

Registered Company Number: 910924

Registered Charity Number: 310642



CHESHAM PREPARATORY SCHOOL TRUST LIMITED
(A company limited by guarantee)

Report and Financial Statements
for the year ended 31 March 2011

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Officers and advisers

| | |
|--|--|
| Directors and Trustees | HHJ F A Shendan (Chairman) Mrs F Goss Mr P Hurd Mr P Johnson Mr A Jordan Mr C Nicholls Mr A J Nott Mrs R M Royals Mr J Simons Mr J West |
| Company Secretary & Bursar | Mr R Carvey |
| Company Number | 910924 |
| Charity Number | 310642 |
| Principal and Registered Office | Chesham Preparatory School Trust Limited (known as Chesham Preparatory School), Orchard Leigh, Chesham, Bucks, HP5 3QF |
| Headteacher | Mrs J Radcliffe |
| School Address | Two Dells Lane Orchard Leigh Chesham HP5 3QF |
| Bankers | National Westminster Bank plc Chilterns Corporate Business Centre PO Box 412 2 nd Floor, Rapid House Oxford Road High Wycombe, Bucks HP11 2EF |
| Solicitors | Richardson Smith & Co 35 High Street Chesham, Bucks HP5 1BW |
| Surveyors | Evans & Crawley Bridge House Water Meadow Chesham, Bucks HP5 1LF |
| Insurance Brokers | Marsh Limited Capital House 1-5 Perrymount Road Haywards Heath RH16 3SY |
| Auditor | Chantrey Vellacott DFK LLP Russell Square House 10-12 Russell Square London WC1B 5LF |

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 March 2011

The Trustees present their report and the audited financial statements for the year ended 31 March 2011. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements.

Status

The Charity is constituted as a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association.

Organisation

The Trustees (also called Governors) meet as a Board of Directors to determine the general policy of the School. Sub-Committees of the Trustees have responsibility for Education, Finance and General Purposes and Marketing. In addition designated Trustees have specific responsibilities covering Accident & Medical, Child Protection and Health & Safety. The main board and each sub-committee meet at least termly to determine policy and to monitor the operations of the School. The day-to-day management of the School is delegated to the Headteacher and Bursar who attend the board meetings.

The Board is a self-appointing body, with each member standing down every four years. Retiring members may stand for re-election. The optimum size of board is twelve, currently there are ten members. The Board is quorate with 3 member votes. Potential new members are approached by the Chairman of the Board, in consultation with the Board, to establish interest and qualifications and are assessed against a skills matrix to maintain a balanced Board. New and established Trustees seek relevant information and training made available by the Association of Governing Bodies of Independent Schools (AGBIS) and other specialist organisations.

Policy

The School is a charitable trust providing a day school for boys and girls aged 4 to 13 years and seeks to benefit the public through the pursuit of its stated aims to maintain a high academic standard and also encourage skills in all academic as well as art, design & technology, music, drama and sport. Children are prepared for entry into county secondary schools and to the independent schools sector.

It is important to the School that access to the education we offer is not restricted to just those who can afford the fees. Fees are and traditionally have been set at a level to match the financial viability of the School whilst providing a first class education to boys and girls from all backgrounds. Entrance interviews and assessments at certain years are undertaken to satisfy the School and parents that the School will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. An individual's economic status, gender, ethnicity, race, religion or disability does not form a part of this process.

Objectives

In setting these objectives and planning activities the Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. With this in mind the School has established these primary objectives:

- to prepare local children for entry to their choice of senior school education at the best level they can achieve,

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 March 2011 (continued)

- to promote an ethos of wanting to learn, concentrating on pupils' strengths rather than weaknesses. A happy child is likely to be the most fulfilled. Learning itself should be challenging and stimulating
- to support all ages in their desire to learn,
- whilst the school has no access to an endowment, in funding any bursaries has to be mindful to ensure a balance between the interests of current fee paying parents, many of whom make considerable personal sacrifices,
- to seek ways to promote the use of the School for the community, and to play its part in the life of our local community. Pupils regularly hold fundraising events with proceeds going to charity

Strategy

The essential strategy is to develop every child in the School's care to the best of his/her ability in a happy and caring environment. To achieve this, the strategy requires

- provision of a broad, balanced curriculum kept regularly under review,
- high quality teaching and support infrastructure and sound management,
- continuous appraisal and development of staff and facilities

Aims

The Trustees believe that children have the right to thrive at school and that this School should provide a stimulating educational environment within which all its pupils can learn and grow with enjoyment. To achieve this the School

- to provide an environment for the needs of boys and girls that encourages endeavour, achievement and enjoyment amongst pupils and staff alike,
- provides a learning environment which is stimulating, rewarding and safe, and one in which pupils and staff feel respected, valued, supported and encouraged to make the best of their talents and opportunities,
- fosters a genuine feeling of school community based on strong family and Christian values,
- prepares all pupils in such a way that they are able to transfer to, and thrive at, their secondary schools,
- celebrates a pupil's successes and achievements, by providing positive encouragement and focusing on pupils' strengths rather than their weaknesses

