

Registered number: 01136229
Charity number: 325018

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

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BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

Governors	Mr N E Southwell ³ Mr M A Kirby ¹ Mr C M Collier (appointed 16 November 2021) ¹ Mr C B Martin (appointed 16 November 2021) ⁵ Mr J E Walton (appointed 16 November 2021) ^{4,5} Mrs G Agg (appointed 1 January 2022) ⁴ Mrs D M Cox (appointed 22 March 2022) ³ Mr D Freer (appointed 22 March 2022) Mrs Z J Meredith-Smyth (appointed 22 March 2022) ⁵ Mr P Connaughton (appointed 17 May 2022) Mr S Ackland (appointed 17 May 2022) ^{2,3}
	¹ denotes membership of Finance and General Purposes Committee ² denotes membership of Health and Safety Committee ³ denotes membership of the Compliance Committee ⁴ denotes nominated Safeguarding Governor ⁵ denotes membership of the Education Committee
Company registered number	01136229
Charity registered number	325018
Registered office and principal address	Berkhampstead School Pittville Circus Road Cheltenham Gloucestershire GL52 2QA
Bursar and Company secretary	Mr B Edwards
Headmaster	Mr R Cross
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Bankers	Lloyds Bank Plc 130 High Street Cheltenham GL50 1EW
Solicitors	Sherbornes Solicitors 4 Royal Crescent Cheltenham GL50 3DA

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors present their annual report together with the audited financial statements of the group and the company for the year ended 31 August 2022. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

STATUS AND ADMINISTRATION

Berkhampstead School (Cheltenham) Trust Limited is a charity within the meaning of the Charities Act 2011 and has been entered on the Central Register of Charities (number 325018). It is incorporated under the Companies Act 2006 (number 01136229) as a company limited by guarantee and not having share capital. It is governed by its Memorandum and Articles of Association and was incorporated on 26 September 1973.

CHARITABLE OBJECTS

The objects for which the charity is established are to promote and provide for the advancement of education and in connection therewith to conduct, carry on, acquire and develop in the United Kingdom any boarding or day school for the education of children.

PRINCIPAL ACTIVITY

The principal activity of the School continues to be the provision of a well-rounded education to both boys and girls up to the age of 11.

ORGANISATIONAL STRUCTURE

The Trust is managed by the Board of Governors. Meetings are held frequently throughout the year. The day to day running of the Trust's activities is undertaken by the Headmaster, with the assistance of the administrative staff. The Bursar co-ordinates the financial and administrative work of the School and manages any building and maintenance work in conjunction with the Estates Manager.

Delegated tasks include those of a Chef Manager who is employed by Palmer & Howells Catering and runs the kitchen on a contract basis.

Remuneration is set by the Board of Governors, with the policy of ensuring appropriate salaries to encourage enhanced performance and, in a fair and responsible manner, rewarding for individual contributions to the School's success.

GOVERNORS

The Chair of Governors is Mr Martin Kirby, who has a long-standing relationship with Berkhampstead School by way of ex parent and former Chair of the Finance and General Purposes Committee.

The Governing Body continues to strongly support the School, "Governors' days" had been restarted following the end of the Financial Year.

Governors attend courses and seminars to ensure that they are fully informed with regard to Governance and work closely with the senior management and teaching staff supporting and challenging their work at all times. The Full Board is informed and supported by three main Committees; Compliance, Finance and General Purposes, and Education, who meet at least once a term. Named Governors are allocated responsibility for monitoring Health and Safety and Safeguarding.

The Governors are aware of the new Charity Governance Code issued in July 2017. A review will be undertaken of the guidance in order to ensure that the School is working in line with the code, in all ways where it is practical to do so.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

GROUP STRUCTURE

The School has one wholly owned non-charitable subsidiary, Berkhampstead School (Day Care Nursery) Limited. The trading activities of the subsidiary consist of the provision of a day nursery. Annual profits will be donated to the School under the Gift Aid Scheme where appropriate. Transactions between these entities are detailed within Note 10.

BOARD POLICY AND PUBLIC BENEFIT AIMS

The board policy continues to put excellence in both teaching and learning as the prime strategic objective. We consider that this is brought about by providing an environment where every child is known and cared for in happy and fun surroundings. Effort and achievement in all areas are encouraged and recognised. Governors appreciate the importance of the very high standard of pastoral care that Berkhampstead continues to provide so that the children are supported in every way throughout their time in the school. Berkhampstead is a "feeder school" for a variety of secondary schools both in the maintained sector and independent schools. The teachers provide advice and guidance so that the pupils are able to transfer confidently to the school of their choice. Several pupils gain places at local grammar schools and others achieve awards at independent schools. There is a large variety of after school clubs and activities so that the children can develop individually in areas outside the main curriculum. Throughout the school participation is encouraged in Music, Drama, Art and Sport.

