FCA** ^{1,2}
- Mr D J G Royds BSc** ^{1,2,5,9}
- Mr M W T Walton MA MBA FRICS** ^{3,5,8,10}

* Mr M J Bishop BA, MA, PGCE, MBA was elected 23 June 2023 to be a Governor from 1 September 2023 and to become Chair of the Governing Body from 1 March 2024

- ¹ Indicates membership of the Finance and Business Development Committee
- ² Indicates membership of the Investment Sub-Committee
- ³ Indicates membership of the Audit, Risk, and Compliance Committee
- ⁴ Indicates membership of the Education Committee
- ⁵ Indicates membership of the Projects and Planning Committee
- ⁶ Indicates governor with special responsibility for Safeguarding and Child Protection
- ⁷ Indicates membership of the Nominations and Governance Committee
- ⁸ Indicates governor with special responsibility for Health & Safety
- ⁹ Indicates membership of the Chairs' Committee
- ¹⁰ Indicates membership of the Edgeborough School Committee

Appointed by:

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



OFFICERS

- Head of Charterhouse School
- Director of Financial Strategy
- Director of Finance and Operations
- Head of Edgeborough School
- Bursar of Edgeborough School

- Dr A L R Peterken BA, MA, EdD
- D S Armitage MBE BSc MSc (Resigned 31 Aug. 2023)
- P J Grainge MA (Cantab), ACMA (Appointed 1 Sept. 2023)
- D R Cox BA MSc
- S H Riley BA MBA

CLERK TO THE GOVERNING BODY

Mrs A C 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. 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 Operations, and the Clerk to the Governors. Governors visit the schools and observe lessons as well as attend relevant training workshops and presentations. They also attend external and internal 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, communications, 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 Edgeborough School Committee oversees the educational and pastoral aspects of the preparatory school, including safeguarding;
- The Chairs’ Committee comprises the Chairs of all of the above committees and sits prior to the Governing Body meetings to discuss major issues and prepare the agenda for the main meetings;
- There are designated Governor leads for Safeguarding, Health & Safety and Boarding.

This year the Governors have also set up two working groups to look at teachers’ pensions and future structures/tax implications.

The Governing Body appoints the Head and the Director of Finance and Operations 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 Operations 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 Operations for Charterhouse and the Head and Bursar of Edgeborough School meet regularly. A joint Executive Strategy Committee considers longer-term issues.

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 the introduction of 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 enhanced, 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 £461,000 (2022: £523,000).

The Carthusian Trust, a Charitable Incorporated Organisation (Charity No: 1171955), providing means-tested bursaries and scholarships to pupils of Charterhouse School or donations towards capital projects that will benefit the pupils of the School. During the year the Trust provided £205,313 (2022: £79,531). The Carthusian Trust also pays for up to nine Birley scholarships amounting to £16,365 (2022: £12,070).

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 £35,376 (2022: £Nil) 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

J Olsen BA Chair
Dated: 19th December, 2023

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 2023 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 2023 and of the group’s income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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



Tina Allison – Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP, Statutory Auditor, London

Date **29 January 2024**

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



FINANCIAL STATEMENTS

GOVERNING BODY OF CHARTERHOUSE SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2023

| | Notes | Unrestricted Funds £'000 | Endowed Funds £'000 | Restricted Funds £'000 | Year ended 31 July 2023 £'000 | Year ended 31 July 2022 £'000 |
|--|-------|--------------------------------|---------------------------|------------------------------|--|--|
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Charitable activities | | | | | | |
| Fees receivable | 2 | 44,332 | - | - | 44,332 | 40,485 |
| Foundation income | | 461 | - | - | 461 | 523 |
| Other trading activities | | | | | | |
| Income of trading subsidiaries | 3a | 2,148 | - | - | 2,148 | 1,712 |
| Donations | | 101 | - | 3,105 | 3,206 | 1,816 |
| Investment and interest income | 4a | 292 | 31 | 30 | 353 | 222 |
| Other income | 4b | 1,455 | - | - | 1,455 | 1,249 |
| Gain on disposal of fixed assets | | 2,147 | - | - | 2,147 | 203 |
| Total income and endowments | | 50,936 | 31 | 3,135 | 54,102 | 46,210 |
| EXPENDITURE ON | | | | | | |
| Raising funds | | | | | | |
| Trading subsidiaries | 5, 6 | 1,491 | - | - | 1,491 | 1,192 |
| Financing costs | | 1,270 | - | - | 1,270 | 1,275 |
| Investment management | | 124 | 19 | 18 | 161 | 172 |
| Fundraising | | 380 | - | - | 380 | 400 |
| Total deductible costs | | 3,265 | 19 | 18 | 3,302 | 3,039 |
| Charitable activities | | | | | | |
| Schools and grant making | | 41,618 | 235 | 2,595 | 44,448 | 39,204 |
| Total expenditure | 6 | 44,883 | 254 | 2,613 | 47,750 | 42,243 |
| Net income/ (expenditure) from operations | | 6,053 | (223) | 522 | 6,352 | 3,967 |
| Net gain on investment assets | 8 | 247 | 38 | 36 | 321 | 1,013 |
| NET INCOME for the year | | 6,300 | (185) | 558 | 6,673 | 4,980 |
| Actuarial Gain | 17 | 783 | - | - | 783 | 1,760 |
| Net movement in funds for the year | | 7,083 | (185) | 558 | 7,456 | 6,740 |
| Balances brought forward at 1 August 2022 | | 64,452 | 2,644 | 4,579 | 71,675 | 64,935 |
| BALANCES CARRIED FORWARD AT 31 JULY 2023 | | 71,535 | 2,459 | 5,137 | 79,131 | 71,675 |

