

Charity registration number 505310

Company registration number 01260765 (England and Wales)

CARLETON HOUSE PREPARATORY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



Carleton House
Preparatory School



McLintocks
Xeinadin Group

CARLETON HOUSE PREPARATORY SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|--------------------------|--|--|
| Trustees | L Morrison - Chair of Trustees J P Burns E Czarnecki T Manning C B Holguin C M Harrison S M Hegarty M Joe J A Robinson | (Appointed 22 September 2022) (Appointed 18 January 2023) (Appointed 1 February 2023) (Appointed 11 September 2023) |
| Charity number | 505310 | |
| Company number | 01260765 | |
| Registered office | 145 Menlove Avenue Liverpool Merseyside L18 3EE | |
| Auditor | Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP | |

CARLETON HOUSE PREPARATORY SCHOOL

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CARLETON HOUSE PREPARATORY SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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).

Objectives and activities

Carleton House Preparatory School offers the full statutory primary curriculum. Pupils' attainment at the end of both Key Stages is consistently well above the expected level of attainment nationally.

"Pupils develop excellent knowledge, skills and understanding across the curriculum due to the reflective learning approaches they are taught from an early age." - ISI Report June 2022.

With small class sizes, highly experienced class teachers, ably supported by a dedicated teaching assistant in every class, we ensure all children are supported to reach their full potential. We employ specialist teachers of Spanish, Physical Education and Computing to ensure our children are provided with an exciting and engaging curriculum taught by specialists.

The Head Teacher and all staff have supported the school and worked hard to maintain high school standards. The Governing Body of the school is also actively involved in the oversight of the management of the school and in setting new objectives for the school for the future. Carleton House provides equal opportunities for all staff and pupils.

The school is committed to the safeguarding of children and its policies and procedures reflect this. All policies and procedures are updated as appropriate and are available at the school for inspection.

In setting the School's objectives, the Trustees have given considered Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

Our most recent external ISI Educational Quality inspection judged both the achievement of our pupils, including their academic development and the personal development of the pupils to be excellent - the highest possible judgement. All regulatory requirements were met.

The majority of our pupils obtain their first choice preference at secondary school level. The places secured for 2022-2023 were as follows:

The Blue Coat School - 11 pupils
Liverpool College - 2 pupils
Belvedere Academy - 2 pupils
Birkenhead School - 1 pupil
Merchant Taylors' College - 1 pupil
Calderstones School - 1 pupil
St Mary's College - 1 pupil
King David High School - 1 pupil
Archbishop Blanch School - 1 pupil

CARLETON HOUSE PREPARATORY SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

As an Independent school we are not required to complete Statutory Tests. In June 2023 our children took part in internally assessed SATs tests (SATs) using 2022 papers. Our SATs results remained in line with those high scores achieved in previous years.

Our children benefit from the exciting experience of residential trips starting in Year 3 through to year 6. These immersive experiences take our children out of their comfort zones and immerse them in nature, where they face challenges, develop resilience, and acquire vital life skills. During these adventures, children learn to work together, communicate effectively, and solve problems in unfamiliar settings, fostering leadership and teamwork capabilities.

In Carleton House all pupils are given the opportunity to fully develop their musical talents. Our specialist curriculum music teacher provides lessons across the school from Nursery to Year 6. Children are taught to sing, to create and compose music, to perform and to listen to and evaluate music. They are given the opportunity and confidence to become musicians.

Our strong ongoing partnership with outside music company Pulse, has ensured all pupils in Key Stage 2 are given the opportunity learn a musical instrument, taught weekly by experienced music teachers. Our children progress to grade exams and take part in Christmas and summer concerts for our families. Many of our children go on to achieve music scholarships at local secondary schools of their choice.

Our exceptionally talented choir are invited to perform at a range of different festivals and events throughout the school year, the highlight being a Christmas performance at the Liverpool Metropolitan Cathedral. The school provides an extensive range of extra-curricular clubs including debating, first aid, dance, judo, chess and a wide variety of sports clubs.