Activities that contribute to the achievement of the School's Aims and Objectives

The School's Senior Management Team works with all staff, pupils and parents to improve the School's contribution to the development of each and every child in its care

Feedback on the School's performance is sought from parents and secondary schools receiving CPS children as well as through the detailed questionnaires distributed by the Independent Schools Inspectorate through their regular inspections – in the March, 2010 "ISI Inspection" the school received an overall "Excellent" rating

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 March 2011 (continued)

Parents assist the School in structured one-to-one reading with children and by attending and assisting with trips and visits organised for the children. The Parent Teachers Association is very active within the school and parents contribute a great deal of their time and funds towards many projects.

Review of the business

The Trustees consider that the performance of the School in the year has been satisfactory, particularly as a change of Headteacher occurred at the beginning of the Autumn Term 2010. This has again been a successful year for places gained by entry examinations at 11+ with almost all pupils leaving to enter secondary schools of their choice. A large proportion entered Buckinghamshire Grammar Schools.

The number of pupils attending the School in the 2011 Spring Term was 350 (2010 – 372) of whom 193 (2010 – 209) were boys. The average class size was 17 (2010 – 19) pupils.

The financial performance produced a surplus in line with expectations with the School now well poised to continue its next phase of development towards the Lower School Development program. A review of this program resulted in a smaller new build to better suit the demographic need and economic climate. Planning permission has been received and there will be at least a "Phase 1" nursery in place for September, 2011. The whole of the surplus will be applied to further improvements to the School's facilities and equipment.

In September, 2010 the School withdrew from the local authority nursery grant scheme as governmental changes had made this scheme impractical to administer. The School continues to accept Childcare Vouchers where appropriate.

Developments

The Trustees endeavour to provide excellent facilities for pupils. Future plans are financed primarily from fee income and from reserves. The aim to maintain an equitable balance, ensuring current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils. As a charity the parents of pupils have the assurance that all the income of the School must be applied for educational purposes.

Since September 2007 the School has provided outside companies and individuals with facilities and equipment to provide holiday sports education and family based fitness regimes in sessions open to all young people in the community.

Main objectives for the year and future developments

In the current financial year the School met its objectives and made significant progress towards the next stages of development. The key achievements were:

- the successful transition to a new Headteacher in September,
- completion of a new Adventure Trail for all pupils,
- continued progress towards school fees planning for parents and taking in to account the rule changes under the consumer credit act, and
- further progress with the new building for the lower school and to include a nursery (phase 1) being in place for September, 2011.

Transactions and financial position

The income statement shows a net surplus of £386,689 (2010 £304,107). The Trustees, being mindful of economic conditions, decided again to increase fees by a modest amount, thus facilitating its own commitments whilst being mindful of economic factors affecting its parents.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating directors' report) for the year ended 31 March 2011 (continued)

The School has not engaged in fundraising activities during the year and has no financial investments. The largest category of expenditure is staff costs. The School aims to pay competitive salaries in line with the Independent Association of Preparatory Schools guidelines to secure the high quality staff to teach and care for the pupils. The number of teaching staff was 54, to include more full time staff (2010 – 56). The staff (full FTE) to pupil ratio is 1.75 (2010 – 1.88).

The School has a policy of borrowing, subject to carefully prepared financial projections, to invest in facilities. Net incoming resources are applied to the repayment of these borrowings and reserves are fully reflected in fixed assets purchased for the School. At the year-end the interest cover (operating surplus divided by interest payable) was 218.1 (2010 – 64.6) and the gearing (total borrowings divided by total funds) was 0.32 (2010 – 0.4).

All expenditure by the School is applied to the education and development of children attending the School, the operation of the School, and investment in the School's facilities.

Expenditure is carefully monitored by the Trustees through the Finance and General Purposes Committee, working with the Bursar, to ensure "best value". The Trustees consider that the level of income and cash generated is adequate to support the continuation of the School's operation.

Reserves

Reserves are accumulated to support loans incurred for the past development of school buildings and to prepare for further developments in the future.

Investment powers

The Board of Trustees retains full control of investment policy, which is to hold any surplus cash in readily accessible bank deposit accounts.

Tangible fixed assets

The changes in the tangible fixed assets are summarised in the notes to the financial statements. The net book value of land and buildings is included at £4,092,937. The Trustees consider the market value to be substantially in excess of that figure. The insurance cover for the replacement of the buildings amounts to £10,415,000.