The notes on pages 25 to 50 form part of these accounts.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
BALANCE SHEETS
AT 31 JULY 2023**

| | | Consolidated | | Schools | |
|--|----|-----------------|-----------------|-----------------|-----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 7 | 90,106 | 83,325 | 90,106 | 83,244 |
| Investments | 8 | 22,523 | 22,457 | 22,773 | 22,707 |
| | | <u>112,629</u> | <u>105,782</u> | <u>112,879</u> | <u>105,951</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 9 | 125 | 98 | 37 | 27 |
| Debtors and prepayments | 10 | 2,288 | 2,435 | 2,849 | 2,848 |
| Bank and other deposits | | 18,626 | 24,078 | 18,626 | 24,078 |
| Cash and bank balances | | 3,987 | 2,338 | 2,902 | 1,709 |
| | | <u>25,026</u> | <u>28,949</u> | <u>24,414</u> | <u>28,662</u> |
| CREDITORS: amounts falling due within one year | 11 | <u>(21,505)</u> | <u>(23,205)</u> | <u>(21,143)</u> | <u>(23,016)</u> |
| NET CURRENT ASSETS | | <u>3,521</u> | <u>5,744</u> | <u>3,271</u> | <u>5,646</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>116,150</u> | <u>111,526</u> | <u>116,150</u> | <u>111,597</u> |
| CREDITORS: amounts falling due after more than one year | 12 | <u>(36,193)</u> | <u>(37,895)</u> | <u>(36,193)</u> | <u>(37,895)</u> |
| NET ASSETS EXCLUDING PENSION FUND LIABILITY | | <u>79,957</u> | <u>73,631</u> | <u>79,957</u> | <u>73,702</u> |
| Pension fund liability | 17 | <u>(826)</u> | <u>(1,956)</u> | <u>(826)</u> | <u>(1,956)</u> |
| NET ASSETS | 13 | <u>79,131</u> | <u>71,675</u> | <u>79,131</u> | <u>71,746</u> |
| Total Unrestricted Funds | | <u>72,361</u> | <u>66,408</u> | <u>72,361</u> | <u>66,479</u> |
| Restricted funds | | 5,137 | 4,579 | 5,137 | 4,579 |
| Endowed funds | | 2,459 | 2,644 | 2,459 | 2,644 |
| Total Restricted Funds | | <u>7,596</u> | <u>7,223</u> | <u>7,596</u> | <u>7,223</u> |
| Total Funds before pension liability | | <u>79,957</u> | <u>73,631</u> | <u>79,957</u> | <u>73,702</u> |
| Pension scheme fund | 17 | <u>(826)</u> | <u>(1,956)</u> | <u>(826)</u> | <u>(1,956)</u> |
| Total Funds | 14 | <u>79,131</u> | <u>71,675</u> | <u>79,131</u> | <u>71,746</u> |

The net result for the year dealt within the financial statements of the parent charity was a surplus of £7.385m (2022 surplus £6.815 m).

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

J OLSEN BA
Chair

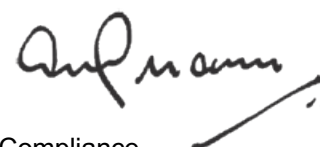
Dated: 19th December, 2023



CWD MACEY FCA

Chair of Audit, Risk and Compliance

Dated: 19th December, 2023



The notes on pages 25 to 50 form part of these accounts.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023**

| | Notes | 2023 £'000 | 2022 £'000 |
|---|-------|----------------------|----------------|
| Net cash flow from operations | | | |
| Net cash provided by operating activities | 15 | <u>7,282</u> | <u>10,644</u> |
| Cash flows from investing activities | | | |
| Payments for tangible fixed assets | | (11,182) | (9,615) |
| Proceeds from sale of property, plant and equipment | | 2,147 | 274 |
| Receipts from sale of investments | | 356 | 3,000 |
| Investment income and interest received | | <u>90</u> | <u>9</u> |
| Net cash (used) in investing activities | | <u>(8,589)</u> | <u>(6,332)</u> |
| Cash flows from financing activities | | | |
| Bank loan repayments | | (2,496) | (1,458) |
| Net cash provided by financing activities | | <u>(2,496)</u> | <u>(1,458)</u> |
| Change in cash and cash equivalents in the reporting period | 15 | (3,803) | 2,854 |
| Cash and cash equivalents at the beginning of the reporting period | | 26,416 | 23,562 |
| Cash and cash equivalents at the end of the reporting period | 15 | <u>22,613</u> | <u>26,416</u> |

The notes on pages 25 to 50 form part of these accounts.

GOVERNING BODY OF CHARTERHOUSE SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2023

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.

Going concern

In light of the continued high inflation and market uncertainty, 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 necessary master plan infrastructure projects. In addition, Governors have set up two working groups to explore solutions to key challenges and opportunities facing the schools. Therefore contingency plans are in place to deal with future adverse situations, which included proposals such as delaying non-essential projects. The Charity also hold significant cash balances and investments should additional liquidity be required through any period of uncertainty. Given the record number of pupils in September 2023 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 2023**

1. ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Governors 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 2023**

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 34). 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 2023**

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 £22.523m (2022: £22.457m).