Sport helps children to remain healthy, develop leadership skills and understand the value of teamwork and co-operation. We have a dedicated specialist PE teacher who teaches lessons from Nursery to Year 6. Key Stage 2 have swimming lessons under the supervision of fully qualified swimming teachers and coaches. We believe in developing a competitive sporting spirit with an emphasis on participation. A wide variety of games are played in the school and at inter-school level including football, cricket, netball, rounders, swimming, athletics and cross-country. We are members of LSSP, Liverpool Schools Sports Partnership which allows us to compete against other local schools. We also take part in school football leagues and competitions with other local independent schools.

The School continued to provide a daily hot lunch for every child prepared by our own chef in the kitchen to meet national food standards in schools. The quality of food and choice is closely monitored and has been a great success with the children and staff.

Fundraising performance

Fundraising activities and income generation

The school has continued to support local charities, with £4,225 being raised for KIND, our school chosen charity. Other fundraising included Cafod, South Liverpool Foodbank, The Whitechapel Centre for the homeless as well as other local and national good causes and charities.

Financial review

Reserves policy

In what has been a difficult year with high amounts of financial uncertainty, the Board of Trustees have continued to evaluate the reserves requirements to ensure the continued running of the school. Due to prudent financial management over recent years, our reserves have been growing, which meant that we were in a strong position to mitigate the financial risks arising from the pandemic. As a general rule, the Board of Trustees have decided that the school should have cash reserves equivalent to between three and six months costs for business as usual operations, although this may be reduced in periods where significant capital investment is needed.

The current year surplus is £200,302. The general reserve has increased to £1,421,964, including cash balances of £410,345. This is within the range of reserves agreed by the Board of Trustees, although some of the retained reserves have been set into a specific fund which will be utilised to finance an ambitious development of the current premises, which is planned to be phased over the next three years.

The charities free reserves, unrestricted funds after excluding tangible fixed assets, as at 31 August 2023 were £1,456.

CARLETON HOUSE PREPARATORY SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Principal funding sources

The principal source of funding is the fees charged to parents for the provision of school places for their children.

Major risks

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

In the previous year, the Construction was completed on a new purpose-built modern cloakroom which replaced our previous cloakroom which was housed in the original conservatory to the house. As outlined in our financial review, our growth in reserves will be partially utilised to fund a scheduled programme of building refresh for the coming years, including internal and external refurbishment and the re development of the EYFS playground. This coupled with reasonable debt financing has allowed for the next phase of the planned capital expenditure which is the artificial grass replacement, roof, fascia, gutters repairs, building external repainting and front entrance porch reconstruction. The works are scheduled to commence in the summer holidays of 2024.

Structure, governance and management

Carleton House Preparatory School Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 May 1976.

The Memorandum and Articles of Association were altered by special resolution on 18th June 2020.

The principal object of the company is to provide a first class, independent co-educational school to pupils aged 3 to 11 years. The Head Teacher is a member of the Independent Schools Association, which gives accreditation by the Independent Schools Council. The School is a Catholic School which accepts children of other denominations and faiths. It has strong links with the Archdiocese of Liverpool and the Parish of Our Lady of the Annunciation Bishop Eton.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

L Morrison - Chair of Trustees

J P Burns

E Czarnecki

T Manning

C B Holguin

C M Harrison

(Appointed 22 September 2022)

S M Hegarty

(Appointed 18 January 2023)

M Joe

(Appointed 1 February 2023)

J A Robinson

(Appointed 11 September 2023)

G Beck - Former Chair of Trustees

(Resigned 31 July 2023)

S L Fletcher

(Resigned 31 July 2023)

Recruitment and appointment of trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

A few trustees have beneficial interest in the company, mostly having children attending at the school. JP Burns who is a Director for a company trading as J&S Partnership constructed the newly built cloakroom as disclosed in the related party transactions.