In administering the charity, the charity Governors have complied with their duty in section 17 of the Charities Act 2011 and have paid due regard to the published Charity Commission guidance on the operation of the Public Benefit requirements. The School continues to allow its facilities to be used by local organisations for music, yoga, chess and local speakers.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The School continues to go from strength to strength and having received an outstanding ISI inspection in December 2019 we are aware that there is no room for complacency in any area of School life and it will continue to strive for excellence across the board.

Academically this was another excellent year. Of 36 pupils, 9 went on to grammar school, 16 continued within independent education and 11 went to maintained schools or home education. The 36 pupils leaving the School would go on to 15 different teaching establishments which highlights the School's ability to cater for a wide range of individuals where not only are they well-prepared for the next stages of their education, their next environment will be well-suited to their individual needs. Furthermore, the pupils leaving the School were awarded 14 scholarships for their academic, sport, drama and music prowess.

Whilst the academic success of the school is certainly regularly acknowledged and celebrated, the School regularly promotes and celebrates the achievements of those who participate and excel in other areas of school life and outside in the local community.

The School continues to take pride in the excellent quality of our pastoral care and the well-being program is embedded in the school day. It aims to give children the tools to manage their own well-being which aids learning. The School has been awarded the Mental Health Champions Award.

The School was delighted to be recognised by the 'So-Glos' Award scheme as the 'Independent School of the Year' in Gloucestershire. This has been an excellent improvement upon the previous year's 'Runners up' award and demonstrates the excellent following the School and Nursery enjoys.

The sporting successes have again been very good, and the school punches above its weight in terms of winning at fixtures against other schools. Sport continues to be an important aspect of school life, with everyone from Years 3 - 6 taking part in matches. There were numerous sporting clubs across the school.

There were regular musical performances during this school year. As well as termly, in-house recitals showcasing musicians of all abilities, there were Christmas nativities and services, the Spring Concerts at the Pump Rooms and the Summer productions. Harvest Festival and the Easter Service at All Saints' Church also

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

showcased music at Berky. All of Year 6 performed in their Summer production, 'Pirates of the Curry Bean' and the majority at leavers' recital at the Parabola Art Centre. An abundance of music clubs were offered in the Autumn and Spring terms.

The enrichment programme of activities and visits continued to be diverse and stimulating adding a valuable dimension to the children's learning. Visits ranged from residential trips for Years 5 and 6 to Viney Hill Outdoor Adventure Centre, We the Curious for Year 5, Chepstow Castle for Year 4, Warwick Castle for Year 2 Crickley Hill for Kindergarten and Bristol Aquarium for Years 1 and 2 children. Year 6 also took part in a crime investigation workshop and a mosaic workshop. Their finished mosaics are on display in the Jubilee Garden.

The pupils have been encouraged to become involved in various fundraising activities. Voted by the School Council, the two main charities for this year were Maggie's Cheltenham and the World Wide Fund for Nature.

The School Eco Committee delivered on a number of initiatives during the year ranging from an Eco Christmas Acrostic Poem Competition in the Prep School and an Eco-Friendly Arts and Crafts Day for Years 1 and 2. Litter-picks are a regular occurrence and the Prep and Pre-Prep committees grew plants to sell at the Summer Fete. Children all over the school were encouraged to take part in the 'Berky Eco Pledge', and quite a few achieved their Eco Warrior Badge.

Speech Day for the Year 6 pupils leaving the School had taken place in All Saints Church which had not been possible for the past 2 years owing to the COVID-19 pandemic. Parents, staff and Governors returned to the School for canapes and refreshments.

Pupil numbers were extremely strong at the end of the year; 45 were in Kindergarten, 100 in the Pre-Prep and 141 in the Prep department. There were 140 children on role at the Day Nursery.

The number of enquiries has been very positive throughout the year. Follow up of initial enquiries and subsequent visits have been carefully monitored. The Open Days continued on an appointment only basis and proved to be popular events.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Net income for the year totalled £12,806 (2021 net income £112,577). The consolidated unrestricted general fund of the group at 31 August 2022 was £2,169,462 (2021: £2,156,357). In addition, the balance of funds upon which restrictions have been placed by donors is £1,647 (2021: £1,946).

DEVELOPMENTS

The School continues to invest in the fabric of the buildings, a continual rolling maintenance program and the Board and Senior Management continue to consider ways of optimising the space available for the pupils. The Boys Changing Rooms had been replaced, automatic light sensors had been installed in the Prep building to reduce energy consumption, all LCD TV screens had been upgraded in all classrooms across the School to enable the iPad learning environment and the Prep building had been refurbished along with the Jubilee garden.

The Day Nursery continues to thrive and is a happy and safe environment for the children. The number of children transferring either to Berkhampstead Kindergarten or to Reception at a later age has remained high and exceeds expectations. The Nursery has become more integrated into the main School and the children are often included in activities such as music and French. They have access to all the School indoor and outdoor facilities for their activities and concerts.

The active PTA has continued to raise funds throughout the year by means of the operation of the second hand uniform shop. Owing to COVID-19, Bonfire night and the Christmas Fayre had to be cancelled.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

FUTURE PLANS

- Investment will take place in outdoor development for the Day Nursery. Plans include activities and an area covered by a canopy to enable more free flow inside/outside play even in inclement weather;
- The creation of a new access point between the Day Nursery and the Kindergarten will help collaboration between the two departments;
- The Gym/Hall in Prep will be replaced with a more modern building to accommodate drama and music performances.

