

Company number: 00159730 (England & Wales)

Registered Charity number: 201911

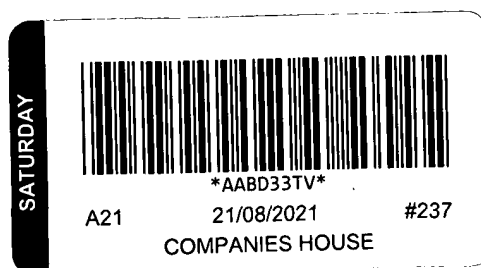
THE CHILTERN COLLEGE
(A Company Limited By Guarantee)

Operating as

CHILTERN NURSERY & TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020



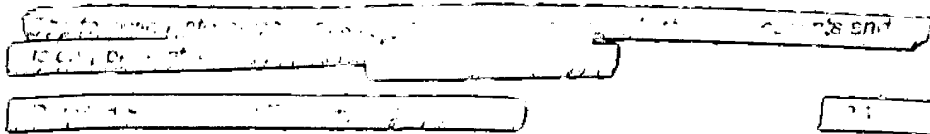
THE CHILTERN COLLEGE

(Company number 00159730)

Annual Report and Financial Statements For the year ended 31 December 2020

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THE CHILTERN COLLEGE
(Company number 00159730)
LEGAL AND ADMINISTRATIVE INFORMATION
As at 31 December 2020

The Chiltern College is a registered charitable company limited by guarantee, incorporated on 17 October 1919 and registered as a Charity on 22 September 1962.

The charitable company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

Company Number:	00159730 (registered in England & Wales)
Charity Number	201911
Registered Office & Principal Address:	Chiltern College 18 Peppard Road Caversham Reading RG4 8JZ

DIRECTORS

The directors of the charitable company who served during the year were:-

Mrs. K. Hillier	(Chairman)
Mrs. C.A. Kelly	(Vice Chairman)
Mr. J.B. Gater	
Mrs. A.J. Lindley	
Ms D. Sandell	
Mrs C. Wakely - appointed 28/10/20	

OFFICERS

Head:	Mrs. C. Lawrence	(retired 17 July 2021)
	Mrs. M Wigmore	(appointed 17 July 2021)
Finance Manager:	Mrs. L.G. Phillips	
Company Secretary and Clerk to the Governors:	Mrs. L.G. Phillips	

SENIOR MANAGEMENT TEAM

Head:	Mrs. C. Lawrence
Nursery manager:	Ms. N. Richards
Finance manager:	Mrs. L.G. Phillips

THE CHILTERN COLLEGE
(Company number 00159730)
LEGAL AND ADMINISTRATIVE INFORMATION
As at 31 December 2020

ADVISERS

Bankers:

Lloyds Bank plc
24 Broad Street
Reading
RG1 2BT

Auditors:

Vale & West Accountancy Services Limited
Victoria House
26 Queen Victoria Street
Reading
RG1 1TG

Solicitors:

Blandy & Blandy LLP
One Friar Street
Reading
RG1 1DA

THE CHILTERN COLLEGE
(Company number 00159730)
REPORT OF THE TRUSTEES
For the year ended 31 December 2020

The trustees present their annual report, together with the financial statements for the year ended 31 December 2020, and confirm that they comply with the requirements of the Companies Act 2006, the Charitable Company's Memorandum and Articles of Association and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Annual Report is also the Trustees' Report as required by Part VIII of the Charities Act 2011, and the Directors' Report as required by section 417 of the Companies Act 2006.

The Chiltern College is a registered charitable company limited by guarantee, incorporated on 17 October 1919 and registered as a Charity on 22 September 1962.

OBJECTIVES AND ACTIVITIES

The objectives of the College are the education and training of early years practitioners and the provision of early years care and education for children in accordance with the Memorandum and Articles of Association.

The early years care and education objectives are met through the provision of our nursery, which provides high quality care and education for children aged 2 months to 5 years of age. The nursery aims to provide a caring and stimulating environment to meet the needs of each individual child.

The education and training objectives are met through the provision of a high quality training programme for early years' practitioners. Trainees receive practical training and assessment whilst working in our day nursery, as well as knowledge-based training and assessment in the classroom. The aim of the training programme is to maximise individuals' potential to allow them to become well-qualified early years' practitioners.