All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

CARLETON HOUSE PREPARATORY SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Organisational structure

The Board of Trustees determines the general strategy and policy of the school, but the day-to-day management of the school is delegated to the Head Teacher. The Board meets at least termly and there are a number of sub-committees convening such areas as Curriculum and Safeguarding, Finance, Buildings and Health and Safety and Pay and Appraisal.

Induction and training of trustees

The trustees who served during the year are shown on page one. Trustees are appointed by the Board of Trustees (also known as the Governing Body) and serve for a period of three years. Upon the end of each three-year term, trustees are eligible for re-election. Vacant trustee positions are advertised with a current equal number of external trustees and trustees who are current parents of the school. New trustees are provided with an introduction into the nature and running of the school.

Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



L Morrison - Chair of Trustees
Trustee

Date: 22.12.24

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees, who are also the directors of Carleton House Preparatory School for the purpose of company law, are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARLETON HOUSE PREPARATORY SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

Opinion

We have audited the financial statements of Carleton House Preparatory School (the 'charity') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its 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 charity 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 Trustees' 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

CARLETON HOUSE PREPARATORY SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the school through discussions with Trustees and other management, and from our knowledge and experience of academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, data protection, anti-bribery, employment, food hygiene and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of noncompliance throughout the audit.

CARLETON HOUSE PREPARATORY SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARLETON HOUSE PREPARATORY SCHOOL

We assessed the susceptibility of the school's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

23.5.24

Accountants
Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|---|-------|------------------------------------|------------------------------------|
| Income from: | | | |
| Donations and legacies | 3 | 570 | 15,784 |
| Charitable activities | 4 | 1,763,156 | 1,603,667 |
| Total income | | <u>1,763,726</u> | <u>1,619,451</u> |
| Expenditure on: | | | |
| Charitable activities | 5 | 1,563,424 | 1,446,236 |
| Total expenditure | | <u>1,563,424</u> | <u>1,446,236</u> |
| Net income and movement in funds | | 200,302 | 173,215 |
| Reconciliation of funds: | | | |
| Fund balances at 1 September 2022 | | 1,221,662 | 1,048,447 |
| Fund balances at 31 August 2023 | | <u>1,421,964</u> | <u>1,221,662</u> |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

CARLETON HOUSE PREPARATORY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2023

| | Notes | 2023 | | 2022 | |
|--|-------|-------------|-----------|-------------|-----------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 1,420,508 | | 1,404,447 |
| Current assets | | | | | |
| Stocks | 12 | | - | | 1,067 |
| Debtors | 13 | 1,347,930 | | 1,284,216 | |
| Cash at bank and in hand | | 410,345 | | 396,103 | |
| | | | 1,758,275 | | 1,681,386 |
| Creditors: amounts falling due within one year | 15 | (1,673,319) | | (1,768,328) | |
| Net current assets/(liabilities) | | | 84,956 | | (86,942) |
| Total assets less current liabilities | | | 1,505,464 | | 1,317,505 |
| Creditors: amounts falling due after more than one year | 16 | | (83,500) | | (95,843) |
| Net assets excluding pension liability | | | 1,421,964 | | 1,221,662 |
| Net assets | | | 1,421,964 | | 1,221,662 |
| The funds of the charity | | | | | |
| Unrestricted funds | | | 1,421,964 | | 1,221,662 |
| | | | 1,421,964 | | 1,221,662 |

The financial statements were approved by the Trustees on22/8/24



L Morrison - Chair of Trustees
Trustee

Company registration number 01260765 (England and Wales)

CARLETON HOUSE PREPARATORY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|-----------|----------------|-----------|----------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 22 | | 198,476 | | 255,671 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (64,731) | | (177,942) | |
| Net cash used in investing activities | | | (64,731) | | (177,942) |
| Financing activities | | | | | |
| Repayment of bank loans | | (119,503) | | (113,153) | |
| Net cash used in financing activities | | | (119,503) | | (113,153) |
| Net increase/(decrease) in cash and cash equivalents | | | 14,242 | | (35,424) |
| Cash and cash equivalents at beginning of year | | | 396,103 | | 431,527 |
| Cash and cash equivalents at end of year | | | <u>410,345</u> | | <u>396,103</u> |

