

Cheadle Hulme School
Report and Financial Statements

Year ended 31 August 2020



Cheadle Hulme School



Registered Charity No. 1077017

Company No. 03823129

CHEADLE HULME SCHOOL
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DIRECTORS, OFFICERS AND ADVISORS

The Cheadle Hulme School Governors are the Charity trustees and Company Directors of the Charity and Company, 'Cheadle Hulme School'. They have served in office throughout the year, except where indicated.

All Directors give their time freely and no remuneration was paid in the year. No Director or person connected with a Director received any benefit from means-tested bursaries.

During the year, the activities of the Governing Body were carried out through 6 Sub Committees. The membership of these Sub Committees is shown below for each Director.

Name	Appointment/resignation in year	(1)	(2)	(3)	(4)	(5)	(6)
Mr P R Johnson	Resigned 10/12/2020		X	X			X
Mrs C Boyd	Appointed as Chair 10/12/2020	X	X	X	X		X
Mr S Abraham	Appointed 3/4/2020						X
Mr M Birchall		X					X
Mrs J E Birkett				X		X	
Mr M Bolingbroke							X
Mr P J Driver	Resigned 10/12/2020	X				X	
Mr D N Riley		X			X	X	
Mr C Roberts			X				
Mrs J Squire				X		X	
Mrs C Thomson	Appointed 12/10/20			X			
Mr M G Tyley			X				

- (1) Education & Pupil Progress
- (2) Operations & Infrastructure
- (3) Finance & Resources
- (4) Safeguarding, Compliance & Pupil Welfare
- (5) Nominations
- (6) Strategy

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Directors who were the parents of a pupil at the School during the year

OFFICERS

Mr N Smith Head

Mrs S Kershaw Chief Operating Officer, Company Secretary and Clerk to
the Governors

Solicitors: The School has used a number of specialist legal advisors
during the year

Auditor: Crowe UK LLP
Chartered Accountants and member of Crowe Global
3rd floor, The Lexicon
Mount Street
Manchester
M2 5NT

Bankers Santander UK plc
4 St Pauls Square
Liverpool
L3 9SJ

Website: www.cheadlehulmeschool.co.uk

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ANNUAL REPORT OF THE DIRECTORS

The Directors of Cheadle Hulme School present their Annual Report for the year ended 31 August 2020 under the Charities Act 2011, including the Directors' and Strategic Reports under the Companies Act 2006, together with the audited Financial Statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Cheadle Hulme School is a company limited by guarantee with no share capital, and is a registered charity under the auspices of the Charity Commission.

School Address: Claremont Road
Cheadle Hulme
Cheadle
Cheshire SK8 6EF

Company No: 3823129

Charity No: 1077017

Taxation

As an educational charity, the School is eligible for a corporation tax exemption on its educational activities and investment income, provided these are applied for the School's charitable aims. The School is also entitled to an 80% reduction in business rates on the property occupied for charitable purposes. The School is, however, unable to reclaim VAT input tax on costs, as it is exempt for VAT purposes

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The School is governed by its Articles of Association which were last amended on 15 April 2015.

Governing Body

The Board of Directors is a self-appointing body comprising up to fourteen Directors. The term of office of each Director is renewable by approval of the Board after a specified period, generally of either two or three years.

Recruitment and training of Directors

The Nominations Committee monitors the composition of the Board and makes recommendations to it to ensure the Board comprises members with a wide range of skills and experience. The Board seeks to ensure that at least two of the Directors are current parents of pupils attending the School.

New Directors are recruited based on their professional skills, experience and personal competence. In addition, they must have a passion for the work of the School and an understanding of education in terms of its positive impact on personal growth. Current Board members have experience in the following areas:

- Education
- Senior HR
- Finance
- Senior Technology
- Senior Managerial/Business
- Property/Development
- Medical
- Legal

As a co-educational School, the Board includes an appropriate balance of male and female Directors.

New Directors have an induction that is specially organised for them and includes meetings with the Chair, Head, Chief Operating Officer and other key personnel. The aim is to develop understanding of how the School operates, its key policies and procedures and the roles and responsibilities of Directors.

Directors are encouraged to participate in external training and are provided with regular updates of matters relevant to their role. Directors are required to update their understanding of safeguarding matters annually. In-house training is arranged as required and Directors are encouraged to observe aspects of School life on a periodic basis during normal School days. This includes monitoring how policies and procedures are implemented.

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Organisational management

The Directors are members of the Governing Board and, as the Charity Trustees, are legally responsible for the overall performance and control of the School (Junior and Senior). The Board meets at least five times per year and holds Away Days with the Senior Leadership Team (SLT) as appropriate. This year, the Board was unable to hold an Away Day due to Covid 19 restrictions. However, given the exceptional circumstances the pandemic presented, the Board held regular on-line meetings on Saturday mornings, typically every two weeks throughout the period of site closure. This enabled the Board to keep fully abreast of the impact of the pandemic on the School and to discuss and approve the necessary action plans presented by SLT members. Throughout the 2020 summer term lockdown and the more recent 2021 spring term lockdown planned Board meeting and sub-committees took place using an on-line platform. The Head, Second Master, Head of Junior School and the Chief Operating Officer attend all Board meetings and other members of staff attend by invitation.

All Sub-Committees are chaired by a Director and typically meet termly. The membership of each Sub-Committee includes between 2 and 4 Directors, key senior members of staff and other staff representatives as appropriate.

The Governing Board reviews its Sub-Committees periodically to ensure they are configured to conduct key business and support the School in its strategic aims. The current Sub-Committee structure was adopted from 1 September 2017 and is currently under review.

The Head is responsible for overseeing all aspects of the day-to-day running of the School. The Chief Operating Officer and her team manage Financial, Estates, Information Technology and Human Resources matters. The Head is supported by the SLT, which comprises the Second Master, Deputy Head (Teaching and Curriculum), Deputy Head (Pupil Welfare), the Deputy Head (Admissions, Service and Partnerships), the Head of the Junior School, the Chief Operating Officer and the Director of Development & External Relations. The SLT has authority and responsibility for planning, directing and controlling operational and educational activities of the charity.

The protocol for setting remuneration for the Key Management Personnel and Senior Leadership Team is as follows:

- The Chair of the Board together with two other members of the Board, including the Deputy Chair, agree the Head's remuneration.
- The Chair of the Board and the Head agree the remuneration for the Chief Operating Officer.
- The Head, working with the Chair of the Board of Governors, sets the remuneration for the remaining members of SLT.

Group structure and relationships

Cheadle Hulme School incorporates the Junior and Senior Schools. It has one wholly owned subsidiary, Cheadle Hulme School Enterprises Ltd, which was established on 14 May 2013 to manage the School's lettings activities which had previously been accounted for through the School's financial systems. Consolidated Financial Statements have not been prepared on the grounds that the subsidiary is not material.

The School has an ongoing relationship with the Cheadle Hulme School 150th Anniversary Bursary Trust Fund. The School's Development team raises funds for bursaries that are invested and managed by the 150th Anniversary Bursary Trust using a professional advisor. Total funds within the Trust amount to approximately £3.9M. The Chairman of the Trust is independent; but two of the Trustees are also Directors of the School. The objectives of this Trust are to enhance education at the School through the provision of a number of bursaries for pupils from a broad range of backgrounds who could not otherwise afford the fees.

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The School also has an ongoing relationship with the Cheadle Hulme School Development Trust (the Trustees of which include two Directors). This manages any funds raised by the School's Development Team for large long term capital projects. The objectives of this Trust are to apply the income for the provision, improvement, construction, maintenance and development of the School property, buildings and infrastructure.

Employment policies

The School is an equal opportunity employer. It has clear and transparent recruitment procedures that adhere to employment law and best practice. The School considers all job applicants equally and against predetermined criteria required for the post. The School undertakes to make all reasonable adjustments to ensure that any applicant who fulfils the criteria, can be offered an interview.

The School also meets its obligations in relation to safeguarding; meeting safer recruitment standards and undertaking any checks necessary to ensure the suitability of any staff or volunteers working with pupils.

All staff are appraised annually, and the School provides a range of internal and external training and development opportunities.

Staff wellbeing is important to the School. It provides staff coaching and mentoring for professional and personal development, operates an Employee Support Scheme; an external organisation is on hand 24/7 to provide a broad range of advice and support (personal and work related) on a confidential basis to Cheadle Hulme School staff. The School holds a number of staff wellbeing events and activities throughout the year.

Employees with disabilities

The School undertakes to make all reasonable adjustments to ensure that any candidate applying for a role at the School and who is deemed appointable, would be able to carry out their duties effectively.

Any members of staff with a disability will not be disadvantaged in their opportunities for training and development. Where appropriate, specialist training or resources are made available in order to allow them to develop their skills and career opportunities.

All reasonable steps will be taken to accommodate the needs of any employee who becomes disabled during the course of their employment. This can include making adjustments to their existing employment, or through appropriate retraining and redeployment, enabling them to remain in employment with the School whenever possible. In light of the Covid 19 pandemic, the in-house fundraising team ran a campaign to generate awareness and funds for local charities, including the School's production of PPE for local NHS workers and healthcare workers. More than £3,000 was raised to help cover the cost of materials and the School produced and delivered over 1000 visors in and around the area, including 13 hospitals and GP surgeries. Pupils also took part in 'Stitch Social' to make laundry bags for medical staff to use in washing their scrubs. The School also supported local charity and foodbank, The Wellspring in support of its efforts to make hot meals for the homeless during the lockdown. Families volunteered to collect donations from doorsteps and deliver them to the foodbank each week. The fundraising team also helped support the EatWell Manchester initiative, a homeless project in central Manchester and StateTalking, a charity which connects local state schools with inspirational and careers speakers. Several CHS parents volunteered their time to give a virtual talk for state school pupils.

