

CHEAM SCHOOL EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

Company Registration No. 01843219
Charity Registration No. 290143

Haysmacintyre LLP
Chartered Accountants
London



CHEAM SCHOOL EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

The Board of Governors present their annual report for the year ended 31 August 2020, together with the audited consolidated financial statements for the year, and confirm that they comply with the requirements of the Companies Act 2006 and the Company's Memorandum of Association and the Charities SORP 2005. These financial statements include the results of the School's subsidiary, Cheam Trading Limited.

REFERENCE & ADMINISTRATIVE INFORMATION

Cheam School Educational Trust is a charitable company established in 1984 with the School originally founded in 1645. The Company Registration number is 1843219 and the Charity Registration number is 290143. The liability of its members is limited to £1 each by guarantee. The registered office and principal address of the Company is at Cheam School, Newbury Road, Headley, Berkshire RG19 8LD.

Governors

The School Governors, who are all also Charity Trustees and Directors of the Charitable Company for Companies Act purposes, and also any past Governors who served during the year as indicated, are:

Board

Mr R.D. Marsh
Mrs W. Batchelor
Mr B. J. Reid
Mrs A. E. H. May
Mr R. Hornsby
Mr N. Adams
Dr T R Hands
Mrs L. J. Moelwyn-Hughes

Finance Committee

Sir M. J. Harford
Mr S. Miners (appointed October 2019)

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✓

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Key Executives and Professional Advisors

The Head:

Director of Finance and Operations ("DFO"):

M. Harris

T. Tabrah

Bankers:

National Westminster Bank Plc
30 Market Place
Newbury, Berkshire, RG14 5AJ

Auditors:

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London, EC4R 1AG

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by the provisions of the Memorandum and Articles of Association last amended on 28 June 2005.

The Governing Body

The Governing body is elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as wide a mix as possible of relevant expertise. Members usually serve for a term of five years and are eligible to stand for re-election.

Governor Training

New members to the Board are inducted into the workings of the School, and also the Company as a registered charity, including board policy and procedures. Training courses are organised by the DFO and are attended as required. A record of training is kept on the members file.

Organisational Management

The Board meets at a minimum once each term to determine the general policy for the Trust and review its overall management and control, for which it is legally responsible. The Finance Committee meets at a minimum prior to each termly Board meeting, specifically to review financial management information, and to make recommendations to the Board.

Organisational Structure and Relationships

The day to day running of the School is delegated to the Head and DFO who report to the Board each term. The Head is supported by the Senior Management Team. Other specific sub-committees exist to provide a forum for the remainder of the staff.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The principal Object of the Charitable Trust, in accordance with its Memorandum and Articles of Association, is the education of boys and girls up to the age of 13.

Objectives for the Year

1. To achieve the highest academic results possible so that all pupils gain entry to the senior school of their choice.
2. Continuous development of existing academic, pastoral, social and sporting activities.
3. To achieve a sound financial base to allow for future development of academic and other activities.

Principal Activity

The Trust continues to operate a Preparatory and Pre-Preparatory boarding and day school for both boys and girls from 3 to 13. The fees are set at a level to ensure the financial viability of the School and at a level that is consistent with providing a first class education to boys and girls.

Key management personnel remuneration

Key management personnel remuneration is determined by the School's Finance Committee against sector benchmarking and in consideration of other relevant information (i.e. geographical factors). Any revisions to remuneration or remuneration policy are put to the Board for approval.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Equal Opportunities

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process. The School will make reasonable adjustments to meet the needs of pupils or staff who are or who become disabled.

Bursaries, allowances & remissions

The Governors view the School's bursary awards as important in helping to ensure children from families, who would otherwise not be able to afford the fees, can access the education the School offers. Bursaries are available to all who meet our general entry requirements and are made only on the basis of parental means or to relieve hardship. The School does not have large endowments or investments to fund any awards and has therefore to ensure that there is a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards. This year the Trust was able to support 18 pupils (last year 21) through means tested bursaries. Three of the bursaries were worth more than 75% of the annual fee with a further seven at 50% of the annual fee. The current total value of the bursaries, allowances and remissions reduced the annual fee income by £531,004 (2019: £651,373). The School also provides a 100% scholarship to JLD School of Dancing every year to allow two children from the local community to have professional dancing lessons.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

Academic and Pastoral: Total pupil numbers at the end of the year were 382 (excluding seven Nursery pupils who attended for a short time in the Summer term), a decrease of six on the same time last year. Because of Coronavirus there was no boarding during the Summer term, but in the Spring term there were 105 boarders who committed to between two and five nights per week (the equivalent for Spring 2019 was 62 boarders). Flexi boarding continued on an ad hoc basis generating £51,484 of income versus last year's income of £194,698 (the decrease caused by the introduction of two-night fixed boarding as well as the impact of Coronavirus during the Summer term). All pupils passed their Common Entrance exam into a senior school of their choice. In addition, scholarships were awarded by senior schools to 13 of them.