RESERVES POLICY

The Governors aim to build up the free reserves of the Trust to ensure that these are sufficient to cover recurring expenditure in the short term to allow for possible loss or delays in respect of income.

In common with most Independent schools Berkhamstead has negative free reserves. At 31 August 2022, the total unrestricted reserve was £2,169,462 with fixed assets valued at £2,601,691 resulting in negative free reserves of £432,229. In recent years the Governors have invested significant sums in improvements to the School facilities which have attracted pupil numbers. Improvements have been funded by long term loans secured on the freehold property. At 31 August 2022, £210,188 was due in over 5 years' time.

INVESTMENT POLICY

Under the direction of the Governing Body, investment of the School's funds may be applied in any of the following:

- Land or Property whether freehold or leasehold.
- Investments in which the Governing Body feel appropriate, considering any risk which may be involved being at a minimum.
- The improvement or development of property belonging to the School.

The approval of this policy, and any amendments to it, are a matter reserved for the Governing Body. The policy will be reviewed at intervals of no more than two years.

The Governing Body has delegated responsibility and authority for the monitoring of the performance of investments to the Finance and General Purposes Committee.

For the purpose of this policy, the term 'investment' is regarded as the purchase, holding and sale of Investments with a view to achieving a return, by way of income and/or capital growth, with an understanding that the capital value may go up or down. Placing money on deposit, in Bank deposit accounts or in deposit funds, is not regarded as 'investment' and it is recognised that keeping funds in Bank accounts in the longer term will almost certainly lead to erosion of real Capital values.

Long and short-term objectives:

The long-term investment objective of the School is to protect the real value of the School's invested Capital by reference to the Retail Price Index (RPI) and to produce real growth in net investment income arising therefrom without undue risk.

The short-term objective is to achieve the long-term objective without undue fluctuations year by year in the income arising from investments.

Qualifying investments and criteria are established by the Governing Body.

The investments shall be those in which the Governing Body are permitted to invest by Law.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

RISK MANAGEMENT

All committees are charged with the need to review risk and to check school policies that affect them specifically. All committee-level risk registers inform the Board Risk Register which is an agenda item at all board meetings. The Governor with responsibility for Health and Safety has continued to meet with the Bursar and Estates Team each term and report to the Governing body. Financial performance is compared to budgets, which are prepared on an annual basis, for each of the three terms in the year and for the year as a whole. The Finance Committee meets regularly to discuss financial performance and future funding requirements. The Chairman of Governors meets the Headmaster regularly and also the Bursar when possible. The Compliance Committee, Finance and General-Purposes and the Education Committee report to the Full Board. This structure has proved effective in enabling the Governors to meet their obligations. Reports from external agencies providing expertise in areas such as water, fire safety and asbestos management continue to be sought, acted upon and signed off.

PRINCIPAL RISKS AND UNCERTAINTIES

The 3 Principle Board Risks are the impact of Brexit and other economic such as inflation creating the cost of living crisis, staff retention in key positions and a possible change in government.

GOING CONCERN

Governors have assessed the financial position of the School and its subsidiary and whilst there are significant financial pressures on the independent education sector associated with the impact of the pandemic, Brexit, energy prices, the effect of losing charitable status, the crisis in the Ukraine as well as increases to the national living wage, pupil and child numbers have increased beyond expectations and the level of interest in the School continues to impress. The Nursery continues to have a waiting list for a number of rooms and this trend should continue into the future.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Berkhamstead School (Cheltenham) Trust Limited for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable group will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions, disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

AUDITOR

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:



Mr M A Kirby
Chair of Trustees

Date: 21.3.23

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKHAMPSTEAD SCHOOL
(CHELTENHAM) TRUST LIMITED**

Opinion

We have audited the financial statements of Berkhamstead School (Cheltenham) Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the Year ended 31 August 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of 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 of the parent charitable company's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 Group's or the parent charitable company'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 Governors with respect to going concern are described in the relevant sections of this report.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKHAMPSTEAD SCHOOL
(CHELTENHAM) TRUST LIMITED (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report including the Strategic report for the financial Year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKHAMPSTEAD SCHOOL
(CHELTENHAM) TRUST LIMITED (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) 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 Governors 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 Governors are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company 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 Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance 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, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKHAMPSTEAD SCHOOL
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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.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham

GL50 3PR

Date: 20 April 2023

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	26,210	-	26,210	10,145
Charitable activities:					
School Fees		2,387,500	-	2,387,500	2,243,101
Ancillary trading income		207,114	-	207,114	130,788
Non-ancillary trading activities	7	1,075,006	-	1,075,006	1,019,086
Other income	8	-	-	-	16,796
Total income		3,695,830	-	3,695,830	3,419,916
Expenditure on:					
Raising funds:					
Trading activities	9,10	972,871	-	972,871	806,517
Financing costs		49,230	-	49,230	63,965
Charitable activities	11	2,660,624	299	2,660,923	2,436,857
Total expenditure		3,682,725	299	3,683,024	3,307,339
Net movement in funds		13,105	(299)	12,806	112,577
Reconciliation of funds:					
Total funds brought forward	20	2,156,357	1,946	2,158,303	2,045,726
Net movement in funds	20	13,105	(299)	12,806	112,577
Total funds carried forward		2,169,462	1,647	2,171,109	2,158,303

The notes on pages 16 to 39 form part of these financial statements.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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REGISTERED NUMBER: 01136229

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	2,601,691	2,644,295
Current assets			
Stocks		-	3,995
Debtors	17	116,561	89,620
Cash at bank and in hand		1,372,690	1,475,291
		1,489,251	1,568,906
Creditors: amounts falling due within one year	18	(1,415,748)	(651,507)
Net current assets		73,503	917,399
Total assets less current liabilities		2,675,194	3,561,694
Creditors: amounts falling due after more than one year	19	(504,085)	(1,403,391)
Total net assets		2,171,109	2,158,303
Charity funds			
Restricted funds	20	1,647	1,946
Unrestricted funds	20	2,169,462	2,156,357
Total funds		2,171,109	2,158,303

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:


Mr M A Kirby
Chair of Trustees
Date: 21.3.23

The notes on pages 16 to 39 form part of these financial statements.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01136229

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	2,563,718	2,589,731
Investments	16	100	100
		<u>2,563,818</u>	<u>2,589,831</u>
Current assets			
Stocks		-	3,995
Debtors	17	137,813	180,469
Cash at bank and in hand		1,274,929	1,260,512
		<u>1,412,742</u>	<u>1,444,976</u>
Creditors: amounts falling due within one year	18	(1,277,988)	(541,276)
Net current assets		<u>134,754</u>	<u>903,700</u>
Total assets less current liabilities		<u>2,698,572</u>	<u>3,493,531</u>
Creditors: amounts falling due after more than one year	19	(504,085)	(1,403,391)
Total net assets		<u><u>2,194,487</u></u>	<u><u>2,090,140</u></u>
Charity funds			
Restricted funds	20	1,647	1,946
Unrestricted funds	20	2,192,840	2,088,194
Total funds		<u><u>2,194,487</u></u>	<u><u>2,090,140</u></u>

The Company's net movement in funds for the Year was £104,347 (2021 - £130,434).

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

Mr M A Kirby 
Chair of Trustees
Date: 21.3.23

The notes on pages 16 to 39 form part of these financial statements.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	23	236,977	402,254
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		799	-
Purchase of tangible fixed assets		(108,357)	(44,948)
Net cash used in investing activities		(107,558)	(44,948)
Cash flows from financing activities			
Cash inflows from new borrowing		-	500,000
Loan repayments		(178,745)	(84,214)
Finance costs		(53,275)	(50,970)
Net cash (used in)/provided by financing activities		(232,020)	364,816
Change in cash and cash equivalents in the Year		(102,601)	722,122
Cash and cash equivalents at the beginning of the Year		1,475,291	753,169
Cash and cash equivalents at the end of the Year	24	1,372,690	1,475,291

The notes on pages 16 to 39 form part of these financial statements

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

Berkhampstead School (Cheltenham) Trust Limited is a registered charity with the Charities Commission England and Wales (charity number 325018) and was incorporated in England as a private company limited by guarantee (company number: 01136229) on 26 September 1973. The address of its registered office is Berkhampstead School, Pittville Circus Road, Cheltenham, Gloucestershire, GL52 2QA.

It's principal activity is the provision of boarding and day schooling.

The members of the company are the Governors named on page 1. In the event of the School being wound up the liability in respect of the guarantee is limited to £1 per member of the School.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Berkhampstead School (Cheltenham) Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The Governors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For long term finance the School relies on bank loans. In assessing going concern the Governors have assumed that these bank loans will not be repaid in the foreseeable future and are not aware of any circumstances that may adversely affect these facilities.

Governors have assessed the financial position of the School and its subsidiary and whilst there are significant financial pressures on the independent education sector associated with the impact of the pandemic, Brexit, energy prices, the effect of losing charitable status, the crisis in the Ukraine as well as increases to the national living wage, pupil and child numbers have increased beyond expectations and the level of interest in the School continues to impress. The Nursery continues to have a waiting list for a number of rooms and this trend should continue into the future.

After making appropriate enquires, the Governors consider that the Group and Company has adequate resources to continue in operational existence for the foreseeable future and it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.4 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees and similar income

Fees receivable are stated after deducting allowances, scholarships, bursaries and other remissions granted by the School, but include contributions received from restricted funds for bursaries. Where fees are in advance, the income is deferred until the term to which it relates.

Donations

Donations are recorded in the Statement of Financial Activities when the School has entitlement to the funds, any performance conditions attached to the items have been met, it is probable that the income will be received and the amount can be measured reliably. Where donations are received only to be used for a specific purpose they are allocated to the appropriate restricted fund.