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All employees are expected to treat disabled colleagues, pupils and visitors with the same dignity and respect as their non-disabled counterparts. Any form of harassment of a person with a disability on account of their impairment is unacceptable behaviour and is potentially unlawful under the terms of the Equality Act 2010 and the Protection from Harassment Act 1997.

The School has a ten-year rolling programme of improvements within the Estates Masterplan designed to offer better access and facilities for disabled staff, pupils and visitors. This includes alterations to improve physical access and facilities for disabled pupils, staff and visitors.

Employee Involvement

The School operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004.

The School actively consults with its employees or their representatives with the aim of taking the views of employees into account where decisions are made that are likely to affect their interests e.g. working practices, pensions and other benefits. The School involves employees in discussions regarding the development of the Strategic Plan and informs them on progress at least annually at INSET meetings. Employees are encouraged to present their suggestions and views on all elements of the School.

Communication with employees is ongoing in a variety of forms e.g. INSET days, weekly staff briefings, all staff emails, half termly line managers' meetings, all Staff meetings, team meetings, Away Days. Regular meetings are held between management and employees to allow a free flow of information and ideas.

Throughout the Coronavirus pandemic, the School has used Google Meet to hold meetings and on a one to one basis to check on staff wellbeing. SLT undertook a short staff survey in the Summer Term and they implemented a number of additional measures to ensure staff continued to feel involved, felt listened to, had appropriate equipment and understood what was expected of them while they were working remotely or on site but with constraints. In the Autumn term, when School returned to site, small staff meetings where social distancing is practiced, were also allowed. In the 2021 spring term, all meetings have reverted to being on-line.

OBJECTIVES, AIMS AND ACTIVITIES

Cheadle Hulme School was founded in 1855 and has been situated on its present site since 1869. The purpose of the School, at its foundation, was to educate, maintain and clothe Orphans and Necessitous Children of Warehousemen and Clerks in the Manchester area. The founders of the School declared that the School should be established and conducted on the most liberal principles and be open for the reception of children of both sexes. The wishes of the founders are maintained to this day and, as a consequence, the School has a distinct, inclusive and friendly atmosphere. This is the product of a balanced approach to academic and extracurricular excellence together with the benefit of a pastoral tradition still reminiscent of the School's heritage.

The School's ethos and aims are reviewed annually.

The School's ethos is to provide a challenging, dynamic and relevant education for all pupils, through which they prepare for and undertake positive roles in their communities and the world. The School is committed to helping every pupil to:

- fulfil their academic potential, allowing them to move successfully on to the next stage of their education
- to discover new skills and interests and develop their aptitudes so that they pursue and sustain a lifetime of activity

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- to understand and engage with their altruistic responsibility
- supporting others less fortunate than themselves.

As a co-educational School, Cheadle Hulme School believes in the intellectual, personal and social value of boys and girls learning alongside one another, enhancing as it does their educational experience and preparing them most effectively for the realities of the adult world.

The School continues to value its heritage by endeavouring to support pupils whose family incomes would otherwise prevent them from accessing and benefitting from the education we offer. The School's Financial Assistance Scheme helps it to fulfil its aspiration of achieving a diverse social and ethnic mix of pupils.

The School builds upon its motto of 'in loco parentis' by providing the highest levels and quality of pastoral care. Teachers and other staff are committed to supporting the wellbeing of every pupil. Leadership, teamwork, personal responsibility and resilience are important elements of the pastoral education the pupils receive.

The School's broad and stimulating range of co-curricular activities and trips support the intellectual, physical and personal development of our pupils. All planned trips took place up until March 2020. However, during the Covid 19 pandemic, trips have had to be postponed or cancelled.

Our vision and aims are that each student:

- experiences a challenging, dynamic and relevant education which enables them to reach their full academic potential and flourish in a rapidly changing world;
- develops a love of learning that extends beyond the confines of examination courses, and is able to work effectively in a variety of settings;
- develops a strong set of personal values and learns to value themselves and others, appreciating difference and individuality and supporting those in need or less fortunate than themselves;
- discovers and develops a broad and relevant set of skills and aptitudes which enable them to undertake useful and effective roles in their communities.

We aim to achieve these through:

- an approach to education which fosters and encourages the core Waconian Values of Integrity, Endeavour, Resilience, Compassion and Contribution;
- a co-educational environment which enables boys and girls to learn, work and develop together, enabling each to inspire the other;
- a strong pastoral care system centred upon the principles of well-being;
- a commitment to social inclusivity and outreach, building upon the School's founding philanthropic values;
- a range of learning environments which develop flexible and independent learning and the ability to respond to and thrive in a technologically-sophisticated world;
- a varied, inclusive and stimulating range of co-curricular opportunities, which complement and extend the curriculum.

The School's Strategic Plan

SLT held two Away Days during the early part of the year to refine the School's new Strategic Plan for 2019-2024, develop detailed action plans and review progress. The key objectives for 2019-20 were to:

- embed and communicate the distinctive, holistic CHS education
- ensure that The Waconian Values are embedded in the practice of the School
- develop an inspiring and challenging curriculum which prepares CHS pupils for the future
- ensure outstanding teaching and learning, informed by evidence-based approach
- ensure the suitability of the Estates to meet the future needs of the School
- ensure the financial sustainability of CHS
- expand the bursary fund to support expansion of bursary places
- develop sustainable community partnerships

From March 2020 when the School moved to remote learning during the Coronavirus pandemic, work on a number of target areas was paused as the School focussed on the short term challenges of successfully navigating through the crisis. Throughout the pandemic, SLT has met regularly to discuss 'lessons learnt' and potential opportunities arising from the impact of Covid 19. SLT met in August 2020 to evaluate the information gleaned at that point to review and refine the Strategic Plan. These new opportunities are reflected in the section headed Plans for the Future later in this report. The review of lessons learnt has continued into the new academic year.

PUBLIC BENEFIT

The Directors have carefully considered the Charity Commission's general guidance on public benefit, and in particular the supplementary public benefit guidance on advancing education and on fee-charging. The Directors are confident the School is meeting its public benefit requirement.

The School's commitment to fulfilling its public benefit obligations is reflected within the School's ethos, its aims and objectives in the Strategic Plan. Particular examples of the School's commitment are its Financial Assistance Scheme to widen access and in its expanding partnership and community activities.

Financial Assistance

The School has provided financial assistance through bursaries for many years. The School's founders believed in welcoming young people from all backgrounds and we strive to remain true to that ideal today. Central to our ethos is a vibrant and diverse community of pupils, for whom financial circumstances do not stand in the way of ability and potential.

The School's main Financial Assistance Scheme is derived from current fee income. It is supplemented by income from the 150th Anniversary Bursary Trust Fund and other generous donors.

Financial assistance is awarded to pupils on application and following an assessment of parental means with awards ranging from 5% to 100% remission of fees. Financial assistance is also given to help with the costs of educational School trips, transport, uniform and equipment, in cases where a substantial award has already been made.

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This year the value of all bursaries, scholarships, other awards and the Covid 19 fees rebate totalled £2.039M (2018-19: £1.446M) and represented 11.8% of gross fees (2018-19: 8.8%). Within this total, the value of means-tested bursaries totalled £1,027K (2018-19: £905K) and represented 5.9% of gross fees (2018-19: 5.6%). They provided assistance to 97 pupils (2018-19: 96) of which 37 (2018-19: 33) benefitted from a full remission of fees.

The School's Foundation Scheme provides financial support to existing pupils who experience the death of a parent and whose families find themselves in extreme financial difficulty. Typically, the School supports one or two pupils in this way each year. This year the School has 2 Foundation pupils.

The Hardship Scheme provides short-term support to families who are not eligible for financial assistance from the School's Bursary Fund. The School has historically had limited funds available for this fund. Throughout the pandemic the School offered deferred payment terms and payment holidays to families who had been severely affected by the crisis and who were struggling to continue to pay fees. It has also set aside School funding as well as putting in motion plans to raise donations to establish a more significant hardship fund that can be utilised from 2020-21 onwards for families who continued to suffer severe and prolonged financial difficulties as a result of Covid 19. The School is extremely grateful to parents who have donated to this fund and a number of families have been provided with assistance in the new academic year.

As part of the School's emphasis on attracting and retaining high calibre staff and diversifying the pupil population, a discount scheme is offered to staff members who choose to educate their children at Cheadle Hulme School.

Partnerships and the Community

The School has continued to build its strong links with local state schools, businesses and community groups to ensure members of the local community can benefit from, participate in and contribute to School life which also gives staff and pupils the chance to gain new experiences, see different perspectives and enrich their teaching and learning. This commitment started in 2008 and remains a key part of the School's strategy going forward.

Many of the School's staff share their educational expertise by sitting on the Boards of Governors for local secondary and primary schools as well as other local charitable organisations.

The five partner primary schools are Cheadle Heath Primary School, Cale Green Primary School, Lumhead Primary School, Adswold Primary and North Cheshire Jewish Primary School and our offering to these schools focuses on Modern Languages, Science, Music and Sport. During 2019, CHS partnered with Cheadle Heath Primary School, Cale Green Primary School, Lumhead Primary School, to form the Stockport State-Independent Partnership.

The Science Outreach Programme funded by The Oglesby Charitable Trust since 2007 continued for the first half of the academic year with three of our partner schools.

As well as opening up the School's buildings and grounds to schools, charities and community groups that do not have facilities of their own. Local residents are invited to a range of events, including where they are entertained by pupils and they are given opportunities to understand more about the School and its history. Local swimmers, Scouts, cricketers and chess players are among the many community groups that make regular use of the facilities at Cheadle Hulme School. The School's annual Heritage Day is part of the national Heritage Open Days event to celebrate the nation's vibrant culture and history.