2. FEE INCOME

| | 2023 | <i>2022</i> |
|---|----------------|----------------|
| | £'000 | <i>£'000</i> |
| Gross fees, including music fees | 46,428 | <i>41,978</i> |
| Less: Scholarships and bursaries: | | |
| Schools -scholarships and awards | (531) | <i>(380)</i> |
| - bursaries | (1,919) | <i>(1,570)</i> |
| | <hr/> | <hr/> |
| Fees receivable | 43,978 | <i>40,028</i> |
| Add back: Bursaries and other awards paid for by restricted funds | 354 | <i>457</i> |
| | <hr/> | <hr/> |
| | 44,332 | <i>40,485</i> |
| | <hr/> | <hr/> |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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:

| | 2023 £'000 CIL | 2023 £'000 CSD&BL | 2023 £'000 CEL | <i>2022</i> £'000 <i>CIL</i> | <i>2022</i> £'000 <i>CSD&BL</i> | <i>2022</i> £'000 <i>CEL</i> |
|--------------------------------------|------------------------------------|---|------------------------------------|------------------------------------|---|------------------------------------|
| Turnover | 242 | 1,157 | 1,906 | <i>127</i> | <i>1,893</i> | <i>1,584</i> |
| Cost of sales | | (1,122) | (799) | <i>-</i> | <i>(1,605)</i> | <i>(754)</i> |
| Gross profit | 242 | 35 | 1,107 | <i>127</i> | <i>288</i> | <i>830</i> |
| Administration | (171) | (5) | (591) | <i>(202)</i> | <i>(4)</i> | <i>(559)</i> |
| Interest payable | - | - | (2) | <i>-</i> | <i>-</i> | <i>(2)</i> |
| Profit /(Loss) before taxation | 71 | 30 | 514 | <i>(75)</i> | <i>284</i> | <i>269</i> |
| Taxation | | | | | | |
| Profit/(Loss) after taxation | 71 | 30 | 514 | <i>(75)</i> | <i>284</i> | <i>269</i> |
| Gift aid to Charterhouse School | - | (30) | (514) | <i>-</i> | <i>(284)</i> | <i>(269)</i> |
| Retained loss b/fwd | (75) | - | - | <i>-</i> | <i>-</i> | <i>-</i> |
| Loss retained for the financial year | (4) | - | - | <i>(75)</i> | <i>-</i> | <i>-</i> |

The net assets of CEL at 31 July 2023 were £2 (2022: £2) and for CSD&BL were £1 (2022: £1) and net assets for CIL were £245,666 (2022: (net liabilities £174,788)).

Income of the trading subsidiaries, amounts to £3.3m (2022: £3.6m) which represents the turnover of CEL of £1.906m (2022: £1.584m), the turnover of CSD&BL of £1.157m (2022: £1.892m) and the turnover of CIL of £242k (2022: £127k).

During the year, CEL paid the Charity £675k which included Staff Costs £476k, Rent £40k and Event expenditure £152k (2022: £541k). The Charity paid CEL £361k which included Pupils Retail invoices £159k and Miscellaneous £2,863 (2022: £288k). At the year end £76.2k was owed by the Charity to CEL (2022 £3k) and CEL owed the Charity £701k which included the gift aid due for the year of £514k.

The Charity paid CSD&BL £1.3m (2022: £1.34m) for New Building work of which £30k was outstanding at the year end (2022 £706k). CSD&BL paid the Charity £189 (2022 £nil). At the year end £316k was owed by the Charity to CSD&BL (2022 £706k) and CSD&BL owed the Charity £30k (2022 £283k) which was the gift aid.

The Charity paid CIL £nil (2022 £nil). CIL paid the School £83k (2022 £122k).

At the year end CIL owed the Charity £11k.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

4a. INVESTMENT AND INTEREST INCOME

| | 2023 | <i>2022</i> |
|----------------------|--------------|--------------|
| | £'000 | <i>£'000</i> |
| Dividends receivable | 233 | <i>201</i> |
| Interest receivable | 120 | <i>21</i> |
| | 353 | <i>222</i> |

4b. OTHER INCOME

| | | |
|---|--------------|--------------|
| Registration fees | 400 | <i>444</i> |
| Surcharge for late payment of school fees | 43 | <i>48</i> |
| Rental income – staff housing | 401 | <i>413</i> |
| Other | 611 | <i>344</i> |
| | 1,455 | <i>1,249</i> |

5. EXPENDITURE

Expenditure includes:

Auditor's remuneration:

| | | |
|--|--------------|--------------|
| For audit | 64 | <i>55</i> |
| For non-audit | 5 | <i>5</i> |
| Depreciation and amortisation - Schools | 3,755 | <i>3,445</i> |
| - Charterhouse Enterprises Limited | 5 | <i>14</i> |
| Discounts given on Advanced Fees | 16 | <i>14</i> |
| Operating lease expenditure – hire of vehicles and equipment | 183 | <i>160</i> |

Total staff costs:

| | | |
|--|---------------|---------------|
| Salaries and wages | 20,228 | <i>18,409</i> |
| Social security costs | 2,116 | <i>2,020</i> |
| Pension contributions | 3,277 | <i>3,012</i> |
| Other including pension past service costs | 146 | <i>121</i> |
| | 25,767 | <i>23,562</i> |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