Non Ancillary Trading Income

Income comprises the nursery fee income and other income generated by Berkhamstead School (Day Nursery Limited).

2.5 Government grants

Government grants received are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2-20% straight line
Leasehold improvements	- 10-33% straight line
Fixtures and equipment	- 5-33.3% straight line and 33.3% reducing balance
Motor vehicles	- 20-33.3% straight line and 33.3% reducing balance
Computer equipment	- 10-33.3% straight line and 25-33% reducing balance

2.8 Investments

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

2.9 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Pensions

The Group operates a defined contribution pension scheme for its administrative, domestic, teaching assistants and maintenance staff, the assets of which are held separately from those of the School. The pension charge represents the amounts payable by the Group to the fund in respect of the year.

The School contributes to the Teachers' Pension defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS 102, the School accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities represents contributions payable to the scheme in respect of the accounting period.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.16 Pupil deposits

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

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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 Governors, 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.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	26,210	-	26,210	10,145
Total 2022	<u>26,210</u>	<u>-</u>	<u>26,210</u>	<u>10,145</u>
<i>Total 2021</i>	<u>7,645</u>	<u>2,500</u>	<u>10,145</u>	

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Income from charitable activities - Fees receivable

This represents gross school fees invoiced, less scholarships, bursaries and allowances.

	2022 £	2021 £
Gross school fees	2,499,722	2,335,039
Less : Bursaries	(45,365)	(44,399)
Allowances	(66,857)	(47,539)
 School fees less discounts	2,387,500	2,243,101

Bursaries and awards were paid for a total of 12 pupils (2021 - 14).

Within this means tested bursaries totalling £45,365 were paid to 12 pupils (2021 - £43,900 to 14 pupils).

This figure includes free places of £Nil (2021: £10,267) which are means tested and awarded to no (2021 - 1) pupil this year.

Included within gross school fees is an amount of £149,452 (2021 - £120,098) in relation to governments grants received.

In 2021 all of the total income from school fees receivable was to unrestricted funds and £Nil to restricted funds.

6. Income from charitable activities - Ancillary trading

	2022 £	2021 £
Music tuition	2,087	44
School outings and clubs	109,370	66,043
Learning support	65,516	7,664
Swimming income	12,863	-
SFRS	9,346	11,351
School shop and sundry income	3,532	42,086
Registration fees	2,800	3,600
Retained deposits	1,600	-
	207,114	130,788

In 2021 all of the total income from ancillary trading income was to unrestricted funds and £Nil to restricted funds.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Income from Non-ancillary trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Other activities	3,195	3,195	400
Trading income - Berkhamstead School (Day Care Nursery) Limited	1,071,811	1,071,811	1,018,686
Total 2022	<u>1,075,006</u>	<u>1,075,006</u>	<u>1,019,086</u>
<i>Total 2021</i>	<u>1,019,086</u>	<u>1,019,086</u>	

Included within turnover is an amount of £157,100 (2021: £174,306) in relation to governments grants received.

8. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Government grants	-	-	16,796
Total 2022	<u>-</u>	<u>-</u>	<u>16,796</u>
<i>Total 2021</i>	<u>16,796</u>	<u>16,796</u>	

The government grants received related to the Coronavirus Job Retention Scheme.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Expenditure on raising funds - Trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Other costs	265,172	265,172	202,387
Staff costs	688,535	688,535	586,053
Depreciation	19,164	19,164	18,077
Total 2022	<u>972,871</u>	<u>972,871</u>	<u>806,517</u>
<i>Total 2021</i>	<u>806,517</u>	<u>806,517</u>	

10. Financing costs

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Bank loan interest	53,275	53,275	50,970
Bad debts	(4,045)	(4,045)	12,995
Total 2022	<u>49,230</u>	<u>49,230</u>	<u>63,965</u>
<i>Total 2021</i>	<u>63,965</u>	<u>63,965</u>	

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Teaching costs	1,488,790	-	1,488,790	1,445,869
Welfare	247,920	-	247,920	179,117
Premises	418,495	-	418,495	397,631
Support and governance costs	505,419	299	505,718	414,240
Total 2022	2,660,624	299	2,660,923	2,436,857
<i>Total 2021</i>	<i>2,436,303</i>	<i>554</i>	<i>2,436,857</i>	

Summary by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Teaching costs	1,421,264	-	67,526	1,488,790	1,445,869
Welfare	-	-	247,920	247,920	179,117
Premises	61,513	131,581	225,401	418,495	397,631
Support and governance costs	258,738	-	246,980	505,718	414,240
Total 2022	1,741,515	131,581	787,827	2,660,923	2,436,857
<i>Total 2021</i>	<i>1,677,138</i>	<i>145,285</i>	<i>614,434</i>	<i>2,436,857</i>	

Support costs for schooling includes IT, administration costs, and governance costs. Governance costs totalling £38,694 (2021 - £55,487) consist of inspection costs and professional fees (including auditors fees of £11,250 for the year).