We provide a family support scheme to support families in the nursery who are experiencing difficulties to enable their children to continue to access the high quality care that we provide during that period of difficulty.

In addition, we support other local early years' providers and the local community with both early years expertise and facility use.

STRATEGIC REVIEW

ACHIEVEMENT AND PERFORMANCE

As an organisation we have coped extremely well with the pandemic. We adopted a staged approach to reopening the nurseries, following the enforced closure last year. All nurseries were fully reopened by the end of August 2020. We received very positive feedback from parents about the way in which we approached this. We have continued to attract new parents to our setting throughout the pandemic, meaning our occupancy and waiting list remains strong.

We took the opportunity, whilst some areas of the nursery were closed to complete essential maintenance and refurbishment work on the buildings. A revised schedule was drawn up to reflect the funds that were available to us following the effect of the pandemic. We also relocated the training and administration areas to the nursery building to consolidate the use of our buildings and to provide better support for nursery staff.

This work allowed us to implement the planned reorganisation of the nursery age grouping and staffing structure. The new age grouping is now embedded in the nursery and is working well. The planned staffing restructure is also now in place, ready for the new Head who will be joining CNTC in July, following the retirement of the current Head.

The work on the buildings allows each of the rooms to work independently in 'bubbles', which reduced the number of children and staff members required to isolate when we have any cases of COVID 19 in the nursery. The work completed future proofs the nursery, as we are able to work successfully in this way indefinitely, or reintroduce this way of working very easily, should we need to in the future. This along with making good use of the Government Furlough Scheme, has substantially reduced the financial impact of the pandemic on the organisation.

We have been able to continue to support our traineeship programme throughout the pandemic. We have extended the current trainees programme by 6 months, to allow them to complete their qualification. We have continued to successfully recruit trainees for September 2021 and are on track to recruit our target number.

The electronic management and recording keeping system introduced in 2019 has now been completely imbedded in our practice and is an essential part of the way we work, particularly since the onset of the pandemic.

THE CHILTERN COLLEGE
(Company number 00159730)
REPORT OF THE TRUSTEES *(Continued)*
For the year ended 31 December 2020

FINANCIAL REVIEW

The financial results for the year showed a net unrestricted outgoing resource from the general fund of £20,020 and from the designated maintenance fund of £42,744. The total outgoing resource for the year was £62,764.

This is in line with the Trustees' aim of maintaining a long term break even position and includes some one off costs associated with the maintenance and refurbishment of the nursery.

The College retains a strong cash position.

RESERVES POLICY

The trustees regularly review the reserves policies to ensure that they are at an appropriate level. In particular cash is maintained at a level to support the short and medium term needs of the college. Currently the trustees aim to keep free reserves at a level that will cover between one and three months of staff payroll costs.

The college has total reserves of £1,617,831 comprised of £652,872 of functional assets, £560,000 of investment property and associated bank borrowings of £155,942, leaving £560,901 of free reserves. Of this, £263,742 has been set aside for designated purposes, with the remaining £297,159 available for general use. This is in line with the trustees' reserves policy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

The trustees are also the governors of the Chiltern College and the directors of the charitable company.

The trustees of the Chiltern College guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The board of trustees determine the general policy of the College. The day-to-day management of the College is delegated to the principal and the senior managers of the College.

Recruitment and appointment of new trustees

The appointment of new trustees is made at the discretion of the trustees and a clear selection and recruitment process is in place. Once appointed, trustees follow a formal induction process and are regularly reminded of their roles and responsibilities. Trustees undertake ongoing training as deemed relevant.

Risk management

The board of trustees continue to keep the College's activities under review, particularly with regard to any major risks that may arise from time to time, and to monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified by the directors can best be mitigated.

The key risks identified by the College are:

- Underfunded Government plans to increase 'free' childcare from 15 to 30 hours
- Lower numbers of suitably qualified staff available to fulfil the nursery's recruitment needs
- Lower numbers of students due to changing training requirements/environment
- Ongoing risks associated with the coronavirus pandemic

These risks are being addressed and minimised through the strategic plan and redevelopment project that trustees have put in place.

THE CHILTERN COLLEGE
(Company number 00159730)
REPORT OF THE TRUSTEES *(Continued)*
For the year ended 31 December 2020

Key Management Pay

The trustees consider the board of directors, who are the Trust's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All trustees give their time freely and no trustee received remuneration or reimbursed expenses in the year as per note 13. Details of related party transactions are disclosed in note 23 to the accounts.