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

Carleton House Preparatory School is a private company limited by guarantee incorporated in England and Wales. The registered office is 145 Menlove Avenue, Liverpool, Merseyside, L18 3EE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 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, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|--------------------------------|
| Freehold property | Over 50 years - buildings only |
| Plant & IT equipment | 3-5 years straight line |
| Fixtures and fittings | 2-6 years straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Retirement benefits

Retirement benefits for employees who are teachers at the School are provided by the Teachers' Pension Scheme (TPS). The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The School also contributes to personal pension plans for administrative employees and the pension charge represents the amounts payable by the School.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Income from donations and legacies

| | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|---------------------|------------------------------------|------------------------------------|
| Donations and gifts | 570 | 15,784 |

4 Income from charitable activities

| | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|--|------------------------------------|------------------------------------|
| Charitable Activity | | |
| School fees | 1,600,987 | 1,432,076 |
|  Other income | 162,169 | 171,591 |
| | <u>1,763,156</u> | <u>1,603,667</u> |

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Expenditure on charitable activities

| | Charitable Activity 2023 £ | Charitable Activity 2022 £ |
|---|-------------------------------------|-------------------------------------|
| Direct costs | | |
| Staff costs | 1,069,698 | 979,537 |
| School expenses | 135,892 | 128,287 |
| School meals expenditure | 49,271 | 42,196 |
| School trips expenditure | 43,854 | 40,700 |
| Repairs and maintenance | 22,713 | 19,715 |
| Motor and travel | 6,222 | 9,062 |
| Rates | 24,854 | 6,720 |
| Light, heat and power | 10,952 | 19,214 |
| Telephone and IT | 27,610 | 17,238 |
| Photocopier | 5,697 | 4,082 |
| Membership and professional subscriptions | 14,460 | 16,623 |
| Cleaning | 38,605 | 36,970 |
| Insurance | 24,406 | 21,580 |
| Training costs | 5,683 | 5,657 |
| Bad debts | - | (9,002) |
| Sundry expenses | 12,177 | 8,668 |
| | <u>1,492,094</u> | <u>1,347,247</u> |
| Share of support and governance costs (see note 6) | | |
| Governance | 71,330 | 98,989 |
| | <u>1,563,424</u> | <u>1,446,236</u> |
| Analysis by fund | | |
| Unrestricted funds | <u>1,563,424</u> | <u>1,446,236</u> |

6 Support costs allocated to activities

| | Charitable Activity 2023 £ | Total 2022 £ |
|------------|-------------------------------------|--------------------|
| Governance | <u>71,330</u> | <u>98,989</u> |

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Support costs allocated to activities (Continued)

| | 2023 | 2022 |
|-----------------------------------|--------|--------|
| | £ | £ |
| Governance costs comprise: | | |
| Depreciation | 48,670 | 45,264 |
| Audit fees | 5,700 | 10,276 |
| Accountancy | 1,800 | - |
| Legal and professional | 15,160 | 43,449 |
| | 71,330 | 98,989 |
| | 71,330 | 98,989 |

7 Net movement in funds 2023 £ 2022 £

The net movement in funds is stated after charging/(crediting):

| | | |
|---|--------|--------|
| Fees payable to the charity's auditor: | | |
| - for the audit of the charity's financial statements | 5,700 | 10,276 |
| - for other financial services | 1,800 | - |
| Depreciation of owned tangible fixed assets | 48,670 | 45,264 |
| | 56,170 | 55,540 |
| | 56,170 | 55,540 |

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

| | 2023 | 2022 |
|-------------------|--------|--------|
| | Number | Number |
| Teaching | 24 | 25 |
| Finance and admin | 3 | 2 |
| Facilities | 5 | 5 |
| | 32 | 32 |
| | 32 | 32 |

| | 2023 | 2022 |
|-------------------------|-----------|---------|
| | £ | £ |
| Employment costs | | |
| Wages and salaries | 870,529 | 805,589 |
| Social security costs | 75,790 | 65,943 |
| Other pension costs | 123,379 | 108,005 |
| | 1,069,698 | 979,537 |
| | 1,069,698 | 979,537 |