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Auditor's remuneration

	2022	<i>2021</i>
	£	£
Fees payable to the School's auditor for the audit of the School's annual accounts	9,500	9,250
Fees payable to the School's auditor in respect of:		
The auditing of accounts of the subsidiary of the School	1,750	1,750
All non-audit services not included above	3,990	2,000
	<u>15,240</u>	<u>13,000</u>

13. Staff costs

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Wages and salaries	2,040,888	1,870,971	1,405,258	1,332,274
Social security costs	161,376	158,501	123,528	125,216
Pension costs	227,786	233,719	212,729	219,648
	<u>2,430,050</u>	<u>2,263,191</u>	<u>1,741,515</u>	<u>1,677,138</u>

During the period there were termination payments made of £1,730. Nil remained outstanding at year end.

The average number of persons employed by the Company during the Year was as follows:

	Group 2022	<i>Group 2021</i>
	No.	No.
Teaching	44	40
Day Nursery	38	35
Administration	13	11
	<u>95</u>	<u>86</u>

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £80,001 - £90,000	-	<i>1</i>
In the band £90,001 - £100,000	1	<i>-</i>

The total employee benefits of the key management personnel totalled £228,290 (2021 - £258,203).

14. Governors' remuneration and expenses

During the year the school paid one of the Governors, Mrs G Agg £1,500 (2021 - £Nil) for professional services provided to the School.

Three Governors (2021: Two) had children at the School during the year. One Governor received a staff discount as a result of a spouse working at the School. At the year end fees totalling £551 (2021: £559) were due from 2 Governors and an amount of £3,965 was owed to 1 Governor for fees paid in advance (2021: £NIL).

One member (2021: One) of the Senior Management Team also had children at the School during the year. At the year end fees totalling £834 were due from the staff (2021: £514)

The Governors and SMT paid fees under normal commercial terms and all fee discounts were awarded on an arms-length basis.

During the Year ended 31 August 2022, no Governor expenses have been incurred (2021 - £NIL).

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. Tangible fixed assets

Group

	Freehold property £	Leasehold improve- ments £	Motor vehicles £	Fixtures and equipment £	Computer equipment £	Total £
Cost						
At 1 September 2021	3,377,118	126,742	83,305	524,384	120,694	4,232,243
Additions	-	-	-	71,732	36,625	108,357
Disposals	-	-	(10,516)	-	(2,598)	(13,114)
At 31 August 2022	<u>3,377,118</u>	<u>126,742</u>	<u>72,789</u>	<u>596,116</u>	<u>154,721</u>	<u>4,327,486</u>
Depreciation						
At 1 September 2021	1,004,294	108,835	71,384	323,486	79,949	1,587,948
Charge for the Year	72,978	7,562	6,705	41,559	21,941	150,745
On disposals	-	-	(10,516)	-	(2,382)	(12,898)
At 31 August 2022	<u>1,077,272</u>	<u>116,397</u>	<u>67,573</u>	<u>365,045</u>	<u>99,508</u>	<u>1,725,795</u>
Net book value						
At 31 August 2022	<u><u>2,299,846</u></u>	<u><u>10,345</u></u>	<u><u>5,216</u></u>	<u><u>231,071</u></u>	<u><u>55,213</u></u>	<u><u>2,601,691</u></u>
At 31 August 2021	<u><u>2,372,824</u></u>	<u><u>17,907</u></u>	<u><u>11,921</u></u>	<u><u>200,898</u></u>	<u><u>40,745</u></u>	<u><u>2,644,295</u></u>

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. Tangible fixed assets (continued)

Company

	Freehold property £	Motor vehicles £	Fixtures and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2021	3,377,118	83,305	449,423	114,506	4,024,352
Additions	-	-	69,158	36,625	105,783
Disposals	-	(10,516)	-	(2,598)	(13,114)
At 31 August 2022	<u>3,377,118</u>	<u>72,789</u>	<u>518,581</u>	<u>148,533</u>	<u>4,117,021</u>
Depreciation					
At 1 September 2021	1,004,294	71,384	283,892	75,051	1,434,621
Charge for the Year	72,978	6,705	30,694	21,203	131,580
On disposals	-	(10,516)	-	(2,382)	(12,898)
At 31 August 2022	<u>1,077,272</u>	<u>67,573</u>	<u>314,586</u>	<u>93,872</u>	<u>1,553,303</u>
Net book value					
At 31 August 2022	<u><u>2,299,846</u></u>	<u><u>5,216</u></u>	<u><u>203,995</u></u>	<u><u>54,661</u></u>	<u><u>2,563,718</u></u>
<i>At 31 August 2021</i>	<u><u>2,372,824</u></u>	<u><u>11,921</u></u>	<u><u>165,531</u></u>	<u><u>39,455</u></u>	<u><u>2,589,731</u></u>

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2021	100
At 31 August 2022	100

Principal subsidiaries

The following was a subsidiary undertaking of the Company and has been included in the consolidation:

Name	Company number	Registered office or principal place of business	Principal activity	Share holding
Berkhampstead School (Day Nursery) Limited	07805292	Berkhampstead School, Pittville Circus Road, Cheltenham, Gloucestershire, GL52 2QA	Day nursery	100% Ordinary

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Loss for the year £	Net liabilities £
Berkhampstead School (Day Nursery) Limited	1,071,811	(1,104,043)	(32,232)	(23,278)

Included within turnover is an amount of £157,100 (2021 - £174,306) in relation to governments grants received with regards to fees and a further £Nil (2021 - £14,823) grant re the Coronavirus Job Retention Scheme.