5. EXPENDITURE (CONTINUED)

The average number of full time employees in the year was 283 (2022: 279) and 163 (2022: 147) full time equivalents. Of these:

| | | 2023 | 2022 |
|---------------------------|-------------------------------------|-------------|-------------|
| | | No. | No. |
| Teaching staff | - Full time | 152 | 146 |
| | - Part time /(full time) equivalent | 41 | 32 |
| Grounds staff | - Full time | 14 | 14 |
| | - Part time /(full time) equivalent | - | 1 |
| Maintenance staff | - Full time | 24 | 23 |
| | - Part time /(full time) equivalent | 1 | - |
| Pastoral & Domestic staff | - Full time | 23 | 25 |
| | - Part time /(full time) equivalent | 81 | 80 |
| Administration & Other | - Full time | 70 | 71 |
| | - Part time /(full time) equivalent | 40 | 34 |

The average number of the Charity's employees during the year calculated on an actual head count basis was 644 (2022: 653).

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

| | 2023 | 2022 |
|---------------------|-------------|-------------|
| | No. | No. |
| £60,001 - £70,000 | 34 | 37 |
| £70,001 - £80,000 | 26 | 25 |
| £80,001 - £90,000 | 27 | 14 |
| £90,001 - £100,000 | 8 | 13 |
| £100,001 - £110,000 | 5 | - |
| £110,001 - £120,000 | 2 | - |
| £130,001 - £140,000 | 1 | 1 |
| £140,001 - £150,000 | - | 1 |
| £180,001 - £190,000 | - | 1 |
| £200,001 - £210,000 | 1 | - |
| £220,001 - £230,000 | - | 1 |
| £270,001 - £280,000 | 1 | - |

Of those in the bandings shown above, 87 (2022: 78) were members of the Teachers' Pension Scheme, a defined benefits pension scheme, 15 (2022: 12) were members of Charterhouse DC Pension Plans, "Defined contribution schemes", and there were 3 (2022:3) opt-outs from TPS. Employer's contributions to the Charterhouse DC Plans were £532,971 (2022: £523,369).

Neither the Governors nor persons connected with them received any remuneration or other benefits. There were 3 (2022: 6) Governors who were reimbursed travelling expenses of £1,694 (2022: £1,947) incurred in attending meetings.

Aggregate employee-benefits of key management personnel was £2,576,965 (2022: £2,225,926). Key management personnel are defined as the School's Senior Leadership Team (SLT). Eight of the School's SLT have a spouse or child employed at the School at a total cost of £122k (2022 £76k)

Termination payments were £102,496 (2022: £39,124) and £nil (2022 £23,130) were outstanding at year end.

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

6. ANALYSIS OF TOTAL EXPENDITURE

| | Staff costs £'000 | Other £'000 | Depreciation £'000 | Total 2023 £'000 | <i>Total 2022 £'000</i> |
|--------------------------------------|----------------------|----------------------|-----------------------|---------------------------------|---------------------------------|
| Raising funds | | | | | |
| Trading subsidiaries | - | 1,491 | - | 1,491 | 1,192 |
| Financing costs | - | 1,270 | - | 1,270 | 1,275 |
| Investment Management | - | 161 | - | 161 | 172 |
| Fundraising | 220 | 160 | - | 380 | 400 |
| | <u>220</u> | <u>3,082</u> | <u>-</u> | <u>3,302</u> | <u>3,039</u> |
| Charitable activities | | | | | |
| Teaching costs | 18,028 | 2,023 | 132 | 20,183 | 18,348 |
| Welfare | 2,584 | 3,978 | - | 6,562 | 5,911 |
| Premises | 2,378 | 5,933 | 3,056 | 11,367 | 9,645 |
| Support costs | 2,557 | 3,166 | 572 | 6,273 | 5,172 |
| Grants, awards and prizes | - | 22 | - | 22 | 108 |
| Governance costs | - | 19 | - | 19 | 20 |
| | <u>25,547</u> | <u>15,141</u> | <u>3,760</u> | <u>44,448</u> | <u>39,204</u> |
| Schools and grantmaking costs | | | | | |
| | <u>25,547</u> | <u>15,141</u> | <u>3,760</u> | <u>44,448</u> | <u>39,204</u> |
| Total expenditure | <u>25,767</u> | <u>18,223</u> | <u>3,760</u> | <u>47,750</u> | <u>42,243</u> |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