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The School has become a regional hub for the National Maths and Physics SCITT (School-Centred Initial Teacher Training), recruiting 5 trainee teachers in its first year. The hub also involves CHS working in partnership with Kingsway School to provide a range of experiences for the trainees. From its earliest days, Cheadle Hulme School has had philanthropy and benevolence at its heart. Today, pupils and staff remain committed to making a difference and each year they undertake a range of events to raise vital funds for charities, both in Cheadle Hulme and further afield.

As well as supporting nominated School and House charities, pupils are encouraged to create their own events to raise funds for causes that mean something to them personally. Senior School pupils continued to support House charities last year. These were East Cheshire Hospice, Beechwood, and 42nd Street and Make a Wish Foundation. The Junior School fundraised for Woodlands Trust and Shelter.

Some of the other charitable initiatives which took place last year were the 50th Annual Charity Hike to raise funds for the School in The Gambia, the Cheadle Channel Challenge for Sports Relief, and Year 7 collection for Cash 4 Kids and the Rucksack Challenge for The Wellspring.

In light of the Covid 19 pandemic, the in-house fundraising team ran a campaign to generate awareness and funds for local charities, including the School's production of PPE for local NHS workers and healthcare workers. More than £3,000 was raised to help cover the cost of materials and the School produced and delivered over 1000 visors in and around the area, including 13 hospitals and GP surgeries. Pupils also took part in 'Stitch Social' to make laundry bags for medical staff to use in washing their scrubs. The School also supported local charity and foodbank, The Wellspring in support of its efforts to make hot meals for the homeless during the lockdown. Families volunteered to collect donations from doorsteps and deliver them to the foodbank each week. The fundraising team also helped support the EatWell Manchester initiative, a homeless project in central Manchester and StateTalking, a charity which connects local state schools with inspirational and careers speakers. Several CHS parents volunteered their time to give a virtual talk for state school pupils.

CHS has a responsibility to set a good example to its pupils and the wider community by promoting social equality, minimising its impact on the environment and striving to keep public benefit at the heart of everything it does.

The School's Travel Plan promotes safer, healthier, greener travel and encourages pupils to walk, cycle or use public transport to get to School to reduce the impact on the local community and the environment. As part of this commitment, the School encourages use of a 'Park and Stride' scheme to reduce traffic congestion around school and get parents and pupils walking a few more steps every day.

During the pandemic lockdown the School made provision for vulnerable pupils or those who are children of critical workers to attend School. The School also allowed pupils of a local School, who were unable to offer this provision, to use CHS facilities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The School has had a successful year with pupil numbers increasing to 1491 (2018-19: 1457).

There were 323 members of staff (2018-19: 305) including 157 teaching staff (2018-19: 158) and 166 administrative staff (2018-19: 147).

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The School's Senior Leadership Team is responsible for managing the School's performance and its progress against the key strategic priorities set. The key achievements during the academic year 2019-20 are as follows:

Academic

Junior School

The Junior School pupils performed well with most children meeting or exceeding age-appropriate expectations in Maths, Writing and Reading. The Junior School focused on becoming an Eco-School and developed an eco-code, created a committee and a display in the hall celebrating the school's efforts. A music themed Charity Day developed community links and our contribution beyond the School, while a Lego collaboration day saw students work across key stages to develop engineering skills as well as teamwork. An increase in sport fixtures meant that every child in KS2 represented CHS competitively and the schools focus on coed sport has seen an increase in participation.

From March 2020 the Junior School entered a period of remote learning and efforts were made to share textbooks and resources to minimise disruption to learning. Staff then went on to develop their use of technology rapidly, using suitable platforms to deliver the remote learning and teach classes remotely to the best of their ability during an unusual time for education. Following the initial lockdown period, the Junior School followed government advice and welcomed back Junior School pupils in stages. The Junior School has continued to develop and enhance its remote learning provision during the 2021 spring lockdown.

Senior School

The whole-school academic focus in 2019-20 was in refining and embedding excellence in feedback and assessment. This was aided by the launch of a series of Professional Learning Communities for teachers and the launch of a Teachers' website dedicated to outstanding teaching and learning. This was supported by sites for pupils designed to help study habits and metacognition, as well as to stretch and challenge pupils.

The CHS Thinking Skills continued to be developed, with pupils in Years 7 and 8 undertaking independent research projects. In addition, a successful Higher Project Qualification (HPQ) pilot in the Upper School and continued success of the Extended Project Qualification in the Sixth Form reflect the efforts to focus on the independent learning skills of CHS pupils. The Sixth Form curriculum evolved further, with the addition of the option of the Arts Award, and the first pupils to complete their BTEC in Sport. The options beyond the three subjects in Sixth Form are now wide-ranging, including the EPQ, Core Maths, the Arts Award and range of activities in our Pathways programme covering the arts, elite sport, enterprise and finance, medical sciences, modern languages and STEM.

A team of teachers have also been redesigning a new curriculum at Key Stage 3. This was originally planned for launch with Year 7 pupils in September 2020, but the disruption caused by the pandemic has resulted in a delay until September 2021. The curriculum aims to focus explicitly on the competencies developed by each academic subject, as well as allowing pupils to explore a range of interdisciplinary themes with contemporary relevance. An additional team of staff has also been working to design a new Lower School Diploma, whose introduction has also been postponed until September 2021.

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After school sites closed across the country in March, the focus switched to remote learning, and CHS adapted very quickly to the challenges of educating pupils remotely. Departments shifted their resources to Google Classroom and delivered lessons online, using both Google Meet and a whole variety of strategies to continue to educate pupils. Pupils remained engaged by the teaching and continued to receive feedback on their work across every academic subject. In addition, those Year 11 and 13 pupils who would usually enter Study Leave from May were provided for by the creation of brand new courses to help them transition to Sixth Form and university respectively. In addition to full remote learning in the summer term, pupils in Years 10 and 12 were also provided with clear guides to keep up to speed in their studies over the summer, as well as a consolidation week before the start of the Autumn Term, to ensure no child was left behind. The School has continued to develop its remote learning provision during the 2021 spring lockdown.

The huge strides made in the use of technology in the Summer Term and this latest lockdown will play a key role in informing the academic life of the School in 2020-21 and beyond.

No public examinations took place in the Summer and CHS pupils like those across the country, were awarded results which were derived from assessments undertaken by the School. The high standards our pupils performed at in their studies was reflected by the final results. At GCSE, 76% of grades were awarded at 7-9, and at A-level, Pre-U and BTEC, 89.4% of grades were awarded at A*-B or equivalent. These results enabled our pupils to progress to their destination of choice, with 96 pupils going onto their first choice university, and 97 to the most competitive Russell Group universities. That said, our wide-ranging curriculum at Sixth Form aims to equip students with the skills to succeed in a range of environments, with students in recent years also successfully applying for degree apprenticeships.

Co-curricular activities

The School has a wide ranging Co-Curricular programme, which remains a strength of the educational experience provided. The majority of pupils from the Junior School through to the Sixth Form engage in a diverse range of clubs, competitions and quizzes. During the Autumn and Spring terms, the Co-Curricular Programme ran to its full provision. However, from 20 March 2020 due to school closure, in line with the national lockdown, the School moved to a remote programme of activities, trying to copy the normal timetable as much as possible and thus, supporting pupils to structure their school day. Activities such as netball, rugby and football training sessions, MUN, Chess Club, Poetry Club were included in this timetable, either by video or via google classroom, the platform the school uses for remote learning.

CHS sport has continued to grow and work towards its vision of being the number one sport programme in the North of England, by providing excellent opportunities for all pupils to enjoy and progress in sport. Before the national lockdown, CHS Sport was continuing with its upward trajectory of providing excellent provision for all members of the community and was on track to play more than 1000 fixtures.

Teaching and Learning continued to be a real attribute to the sporting community with several colleagues gaining Level 3 and Level 4 qualifications, whilst others continued with their progression towards gaining their Masters' qualifications. This acquired knowledge benefited our students directly with the quality of teaching which was reflected in both the high level of participation and progress that students demonstrated. This was particularly evident in a range of excellent sporting results which we obtained regionally and nationally.

The impact of CHS Sport in the community continues with relationships being extended to local sport clubs, primary schools and National Governing Bodies. Unfortunately the majority of these projects are planned in the Summer Term which was disrupted by the national lockdown. However, CHS Sport has begun to develop links with universities, including Salford University, Staffordshire University and UCLAN, to investigate how we can bridge the gap between academic research and practical application.

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CHS pupils also perform to a high standard in the Arts. In Music, Junior School pupils are entered for external examinations offered by LAMDA and in Music.

CHS pupils achieve very high musical standards as individuals and in ensembles. Individually pupils have the opportunity to be examined on their instrument through the ABRSM or Trinity and Guildhall exam boards. Visiting Music Teachers offer lessons on all instruments and voice, including lessons as a DJ. Co-Curricular ensembles and choirs continue to rehearse during the pandemic by ensuring Covid 19 safety procedures are followed, allowing for a full and rich provision for our young musicians. Ensembles include Concert Band, Big Band, Orchestra, numerous choirs and a range of smaller instrumental ensembles and choral groups. A number of pupils were selected for national orchestras and choirs.

In Co-Curricular Drama there were two large scale productions last year, but a planned outdoor production in the summer term had to be cancelled due to school closure for Covid 19. Approximately 70 pupils were involved in the productions that went ahead. Drama clubs were available for younger pupils. Individual pupils also achieved distinction in this field, such as in local Drama competitions. Several pupils have been accepted onto highly prestigious and extremely competitive courses.