The pay of senior staff members is reviewed annually by trustees and is normally increased in accordance with a general cost of living increase that all staff members receive. The salary of senior managers are set and reviewed to ensure that they are commensurate with similar roles in other organisations of the same nature as the college/nursery. This ensures that the trustees are able to recruit senior managers at the required level and with the required skills to meet the needs of the job role.

PLANS FOR THE FUTURE

In line with our 5-year strategic plan, over the coming year, we will be focusing on:

The continued refurbishment of the nursery building to develop and enhance the nursery environment and support the provision of high-quality care, education and training.

Rationalising and exploring the best future use of our buildings to support our charitable objectives.

Assessing the needs of the local and wider community in relation to how we can best support early years care, education and training, in line with our charitable objectives.

These plans will need to be re-assessed once we fully understand the full impact of the Covid 19 Pandemic on the organisation.

THE CHILTERN COLLEGE
(Company number 00159730)
REPORT OF THE TRUSTEES *(Continued)*
For the year ended 31 December 2020

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of The Chiltern College for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

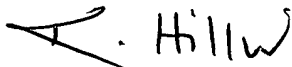
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees confirm that they have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. The trustees have referred to the guidance in the Charity Commission's general guidance *Guidance on Public Benefit* when reviewing the College's aims and objectives and in planning the College's future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives they have set.

Approved and authorised for issue by the Board of Trustees on 15/7/21 and signed on their behalf by:



Mrs. K. Hillier - Chairman

Report of the Independent Auditors to the Members of

THE CHILTERN COLLEGE

Opinion on Financial Statements

We have audited the financial statements of The Chiltern College (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 December 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 of 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 Auditors' 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 to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of

THE CHILTERN COLLEGE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Members of

THE CHILTERN COLLEGE

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Jason Pyke ACA (Senior Statutory Auditor)
for and on behalf of Vale & West Accountancy Services Limited
Chartered Accountants
Statutory Auditors
Victoria House
26 Queen Victoria Street
Reading
Berkshire
RG1 1TG

Date: 20th August 2021

THE CHILTERN COLLEGE
 (Company number 00159730)
STATEMENT OF FINANCIAL ACTIVITIES
 (incorporating an Income & Expenditure Account)

For the year ended 31 December 2020

	Notes	Unrestricted General Fund £	Designated Fund £	Total 2020 £
INCOME				
Donations and legacies	4	-	50	50
Charitable activities	7	1,467,431	-	1,467,431
Other trading income	5	224	-	224
Governments grants		318,841	-	318,841
Investment income	6	47,250	-	47,250
Total income		1,833,746	50	1,833,796
EXPENDITURE				
Expenditure on charitable activities				
Teaching and nursery costs		1,410,890	192	1,411,082
Premises		196,079	42,602	238,681
Support costs		249,792	-	249,792
Governance costs		7,005	-	7,005
Total expenditure	8/9	1,863,766	42,794	1,906,560
Net gains on investment	15	10,000	-	10,000
Net income/(expenditure) for the year		(20,020)	(42,744)	(62,764)
Transfers between funds	20	167,148	(167,148)	-
Net movement in funds for the year		147,128	(209,892)	(62,764)
Total funds at 1 January 2020		1,206,961	473,634	1,680,595
Total funds at 31 December 2020	20	1,354,089	263,742	1,617,831

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 14 to 25 form part of these financial statements.

THE CHILTERN COLLEGE
 (Company number 00159730)
STATEMENT OF FINANCIAL ACTIVITIES
 (incorporating an Income & Expenditure Account)

For the year ended 31 December 2019

	Notes	Unrestricted General Fund £	Designated Fund £	Total 2019 £
INCOME				
Donations and legacies	4	-	2,677	2,677
Charitable activities	7	2,245,982	-	2,245,982
Other trading income	5	22,644	-	22,644
Governments grants		-	-	-
Investment income	6	35,000	-	35,000
Total income		2,303,626	2,677	2,306,303
EXPENDITURE				
Expenditure on charitable activities				
Teaching and nursery costs		1,686,895	7,300	1,694,195
Premises		240,114	6,036	246,150
Support costs		266,090	-	266,090
Governance costs		8,340	-	8,340
Total expenditure	8/9	2,201,439	13,336	2,214,775
Net gains on investment	15	25,000	-	25,000
Net income/(expenditure) for the year		127,187	(10,659)	116,528
Transfers between funds	20	(467,550)	467,550	-
Net movement in funds for the year		(340,363)	456,891	116,528
Total funds at 1 January 2019		1,547,324	16,743	1,564,067
Total funds at 31 December 2019	20	1,206,961	473,634	1,680,595

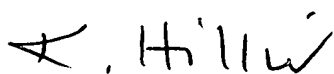
All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 14 to 25 form part of these financial statements.