Directors and Trustees

All Directors of the Company are also Governors of the School and Trustees of the Charity and there are no other Trustees. The Board has the power to appoint additional trustees. The Trustees who served during the year were

| | | | |
|-----------------------------|-----|-----|-----|
| HHJ F A Sheridan (Chairman) | (2) | (3) | |
| Mrs F Goss | (1) | (4) | |
| Mr P Hurd | (2) | | |
| Mr P Johnson | (2) | (4) | |
| Mr A Jordan | (2) | | |
| Mr C Nicholls | (1) | | |
| Mr A J Nott | (1) | | |
| Mrs R M Royals | (1) | (4) | |
| Mr J Simons | (1) | (2) | (4) |
| Mr J West | (1) | (3) | |

Sub-Committees on which the Trustees sit are indicated, namely

- (1) Education
- (2) Finance and General Purpose
- (3) Marketing

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Trustees' report (incorporating a directors' report) for the year ended 31 March 2011 (continued)

- (4) In addition certain Trustees have specific responsibilities covering accident & medical, child protection and health & safety

Each Committee and the full Board of Trustees meet at least once every term. Two Trustees (2010 – 2), Mr F Sheridan and Mr West had children who attended the School during the year ended 31 March 2011.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees 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 surplus or deficit of the charitable company for that period.

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 accounting 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Trustees' report (incorporating a directors' report) for the year ended 31 March 2011 (continued)

Related party transactions

Details of related party transactions are given in notes 4 and 17 to the financial statements

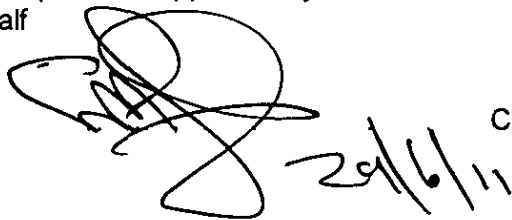
Risk management

The Trustees have assessed the major risks to which the company is exposed and are satisfied that systems and contingency plans are in place to manage exposure to the major risks. The Trustees will regularly review, at least annually the risk management matrix and the calculation for the minimum threshold for pupil numbers as part of the management accounts process.

Auditor

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor will be proposed at the Annual General Meeting.

This report was approved by the Board of Directors and Trustees on 29th June 2011 and signed on its behalf



Chairman of the Board of Trustees

Chantrey Vellacott DFK LLP

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Independent auditor's report to the members of Chesham Preparatory School Trust Limited

We have audited the financial statements of Chesham Preparatory School Trust Limited for the year ended 31 March 2011 which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement [set out on page 7], the trustees (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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report (incorporating a directors' report) to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 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.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Independent auditor's report to the members of Chesham Preparatory School Trust Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report (incorporating a directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Chantrey Vellacott DFK LLP

HELENA WILKINSON FCA (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
LONDON

Date *29 June 2011*

Chantrey Vellacott DFK LLP

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Statement of financial activities for the year ended 31 March 2011

| | Notes | Unrestricted Funds 2011 £ | Restricted Funds 2011 £ | Total Funds 2011 £ | Total Funds 2010 £ |
|---|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds: | | | | | |
| Donations | 3 | 2,423 | 42,000 | 44,423 | 31,169 |
| Other income | 3 | 9,035 | - | 9,035 | - |
| Incoming resources from charitable activities: | | | | | |
| School fees receivable | | 3,453,102 | - | 3,453,102 | 3,487,960 |
| Other educational income | 3 | 171,863 | - | 171,863 | 131,836 |
| Other ancillary income | 3 | 15,083 | - | 15,083 | 15,298 |
| Total incoming resources | | 3,651,506 | 42,000 | 3,693,506 | 3,666,263 |
| Resources expended | | | | | |
| Charitable activities: | | | | | |
| Educational costs | | 2,571,591 | 1,861 | 2,573,452 | 2,521,427 |
| Welfare costs | | 247,470 | - | 247,470 | 240,694 |
| Premises costs | | 466,194 | - | 466,194 | 572,616 |
| Financing cost | | 1,781 | - | 1,781 | 4,778 |
| Governance costs | | 17,920 | - | 17,920 | 22,641 |
| Total resources expended | 5 | 3,304,956 | 1,861 | 3,306,817 | 3,362,156 |
| Net incoming resources, being net income for the year, and the net movement in funds | | | | | |
| | | 346,550 | 40,139 | 386,689 | 304,107 |
| Reserves Transfers | | 40,000 | (40,000) | - | - |
| Accumulated funds brought forward | | 3,386,100 | 6,000 | 3,392,100 | 3,087,993 |
| Accumulated funds carried forward | | 3,772,650 | 6,139 | 3,778,789 | 3,392,100 |