| 7. TANGIBLE FIXED ASSETS | Freehold Property £'000 | Leasehold Property £'000 | Plant, Vehicles and Equipment £'000 | Total £'000 |
|--------------------------|-------------------------------|--------------------------------|---|----------------|
| Consolidated | | | | |
| Cost: | | | | |
| At 1 August 2022 | 103,799 | 433 | 7,921 | 112,153 |
| Additions at cost | 10,108 | - | 1,074 | 11,182 |
| Disposals at cost | (785) | - | (319) | (1,104) |
| At 31 July 2023 | 113,122 | 433 | 8,676 | 122,231 |
| Depreciation: | | | | |
| At 1 August 2022 | 21,814 | 111 | 6,903 | 28,828 |
| Provision for the year | 3,002 | 5 | 753 | 3,760 |
| Disposals | (220) | - | (243) | (463) |
| At 31 July 2023 | 24,596 | 116 | 7,413 | 32,125 |
| Net book value | | | | |
| At 31 July 2023 | 88,526 | 317 | 1,263 | 90,106 |
| <i>At 31 July 2022</i> | <i>81,985</i> | <i>322</i> | <i>1,018</i> | <i>83,325</i> |
| Schools | | | | |
| Cost: | | | | |
| At 1 August 2022 | 103,799 | 433 | 7,570 | 111,802 |
| Additions at cost | 10,108 | - | 1,074 | 11,182 |
| Disposals at cost | (785) | - | (87) | (872) |
| At 31 July 2023 | 113,122 | 433 | 8,557 | 122,112 |
| Depreciation: | | | | |
| At 1 August 2022 | 21,802 | 111 | 6,645 | 28,558 |
| Provision for the year | 3,002 | 5 | 748 | 3,755 |
| Disposals | (220) | - | (87) | (307) |
| At 31 July 2023 | 24,584 | 116 | 7,306 | 32,006 |
| Net book value | | | | |
| At 31 July 2023 | 88,538 | 317 | 1,251 | 90,106 |
| <i>At 31 July 2022</i> | <i>81,997</i> | <i>322</i> | <i>925</i> | <i>83,244</i> |

GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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 £7.170m (2022: £5.501m) which have not been depreciated.

8. INVESTMENTS 2023

| | General £'000 | Endowed & Restricted Funds £'000 | Total £'000 |
|---------------------------------|------------------|---|----------------------|
| Consolidated | | | |
| Opening balance | | | |
| Investments | 16,401 | 4,924 | 21,325 |
| Cash capital | 871 | 261 | 1,132 |
| | <u>17,272</u> | <u>5,185</u> | <u>22,457</u> |
| At 1 August 2022 | 17,272 | 5,185 | 22,457 |
| New Investment | - | 66 | 66 |
| Reinvested income | 203 | 61 | 264 |
| Amounts extracted | (68) | (356) | (424) |
| Investment management fees | (124) | (37) | (161) |
| Gain realised and unrealised | 247 | 74 | 321 |
| | <u>17,530</u> | <u>4,993</u> | <u>22,523</u> |
| Carried forward at 31 July 2023 | 17,530 | 4,993 | 22,523 |
| Closing balance | | | |
| Investments | 16,967 | 4,833 | 21,800 |
| Cash capital | 563 | 160 | 723 |
| | <u>17,530</u> | <u>4,993</u> | <u>22,523</u> |
| At 31 July 2023 | 17,530 | 4,993 | 22,523 |
| Listed Investments | | | |
| Fixed Interest | | | 2,152 |
| Equities | | | 17,855 |
| Alternative Assets | | | |
| Bonds | | | 1,793 |
| Gold | | | - |
| Cash | | | 723 |
| | | | <u>22,523</u> |
| Charity Investments | | | |
| UK | | | 3,302 |
| Overseas | | | 19,221 |
| | | | <u>22,523</u> |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

8. INVESTMENTS 2022

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

During 2021-22 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 2023**

9. STOCKS

| | Consolidated | | Schools | |
|-------------|--------------|---------------|---------------|---------------|
| | 2023 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| Catering | 38 | 27 | 37 | 27 |
| Retail shop | 84 | 68 | - | - |
| Merchandise | 3 | 3 | - | - |
| | <u>125</u> | <u>98</u> | <u>37</u> | <u>27</u> |

10. DEBTORS AND PREPAYMENTS

| | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Fees and other pupil expenses | 1,259 | 1,036 | 1,259 | 1,036 |
| Staff mortgages and loans | 5 | 6 | 5 | 6 |
| Loans to subsidiary undertaking * | - | - | 20 | 40 |
| Trade debtors | 151 | 376 | 8 | 117 |
| Amounts due from subsidiary companies | - | - | 722 | 742 |
| Prepayments and accrued income | 275 | 135 | 259 | 130 |
| Other debtors | 598 | 882 | 576 | 777 |
| | <u>2,288</u> | <u>2,435</u> | <u>2,849</u> | <u>2,848</u> |

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Bank loans | 1,392 | 2,500 | 1,392 | 2,500 |
| Taxation and social security | 1,092 | 1,019 | 1,026 | 949 |
| Trade creditors | 3,421 | 4,922 | 2,976 | 4,486 |
| Amounts owed to group and associated undertakings | | - | 392 | 709 |
| Other creditors | 706 | 743 | 708 | 743 |
| Accruals and deferred income | 6,403 | 5,749 | 6,158 | 5,357 |
| | <u>13,014</u> | <u>14,933</u> | <u>12,652</u> | <u>14,744</u> |
| Deposits from parents (note 12a) | 7,585 | 7,181 | 7,585 | 7,181 |
| Deferred income – fees received in advance (note 12c) | 906 | 1,091 | 906 | 1,091 |
| | <u>21,505</u> | <u>23,205</u> | <u>21,143</u> | <u>23,016</u> |

12. CREDITORS: amounts falling due after one year

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Bank loans/Private Placement (note 12b) | 34,650 | 36,042 | 34,650 | 36,042 |
| Advanced fees (note 12c) | 1,543 | 1,853 | 1,543 | 1,853 |
| | <u>36,193</u> | <u>37,895</u> | <u>36,193</u> | <u>37,895</u> |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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.