THE CHILTERN COLLEGE
(Company number 00159730)
BALANCE SHEET AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	14		652,872		678,633
Investment Properties	15		560,000		550,000
			<u>1,212,872</u>		<u>1,228,633</u>
CURRENT ASSETS					
Debtors	16	32,104		39,312	
Cash at Bank and in Hand		680,993		779,880	
		<u>713,097</u>		<u>819,192</u>	
Creditors					
Amounts falling due within one year	17	169,025		210,963	
		<u></u>		<u></u>	
Net Current Assets			544,072		608,229
			<u></u>		<u></u>
Total Assets Less Current Liabilities			1,756,944		1,836,862
Creditors					
Amounts falling due after more than one year	18		139,113		156,267
			<u></u>		<u></u>
NET ASSETS			<u>1,617,831</u>		<u>1,680,595</u>
Funds					
Unrestricted Funds	20		1,617,831		1,680,595
			<u></u>		<u></u>
TOTAL FUNDS			<u>1,617,831</u>		<u>1,680,595</u>

The financial statements were approved and authorised for issue by the Board of Trustees on and are signed on its behalf by:



Mrs. K. Hillier - Chairman

The notes on pages 14 to 25 form part of these financial statements.

THE CHILTERN COLLEGE
 (Company number 00159730)
CASH FLOW STATEMENT For the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash flows provided by/(used in) operating activities	25	<u>(81,849)</u>	<u>101,645</u>
Cash flows from investing activities			
Investment income		47,250	35,000
Purchase of tangible assets		(43,873)	(20,840)
Disposal of tangible assets		(136)	-
Net cash provided by/(used in) investing activities		<u>3,241</u>	<u>14,160</u>
Cash flows from financing activities			
Repayment of bank borrowings		(16,297)	(15,514)
Loan interest paid		(3,982)	(5,261)
Cash used in financing activities		<u>(20,279)</u>	<u>(20,775)</u>
Net movement in cash and cash equivalents in the year		(98,887)	95,030
Cash and cash equivalents at the beginning of the year		<u>779,880</u>	<u>684,850</u>
Cash and cash equivalents at the end of the year		<u><u>680,993</u></u>	<u><u>779,880</u></u>

The notes on pages 14 to 25 form part of these financial statements.

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1 GENERAL INFORMATION

The Chiltern College operating as Chiltern Nursery & Training College is a company limited by guarantee, domiciled and incorporated in England and Wales.

The address of the charitable company's registered office and principal place of business is 18 Peppard Road, Caversham, Reading RG4 8JZ.

2 STATEMENT OF ACCOUNTING POLICIES

A summary of the more important policies including those affecting the most significant items in the Financial Statement is set out below:

a) Basis of preparation

The financial statements of the charitable company have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in sterling (£) and are rounded to the nearest £1.

The company meets the definition of a public benefit entity under FRS 102.

b) Going Concern Basis

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities.

c) Income

All income is included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Tutorial fee, nursery fees and use of premises are accounted for in the period in which the service is provided. All fees are stated after deducting allowances granted by the college.

Investment income and gains are allocated to the appropriate fund.

d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of obligation can be measured reliably. Certain expenditure is apportioned to categories based on the estimated amount attributable to that activity in the year. The irrecoverable element of VAT is included with the expense to which it relates.

Governance costs comprise the costs of running the charitable company, including strategic planning for its future development, external audit, any legal advice for directors, and all costs of complying with constitutional and statutory requirements, such as the costs of board and committee meetings and of preparing statutory accounts and complying with public accountability.

Support costs comprise costs incurred centrally in support of the college.

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (cont'd.)