The School has an Art2Buy scheme, an initiative that allows Old Waconians to donate a digital image of their artwork. Funds raised from the sale of these are used to pay for artist workshops so that current pupils might benefit from the legacy of their peers. Although Covid 19 has halted the sale of these items the initiative is still in place to launch once it is safe to do so. The School continues to be the only school involved in Manchester Art Fair and in 2019 pupils painted live over the course of the weekend and hosted artist workshops for the children of Cheadle Heath Primary School, allowing our pupils and our partner pupils an insight into the life of a professional working artist. In 2019 Cheadle Hulme School also hosted the HMC annual art conference.

The Duke of Edinburgh Award has continued to be a very popular and successful activity with approximately 200 CHS pupils participating in the Award across the three levels. Expeditions in the Autumn and Spring term took place as scheduled, however some expeditions had to be postponed due to Covid 19. The School hopes to be able to run these at some point this year.

Pupils from all year groups in the Senior School and some from Year 6 are involved in the Model United Nations. Each year there is a core group of Sixth Formers who form the Organising Committee for the School's conference, Model United Nations Cheadle Hulme, or MUNCH, which is one of the biggest and most prestigious MUN conferences in the country. The MUN programme also includes approximately ten conferences per year held at schools in various parts of the country, as well as MUN events in school for Years 7 - 9, organised by the older students and known as MiniMUNCH. Despite the impact of the Covid 19 pandemic, which has meant that all inter-school face to face conferences have been put on hold from March 2020, MUN has continued to offer opportunities for pupils from different schools to meet remotely.

For the last ten years MUN has raised money for Small Steps, a charity which supports nursery age children in Uganda with special needs founded by Cat Dunlop, a former pupil of CHS. Over £20,000 has been raised to date.

Academic competitions are also popular at CHS. Approximately 440 students take part in the national Maths Challenge on an annual basis. In Modern Languages students in the Lower School compete in the Mother Tongue, Other Tongue Competition for poetry. In the Upper School and Sixth Form, many students enter the UK Linguistics Olympiad, the Stephen Spender Prize and the ISMLA Creative Writing Competition. Each year CHS hosts the Modern Languages Debating Competition for Sixth Form linguists.

Pupils also get the opportunity to be part of the editorial team for the school magazine, "The Waconian" and the biannual Modern Languages magazine, "The Cultured Linguist".

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Pastoral Care

The School places considerable emphasis on its pastoral provision and endeavours to provide a safe and welcoming environment that is free from any form of discrimination, where everyone is valued and treated with mutual respect and equal worth. Pastoral care is designed to support the progress and development of each pupil and to build resilience in pupils to deal positively with the challenges they face.

Work has continued this year to embed the systems used to track and assess pupil physical and mental health and wellbeing, with the introduction of Student Mentoring Plans. The School puts in place a range of interventions tailored to meet individual pupils' needs.

The Deputy Head (Pupil Welfare) is the Designated Safeguarding Lead. All staff, governors and those working directly with pupils are trained to the appropriate level in safeguarding and child protection issues to ensure that all children receive effective support and protection. Staff also undertake areas for specific training. Most recently, all staff and governors undertook Prevent Training to raise awareness around early intervention around radicalisation. All Staff also receive regular update training in regard to the School's policies. For example, a recent INSET session included a quiz to test not just staff knowledge, but understanding of our statutory safeguarding responsibilities.

The Waconian Values of integrity, endeavour, resilience, compassion and contribution continue to underpin the pastoral curriculum and make explicit the skills that all Waconians should develop on their journey through CHS. The School has a House system with the aim of establishing a team identity and encouraging more pupils to get involved in the wide variety of competitions available.

The Waconian Programme was introduced to pupils in Years 7 to 11 this year. The programme's five main topic areas are: Health (physical and mental), Study skills, citizenship, relationships and Future Self. The course is designed to promote the Waconian Values and help to show how embracing them will help our young people to thrive now and in the future, in all sorts of contexts. Junior School pupils have a similar programme called Learning for Life.

Members of the Peer Mentoring Scheme, with a team of 50 Sixth Form pupils, visit Years 7 and 8 Forms weekly, offering support and guidance to the younger pupils in a range of topics.

All Year 7 pupils participated in a team building residential at the start of the year to develop positive relationships between peers and with Form Tutors and pastoral leaders.

The School makes use of distinguished external speakers to support its efforts to safeguard its young people. For example, Elizabeth Burton Phillips spoke to our young people about the tragic impact of substance abuse. Following the tragic death of a local teenager, the Youth Offending Service and Professor Errima Bell, MBE spoke to pupils about the dangers of knives and the importance of harmony in our communities. In addition Sharon Girling, OBE, spoke to pupils and parents about online safety.

This year the School was proud to host The Independent School Nurse Study Day, attended by over 40 nurses from leading Independent schools in the UK.

In support of diversity and following the loss of George Floyd, the School held a number of focus group meetings with Old Wacs and current pupils; their insights shaped a number of recommendations put forward to School to ensure CHS is an inclusive and accessible School for all.

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CHS responded to Covid 19 proactively, providing group and one to one support for any pupils who were struggling with a sense of disengagement or anxiety. Year 11 were provided with a Digital Innovations Challenge and their Induction to Year 12 included courses in team building, all of which was live and interactive. For Year 13, the Beyond CHS programme provided academic challenge, careers and further education advice as well as one to one sessions for pupils whose plans changed.

Sustainability

The School's environmental and sustainability plan aims to raise awareness of environmental responsibilities and the impact on the world. It focuses on reducing the amount of waste produced in School, sourcing equipment and supplies from environmentally responsible sources and minimising the amount of waste sent to landfill or not recycled.

Through its actions and ambitions the School hopes to influence the behaviour and expectations of pupils as future global citizens and leaders and help them make a positive impact on society.

This year the School continued with the following energy efficient programmes:

- Boiler upgrades
- LED lighting

The School's energy data is as follows:

	2019-20	2018-19
UK Energy use (kWh)	3,914,902	4,136,519
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	789,730	841,005
Intensity ratio Emissions per pupil	515	577

UK energy use covers Gas, Electricity and Diesel use across all School buildings and vehicles. It also includes the cost of reimbursing staff for travel. Associated Greenhouse gases have been calculated using the conversion factors from the Department for Business, Energy and Industrial Standard.

Fundraising

Plans to build on the initiatives we introduced last year, particularly around partnerships and fundraising for the School's Bursary Fund were heavily impacted by the Covid 19 pandemic.

The Amazing Campaign was a new initiative introduced in January 2020 to raise funds for the School's Bursary Fund. A parent appeal was mailed before lockdown and resulted in gifts totalling £13,000. The telephone campaign which was due to follow the mailing was unfortunately cancelled and will be revisited in the Autumn Term 2020 for Old Waconians only. A team of Sixth Form student callers has been recruited and matched funding has been secured to encourage first time donors to make a gift.

CHS employs professional fundraisers to carry out activities for fundraising purposes. All fundraisers are bound by the regulations set out by the Fundraising Regulator, of which the School is a member. This means all fundraising activity is carried out in line with the advice and regulations provided by this scheme to ensure all fundraising is carried out to a professional standard and adheres to best practice. Information about how the School uses personal data for fundraising purposes is explained within the External Relations Privacy Policy.

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Old Waconians and the Cheadle Hulme Parents' Association

Several events took place in the first half of the academic year including the Annual Old Waconians' Dinner held in School for over 140 former pupils. In March, President of the OWs, Katie Derham, Class of 1988 hosted an event in London for over 200 OWs. She interviewed fellow OW and broadcaster Nick Robinson, Class of 1980. The event was sponsored by Mark Whelan, Class of 1986 at the Havas Offices in Kings Cross and all proceeds from ticket sales were donated to the Bursary Fund.

During lockdown and the summer term, our alumni relations programme was adapted and took place online. This included numerous career talks from OWs for current Sixth Form students. A 'Call to Connect' campaign also took place which aimed to support OWs, particularly those aged over 70 and were shielding. A small group of OWs volunteered their time to call alumni during the lockdown period and share stories of their time at school. The team put together a virtual Graduation film for the Class of 2020 to celebrate their transition from student to Old Waconian.

Parents' Association

The focus for the PA has been transitioning from being focused solely on the Junior School to becoming a group for the whole school. Discussions will continue during Autumn term 2020, overseen by the new Head of the Junior School and the Director of External Relations.

FINANCIAL

Results for the Year

The School's priority this year has been to maintain financial stability during the Covid 19 crisis. The School needed to strike a balance between supporting parents whose income levels had been severely impacted by the pandemic but ensuring the School continued to have the resources necessary to provide the high standard of education that parents and pupils expect now and in future years.

On 20 March 2020, as instructed by the UK Government in response to the Covid 19 pandemic, the School closed its site to all pupils, except for vulnerable children and those of parents who are Key Workers. The School immediately mothballed the majority of its buildings to reduce running costs and only authorised essential operating spend. It accessed the Coronavirus Job Retention Scheme and furloughed 72 members of staff, primarily site based professional services staff and some of the PE team.

The School charged full fees for the summer term, except for the Pre School where it offered a 25% reduction on the amount due for the period of closure. However, once it was able to review its financial position and quantify the savings made, these were passed back to parents by way of a £300 rebate to all pupils in other year groups. In line with Government guidance, as part of a phased plan, Junior School pupils returned to the School site after half term and Senior School exam year students also had some onsite contact. The School offered all Junior School pupils 3 free days in the holiday club which ran for 6 weeks during the summer break.