All of the above are derived from continuing activities. There were no other recognised gains or losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 15 to 25 form part of these financial statements.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Income and expenditure account for the year ended 31 March 2011

| | Notes | £ | 2011 £ | £ | 2010 £ |
|-----------------------------------|-------|-----------|-------------------------|-----------|-------------------------|
| Turnover | | | 3,453,102 | | 3,487,960 |
| Other income | 3 | | 240,404 | | 178,303 |
| | | | <u>3,693,506</u> | | <u>3,666,263</u> |
| Staff costs | 4 | 2,250,406 | | 2,206,604 | |
| Auditor's remuneration | | | | | |
| -Audit | | 6,463 | | 6,463 | |
| -Other | | 4,288 | | 6,622 | |
| Depreciation | | 220,169 | | 245,142 | |
| Other school running costs | | 823,710 | | 892,547 | |
| | | | <u>(3,305,036)</u> | | <u>(3,357,378)</u> |
| Operating surplus | | | 388,470 | | 308,885 |
| Interest payable | 5 | | 1,781 | | 4,778 |
| Surplus for the financial year | | | <u>386,689</u> | | <u>304,107</u> |
| Accumulated funds brought forward | | | <u>3,392,100</u> | | <u>3,087,993</u> |
| Accumulated funds carried forward | | | <u><u>3,778,789</u></u> | | <u><u>3,392,100</u></u> |



The notes on pages 15 to 25 form part of these financial statements

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Balance sheet as at 31 March 2011

| | Notes | £ | 2011 £ | £ | 2010 £ |
|--|-------------------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 4,092,937 | | 4,245,153 |
| Current assets | | | | | |
| Debtors | 9 | 171,370 | | 95,610 | |
| Cash at bank and in hand | | 1,352,297 | | 1,175,629 | |
| | | <u>1,523,667</u> | | <u>1,271,239</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(491,592)</u> | | <u>(563,407)</u> | |
| Net current assets | | | <u>1,032,075</u> | | <u>707,832</u> |
| Total assets less current liabilities | | | <u>5,125,012</u> | | <u>4,952,985</u> |
| Creditors: amounts falling due after more than one year | 11 | | <u>(1,346,223)</u> | | <u>(1,560,885)</u> |
| Net assets | | | <u><u>3,778,789</u></u> | | <u><u>3,392,100</u></u> |
| Accumulated funds | | | | | |
| Restricted fund | Page 11 & note 14 | | 6,139 | | 6,000 |
| Unrestricted funds | | | | | |
| General Fund | Pages 11 | | <u>3,772,650</u> | | <u>3,386,100</u> |
| | | | <u><u>3,778,789</u></u> | | <u><u>3,392,100</u></u> |

Approved and authorised for issue at a meeting of the Trustees and Board of Directors on _____ and signed on its behalf by

 29/6/11
 29/6/11

} Trustees

The notes on pages 15 to 25 form part of these financial statements

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Cash flow statement for the year ended 31 March 2011

| | 2011 £ | 2010 £ |
|---|-----------------------|-----------------------|
| Operating activities | | |
| Net cash inflow from operating activities (note (a)) | <u>414,042</u> | <u>782,417</u> |
| Returns on investments and servicing of finance | | |
| Interest paid | <u>(1,781)</u> | <u>(4,778)</u> |
| Capital expenditure | | |
| Payments to acquire tangible fixed assets | <u>(67,593)</u> | <u>(44,609)</u> |
| Net cash inflow before financing | 344,668 | 733,030 |
| Financing | | |
| Repayments of bank loans | <u>(168,000)</u> | <u>(168,000)</u> |
| Increase in cash (note (b)) | <u>176,668</u> | <u>565,030</u> |

Notes to the cash flow statement

| | | |
|--|-------------------------|-----------------------|
| (a) Reconciliation of operating surplus to net cash flow from ordinary operating activities | 2011 £ | 2010 £ |
| Net incoming resources | 386,689 | 304,107 |
| Interest payable | <u>1,781</u> | <u>4,778</u> |
| Operating surplus | 388,470 | 308,885 |
| Depreciation | 220,169 | 245,142 |
| (increase)/decrease in debtors | (75,760) | 37,401 |
| (Decrease)/increase in creditors | <u>(118,837)</u> | <u>190,989</u> |
| Net cash inflow from operating activities | <u>414,042</u> | <u>782,417</u> |

The notes on pages 15 to 25 form part of these financial statements

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Cash flow statement for the year ended 31 March 2011 (continued)

Notes to cash flow statement (continued)

| (b) Reconciliation of net cash flow to movement in net debt/funds | 2011 £ | 2010 £ |
|---|-----------|-----------|
| Increase in cash in the year | 176,668 | 565,030 |
| Cash used to repay loans | 168,000 | 168,000 |
| Change in net debt resulting from cash flow | 344,668 | 733,030 |
| Net debt at 1 April 2010 | (183,464) | (916,494) |
| Net debt at 31 March 2011 | 161,204 | (183,464) |

(c) Analysis of changes in net debt

| | 1 April 2010 £ | Cash flow £ | Other non-cash changes £ | 31 March 2011 £ |
|--------------------------|----------------------|-------------------|-----------------------------------|-----------------------|
| Cash at bank and in hand | 1,175,629 | 176,668 | - | 1,352,297 |
| Debt due within one year | (168,000) | 168,000 | (168,000) | (168,000) |
| Debt due after one year | (1,191,093) | - | 168,000 | (1,023,093) |
| | (183,464) | 344,668 | - | 161,204 |