2 STATEMENT OF ACCOUNTING POLICIES - cont'd

e) Tangible Fixed Assets and Depreciation

Tangible fixed assets are recorded at their purchase cost, together with any incidental costs of acquisition. Depreciation is provided on all tangible fixed assets, except freehold land, in order to write off their cost less residual value over their estimated useful lives at the following annual rates:

Freehold property	-	2% on cost
Property improvements	-	10% and 25% on cost
Plant & machinery	-	33.3% on cost and 50% on cost

Items costing less than £500 are written off as expenses as acquired.

f) Investment Property

The investment property has been included in the accounts at market value. This is considered on an annual basis by the trustees. In accordance with FRS 102 there is no depreciation provided on the investment properties.

g) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

h) Financial Instruments

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

Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument, and are offset only when the charitable company has a legal enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

Financial assets

Trade and other debtors which is receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

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

Financial liabilities

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into. Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangements with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (cont'd.)

2 STATEMENT OF ACCOUNTING POLICIES - cont'd

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using effective interest method, interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

i) Taxation

The company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.

j) Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets these criteria, is charged to the fund, together with a fair allocation of relevant overheads.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

k) Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

l) Bad debts

All debtors are individually assessed at the year end and provision is made for the amount which is believed to be irrecoverable.

m) Government grants

Government grants are recognised in the income and expenditure account so as to match them with expenditure they are intended to contribute.

3 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The valuation of the investment property is considered to be a key estimate in the preparation of the accounts.

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (cont'd.)

4	DONATIONS & LEGACIES			2020	2019
				£	£
	Donations			50	2,677
5	OTHER TRADING INCOME			2020	2019
				£	£
	Other income			224	22,304
	Costs recharged			-	340
				224	22,644
6	INVESTMENT INCOME			2020	2019
				£	£
	Rent receivable			47,250	35,000
7	INCOMING RESOURCES FROM CHARITABLE ACTIVITIES			2020	2019
2020		2020	2020	2019	
		Tutorial	Childcare	Total	Total
		£	£	£	£
	Fees	-	1,467,431	1,467,431	2,245,982
	Less bursaries	-	-	-	-
		-	1,467,431	1,467,431	2,245,982
8	CHARITABLE ACTIVITIES COSTS				
		General Fund	Designated		
2020		Tutorial	Childcare	Funds	Total
		£	£	£	£
	Teaching/nursery costs	-	1,410,890	192	1,411,082
	Premises	-	196,079	42,602	238,681
	Support costs	-	249,792	-	249,792
	Governance costs	-	7,005	-	7,005
		-	1,863,766	42,794	1,906,560
2019		General Fund	Designated		
		Tutorial	Childcare	Funds	Total
		£	£	£	£
	Teaching/nursery costs	-	1,686,895	7,300	1,694,195
	Premises	-	240,114	6,036	246,150
	Support costs	-	266,090	-	266,090
	Governance costs	-	8,340	-	8,340
		-	2,201,439	13,336	2,214,775

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (cont'd.)

9 DIRECT COSTS OF CHARITABLE ACTIVITIES

2020	Staff Costs £	Other £	Depreciation £	Total £
Charitable Expenditure:				
Nursery costs	1,197,034	214,048	-	1,411,082
Premises	40,369	141,837	56,475	238,681
Support costs	182,494	54,003	13,295	249,792
Governance costs	-	7,005	-	7,005
	<u>1,419,897</u>	<u>416,893</u>	<u>69,770</u>	<u>1,906,560</u>

2019	Staff Costs £	Other £	Depreciation £	Total £
Charitable Expenditure:				
Nursery costs	1,381,842	312,353	-	1,694,195
Premises	34,399	140,270	71,481	246,150
Support costs	199,846	57,520	8,724	266,090
Governance costs	-	8,340	-	8,340
	<u>1,616,087</u>	<u>518,483</u>	<u>80,205</u>	<u>2,214,775</u>

10 EXPENDITURE

This is stated after charging:

	2020 £	2019 £
Depreciation - owned assets	69,770	80,205
Auditors' remuneration		
Audit fee	4,837	4,300
Other services	2,168	4,040
Bank loan interest payable	<u>3,982</u>	<u>5,261</u>

The trustees have indemnity insurance which is included in the college insurance policy.