As part of its financial planning, the School prepared a set of 4 year projections, incorporating scenario and sensitivity analysis, and, in light of this, it made a commitment to parents to hold fees at the current level for the 2020-21 academic year at a cost of approximately £300k to the School.

To help those parents impacted financially by the pandemic, the School offered payment holidays and deferred payment plans through the lockdown period extended as required into the 2020-21 academic year. The impact of deferred payment plans to the School's cash flow was around £400k as at 31 August 2020.

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The School did not offer any discounts to parents during the pandemic. It has established a small hardship fund using its own funds together with pupil rebates which were kindly waived by some families. This fund can be accessed by existing families who continue to struggle financially in 2020-21. All requests and applications for hardship funding must be made formally and are assessed using a fair and equitable predetermined process by a group comprising senior staff and governors. The group has already made some allocations in the new academic year and will continue to review requests.

The School liaised with travel companies, its insurance brokers and parents to ensure trip refunds were maximised and returned to parents as quickly as possible.

During the latest 2021 spring term lockdown, the School has again put plans in place to make savings by using the furlough scheme and by minimising onsite spend. At this stage, it is anticipated that the savings made will be less than in the 2020 summer term as the provision for children of Critical Workers and vulnerable children has expanded and government guidance allows staff to work on site to deliver their remote lessons, limiting the numbers of buildings that can be mothballed.

Statement of Financial Activities

The School aims to make a minimum annual surplus on its unrestricted funds, before depreciation, of between 8 - 10% of income, which is in line with the sector benchmark and means the School is able to generate sufficient cash reserves to ensure it has an appropriate level of working capital to meet its commitment to operate the School for the entire educational life of its pupils as well as fund critical investment in pupil facilities. This year, despite the impact of the pandemic, the School was still able to achieve this target with a surplus on its unrestricted funds, before depreciation and transfers of £2M (2018-19: £1.8M). This represents 12% of income (2018-19: 11.1%). After accounting for depreciation the Retained Surplus for the Year on unrestricted funds amounted to £1.1M (2018-19: £871K).

The key reason why the School met its minimum Income and Expenditure target was its success in recruiting significantly higher pupil numbers than planned and managing to retain virtually all of its pupils throughout the pandemic. This meant total unrestricted income for the year, increased by 2% compared to 2018-19.

It should be noted that the increase in pupil numbers will require greater investment in facilities in future years.

Total unrestricted expenditure (including depreciation) increased by 1.1%. Pension costs for staff increased significantly following new imposed employer contribution rates for the Teachers' Pension Scheme. This increase was offset by managing expenditure in all other key areas very carefully.

The School has been taking steps to reduce expenditure and this resulted in savings prior to lockdown. The School also took a proactive approach to minimising costs during the pandemic and the additional savings were passed back to parents. The same approach is planned for the 2021 spring lockdown.

Fees continue to be the main source of funding, representing over 90% of total unrestricted income. School catering accounts for a further 5% and income from lettings to community groups and other third parties is less than 1%.

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Balance Sheet

The School's Net Assets have increased by £1.2M, which represents the surplus for the year across restricted and unrestricted funds.

This year Tangible Assets have decreased to £19.8M net of depreciation (2018-19: £20.4M). The School was not planning to undertake any large scale capital projects this year and in light of Covid 19 it limited maintenance spend to the absolute minimum.

Net current liabilities have decreased to £117K. Cash at Bank and in hand has increased slightly to £3M (2018-19: £2.7M). Funds will be used in future years to ensure individual pupil facilities are maintained even though pupil numbers continue to rise and investment will continue in priority projects within the School's new Estates Masterplan.

Creditors: Amounts falling due within one year have reduced significantly to £3.3M (2018-19: £4.4M) reflecting lower fees in advance and lower trade creditors and accruals.

Creditors: Amounts falling due after more than one year has decreased by £500K which primarily reflects the loan repayments made during the year.

The School has bank loans totalling £2.7M. The School's pension liabilities are summarised in note 22 in the accounts.

Cash Flow Statement

The Net Cash Inflow from Operating Activities for the year was £1.2M (2018-19: £1M). Unlike the previous year, there were no key areas of spend within 'Purchase of tangible fixed assets' and this year there was a positive movement in cash and cash equivalents.

Reserves Policy

Total reserves amounted to £16.3M as at 31 August 2020 (2018-19: £15M), of which £145K (2018-19: £65k) is restricted.

The School has negative free reserves of £1M which is calculated by taking unrestricted reserves of £16.1M deducting Tangible Fixed Assets of £19.8M and adding back Loans of £2.7M. However, the School has £2M of School fees received in advance to offset this (as families must give a term's notice to withdraw, in reality these will not be repaid).

The School invests its reserves in maintaining its estate and in funding major building and infrastructure projects that are essential to provide an excellent pupil experience. Pupil numbers have remained strong and the School actively manages operating surpluses and cash balances so that it has sufficient funds to cover its day to day operations. Critical additional funds are raised through the activities of the Development Office.

Bank borrowings are carefully monitored and in recent years the School has been building up its cash reserves and using them to fund a number of significant capital projects. The School has a net current liability position, but this is being carefully managed.

The Directors continue to monitor and review the level of reserves required in line with the School's strategic plan on a regular basis. There needs to be an equitable balance between ensuring the current pupils benefit whilst, at the same time ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from the investment made in the past.

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The School is confident the Directors have complied with their duties in section 172 (1) of the Companies Act. All key decisions are taken collectively by the Board. Board papers comprise comprehensive information detailing the risks and opportunities facing the School and decisions are taken with regard to promoting the long term sustainability of the School for its pupils, parents, staff, suppliers and local community. An impact assessment is considered for all decisions taken to ensure they are justifiable, appropriate and will benefit the School and the environment it operates in.

Section 172 (1) Statement

The Board of Directors have a duty to act in the best interests of the School and also in the best interests of its pupils, staff, parents and other stakeholders, as recognised beneficiaries under charity law. The Directors fulfil this duty by taking into account the long term factors affecting the School and their impact on its pupils, staff, parents, partners, suppliers and local community. The School's commitment to providing an excellent education for its pupils is the key driver within its Strategic plan and in its target of continued financial sustainability. The School ensures that engagement with pupils, staff, parents, partners and other stakeholders informs the Board of Directors' decision making. Engagement takes place in a range of ways:

Pupils: Pupil representatives meet regularly as part of the Pupil Voice to discuss key areas for review and improvement. Pupils are encouraged to feedback on a range of issues on an informal basis to their form tutors whilst more formal pupil surveys are conducted each term on a year group basis. The pupil surveys cover all aspects of school life and help identify issues which have arisen, or are likely to emerge which affect the pupil experience of school. During the period when the School site was closed pupils were surveyed more frequently in order to understand their experience of remote learning and provide feedback on how it could be developed, and assist the School in identifying pupils who may have required additional academic or pastoral support. These surveys also informed longer term planning in helping the School understand which elements of remote learning were likely to be effective in the future, and help develop teacher skill using technology to deliver the curriculum. Following the emergence of the Black Lives Matter movement, the School consulted both with members of the current and former pupil communities to better understand their experience of race, diversity and inclusion at CHS and which will also help inform the School's strategic approach to inclusion and diversity in the future.

Parents: The School conducts parent surveys each term on a year group basis. It encourages feedback from parents at parent information evenings and by encouraging direct contact with teaching staff and members of the Senior Leadership Team. During the Covid 19 crisis the School held a number of parent forums and surveyed all parents to discuss the move to remote learning and their expectations. Parents were all also given the opportunity to feedback on the School's return to school plans during the Summer Term, and again prior to the start of the Autumn Term.

Staff: During the pandemic the School carried out staff surveys which enabled it to gain feedback on their wellbeing and enabled the School to identify staff who needed additional support. The Employee Involvement section earlier in this report gives more details on how the School generally engages its staff.

Partners: The School works collaboratively with its partner schools to develop an appropriate partnership programme. Joint critical evaluation is used to refine and improve delivery.

Communities: The School's Enterprises Manager actively and directly engages with the community groups who use the School's facilities in the evenings, weekends and holiday periods to ensure they have appropriate risk assessments and training in place and that the services provided by the School meets their needs.

Suppliers: The School relies on its key suppliers for delivery of goods and services. Appropriate measures are in place to ensure value and price is fairly assessed and that contracts awarded meet the needs of the School.

Ensuring Good Governance

The Board of Directors are committed to the principles of good and ethical governance. The Board uses its sub-committee structure outlined earlier to scrutinise objectively different elements of the School's progress and performance. The Board carries out periodic skills and effectiveness reviews and ensures that governors undertake appropriate training. The School has clear procedures for risk management, anti fraud, bribery and corruption, procurement and whistleblowing. Board members are also aware of their responsibilities to ensure compliance with statutory and other guidance relevant to its status including as a provider of education, a charity, a company, and as an employer.

Investment policy and objectives

The School does not hold any long-term investments. Surplus cash is held in instant access bank accounts with the best interest rate available. Directors periodically review the banks used by the School. There are no restrictions on the School's power to invest.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The Board, assisted by the Senior Management Team, has examined and documented the major risks that the School faces. The School's Risk Register is compiled in accordance with the Charity Commission's "Charities & Risk Management" framework and is consistent with the Commission's Statement of Recommended Practice (SORP) 2015.

The School actively manages its key risks and has developed systems to monitor and control them to minimise any reputational, financial or operational impact on the School.

Directors review the key risks and mitigating action on a regular basis and this year, through the pandemic crisis, the School reviewed Covid 19 related risks on a daily basis. The site closure and the move to remote learning was dealt with following the School's critical incident procedures. The key risk areas were ensuring remote learning and co-curricular provision was effective, accessible and that pupils continued to engage; that the School provided additional academic/pastoral/wellbeing support to pupils and staff as required during the period of remote learning; that parents impacted financially by Covid 19 were supported appropriately; and that the return to site plan kept abreast of rapidly evolving government guidelines and prepared adequately for pupil and staff safety.