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011

1 Accounting policies

(a) Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), published in March 2005

(b) Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

| | | |
|--------------------------|---|----------|
| Portakabins | - | 20% cost |
| Freehold buildings | - | 2% cost |
| Furniture and equipment | - | 20% cost |
| Motor vehicles (Minibus) | - | 25% cost |

Items with a cost of less than £1,000 are expensed during the year of acquisition

(c) Incoming resources

Fees receivable and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees received in advance are treated as deferred income and included within creditors

Donations

Donations are receivable for the general purposes of the Charity and as such are credited to unrestricted funds

(d) Resources expended

Resources expended are included in the statement of financial activities on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Where costs cannot be directly attributed to specific activities, they have been allocated to activities on a basis consistent with the use of the resources

Governance costs are the costs associated with the governance arrangements of the Charity which relate to the general running of the Charity as opposed to those costs associated with charitable activity. Included within this category are costs associated with the audit, and costs of complying with constitutional and statutory requirements, such as preparing statutory financial statements and the Independent Schools Inspection

Support costs comprise administrative expenses, such as wages, telephone, stationery and advertising. Support costs are allocated across the categories of charitable expenditure and governance costs. The basis of the cost allocation has been explained in note 6 to the financial statements

Financing costs comprise interest payable on bank loans

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

1 Accounting policies (continued)

(e) Operating leases

Rentals payable under operating leases are charged to the statement of financial activities as they fall due

(f) Pension costs

The Charity contributes to the Teachers' Pension Scheme at rates set by the scheme actuary and advised to the Trustees by the scheme administrator. The Charity also contributes to a defined contribution scheme for non-teaching staff. The contributions charged to the statement of financial activities in respect of both schemes are those payable in accordance with the rules of the schemes.

(g) Funds

Funds held by the Charity are

| | | |
|--------------------|---|---|
| Unrestricted funds | - | these are funds which can be used in accordance with the Charity's objects, at the discretion of the Board |
| Restricted funds | - | these are funds that can be used for particular restricted purposes, within the objects of the Charity. Restrictions arise when specified by the donor. |

2 Status and members

The company is limited by guarantee, and therefore does not have a share capital. Each member has agreed that, in the event of the company being wound up, he or she will contribute to the assets a sum not exceeding one pound. The number of members was 10 (2010: 10). Control of the company is vested in the Board of Trustees and Directors.

| 3 | Other income | 2011 £ | 2010 £ |
|---|---------------------------------|----------------|----------------|
| | Donations - Unrestricted | 2,423 | 17,669 |
| | Donations - Restricted | 42,000 | 13,500 |
| | | <u>44,423</u> | <u>31,169</u> |
| | Other income | | |
| | Sundry | 6,493 | - |
| | Loan interest | 2,542 | - |
| | | <u>9,035</u> | <u>-</u> |
| | Other educational income | | |
| | Registration fees | 4,450 | 5,850 |
| | School trips | 138,318 | 123,967 |
| | Late club fees | 29,095 | 2,019 |
| | | <u>171,863</u> | <u>131,836</u> |
| | Other ancillary income | | |
| | School bus fares | 15,083 | 15,298 |
| | | <u>15,083</u> | <u>15,298</u> |
| | Total | <u>240,404</u> | <u>178,303</u> |

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

| 4 | Staff costs | 2011 £ | 2010 £ |
|---|-----------------------|------------------|------------------|
| | Wages and salaries | 1,890,458 | 1,847,600 |
| | Social Security costs | 145,264 | 141,861 |
| | Pension contributions | 214,684 | 217,143 |
| | | <u>2,250,406</u> | <u>2,206,604</u> |

| | Full-time | Part-time | 2011 Number Total | 2010 Number Total |
|--|-----------|-----------|-------------------------|-------------------------|
| The average monthly number of persons employed was | | | | |
| Teaching | 39 | 15 | 54 | 56 |
| Supply | - | - | - | 4 |
| Catering | 3 | 5 | 8 | 8 |
| Premises | 2 | 2 | 4 | 4 |
| Administration | 3 | 8 | 11 | 10 |
| | <u>47</u> | <u>30</u> | <u>77</u> | <u>82</u> |

The number of employees who earned more than £60,000 was as follows

| | 2011 Number | 2010 Number |
|--------------------|----------------|----------------|
| £60,001 to £70,000 | - | 1 |
| | <u>-</u> | <u>1</u> |

Retirement benefits are accruing to the higher paid employee under the defined benefit scheme

The Trustees received no remuneration during the year for their services. Trustees received reimbursement of travelling expenses amounting to £1,654 (2010 - £270). No other expenses were reimbursed to Trustees during the year (2010 - £Nil).