| | 2023 | 2022 |
|---------------------|--------------|--------------|
| | £'000 | £'000 |
| Consolidated | | |
| Within 1 year | <u>7,585</u> | <u>7,181</u> |

Pupil Fees Deposits – the total amount held in relation to fee deposits of £7.585m is included above. In the normal course of business the expected repayment of these amounts will be £1.111m (2022: 1.923m) within one year and £6.474m (2022: £5.258m) 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 of 3.19%. 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.

| | 2023 | 2022 |
|---------------------|---------------|---------------|
| | £'000 | £'000 |
| Consolidated | | |
| Within 1 year | <u>1,392</u> | <u>2,500</u> |
| | 1,392 | 2,500 |
| Within 2 to 5 years | 1,510 | 2,902 |
| After 5 years | 33,140 | 33,140 |
| | 34,650 | 36,042 |

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.

| | 2023 | 2022 |
|---------------------|--------------|--------------|
| | £'000 | £'000 |
| Within 2 to 5 years | 1,543 | 1,853 |
| Within 1 year | 906 | 1,091 |
| | 2,449 | 2,944 |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

12C. ADVANCED FEES FUND (CONTINUED)

| | 2023 | | 2022 | |
|-------------------------------------|-----------|----------------|-----------|----------------|
| The movements during the year were: | £'000 | £'000 | £'000 | £'000 |
| At 1 August 2022 | | 2,944 | | 2,061 |
| New contracts | | 876 | | 2,155 |
| Repayments | | - | | (90) |
| | | <u>3,820</u> | | <u>4,126</u> |
| | | | | |
| Amounts used to pay fees | 1,345 | | 1,153 | |
| Amounts added to value of fees | <u>26</u> | | <u>29</u> | |
| | | <u>(1,429)</u> | | <u>(1,182)</u> |
| | | | | |
| At 31 July 2023 | | <u>2,449</u> | | <u>2,944</u> |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

13. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS 2023

| | Tangible fixed assets £'000 | Investments £'000 | Net current assets £'000 | Long term liabilities £'000 | Pension fund liability £'000 | Total £'000 |
|----------------------------------|--------------------------------------|----------------------|--------------------------------|-----------------------------------|------------------------------------|------------------------|
| Consolidated: | | | | | | |
| General funds | - | 17,530 | 918 | (18,448) | - | - |
| <i>Designated funds:</i> | | | | | | |
| Tangible fixed assets reserve | 90,106 | - | - | (17,745) | - | 72,361 |
| Endowed funds | - | 2,459 | - | - | - | 2,459 |
| Restricted funds | - | 2,534 | 2,603 | - | - | 5,137 |
| Pension scheme fund | - | - | - | - | (826) | (826) |
| | <u>90,106</u> | <u>22,523</u> | <u>3,521</u> | <u>(36,193)</u> | <u>(826)</u> | <u>79,131</u> |

ALLOCATION OF THE NET ASSETS BETWEEN FUNDS 2022

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

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

| 14. FUNDS 2023 | <i>Balance 31 July 2022 £'000</i> | <i>Income £'000</i> | <i>Expenditure £'000</i> | <i>Transfers</i> | <i>Investment gains / (losses) £'000</i> | <i>Balance 31 July 2023 £'000</i> |
|---------------------------------|---|-------------------------|------------------------------|------------------|--|---|
| Undesignated general reserves | 3,483 | 50,936 | (45,230) | (9,436) | 247 | - |
| Designated funds: | | | | | | |
| Tangible fixed assets reserve | 62,925 | - | - | 9,436 | - | 72,361 |
| Total unrestricted funds | 66,408 | 50,936 | (45,230) | - | 247 | 72,361 |
| Restricted funds: | | | | | | |
| Prizes | 585 | 7 | (4) | - | 8 | 596 |
| Scholarships and bursaries | 1,801 | 761 | (776) | - | 26 | 1,812 |
| Other | 24 | 1 | (23) | - | 2 | 4 |
| Donations other | 753 | 297 | - | - | - | 1,050 |
| Donations Business Hub | 1,126 | 1,366 | (1,800) | - | - | 692 |
| Donations Art and Design Hub | 100 | 703 | - | - | - | 803 |
| Donations Wei Music Fund | 190 | - | (10) | - | - | 180 |
| Endowed funds: | | | | | | |
| Prizes | 4,579 | 3,135 | (2,613) | - | 36 | 5,137 |
| Scholarships and bursaries | 593 | 7 | (4) | - | 9 | 605 |
| Other | 1,950 | 23 | (249) | - | 28 | 1,752 |
| | 101 | 1 | (1) | - | 1 | 102 |
| Pension scheme fund | 2,644 | 31 | (254) | - | 38 | 2,459 |
| | (1,956) | - | 347 | - | 783 | (826) |
| | 71,675 | 54,102 | (47,750) | - | 1,104 | 79,131 |