Other areas of focus during the year included ensuring the School's digital network and systems were secure, that General Data Protection Regulation was adhered to, that the School kept abreast of and responded to Government thinking on education policy, charitable status, pensions and business rates, and ensuring that the School's finances were adequate to ensure long term viability whilst recognised the constraints on parent affordability.

The strategies for managing and mitigating these key risks included:

- Daily review of risks, opportunities and implementation of required action throughout the period of remote learning and during the summer holidays prior to the return to site in September 2020.
- Strengthening communication to pupils and parents
- Continuing to refine and develop risk assessment and critical incident processes
- Continuous horizon scanning to ensure Directors and SLT are aware of latest Central and Local Government thinking and policy, and taking action accordingly
- Being aware of local changes in the education sector, considering the impact on the School and taking appropriate action
- Monitoring and reviewing the School's admissions process
- Continuing to prepare and review the annual budget, financial projections and scenario plans.

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PLANS FOR THE FUTURE

The School's Strategic plan identifies key priorities for a five year period. Each year the Senior Leadership Team sets targets at whole School, departmental and individual levels and reviews progress over the course of the year through the School's online performance management system. Oversight by the Board of Directors is achieved through the Head's submission of regular updates, through the work of the Committees and an annual report. This year the Senior Leadership team and the Board have taken the work done on 'lessons learnt' and opportunities during the pandemic period and used this to revise objectives and targets for the current as well as future years.

The key areas of focus for the forthcoming year will be:

- Academic - Ensuring all departments have reviewed and embedded an inspiring and challenging curriculum to prepare CHS pupils for the future, with a particular focus this year on Lower School, including the introduction of the HPQ for Years 9, 7 and 10. Academic departments' progress against their action plans will be monitored throughout the year. Further work on ensuring teaching and learning is outstanding and informed by an evidenced based approach will include developing Professional Learning Communities for teaching staff, developing a teachers website where information on expectations and best practice can be shared, application of the four pillars of effective assessment and ensuring that remote learning is of a high quality. A key priority for the Junior School is to review the content and resources used for the English and Humanities curriculums, and to review provision made for pupils with specific learning needs.
- Pastoral - In addition to ensuring all pupils receive highest levels and consistent levels of care collaborating, as appropriate, with external agencies and partner Schools. The School will continue to offer additional support for those pupils who have found the pandemic particularly difficult. The focus this year will be on widening participation of pupils across all ages in the School's co-curricular programme using all facilities extensively. Work on embedding the Waconian Values will also continue.
- Admissions and Partnership — maintain the quality and numbers of pupils at the School, expand the Bursary fund to support expansion of Bursary places, continue to develop the SCITT to include Modern Foreign Languages as well as Maths and extend the network of sustainable partnerships with local primary and secondary schools, Higher Education and community groups. Continue to develop connections with and between Old Waconians.
- Finance and Infrastructure — maintain financial sustainability after accounting for key external financial challenges, continue to develop dynamic, creative spaces which are fit for purpose and maintained to high standards; manage School business through innovative technical solutions and continue to embrace new ways of delivering education.
- Staff Development and Wellbeing —continue to ensure the School attracts and retains the best staff by being an aspirational place to work.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors 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 Directors 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 company and of the income and expenditure of the company for that period. In preparing those financial statements, the Directors are required to:

CHEADLE HULME SCHOOL
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- Select suitable accounting policies and applied them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards and the Charities SORP 2015; and state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

GOING CONCERN

The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for a further 3 years. Actual performance is monitored monthly and cash balances are managed daily. The School has strong pupil recruitment and continues to make good Income and Expenditure surpluses which it uses to reinvest in its facilities. At the time of approval of the financial statements, the impact of the Covid 19 global pandemic continues and the School's site is once again closed to pupils other than children of Critical Workers and Vulnerable children. The School has moved back to remote learning. Both short term and long term effects of the pandemic are being discussed and reviewed continuously by the Senior Leadership Team and the Board of Directors. Although the impact of the pandemic in the short term has not seriously impacted in the way the School first thought it may, there are still concerns that in there is potential for significant and enduring impact on the School's demand for pupil places, supply chain and workforce availability. The Directors have undertaken planning and forecasting and continue to closely monitor the developing situation. Further details on the School's response and plans for dealing with the Covid 19 virus are documented throughout the Directors Report. Despite the current circumstances the Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the Directors have taken all the steps that ought to have been taken as a member in order to be aware of any information needed by the auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The Directors have also taken all reasonable steps to comply with their obligations as set out by the Charity Commission to act in the best interests of the charity and comply with their legal duties under charity law, including their duty of prudence.

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Approval

This report was approved by the Board on 8 February 2021.


Catherine Boyd
Chair of the Board

CHEADLE HULME SCHOOL
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Independent Auditor's Report to the Members of Cheadle Hulme School

Opinion

We have audited the financial statements of Cheadle Hulme School (the 'charitable company') for the year ended 31 August 2020 which comprise of the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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Independent Auditor's Report to the Members of Cheadle Hulme School (cont.)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 25, 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, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

Auditor's responsibilities for the audit of the financial statements

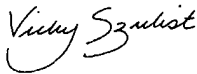
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Vicky Szulist
(Senior Statutory Auditor)
for and on behalf of Crowe U.K. LLP
Chartered Accountants and Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: 15th March 2021

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

STATEMENT OF FINANCIAL ACTIVITIES (Including an income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
INCOME		£'000	£'000	£'000	£'000
Income from:					
Donations and legacies	6	189	115	304	207
Investments	5	14	-	14	24
Ancillary trading income	4	1,012	-	1,012	1,120
Charitable activities	3	15,301	-	15,301	14,907
Total Income		16,516	115	16,631	16,258
EXPENDITURE					
Charitable activities		15,382	35	15,417	15,216
Total Expenditure	7	15,382	35	15,417	15,216
Net School Income for the year before transfers		1,134	80	1,214	1,042
Transfers between funds	19	-	-	-	-
Net movement in funds		1,134	80	1,214	1,042
Total funds brought forward		14,985	65	15,050	14,008
Total funds carried forward	21	16,119	145	16,264	15,050

The Statement of Financial Activities includes all gains and losses recognised in the year.

All activities are classed as continuing.

The notes on the following pages form part of these financial statements

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

BALANCE SHEET
Company number: 3823129

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible assets	10		19,765		20,415
Current assets					
Debtors	12	447		601	
Cash at bank and in hand		3,079		2,739	
		<u>3,526</u>		<u>3,340</u>	
Creditors: Amounts falling due within one year	13				
Loans		(348)		(348)	
Other		(3,295)		(4,424)	
		<u></u>		<u></u>	
Net current (liabilities)			(117)		(1,432)
			<u></u>		<u></u>
Total assets less current liabilities			19,648		18,983
Creditors: Amounts falling due after more than one year	14		(3,384)		(3,933)
			<u></u>		<u></u>
Net assets			16,264		15,050
			<u></u>		<u></u>
Funds					
Unrestricted general funds	20		16,119		14,985
Restricted funds	19		145		65
			<u></u>		<u></u>
Total charity funds			16,264		15,050
			<u></u>		<u></u>

The financial statements were approved by the Board of Directors on 8 February 2021 and signed on its behalf by:


C Boyd
Director

The notes on the following pages form part of these financial statements

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

STATEMENT OF CASH FLOWS

	2020 £'000	2019 £'000
Cash flows from operating activities:		
Net movement in funds	1,214	1,042
Adjusted for:		
Depreciation	877	825
Interest payable	92	103
Interest receivable	(14)	(24)
Decrease/(Increase) in trade and other receivables	154	(18)
(Decrease)/Increase in trade and other payables	(1,191)	513
(Decrease) in pension debt provision	(94)	(36)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,038	2,405
Cash flows from investing activities		
Purchase of tangible fixed assets	(227)	(2,338)
Interest received	14	24
	<hr/>	<hr/>
Net cash outflows from investing activities	(213)	(2,314)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of amounts borrowed	(398)	(398)
Interest paid	(92)	(103)
	<hr/>	<hr/>
Net cash inflows from financing activities	(490)	(501)
	<hr/>	<hr/>
Net increase/(decrease) in cash & cash equivalents	340	(410)
	<hr/>	<hr/>
Opening cash & cash equivalents	2,739	3,149
	<hr/>	<hr/>
Closing cash & cash equivalents	3,079	2,739
Movement in cash & cash equivalents	<hr/> 340	<hr/> (410)

The notes on the following pages form part of these financial statements

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

RECONCILIATION OF NET DEBT

	At 1 September 2019 £'000	Cash flow £'000	At 31 August 2020 £'000
Cash at bank	2,739	340	3,079
Bank loan due in less than one year	(348)	-	(348)
Bank loan due in greater than one year	(2,747)	397	(2,350)
	<u>(356)</u>	<u>737</u>	<u>381</u>

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information

Cheadle Hulme School is a private company limited by guarantee and is non-profit making. Cheadle Hulme School is incorporated in England and Wales. The registered office is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF.

Basis of accounting

Cheadle Hulme School meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, with the exception of certain buildings which have been included at a valuation made in 1939 and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), and the Companies Act 2006.