Fees of £20,147 were paid to J2 Design Marketing Digital Limited for the production of new school literature following the appointment of the new Headteacher. Trustee Julian West is managing director of J2 Design Marketing Digital Limited. Transactions were on an arm's length basis.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

| 5 | Resources expended | Staff costs £ | Direct costs £ | Support costs £ | Depreciation £ | Total 2011 £ | Total 2010 £ |
|---|-------------------------------|------------------|-------------------|--------------------|-------------------|------------------|------------------|
| | Charitable expenditure | | | | | | |
| | Educational costs | 2,045,020 | 335,206 | 139,386 | 53,840 | 2,573,452 | 2,521,427 |
| | Welfare costs | 101,612 | 144,102 | 1,756 | - | 247,470 | 240,694 |
| | Premises costs | 95,229 | 194,158 | 10,478 | 166,329 | 466,194 | 572,616 |
| | Financing costs | - | 1,781 | - | - | 1,781 | 4,778 |
| | Governance | 8,545 | - | 9,375 | - | 17,920 | 22,641 |
| | | <u>2,250,406</u> | <u>675,247</u> | <u>160,995</u> | <u>220,169</u> | <u>3,306,817</u> | <u>3,362,156</u> |

| Financing costs | 2011 £ | 2010 £ |
|-----------------|-----------|-----------|
|-----------------|-----------|-----------|

| | | |
|-------------------------------|--------------|--------------|
| Interest payable on bank loan | <u>1,781</u> | <u>4,778</u> |
|-------------------------------|--------------|--------------|

| Governance | 2011 £ | 2010 £ |
|------------|-----------|-----------|
|------------|-----------|-----------|

| | | |
|-----------------------------|---------------|---------------|
| Bursar's time | 5,705 | 8,921 |
| Audit fees | 6,463 | 6,463 |
| Other fees paid to auditors | 4,288 | 6,622 |
| Trustees meeting expenses | 1,464 | 635 |
| | <u>17,920</u> | <u>22,641</u> |

Included in resources expended are payments under operating leases for motor vehicles and equipment amounting to £12,530 (2010 - £13,985)

Chantrey Vellacott DFK LLP

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

| Support costs allocation | Wages and salaries | Advertising and promotions | Postage and telephone | Printing and stationery | Legal and professional | Subscriptions | Sundry | Total 2011 | Total 2010 |
|--------------------------|--------------------|----------------------------|-----------------------|-------------------------|------------------------|---------------|---------------|----------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Charitable expenditure | | | | | | | | | |
| Educational costs | 241,992 | 52,357 | 6,345 | 25,288 | - | 23,435 | 23,222 | 372,639 | 291,584 |
| Welfare costs | 13,444 | - | 352 | 1,405 | - | - | - | 15,201 | 13,753 |
| Premises costs | 13,444 | - | 352 | 1,405 | 8,721 | - | - | 23,922 | 20,361 |
| | <u>268,880</u> | <u>52,357</u> | <u>7,049</u> | <u>28,098</u> | <u>8,721</u> | <u>23,435</u> | <u>23,222</u> | <u>411,762</u> | <u>325,698</u> |

Cost allocation includes an element of judgement and the chantable company has had to consider the cost/benefit of detailed calculations and record keeping

Basis for support costs allocation

- Wages and salaries - estimated time spent on activities
- Advertising and promotions (including school prospectus) – according to direct costs incurred
- Postage and telephone – estimated usage of resources
- Printing and stationery – estimated usage of resources
- Legal and professional – according to direct costs incurred
- Subscriptions – according to direct costs incurred
- Sundry (including parents' meetings) – according to direct costs incurred

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

7 Taxation

No liability to United Kingdom taxation arises by virtue of the charitable status of the Charity

| 8 | Tangible fixed assets | Portakabins £ | Freehold Land and Buildings £ | Furniture and Equipment £ | Mower £ | Total £ |
|---|------------------------|------------------|--|------------------------------------|--------------|------------------|
| | Cost: | | | | | |
| | 1 April 2010 | 324,636 | 5,106,288 | 399,641 | 8,442 | 5,839,007 |
| | Additions | 1,393 | - | 66,560 | - | 67,953 |
| | Disposals | - | - | (19,648) | - | (19,648) |
| | | <u>326,029</u> | <u>5,106,288</u> | <u>446,553</u> | <u>8,442</u> | <u>5,887,312</u> |
| | 31 March 2011 | | | | | |
| | Depreciation: | | | | | |
| | 1 April 2010 | 194,320 | 1,083,584 | 312,574 | 3,376 | 1,593,854 |
| | Charge for the year | 66,042 | 98,599 | 53,840 | 1,688 | 220,169 |
| | Disposals | - | - | (19,648) | - | (19,648) |
| | | <u>260,362</u> | <u>1,182,183</u> | <u>346,766</u> | <u>5,064</u> | <u>1,794,375</u> |
| | 31 March 2011 | | | | | |
| | Net book value: | | | | | |
| | 31 March 2011 | <u>65,667</u> | <u>3,924,105</u> | <u>99,787</u> | <u>3,378</u> | <u>4,092,937</u> |
| | 31 March 2010 | <u>130,316</u> | <u>4,022,704</u> | <u>87,067</u> | <u>5,066</u> | <u>4,245,153</u> |