Administrative expenses include rent totalling £53,232 (2021 - £53,232) and a management charge of £77,940 (2021 - £77,940) paid to Berkhampstead School (Cheltenham) Trust Limited.

A gift aid payment of £59,309 (2021 - £113,677) was made to Berkhampstead School (Cheltenham) Trust Limited.

At the year end Berkhampstead School (Day Care Nursery) Limited owed Berkhampstead School Cheltenham) Trust Limited £39,112 (2021 - £98,415).

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade debtors	44,836	38,310	42,310	35,952
Amounts owed by group undertakings	-	-	39,112	98,415
Other debtors	3,892	2,625	1,188	2,057
Prepayments and accrued income	67,833	48,685	55,203	44,045
	116,561	89,620	137,813	180,469

Fee debtors are stated after impairment provisions totalling £34,347 (2021: £24,185).

18. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Bank loans	899,966	179,405	899,966	179,405
Trade creditors	111,596	70,947	79,391	62,381
Other taxation and social security	38,562	38,971	32,024	30,473
Pension creditor	19,176	29,898	18,118	26,704
Fees paid in advance	179,428	189,877	161,556	168,525
Deposits	105,872	97,856	38,757	38,007
Accruals	61,148	44,553	48,176	35,781
	1,415,748	651,507	1,277,988	541,276

3 bank loans were repaid in full post year end totalling £818,973. The repayments have been aged as amounts falling due within one year.

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Fees in advance represent payment for school and nursery fees relating to terms within the 2022/23 financial year. Movements during the year were:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Fees paid in advance				
Balance at 1 September	189,877	<i>154,390</i>	168,525	<i>142,351</i>
Resources deferred during the year	181,030	<i>189,877</i>	161,556	<i>168,525</i>
Amounts released from previous years	(189,877)	<i>(154,390)</i>	(168,525)	<i>(142,351)</i>
Balance at 31 August	181,030	<i>189,877</i>	161,556	<i>168,525</i>

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19. Creditors: Amounts falling due after more than one year

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Bank loans	504,085	1,403,391	504,085	1,403,391

Included within the above are amounts falling due as follows:

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Between one and two years				
Bank loans	83,066	200,428	83,066	200,428
Between two and five years				
Bank loans	210,831	928,010	210,831	928,010
Over five years				
Bank loans	210,188	274,953	210,188	274,953

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Payable or repayable by instalments	210,188	267,443	210,188	267,443

The School has nine (2021: nine) loans, five (2021: five) are fixed rate loans and four (2021: four) are variable rate loans. The first has a fixed interest rate for ten years at a rate of 5.213%, the second has a fixed rate of 6.07% for 25 years, the third has a fixed interest rate of 3.71% for ten years, the fourth has a fixed rate of 3.90% for 12 years, the fifth has a fixed rate of 3.77% for 12.5 years. The four variable rate loans have interest rates of 1%, 1.63% and 1.95% over the base rate.

The loans are secured by means of a legal mortgage over the freehold property known as Pengwern House, Pittville Circus Road, Cheltenham, GL52 2QA and Berkhamstead School (Cheltenham) Trust Limited, Pittville Circus Road, Cheltenham, GL52 2QA.

There is also an unlimited debenture incorporating a fixed and floating charge.

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20. Statement of funds

Statement of funds - current Year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Unrestricted funds					
Designated funds					
Governors Bursary	8,878	-	-	-	8,878
PTA fund	34,393	26,118	(30,208)	(798)	29,505
	<u>43,271</u>	<u>26,118</u>	<u>(30,208)</u>	<u>(798)</u>	<u>38,383</u>
General funds					
General fund - Day Nursery	68,163	1,071,811	(1,163,352)	-	(23,378)
General fund - School	2,044,923	2,788,382	(2,679,646)	798	2,154,457
Eliminated on consolidation	-	(190,481)	190,481	-	-
	<u>2,113,086</u>	<u>3,669,712</u>	<u>(3,652,517)</u>	<u>798</u>	<u>2,131,079</u>
Total Unrestricted funds	<u>2,156,357</u>	<u>3,695,830</u>	<u>(3,682,725)</u>	<u>-</u>	<u>2,169,462</u>
Restricted funds					
Science Equipment Fund	500	-	-	-	500
Staff Entertainment Fund	1,446	-	(299)	-	1,147
	<u>1,946</u>	<u>-</u>	<u>(299)</u>	<u>-</u>	<u>1,647</u>
Total of funds	<u><u>2,158,303</u></u>	<u><u>3,695,830</u></u>	<u><u>(3,683,024)</u></u>	<u><u>-</u></u>	<u><u>2,171,109</u></u>