Going concern

The Directors have due regard for the going concern of the Charity. The School prepares a detailed budget for the 12 months ahead as well as financial projections for a further 3 years. Actual performance is monitored monthly and cash balances are managed daily. The School has strong pupil recruitment and continues to make good Income and Expenditure surpluses which it uses to reinvest in its facilities. At the time of approval of the financial statements, the impact of the Covid19 global pandemic continues and the School's site is once again closed to pupils other than children of Critical Workers and Vulnerable children. The School has moved back to remote learning. Both short term and long term effects of the pandemic are being discussed and reviewed continuously by the Senior Leadership Team and the Board of Directors. Although the impact of the pandemic in the short term has not seriously impacted in the way the School first thought it may, there are still concerns that there is potential for significant and enduring impact on the School's demand for pupil places, supply chain and workforce availability. The Directors have undertaken planning and forecasting and continue to closely monitor the developing situation. Further details on the School's response and plans for dealing with the Covid 19 virus are documented throughout the Directors Report. Despite the current circumstances the Directors believe that the school's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Group accounts

The charity has not prepared consolidated accounts as the subsidiary undertaking may be excluded from consolidation on the basis that it is not material. These financial statements therefore present information about the charity as an individual undertaking rather than as a group.

Income

All income is included in the Statement of Financial Activities when the School is legally entitled to the income and the amounts can be quantified with reasonable accuracy. Income mainly represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Donations and gifts

All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Income (continued)

Donations under Gift Aid, together with associated income tax recoveries, are credited as income when the donations are receivable.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, if the receipt is both probable and measurable. These are included in the Statement of Financial Activities.

Investment income

Investment income, including associated income tax recoveries, is recognised when receivable.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified to the particular activity where the cost relates directly to that activity.

Charitable expenditure

This represents expenditure incurred on activities in furtherance of the charity's objects (which includes support costs).

Governance costs

Costs incurred are those relating to the organisation and running of the charity itself and are included in charitable expenditure.

Fixed assets

Fixed assets are included in the balance sheet at historic cost except for certain buildings noted above. From 1 April 1993 all plant and equipment purchased with a cost of greater than £1K is being capitalised and disclosed within the fixed asset note.

Depreciation is provided evenly on the cost of plant and equipment to write them down to their estimated residual values over their expected useful economic lives of 5-20 years. Equipment relating to computers is written down over 5 years. Fixtures and fittings are written down over 10 years.

Buildings are being depreciated over a life of 50 years. Certain improvements to properties are depreciated over their estimated useful lives, ranging from 5 to 20 years.

Taxation

The School is not liable to taxation on the results of its charitable activities as it is a registered charity.

Pensions

School staff are members of one of two pension schemes. Teachers' Pension Scheme is a defined benefit scheme and Independent Schools' pension scheme is defined contribution. More details of the schemes are given in note 22.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

1. ACCOUNTING POLICIES (CONTD)

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department of Education. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the School in the year.

Independent Schools' Pension Scheme

Non-teaching members of staff appointed during the year were offered membership of the Independent Schools' Pension Scheme (ISPS) Defined Contribution section. The contributions paid by the School during the year are charged to the Statement of Financial Activities.

Non-teaching members of staff appointed prior to 1 September 2013 were eligible to be members of the ISPS funded multi-employer Defined Benefit section. The scheme is closed to new employees. As the School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the School has taken advantage of the exemption in Financial Reporting Standard (FRS) 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

If the actuarial valuation of the scheme reveals a deficit, the Directors will agree a recovery plan to eliminate the deficit over a specified period. This is held as a liability in the financial statements, as detailed in note 16.

The pension costs for the scheme represent the contributions payable by the School in the year.

Reserves

The School has a number of restricted income funds to account for situations where an income stream requires that the income must be spent on a particular purpose.

All other funds are classified as unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements

The critical accounting judgements that the Directors have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- Pension deficit provision
The charity has an obligation to pay deficit funding contributions towards the multi-employer defined benefit pension scheme. This provision is dependent on a number of factors including discount rate, life expectancy and asset valuations. The assumptions reflect historical experience and current trends.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Determining residual values and useful economic lives of property, plant and equipment
The charity depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by the Directors. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by the Directors when determining the residual values for plant, machinery and equipment. When determining the residual value, the Directors aim to assess the amount that the charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

3. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2020 £'000	2019 £'000
Fees receivable consist of:		
School fees	17,340	16,353
Less: total bursaries, scholarships and Covid19 fees rebate	<u>(2,039)</u>	<u>(1,446)</u>
	15,301	14,907
 Add back: Bursaries and other awards paid for by restricted funds	 <u>-</u>	 <u>-</u>
	<u>15,301</u>	<u>14,907</u>

Bursaries, scholarships and other awards were paid to 231 pupils (2019: 218). Within this means-tested bursaries totalling £1,027k were paid to 97 pupils (2019: £905k to 96 pupils).

4. CHARITABLE ACTIVITIES – OTHER INCOME

	2020 £'000	2019 £'000
Catering fees	621	810
Entrance and registration fees	29	33
After school and other clubs	74	100
Income from CHS Enterprises	114	93
CJRS income	163	-
Other income	<u>11</u>	<u>84</u>
	<u>1,012</u>	<u>1,120</u>

5. INVESTMENT INCOME

	Total 2020 £'000	Total 2019 £'000
Bank interest	<u>14</u>	<u>24</u>
	<u>14</u>	<u>24</u>

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

6. GRANTS AND DONATIONS RECEIVABLE

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Grants received for Bursaries from:				
CHS 150 th Anniversary Bursary Trust	100	-	-	100
Play and learn	-	-	-	-
Specific students	-	14	-	14
Oglesby Trust	10	-	-	10
STEM and ART bursary donations	72	-	-	72
Peter Kershaw income	7	-	-	7
Hardship fund	-	101	-	101
	<u>189</u>	<u>115</u>	<u>-</u>	<u>304</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000
Grants received for Bursaries from:				
CHS 150 th Anniversary Bursary Trust	125	-	-	125
Play and learn	-	10	-	10
Specific students	-	34	-	34
Other restricted funds	-	21	-	21
Junior School Art Room	-	10	-	10
Hockely Chemistry Scholarship	-	-	-	-
Annual fund income	-	-	-	-
Peter Kershaw income	7	-	-	7
Capital donations	-	-	-	-
	<u>132</u>	<u>75</u>	<u>-</u>	<u>207</u>

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £'000	Other £'000	2020 Total £'000
Charitable expenditure	11,617	3,800	15,417
	<hr/>	<hr/>	<hr/>

	Staff Costs £'000	Other £'000	2019 Total £'000
Charitable expenditure	10,972	4,244	15,216
	<hr/>	<hr/>	<hr/>

Total expenditure are stated after charging:

	2020 £'000	2019 £'000
Depreciation	877	825
Auditor's remuneration - audit	11	18
- non-audit (other assurance services)	2	3
	<hr/>	<hr/>

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

8. STAFF COSTS

	2020	2019
	£'000	£'000
Staff costs were as follows:-		
Salaries	8,995	8,774
Social security costs	899	869
Pension costs	1,668	1,262
Private medical insurance	55	67
	<u>11,617</u>	<u>10,972</u>

Included within wages are termination and voluntary severance payments of £1,500 (2019: £nil).

The average number of employees in the year analysed by function was:-

	2020	2019
	No	No
Teachers	157	158
Fund raising and publicity	7	6
Management and administration	159	141
	<u>323</u>	<u>305</u>

The increase in staff numbers in management and administration is the result of continuing to move Supply Staff onto the school payroll. Full time equivalent staff numbers have slightly moved.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

9. STAFF COSTS (CONTD)

The following analysis shows the number of higher paid staff in the following ranges.

Emoluments include salary, taxable benefits in kind and other payments to employees.

	2020	2019
	No	No
£60,000 to £69,999	-	1
£70,000 to £79,999	5	4
£80,000 to £89,999	1	1
£130,000 to £139,999	-	1
£140,000 to £149,999	1	-

Retirement benefits under defined benefit and defined contribution schemes are accruing for the above staff.

No Director received any remuneration during the period.

No (2019 – nil) director received reimbursed expenses and expenses paid directly to third parties of £nil (2019 – £nil) during the period.

The key management personnel of the charity comprise the Directors, the Head, three Deputy Heads, the Chief Operating Officer, the Second Master and the Development Director. The total employee benefits of the key management personnel of the Trust were £777k (2018-19 £735k).

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

10. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Cost or valuation			
At 31 August 2019	25,705	2,322	28,027
Additions	60	167	227
Disposals	-	(1,118)	(1,118)
At 31 August 2020	25,765	1,371	27,136
Depreciation			
At 31 August 2019	6,199	1,413	7,612
Charged in year	587	290	877
Disposals	-	(1,118)	(1,118)
At 31 August 2020	6,786	585	7,371
Net book value			
At 31 August 2020	18,979	786	19,765
At 31 August 2019	19,506	909	20,415

Fixed assets are included in the balance sheet at the following values:-

Land	- at historic cost
Buildings	- at 1939 valuation with subsequent additions at cost
Equipment	- at cost

As records are not available back to 1939 and as a result of the passage of time, the 1939 valuation used for buildings is deemed to be cost for the purpose of FRS 102.

All the tangible fixed assets are used for direct charitable purposes.

As at 31 August 2020, the School had no capital commitments.

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

11. INVESTMENTS

Historic cost as at 31 August 2019 and 2020 £
1

The above investment represents 100% of the issued ordinary share capital of Cheadle Hulme School Enterprises Limited. The registered office of Cheadle Hulme School Enterprises Limited is Claremont Road, Cheadle Hulme, Cheadle, Cheshire SK8 6EF. It's principal activity is the lettings of the school premises. As at 31 August 2020, its reserves stood at £68,308 (2019 - £114,453) and its profit for the year was £68,307 (2019 - £114,452).