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

| | 2023 Number | 2022 Number |
|--------------------|----------------|----------------|
| £70,000 to £80,000 | 1 | 1 |

Remuneration of key management personnel

The key management personnel of the School comprises the Trustees, the Head Teacher, the deputy Head Teacher and the Bursar. The schools Trustees are not remunerated. The total amount of employee benefits (including employer pension contributions) received by the key management personnel was £236,431. (2022: £171,895 - did not include a full year with Bursar).

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

| | Freehold property £ | Plant & IT equipment £ | Fixtures and fittings £ | Total £ |
|------------------------------------|---------------------------|------------------------------|-------------------------------|------------|
| Cost | | | | |
| At 1 September 2022 | 1,641,954 | 93,204 | 42,976 | 1,778,134 |
| Additions | 31,280 | 3,095 | 30,356 | 64,731 |
| At 31 August 2023 | 1,673,234 | 96,299 | 73,332 | 1,842,865 |
| Depreciation and impairment | | | | |
| At 1 September 2022 | 267,735 | 73,275 | 32,677 | 373,687 |
| Depreciation charged in the year | 28,943 | 13,466 | 6,261 | 48,670 |
| At 31 August 2023 | 296,678 | 86,741 | 38,938 | 422,357 |
| Carrying amount | | | | |
| At 31 August 2023 | 1,376,556 | 9,558 | 34,394 | 1,420,508 |
| At 31 August 2022 | 1,374,218 | 19,929 | 10,300 | 1,404,447 |

Included in land and buildings is freehold land at a valuation of £500,000 (2022: £500,000) which is not depreciated.

12 Stocks

| | 2023 £ | 2022 £ |
|---------------|-----------|-----------|
| Sundry stocks | - | 1,067 |

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Debtors

| | 2023 | 2022 |
|---|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 1,336,754 | 1,241,569 |
| Other debtors | 800 | 4,976 |
| Prepayments and accrued income | 10,376 | 37,671 |
| | <u>1,347,930</u> | <u>1,284,216</u> |

14 Loans and overdrafts

| | 2023 | 2022 |
|-------------------------|----------|----------------|
| | £ | £ |
| Bank loans | - | 119,503 |
| | <u>-</u> | <u>119,503</u> |
| Payable within one year | - | 114,660 |
| Payable after one year | - | 4,843 |
| | <u>-</u> | <u>119,503</u> |

The bank loan is secured on the company's freehold property by way of a first legal charge in favour of the bank. Interest is charged at 2.75% over the bank's base rate. The charges were satisfied during the year.

15 Creditors: amounts falling due within one year

| | Notes | 2023 | 2022 |
|------------------------------------|-------|------------------|------------------|
| | | £ | £ |
| Bank loans | 14 | - | 114,660 |
| Trade creditors | | 19,969 | 12,660 |
| Other taxation and social security | | 19,306 | 15,054 |
| Other creditors | | 28,565 | 70,791 |
| Accruals | | 15,114 | 63,365 |
| Deferred income | 17 | 1,590,365 | 1,491,798 |
| | | <u>1,673,319</u> | <u>1,768,328</u> |

16 Creditors: amounts falling due after more than one year

| | Notes | 2023 | 2022 |
|-----------------|-------|---------------|---------------|
| | | £ | £ |
| Bank loans | 14 | - | 4,843 |
| Other creditors | | 83,500 | 91,000 |
| | | <u>83,500</u> | <u>95,843</u> |

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Deferred income

| | 2023 £ | 2022 £ |
|------------------------------|-----------|-----------|
| Arising from Deferred income | 1,590,365 | 1,491,798 |

Deferred income is included in the financial statements as follows:

| | 2023 £ | 2022 £ |
|-------------------------------------|-------------|-------------|
| Deferred income is included within: | | |
| Current liabilities | 1,590,365 | 1,491,798 |
| Movements in the year: | | |
| Deferred income at 1 September 2022 | 1,491,798 | 1,375,276 |
| Released from previous periods | (1,491,798) | (1,375,276) |
| Resources deferred in the year | 1,590,365 | 1,491,798 |
| Deferred income at 31 August 2023 | 1,590,365 | 1,491,798 |

School fees are invoiced in July for the coming academic year, and are therefore included in deferred income at the year end.