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20. Statement of funds (continued)

Statement of funds - prior Year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds				
Designated funds				
Governors Bursary	8,878	-	-	8,878
PTA fund	26,492	7,635	266	34,393
	<u>35,370</u>	<u>7,635</u>	<u>266</u>	<u>43,271</u>
General funds				
General fund - Day Nursery	86,020	1,033,509	(1,051,366)	68,163
General fund - School	1,924,336	2,621,121	(2,500,534)	2,044,923
Eliminated on consolidation	-	(244,849)	244,849	-
	<u>2,010,356</u>	<u>3,409,781</u>	<u>(3,307,051)</u>	<u>2,113,086</u>
Total Unrestricted funds	<u>2,045,726</u>	<u>3,417,416</u>	<u>(3,306,785)</u>	<u>2,156,357</u>
Restricted funds				
Science Equipment Fund	-	500	-	500
Staff Entertainment Fund	-	2,000	(554)	1,446
	<u>-</u>	<u>2,500</u>	<u>(554)</u>	<u>1,946</u>
Total of funds	<u><u>2,045,726</u></u>	<u><u>3,419,916</u></u>	<u><u>(3,307,339)</u></u>	<u><u>2,158,303</u></u>

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20. Statement of funds (continued)

The Governors Bursary fund provides fee remission for children where need is identified.

The PTA fund is monies raised by the PTA for use within the school. The transfer in the current year relates to a correction to expenditure in the prior year.

The Science Equipment fund is a donation to provide for science materials.

The Staff Entertainment fund is a donation to be spent on the staff.

21. Summary of funds

Summary of funds - current Year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Designated funds	43,271	26,118	(30,208)	(798)	38,383
General funds	2,113,086	3,669,712	(3,652,517)	798	2,131,079
Restricted funds	1,946	-	(299)	-	1,647
	<u>2,158,303</u>	<u>3,695,830</u>	<u>(3,683,024)</u>	<u>-</u>	<u>2,171,109</u>

Summary of funds - prior Year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2021 £</i>
Designated funds	35,370	7,635	266	43,271
General funds	2,010,356	3,409,781	(3,307,051)	2,113,086
Restricted funds	-	2,500	(554)	1,946
	<u>2,045,726</u>	<u>3,419,916</u>	<u>(3,307,339)</u>	<u>2,158,303</u>

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22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	2,601,691	-	2,601,691
Current assets	1,487,604	1,647	1,489,251
Creditors due within one year	(1,415,748)	-	(1,415,748)
Creditors due in more than one year	(504,085)	-	(504,085)
Total	<u><u>2,169,462</u></u>	<u><u>1,647</u></u>	<u><u>2,171,109</u></u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	2,644,295	-	2,644,295
Current assets	1,566,960	1,946	1,568,906
Creditors due within one year	(651,507)	-	(651,507)
Creditors due in more than one year	(1,403,391)	-	(1,403,391)
Total	<u><u>2,156,357</u></u>	<u><u>1,946</u></u>	<u><u>2,158,303</u></u>

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23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022	<i>Group 2021</i>
	£	£
Net income for the year (as per Statement of Financial Activities)	12,806	112,577
Adjustments for:		
Depreciation charges	150,745	163,362
(Profit) on the sale of fixed assets	(583)	-
Decrease in stocks	3,995	-
(Increase)/decrease in debtors	(26,941)	(21,652)
Increase in creditors	43,680	96,997
Finance costs	53,275	50,970
Net cash provided by operating activities	236,977	402,254

24. Analysis of cash and cash equivalents

	Group 2022	<i>Group 2021</i>
	£	£
Cash in hand	1,372,690	1,475,291
Total cash and cash equivalents	1,372,690	1,475,291

25. Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	1,475,291	(102,601)	1,372,690
Debt due within 1 year	(179,405)	(720,561)	(899,966)
Debt due after 1 year	(1,403,391)	899,306	(504,085)
	(107,505)	76,144	(31,361)

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26. Pension commitments

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £167,374 (2021 - £204,099) and at the year-end £16,739 (2021 - £23,483) was accrued in respect of contributions to this scheme.

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

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

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

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26. Pension commitments (continued)

Scheme for non-teaching staff

The School operates a defined contribution scheme for its non-teaching staff, the assets of which are held separately from those of the School. The pension costs charged represents contributions payable by the School to the scheme and amounted to £60,412 (2021 - £29,620) for the year ended 31 August 2022. At the year end £2,437 (2021 - £6,415) was due to be paid.

27. Operating lease commitments

At 31 August 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Not later than 1 year	37,072	17,515	37,072	17,515
Later than 1 year and not later than 5 years	88,768	49,910	88,768	49,910
Later than 5 years	11,096	-	11,096	-
	136,936	67,425	136,936	67,425

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Operating lease rentals	27,989	23,242	27,989	23,242

28. Related party transactions

There were no other Related Party Transactions other than those disclosed in note 14 and 16.