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

| 14. FUNDS 2022 | <i>Balance 31 July 2021 £'000</i> | <i>Income £'000</i> | <i>Expenditure £'000</i> | <i>Investment gains / (losses) £'000</i> | <i>Balance 31 July 2022 £'000</i> |
|-------------------------------|---|-------------------------|------------------------------|--|---|
| Undesignated general reserves | - | 44,618 | (41,945) | 810 | 3,483 |
| Designated funds: | | | | | |
| Tangible fixed assets reserve | <u>62,925</u> | - | - | - | <u>62,925</u> |
| Total unrestricted funds | <u>62,925</u> | <u>44,618</u> | <u>(41,945)</u> | <u>810</u> | <u>66,408</u> |
| Restricted funds: | | | | | |
| Prizes | 562 | 5 | (5) | 23 | 585 |
| Scholarships and bursaries | 1,680 | 525 | (474) | 70 | 1,801 |
| Other | 120 | - | (1) | 5 | 124 |
| Donations other | 545 | 208 | - | - | 753 |
| Donations Business Hub | 426 | 831 | (131) | - | 1,126 |
| Donations Wei Music Fund | 200 | - | (10) | - | 190 |
| | <u>3,533</u> | <u>1,569</u> | <u>(621)</u> | <u>98</u> | <u>4,579</u> |
| Endowed funds: | | | | | |
| Prizes | 569 | 5 | (5) | 24 | 593 |
| Scholarships and bursaries | 1,873 | 17 | (17) | 77 | 1,950 |
| Other | 97 | 1 | (1) | 4 | 101 |
| | <u>2,539</u> | <u>23</u> | <u>(23)</u> | <u>105</u> | <u>2,644</u> |
| Pension scheme fund | <u>(4,062)</u> | - | 346 | 1,760 | <u>(1,956)</u> |
| | <u>64,935</u> | <u>46,210</u> | <u>(42,243)</u> | <u>2,773</u> | <u>71,675</u> |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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, the Business hub is for a capital conversion of an existing space at Charterhouse School, the Art and Design hub is for a capital conversion also.

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 2023**

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

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Net income from operations | 6,352 | 3,967 |
| Investment income and interest received | (353) | (222) |
| Investment manager and cash management fee | 161 | 172 |
| Depreciation | 3,760 | 3,459 |
| (Gain) on sale of tangible fixed assets | (2,147) | (203) |
| Loss on disposal of tangible fixed assets | 565 | - |
| Pension scheme net finance costs | 61 | 62 |
| Contributions to the Charterhouse Retirement Benefit Scheme | (408) | (408) |
| (Increase) / Decrease in stocks | (27) | 44 |
| Decrease / (Increase) in debtors | 147 | (173) |
| (Decrease) / Increase in creditors | (334) | 3,063 |
| (Decrease) / Increase / in Advance Fee Scheme | (495) | 883 |
| | 7,282 | 10,644 |

Analysis of changes in net debt

| | 1 August 2022 £'000 | Cash flows £'000 | 31 July 2023 £'000 |
|---|------------------------|------------------------|--------------------------|
| Cash in bank | 18,476 | (4,503) | 13,973 |
| Cash in hand | 2,338 | 1,649 | 3,987 |
| Notice deposits | 5,602 | (949) | 4,653 |
| | 26,416 | (3,803) | 22,613 |
| Cash and cash equivalents | | | |
| Bank loans falling due after less than one year | 2,500 | (1,108) | 1,392 |
| Bank loans falling due after more than one year | 36,042 | (1,392) | 34,650 |
| | 38,542 | (2,500) | 36,042 |
| Total borrowings | | | |
| Net debt | (12,126) | (1,303) | (13,429) |

16. COMMITMENTS

Capital Expenditure

During the year the Charity worked on various projects including the creative arts and lecture theatre and £5.243m at year-end is contracted for but not accrued in respect of these; (2022: £6.727m).

| | Vehicles & Equipment | |
|--|-------------------------|---------------|
| | 2023 £'000 | 2022 £'000 |
| Operating Lease Commitments | | |
| The future minimum lease payments under non-cancellable operating leases which are all payable as follows: | | |
| Within one year | 183 | 132 |
| Between two and five years | 488 | 385 |
| | 671 | 517 |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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 2021 indicated that the assets of the fund represented 80% of its liabilities. The position will be kept under review. From 1 August 2002 new members of the support staff were able to join a defined contribution scheme.

Governments Teachers' Pension Defined Benefits Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2.394m (2022: £2.236m) and at the year-end £7k (2022 - £32k) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023.

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

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

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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 2023

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 2028. The agreed contributions are set out in a Recovery Plan and Schedule of Contributions dated June 2022.

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 2022 are such that the Statutory Funding Objective could have been expected on 31 July 2021 to be met by 30 April 2028.

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 | 31 July 2023 | Allocation of fund assets | | |
|----------------------------|-----------------|---------------------------|-----------------|-----------------|
| | | 31 July 2022 | 31 July 2021 | 31 July 2020 |
| Equities | 38% | 50% | 54% | 40% |
| Bonds | 35% | 22% | 30% | 44% |
| Semi-liquid investments | 13% | 19% | 15% | 15% |
| Diversified Credit Funds | 8% | 8% | - | - |
| Cash and cash alternatives | 6% | 1% | 1% | 1% |