All tangible fixed assets are held for use by the Charity

Assets included in freehold land and buildings that are not depreciated amount to £176,342 (2010 - £176,342)

| 9 | Debtors | 2011 £ | 2010 £ |
|---|---------------|----------------|---------------|
| | Trade debtors | 14,093 | 11,809 |
| | Other debtors | 6,762 | 12,024 |
| | Prepayments | 150,515 | 71,777 |
| | | <u>171,370</u> | <u>95,610</u> |

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

| 10 | Creditors: amounts falling due within one year | 2011 £ | 2010 £ |
|----|--|----------------|----------------|
| | Bank loans (Note 12) | 168,000 | 168,000 |
| | Trade creditors | - | - |
| | Payroll taxes | 1,092 | 47,559 |
| | Other creditors | 42,986 | 36,596 |
| | Accruals | 138,152 | 142,307 |
| | Deferred income (Note 13) | 141,362 | 168,945 |
| | | <u>491,592</u> | <u>563,407</u> |

| 11 | Creditors: amounts falling due after more than one year | 2011 £ | 2010 £ |
|----|---|------------------|------------------|
| | Bank loans (Note 12) | 1,023,093 | 1,191,093 |
| | Pupil deposits | 150,900 | 166,700 |
| | Deferred income (Note 13) | 172,230 | 203,092 |
| | | <u>1,346,223</u> | <u>1,560,885</u> |

Deposits are payable before pupils attend School and are repayable on leaving. The trustees consider that the amount shown above fairly represents deposits repayable after 31 March 2011 and which includes deposits of approximately £31,000 repayable after more than five years (2010 - £45,000)

Deferred income consists of fees paid in advance, and includes fees for the period after 31 March 2011. Fees paid in advance include £Nil payable after more than five years (2010 - £Nil)

| 12 | Bank loans | 2011 £ | 2010 £ |
|----|---|------------------|------------------|
| | The bank loans - repayable by instalments | | |
| | After five years | 259,145 | 519,093 |
| | Due within one to two years | 168,000 | 168,000 |
| | Due within two to five years | 595,948 | 504,000 |
| | | <u>1,023,093</u> | <u>1,191,093</u> |
| | Due after more than one year | 168,000 | 168,000 |
| | Due within one year | <u>1,191,093</u> | <u>1,359,093</u> |

The bank loans are secured by way of a first legal mortgage over the property of the Charity. They are repayable in instalments of £56,000 every four months ending in June 2019, and bear interest at a fixed percentage of 1.125% over the National Westminster Bank base-lending rate. Interest is calculated on a daily basis which incorporates a set-off arrangement with the current account.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

| | | |
|-----------|---|----------------|
| 13 | Analysis of movements in deferred income | £ |
| | Balance at 1 April 2010 | |
| | Due within one year | 168,945 |
| | Due after more than one year | 203,092 |
| | | <u>372,037</u> |
| | Released in year | (164,741) |
| | Invoiced in year | 106,296 |
| | | <u>106,296</u> |
| | Balance at 31 March 2011 | <u>313,592</u> |
| | | <u>313,592</u> |
| | Due within one year | 141,362 |
| | Due after more than one year | 172,230 |
| | | <u>172,230</u> |
| | | <u>313,592</u> |

14 Restricted funds

Restricted funds represent amounts totalling £40,000 donated by the school's Parents' and Teachers' Association (PTA) to be used install an adventure trail and contribute towards refurbishment of the school hall as stipulated by the PTA. Donations of £2,000 were made by parents who stipulated that the donation be spent on learning support and boys' games. These funds are included in cash at bank and in hand.

15 Lease commitments

The Charity's annual commitments under non-cancellable operating leases for motor vehicles and equipment are as follows:

| Expiry date | 2011 £ | 2010 £ |
|--------------------------|---------------|---------------|
| Within two to five years | <u>12,530</u> | <u>13,985</u> |

16 Pensions information

The School operates two pension schemes which cover the majority of its employees. The assets of the schemes are held separately from those of the School, being invested with either the State or insurance companies, and are independently administered.

- (a) The principal pension scheme operated is the Teachers' Pensions Scheme (TPS) which is a defined benefit scheme. The pension cost charge amounted to £176,301 (2010 - £174,885). Included in creditors are contributions payable to the scheme amounting to £Nil (2010 - £Nil).