12. DEBTORS

	2020 £'000	2019 £'000
School debtors	18	30
Prepayments and accrued income	376	426
Amounts owed by associated undertakings	49	145
Other debtors	4	-
	<hr/> 447	<hr/> 601

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Bank loans (note 15)	348	348
	<hr/> 348	<hr/> 348
Trade creditors	272	728
School fees in advance (note 17)	1,956	2,497
Other taxation and Social Security	229	216
Other creditors	506	367
Accruals	142	503
Sundry School pupils' accounts	23	-
Cheadle Hulme School 150th Anniversary Bursary Trust Fund	51	1
Pension deficit provision (note 16)	116	112
	<hr/> 3,295	<hr/> 4,424

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £'000	2019 £'000
Bank loans – secured (note 15)	2,350	2,747
School fees paid in advance (note 17)	71	129
Pension deficit provision (note 16)	963	1,057
	<u>3,384</u>	<u>3,933</u>

The 5 year term loan is repayable quarterly in equal instalments until 2021 at 1.7% above LIBOR.

There are two further loans, one is a variable loan of £1M payable at 1.7% above LIBOR and the second is £2M at a fixed rate of 3.51%. Both loans are repayable quarterly in equal instalments until 2026 and then a lump sum payment of £1.45M.

All loans are secured by a charge over the land and buildings of the School.

15. CREDITORS: LOANS

Loans are repayable as follows;

	2020 £'000	2019 £'000
In one year or less	348	348
Between one and two years	200	398
Between two and five years	1,117	748
In five years or more	1,033	1,602
	<u>2,698</u>	<u>3,096</u>

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

16. CREDITORS: PENSION DEFICIT PROVISION

Included within Creditors due within one year and more than one year is a multi-employer defined benefit pension scheme deficit and the estimated employer debt. Following the valuation of the scheme as at 31 March 2016, the contributions payable by the employer have been communicated relating to recovery of the deficit over the 13 years to 31 August 2029. As of the balance sheet date the estimated discounted employer deficit is detailed below.

	2020 £'000	2019 £'000
Pension deficit provision as at 1 September 2019	1,169	1,205
Deficit contributions paid	(112)	(104)
Remeasurement of defined benefit pension	22	68
Pension deficit provision as at 31 August 2020	1,079	1,169
Less: amount due within one year	(116)	(112)
	<u>963</u>	<u>1,057</u>

17. CREDITORS: DEFERRED INCOME

	2020 £'000
At 1 September 2019	2,625
Received during the year	1,445
Discounts given during the year	2
Released to income for the year	(2,045)
At 31 August 2020	<u>2,027</u>

Deferred income represents school fees paid in advance and fee deposits repayable upon pupils leaving the School.

18. FINANCIAL INSTRUMENTS

	2020 £000	2019 £000
Financial assets measured at amortised cost (a)	3,097	2,769
Financial liabilities measured at amortised cost (b)	2,734	3,592

- (a) Financial assets include cash, trade and fee debtors and other debtors
(b) Financial liabilities include deposits, trade creditors and other creditors

CHEADLE HULME SCHOOL
Report and Financial Statements – Year Ended 31 August 2020

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

19. RESTRICTED FUNDS

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2020 £'000
Hardship fund	-	101	-	-	101
Music and Languages Fund	25	-	(7)	-	18
Specific student funds	30	14	(18)	-	26
Junior School Art Room	10	-	(10)	-	-
	<u>65</u>	<u>115</u>	<u>(35)</u>	<u>-</u>	<u>145</u>

These restricted funds relate to funds received by the School for use for the purposes stipulated by the donor.

Hardship fund was created to provide financial support to families struggling due to the Coronavirus pandemic.

Specific Student funds were donations made by individual donors for specific students.

Junior School Art room was a donation from the Parents Association for enhancements to the Junior school art room refurbishment.

	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2019 £'000
Play and Learn	-	10	-	(10)	-
Music and languages legacy	25	21	-	(21)	25
Excursion fund	20	-	-	(20)	-
Annual fund	54	-	-	(54)	-
Specific student funds	-	34	(4)	-	30
Junior School Art Room	-	10	-	-	10
	<u>99</u>	<u>75</u>	<u>(4)</u>	<u>(105)</u>	<u>65</u>

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NOTES TO THE FINANCIAL STATEMENTS /Continued ...

20. UNRESTRICTED FUNDS

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2020 £'000
General	14,985	16,516	(15,382)	-	16,119
	<u>14,985</u>	<u>16,516</u>	<u>(15,382)</u>	<u>-</u>	<u>16,119</u>

There has been no transfers between unrestricted and restricted funds in the period.

	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 August 2019 £'000
General	13,909	16,183	(15,212)	105	14,985
	<u>13,909</u>	<u>16,183</u>	<u>(15,212)</u>	<u>105</u>	<u>14,985</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2020 Total £'000
Restricted Funds	-	145	-	145
Unrestricted Funds	19,765	(262)	(3,384)	16,119
	<u>19,765</u>	<u>(117)</u>	<u>(3,384)</u>	<u>16,264</u>
2019	Tangible Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long-Term liabilities £'000	2019 Total £'000
Restricted Funds	-	65	-	65
Unrestricted Funds	20,415	(1,497)	(3,933)	14,985
	<u>20,415</u>	<u>(1,432)</u>	<u>(3,933)</u>	<u>15,050</u>

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22. PENSIONS

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,454k (2019: £1,002k) and at the year-end £173k (2019 - £135k) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Independent Schools' Pension Scheme

Cheadle Hulme School participates in The Independent Schools' Pension Scheme ('the Scheme') which has multi-employer defined benefit scheme section and a defined contribution section. The Scheme is contracted-out of the State scheme.

There are four benefit structures available, namely: Final salary with a 1/60th accrual rate, Final salary with a 1/80th accrual rate, Career average revalued earnings with an 1/80th accrual rate and Career average revalued earnings with an 1/120th accrual rate.

An employer can elect to operate different benefit structures for different categories of staff.

Cheadle Hulme School operated the final salary with a 1/60th accrual rate benefit structure and the defined contribution structure.

The Trustees commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period ended 31 August 2020 Cheadle Hulme School paid employers contributions of 8% and 0.6% for life cover in respect of the Defined Contribution Scheme.

As at the balance sheet date there were no active members of the Defined benefit Scheme employed by Cheadle Hulme School (2019: no active members). There were 107 (2019: 103) members of the Defined Contribution Scheme. With effect from 1 November 2016 all members of the Independent School' Pension Scheme moved from the Defined Benefit section to the Defined Contribution section.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi- employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from the total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 represents the employer contribution payable.

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The last formal valuation of the Scheme was performed as at 30 September 2017 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £149.4 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £38.2 million, equivalent to a past service funding level of 80%.

The contribution rates that apply from 1 September 2016 have been determined by reference to the Scheme's 30 September 2014 valuation and contribution rates from 1 September 2019 have been determined by reference to the Scheme's 30 September 2017 valuation.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the Scheme's 2017 actuarial valuation it was agreed that the shortfall of £38.2 million would be dealt with by the payment of deficit contributions of £2.387 million per annum from 1 September 2019 to 30 April 2030.

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate).

Employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 302% (prior to 1 September 2016) to reflect the higher costs of a closed arrangement. From 1 September 2016, the additional employer contribution loading will be 1.6%.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into The Independent Schools' Pension Scheme.

New employers joining the Scheme pay contributions at the joint future service contribution rate. This rate is reviewed at each valuation and applies until the second valuation after the date of joining the Scheme, at which point the standard employer contribution rate is payable.

New employers also pay an additional age loading if the average age of their members is higher than the average age of the Scheme membership. This loading applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining, or such earlier date as agreed between The Independent Schools' Pension Scheme Pensions Committee and the Scheme Actuary.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an ongoing funding basis, by 31 August 2029.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

NOTES TO THE FINANCIAL STATEMENTS /Continued ...

22 PENSIONS (continued)

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Growth Plan

Cheadle Hulme School also participates in The Growth Plan which is a multi-employer scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m.

It has been agreed that this would be dealt with by the payment of deficit contributions of £11.243m per annum from 1 April 2019 to 31 January 2025.

23. RELATED PARTY TRANSACTIONS

Included within creditors within one year is an amount of £51,030 (2019: Debtor £136,658) held by Cheadle Hulme School on behalf of Cheadle Hulme School 150th Anniversary Bursary Trust. Mr P Driver and Dr D N Riley are trustees of Cheadle Hulme School 150th Anniversary Trust. During the year, Cheadle Hulme School 150th Anniversary Trust granted bursary money to Cheadle Hulme School amounting to £100,000 (2019: £125,000).

Included within debtors due within one year is an amount of £nil (2019: £7,320) owed by Cheadle Hulme School Development Trust in respect of grants towards capital developments. Mr P Driver and Dr D N Riley are trustees of Cheadle Hulme School Development Trust.

During the year, Cheadle Hulme School Development Trust granted £nil (2019: £3,294) to Cheadle Hulme School towards capital developments.

A number of directors at the School have children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

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NOTES TO THE FINANCIAL STATEMENTS /Continued ...

24. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2019
NCOME	£'000	£'000	£'000
Income from:			
Donations and legacies	132	75	207
Investments	24	-	24
Ancillary trading income	1,120	-	1,120
Charitable activities	14,907	-	14,907
Total Income	16,183	75	16,258
EXPENDITURE			
Charitable activities	15,212	4	15,216
Total Expenditure	15,212	4	15,216
Net School Income for the year before transfers	971	71	1,042
Transfers between funds	105	(105)	-
Net movement in funds	1,076	(34)	1,042
Total funds brought forward	13,909	99	14,008
Total funds carried forward	14,985	65	15,050