11 CORPORATION TAXATION

The charity is exempt from tax on income and gains falling within 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 STAFF COSTS

	2020 £	2019 £
Staff costs		
Wages and salaries	1,263,893	1,207,538
Social security costs	86,754	83,141
Pension costs	26,438	25,177
Total payroll costs	<u>1,377,085</u>	<u>1,315,856</u>
Agency costs	42,812	300,231
	<u>1,419,897</u>	<u>1,616,087</u>

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (cont'd.)

12 STAFF COSTS (cont'd)

The average number of employees in the year was:

	2020 No.	2019 No.
Teaching and child welfare staff	57	60
Others	8	8
	<u>65</u>	<u>68</u>

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

£60,000 - £70,000	1	1
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	2020 £	2019 £
Aggregate employee costs of the senior management team (including salary, benefits, pension contributions and national insurance)	<u>189,791</u>	<u>208,027</u>

13 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

14 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2020	1,445,668	110,297	1,555,965
Additions	32,656	11,217	43,873
Disposals	(4,708)	(46,799)	(51,507)
At 31 December 2020	<u>1,473,616</u>	<u>74,715</u>	<u>1,548,331</u>
Depreciation			
At 1 January 2020	784,398	92,934	877,332
Charge for the year	56,475	13,295	69,770
Eliminated on disposal	(4,708)	(46,935)	(51,643)
At 31 December 2020	<u>836,165</u>	<u>59,294</u>	<u>895,459</u>
Net Book Value			
At 31 December 2020	<u>637,451</u>	<u>15,421</u>	<u>652,872</u>
At 31 December 2019	<u>661,270</u>	<u>17,363</u>	<u>678,633</u>

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (cont'd.)

15 INVESTMENT PROPERTIES

	2020	2019
	£	£
At 1 January 2020	550,000	525,000
Revaluation	10,000	25,000
At 31 December 2020	560,000	550,000

The investment properties were valued on an open market basis as at 31 December 2020 by Dunster & Morton, regulated by RICS.

Fair value at 31 December 2020 is represented by:

	£
Valuation in 2009	201,430
Valuation in 2017	215,000
Valuation in 2019	25,000
Valuation in 2020	10,000
Net book value on transfer in 2009	108,570
	560,000

If investment properties had not been revalued they would have been included at the following historical cost:

	£
Cost	169,950
Depreciation	61,380

16 DEBTORS

	2020	2019
	£	£
Fees outstanding	7,916	22,249
Other debtors and prepayments	24,188	17,063
	32,104	39,312

17 CREDITORS

	2020	2019
	£	£
<i>Amounts falling due within one year</i>		
Trade creditors	37,898	62,294
Social security and other taxes	22,467	23,571
Other creditors	5,393	4,129
Fees paid in advance	6,165	8,998
Deferred income	56,639	74,539
Accruals	23,634	21,460
Bank loan (see note 19)	16,829	15,972
	169,025	210,963

Deferred income comprises local authority funding received in advance of the next term.

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (cont'd.)

18 CREDITORS

	2020 £	2019 £
<i>Amounts falling due in more than one year</i>		
Bank loan	139,113	156,267

19 LOAN CREDITOR

	2020 £	2019 £
The bank loan is repayable by instalments:		
- due after five years	67,859	87,528
- due within two to five years	54,039	52,296
- due within one to two years	17,215	16,443
- due after more than one year	139,113	156,267
- due within one year	16,829	15,972
	155,942	172,239

The bank loan is secured by way of a first legal charge dated 30 June 2014 over the charitable company's freehold land and buildings known as 18 Peppard Road, Caversham. There is also an unlimited debenture dated 30 June 2014 incorporating a fixed and floating charge.

20 MOVEMENT IN FUNDS

2020	Balance 01/01/20 £	Net movement in funds £	Transfers between funds £	Balance 31/12/20 £
Unrestricted funds				
General fund	765,531	(30,020)	167,148	902,659
Investment Property Revaluation	441,430	10,000	-	451,430
Total General fund	1,206,961	(20,020)	167,148	1,354,089
Designated- Maintenance Fund	465,150	(42,602)	(169,548)	253,000
Designated- Parental Fundraising	2,237	(142)	-	2,095
Designated- Bursary	6,247	-	2,400	8,647
	1,680,595	(62,764)	-	1,617,831

Net movement in funds included in the above are as follows:

	Incoming resources £	Resources expended £	Revaluation £	Movement in funds £
Unrestricted funds				
General fund	1,833,746	(1,863,766)	10,000	(20,020)
Designated- Maintenance Fund	-	(42,602)	-	(42,602)
Designated- Parental Fundraising	50	(192)	-	(142)
Designated- Bursary	-	-	-	-
	1,833,796	(1,906,560)	10,000	(62,764)

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (cont'd.)