Under the definitions set out in Financial Reporting Standard 17 Retirement Benefits, (FRS 17), the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the School has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

16 Pensions information (continued)

defined contribution scheme The School has set out below the information available on the deficit in the scheme and the implications for the School in terms of the anticipated contribution rates

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010 These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

Not less than every four years, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS The aim of the review is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate (SCR) is determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

16 Pensions information (continued)

held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75% plus a supplementary contribution rate of 0.75% (to balance assets and liabilities as required by the regulations within 15 years), a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost sharing agreement has also introduced - effective for the first time from the 2008 valuation - a 14% cap on employer contributions payable.

A copy of the GA's 2004 valuation report can be found on the Teacher Net website at www.teachernet.gov.uk/pensions.

- (b) For non-teaching staff, the School operates a defined contribution scheme. The pension cost charge in respect of that scheme amounted to £35,385 (2010 - £41,956). The assets of the scheme are held separately from those of the Charity in an independently administered fund.

17 Related party transactions

The children of two Trustees who served during the year, Mr F Sheridan and Mr West attended the School on a full fee paying basis.

Fees of £20,147 were paid to J2 Design Marketing Digital Limited for the production of new school literature following the appointment of the new Headteacher. Trustee Julian West is managing director of J2 Design Marketing Digital Limited. Transactions were on an arm's length basis.

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Detailed income and expenditure account for the year ended 31 March 2011

| | 2011 £ | 2010 £ |
|---|------------------|------------------|
| Income | | |
| Tuition fees | 3,453,102 | 3,487,960 |
| School bus fares | 15,083 | 15,298 |
| Registration fees | 4,450 | 5,850 |
| School trips | 167,413 | 125,985 |
| Sundry | 9,035 | - |
| Donations - restricted | 42,000 | 9,500 |
| Donations | 2,423 | 21,670 |
| Total | 3,693,506 | 3,666,263 |
| Expenditure | | |
| Staff costs | | |
| Staff salaries and wages | | |
| Teaching (including Headteacher) | 1,486,779 | 1,472,614 |
| Supply | 23,284 | 30,574 |
| Catering | 82,796 | 80,337 |
| Administration | 221,201 | 202,175 |
| Maintenance | 76,397 | 61,900 |
| | 1,890,457 | 1,847,600 |
| National insurance | 145,265 | 141,861 |
| Pension contributions (IAPS and TPS) | 214,684 | 217,143 |
| Total | 2,250,406 | 2,206,604 |
| Operating expenses | | |
| School trips | 157,155 | 127,754 |
| School Magazine | - | 6,825 |
| Stationery and materials (inc text books) | 71,416 | 74,464 |
| School prizes and trophies | 1,845 | 3,098 |
| Games (including transport) | 39,632 | 35,216 |
| Minibus | 14,614 | 12,873 |
| Staff training courses | 14,837 | 19,862 |
| Food etc for lunches | 105,702 | 101,506 |
| School bus hire | 38,400 | 38,052 |
| Other (including recruitment) | 21,653 | 50,008 |
| Total | 465,254 | 469,658 |

CHESHAM PREPARATORY SCHOOL TRUST LIMITED

Detailed income and expenditure account for the year ended 31 March 2011 (continued)

| | 2011 £ | 2010 £ |
|---|------------------|------------------|
| Establishment expenses | | |
| Cleaning materials | 49,383 | 48,323 |
| Light and heat | 46,421 | 43,600 |
| Rates including water | 12,878 | 13,169 |
| Insurance | 20,932 | 24,776 |
| Project costs- lower school | - | 126,398 |
| Repairs and maintenance - premises | 64,546 | 57,874 |
| Depreciation - premises | 98,599 | 98,599 |
| Depreciation – portakabins | 66,042 | 64,927 |
| Repairs and maintenance - equipment | 2,576 | 5,857 |
| Depreciation - equipment | 53,841 | 79,928 |
| Depreciation - Mower | 1,688 | 1,688 |
| Total | 416,906 | 565,139 |
| Administration and promotional expenses | | |
| Advertising and promotions | 52,357 | 15,576 |
| Postage and telephone | 7,050 | 8,240 |
| Printing, stationery and computer supplies | 28,098 | 30,568 |
| Audit and accountancy | 10,751 | 13,085 |
| Legal and professional | 4,940 | 2,937 |
| Subscriptions | 23,435 | 5,467 |
| Sundry (including recruitment) | 26,145 | 15,416 |
| Marquee and parents' meetings | 8,739 | 6,794 |
| Bad debts | - | 5,294 |
| Assisted places and discounted fees given | 10,955 | 12,600 |
| Total | 172,470 | 115,977 |
| Total expenses (excluding finance charges) | 3,305,036 | 3,357,378 |
| Surplus before finance charges | 388,470 | 308,885 |
| Finance charges | (1,781) | (4,778) |
| Surplus after finance charges | 386,689 | 304,107 |
| Number of pupils | 2011 | 2010 |
| Summer term 2010 | 369 | 381 |
| Autumn term 2010 | 351 | 368 |
| Spring term 2011 | 350 | 372 |