The prior year deferred income balance has been released in full in the year, and the total current year balance has been deferred for this year.

18 Retirement benefit schemes

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 123,379 | 108,005 |

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Retirement benefit schemes

(Continued)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and from 1 January 2007, automatic for teachers in part-time employment. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer contribution correction cost of 7.3% of pensionable pay will be applied to future valuations
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The TPS valuation for 2016 determines an employer rate of 23.68%, which was payable from September 2019.

The next valuation result is due to be implemented from 1 April 2024.

The employer pensions costs paid to TPS in the year amounted to £114,727 (2022: £99,234).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The School also makes contributions to personal pension plans for non-teaching staff. The total cost of these contributions was £8,652 (2022: £8,771).

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 September 2022 | Incoming resources | Resources expended | Transfers | At 31 August 2023 |
|-------------------------|---------------------------|-----------------------|-----------------------|-----------|----------------------|
| | £ | £ | £ | £ | £ |
| Site development fund | 63,200 | 13,500 | (3,650) | - | 73,050 |
| Personal donations fund | - | 570 | - | - | 570 |
| General funds | 1,158,462 | 1,749,656 | (1,559,774) | - | 1,348,344 |
| | <u>1,221,662</u> | <u>1,763,726</u> | <u>(1,563,424)</u> | <u>-</u> | <u>1,421,964</u> |

| Previous year: | At 1 September 2021 | Incoming resources | Resources expended | Transfers | At 31 August 2022 |
|-------------------------|---------------------------|-----------------------|-----------------------|-----------|----------------------|
| | £ | £ | £ | £ | £ |
| Site development fund | 43,200 | - | - | 20,000 | 63,200 |
| Personal donations fund | 5,046 | 3,877 | (771) | (8,152) | - |
| General funds | 1,000,201 | 1,615,574 | (1,445,465) | (11,848) | 1,158,462 |
| | <u>1,048,447</u> | <u>1,619,451</u> | <u>(1,446,236)</u> | <u>-</u> | <u>1,221,662</u> |

20 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2023 | 2022 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 7,308 | 7,308 |
| Between two and five years | 3,158 | 10,466 |
| | <u>10,466</u> | <u>17,774</u> |

21 Related party transactions

Trustees whose children attend the school pay fees at the same rate as any other parent.

In addition the school engaged the services of J & S Partnership, a business in which the Trustee J P Burns has a material interest, to construct bespoke furniture, resurfacing of playground area and general repairs and maintenance. These transactions were at arms' length and amounted to £39,427.

CARLETON HOUSE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

| 22 Cash generated from operations | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Surplus for the year | 200,302 | 173,215 |
| Adjustments for: | | |
| Depreciation and impairment of tangible fixed assets | 48,670 | 45,264 |
| Movements in working capital: | | |
| Decrease in stocks | 1,067 | 178 |
| (Increase) in debtors | (63,714) | (68,748) |
| (Decrease) in creditors | (86,416) | (10,760) |
| Increase in deferred income | 98,567 | 116,522 |
| Cash generated from operations | <u>198,476</u> | <u>255,671</u> |

| 23 Analysis of changes in net funds | At 1 September 2022 £ | Cash flows £ | At 31 August 2023 £ |
|--|-----------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 396,103 | 14,242 | 410,345 |
| Loans falling due within one year | (114,660) | 114,660 | - |
| Loans falling due after more than one year | (4,843) | 4,843 | - |
| | <u>276,600</u> | <u>133,745</u> | <u>410,345</u> |