21 MOVEMENT IN FUNDS (cont'd)

2019	Balance 01/01/19	Net movement in funds	Transfers between funds	Balance 31/12/19
	£	£	£	£
Unrestricted funds				
General fund	1,130,894	102,187	(467,550)	765,531
Investment Property Revaluation	416,430	25,000	-	441,430
Total General fund	1,547,324	127,187	(467,550)	1,206,961
Designated- Maintenance Fund	6,036	(6,036)	465,150	465,150
Designated- Parental Fundraising	2,502	(265)	-	2,237
Designated- Bursary	8,205	(4,358)	2,400	6,247
	1,564,067	116,528	-	1,680,595

Net movement in funds included in the above are as follows:

	Incoming resources £	Resources expended £	Revaluation £	Movement in funds £
Unrestricted funds				
General fund	2,303,626	(2,201,439)	25,000	127,187
Designated- Maintenance Fund	-	(6,036)	-	(6,036)
Designated- Parental Fundraising	2,677	(2,942)	-	(265)
Designated- Bursary	-	(4,358)	-	(4,358)
	2,306,303	(2,214,775)	25,000	116,528

Designated funds

Funds have been set aside for specific purposes by the trustees as follows:

Maintenance fund

The maintenance fund comprises funds set aside for future property maintainance..

Bursary fund

This fund was set up to fund tutorial students and provide support to nursery parents. Each year a transfer is made from general reserves to this designated fund.

Parental funding

Funds are received from parents for the purchase of specific items determined by the college.

THE CHILTERN COLLEGE
(Company number 00159730)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2020 (cont'd.)

21 MOVEMENT IN FUNDS - cont'd

Transfers between funds

During the year £169,548 was transferred from the designated maintenance provision to general reserves (2019: - £465,150) and £2,400 (2019: £2,400) was transferred from general reserves to the designated bursary fund.

22 PENSION

The charitable company runs a defined contribution scheme for certain employees. The assets of the scheme are held separately from the funds of the charitable company in independently administered funds.

23 RELATED PARTY DISCLOSURES

One of the directors of Chiltern College, J Gater, is also a partner in Blandy & Blandy LLP, a local firm of solicitors. During the year, Blandy & Blandy LLP were engaged to provide advice regarding planning permission. The fees during 2020 were £1,945 (2019: £2,221), which were settled in full.

24 COMMITMENTS UNDER OPERATING LEASES

At the year end, the charitable company had annual commitments under an operating lease in respect of equipment:

	2020 £	2019 £
Amounts due within one year	6,429	2,280
Amounts due within two to five years	16,578	3,990

25 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATIONS

	2020 £	2019 £
Net movement in funds	(62,764)	116,528
Depreciation charge	69,770	80,205
Gains on investments	(10,000)	(25,000)
Investment income	(47,250)	(35,000)
Interest payable	3,982	5,261
Decrease/(increase) in debtors	7,208	(6,781)
(Decrease)/increase in creditors	(42,795)	(33,568)
Net cash flows provided by/(used in) operating activities	(81,849)	101,645

26 GOING CONCERN AND THE CORONAVIRUS PANDEMIC

In common with all entities the coronavirus pandemic has had a significant impact on the charity. After considering the most recent government guidance and the impact this may have on customers, suppliers and staff, the trustees have assessed going concern. The trustees are aware that in making this assessment and given the magnitude of the crisis, the existing or potential impact of coronavirus results in there being a material uncertainty that may cast doubt on the ability of the charity to continue as a going concern.

The trustees have responded to this threat with a contingency plan to reduce the direct and overhead cost bases and in the short term, taken advantage of the Coronavirus Job Retention Scheme. This plan is designed to ensure that the charity operates within existing working capital.

Cash flow forecasts prepared for the next 12 months indicate the company will continue to operate within its existing working capital fund without a need for external sources of finance.

Having regard to the contingency plan in place, the cash flow forecast for the next 12 months and the availability of working capital, the trustees have concluded that despite the material uncertainties presented by the coronavirus pandemic, the charity will continue as a going concern.