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:

| | 2023 | 2022 | 2021 | 2020 |
|--|-------|-------|-------|-------|
| Expected rate of return on scheme assets | - | - | - | - |
| Rate of increase in salaries | - | - | - | - |
| Pension increases – pre 1/9/07 | 3.10% | 3.25% | 3.25% | 2.85% |
| Pension increases – post 1/9/07 | 2.20% | 2.30% | 2.30% | 2.15% |
| Rate of discount | 5.05% | 3.45% | 1.60% | 1.35% |
| Inflation | 3.20% | 3.30% | 3.30% | 2.90% |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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 2023 are as follows:

| | 2023 | 2022 |
|-----------------------------|----------------|----------|
| | £'000 | £'000 |
| Fair value of Scheme assets | 8,073 | 9,246 |
| Defined benefit obligation | (8,899) | (11,202) |
| Net liability | (826) | (1,956) |

Reconciliation of opening and closing Scheme liabilities

| | 2023 | 2022 |
|---|----------------|---------|
| | £'000 | £'000 |
| Opening defined benefit obligation | 11,202 | 14,303 |
| Interest cost | 376 | 225 |
| Past service cost | - | - |
| Actuarial (gain) / loss | (2,055) | (2,840) |
| Estimated benefits paid (net of transfers in) | (624) | (486) |
| Closing defined benefit obligation | 8,899 | 11,202 |

Reconciliation of opening and closing Scheme assets

| | | |
|---|----------------|---------|
| Opening fair value of Scheme assets | 9,246 | 10,241 |
| Interest income | 315 | 163 |
| Actuarial (loss) / gain | (1,272) | (1,080) |
| Contributions by employer | 408 | 408 |
| Estimated benefits paid (net of transfers in) | (624) | (486) |
| Closing fair value of Scheme assets | 8,073 | 9,246 |

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 | - | - |
| Net interest expense | 61 | 62 |
| Total operating charge | 61 | 62 |
| Total other recognised gains and losses | | |
| Actuarial gains | 783 | 1,760 |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

17. PENSION FUNDS (CONTINUED)

Amounts for current and previous periods

| | 31 July 2023 £'000 | <i>31 July 2022 £'000</i> | <i>31 July 2021 £'000</i> | <i>31 July 2020 £'000</i> | <i>31 July 2019 £'000</i> |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Defined benefits obligation | (8,899) | <i>(11,202)</i> | <i>(14,303)</i> | <i>(14,555)</i> | <i>(13,664)</i> |
| Scheme assets | 8,073 | <i>9,246</i> | <i>10,241</i> | <i>8,880</i> | <i>8,412</i> |
| Deficit | <u>(826)</u> | <i><u>(1,956)</u></i> | <i><u>(4,062)</u></i> | <i><u>(5,675)</u></i> | <i><u>(5,525)</u></i> |
| Experience adjustments on Scheme liabilities | <u>(181)</u> | <i><u>(375)</u></i> | <i><u>(26)</u></i> | <i><u>(1,120)</u></i> | <i><u>(448)</u></i> |
| Experience adjustments on Scheme assets | <u>(1,272)</u> | <i><u>(1,080)</u></i> | <i><u>1,305</u></i> | <i><u>390</u></i> | <i><u>706</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 2023**

18. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | Notes | Unrestricted Funds £'000 | Endowed Funds £'000 | Restricted Funds £'000 | Year ended 31 July 2022 £'000 |
|---|-------|--------------------------------|---------------------------|------------------------------|--|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Charitable activities | | | | | |
| Fees receivable | 2 | 40,485 | | | 40,485 |
| Foundation income | | 523 | | | 523 |
| Other trading activities | | | | | |
| Income of trading subsidiaries | 3a | 1,712 | | | 1,712 |
| Voluntary sources | | | | | |
| Donations | | 267 | - | 1,549 | 1,816 |
| Investment and interest income | 4a | 179 | 23 | 20 | 222 |
| Other income | 4b | 1,249 | | | 1,249 |
| Gain on disposal of fixed assets | | 203 | | | 203 |
| Total income and endowments | | <u>44,618</u> | <u>23</u> | <u>1,569</u> | <u>46,210</u> |
| EXPENDITURE ON | | | | | |
| Raising funds | | | | | |
| Trading subsidiaries | 5,6 | 1,192 | | | 1,192 |
| Financing costs | | 1,275 | - | - | 1,275 |
| Investment management | | 137 | 18 | 17 | 172 |
| Fundraising | | 400 | - | - | 400 |
| Total deductible costs | | 3,004 | 18 | 17 | 3,039 |
| Charitable activities | | | | | |
| School and grant making | | <u>38,595</u> | <u>5</u> | <u>604</u> | <u>39,204</u> |
| Total expenditure | 6 | <u>41,599</u> | <u>23</u> | <u>621</u> | <u>42,243</u> |
| Net income from operations | | <u>3,019</u> | <u>-</u> | <u>948</u> | <u>3,967</u> |
| Net gain on investment assets | 8 | 810 | 105 | 98 | 1,013 |
| NET INCOME for the year | | 3,829 | 105 | 1,046 | 4,980 |
| Transfer between funds | 14 | | | | |
| Actuarial Gain | 17 | 1,706 | - | - | 1,706 |
| Net movement in funds for the year | | <u>5,589</u> | <u>105</u> | <u>1,046</u> | <u>6,740</u> |
| Balances brought forward at 1 August 2021 | | <u>58,863</u> | <u>2,539</u> | <u>3,533</u> | <u>64,935</u> |
| BALANCES CARRIED FORWARD AT 31 JULY 2022 | | <u>64,452</u> | <u>2,644</u> | <u>4,579</u> | <u>71,675</u> |

**GOVERNING BODY OF CHARTERHOUSE SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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.



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