In line with government restrictions in relation to Coronavirus, the School's premises were closed to pupils on 20 March 2020 (although they did remain open to the children of key workers). Whilst the School's premises were closed, pupils were educated remotely via a virtual platform which incorporated live, teacher led, lessons. From 1 June 2020, in line with government guidance, certain year groups were allowed to return to the School premises to be educated onsite. By the end of the Summer term, all pupils had at least one week back at the School in order to benefit from the facilities on offer and time with their peer group.

Facilities: The Governors are satisfied that the School's facilities offer a broad range of educational facilities to children of all academic ability and interests. The School, as a matter of course, continues to invest considerable funds in the maintenance and continual improvement of existing facilities and infrastructure. During the year, the School completed a new five lane AstroTurf cricket net system, alongside upgrades to the School's IT infrastructure and fire alarms systems.

Strategic developments: Prior to the disruption caused by Coronavirus, the School continued to progress its relationship with its corporate partners in China to develop jointly Cheam branded schools in that country. Progression of this franchising arrangement has been on hold whilst Coronavirus has affected operations in China. However, the School anticipates this important strategic project will recommence. This venture is being operated through the School's wholly owned trading subsidiary, Cheam Trading Limited. The Governors consider that this franchise agreement is an appropriate way of diversifying the School's income streams whilst appropriately managing the level of financial and operational risk for the School. It is also intended that the partnership will provide an opportunity for pupils to help understand and experience Chinese culture.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

The Cheam Foundation, a separate fundraising organisation established last year, continues to raise funds for the provision of life changing bursaries and major capital projects at the School. The Foundation is a separate charity with a separate board of Trustees, though there is close cooperation with the Governors of the School.

Public Benefit: The purpose of the School is the advancement of education for boys and girls from the age of three to thirteen in accordance with the Memorandum and Articles of Association. The School receives no funding from the State and is therefore obliged to charge fees to its customers (the parents) to cover the remuneration of its staff, operating costs and the maintenance costs both present and in the future associated with the upkeep of the School's fabric and facilities.

The Governors aim to ensure that the School's quality of education offered and the facilities that it possesses should be, wherever possible, of benefit to the public and in particular the local community.

In setting the School's objectives and planning its activities, our Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. The Governors acknowledge the guidance and will strive, wherever it is reasonably possible, to follow it.

The following organisations and charities have benefited from donations by the School or by fundraising events held at the School: PALS, Afghan Connection, Southampton PICU, Restless Development, Place2Be, Young Carers, North Hampshire Medical Fund, The Royal British Legion through the Poppy Appeal, The Salvation Army, Sports Aid, Kids4Kids, Rosie's Rainbow Fund, Magic Breakfast and Cancer Research UK

Community Links: Our School is part of the local community and we are keen to participate in any way that we can. The School has assisted the local community of Headley village in maintaining the grounds at Headley Community Shop and Village Post Office, as well as the local bus shelters and recreation grounds. The School supports and donates to the maintenance fund of the local parish church at Ashford Hill.

Close relations continue to be fostered between the School and two local primary schools, Ashford Hill and Kingsclere primary schools and two pre-schools, St John's and St Joseph's, Newbury. The School continues to assist Ashford Hill Primary School and St John's Pre School with minibus transport when required. Kingsclere Primary School has benefited from the services of the School's Head of Music who provides music lessons to pupils at the School.

The following organisations have benefited from the use of the School's facilities as an entertainment or sporting venue either free of charge or at beneficial rates; Kingsclere Old Peoples' Home, Kingsclere-Ecchinswell and Ashford Hill Youth Cricket Club, Newbury Basketball Club, Kingsclere Netball Club, local badminton clubs and the JLD School of Dancing.

Due to Coronavirus and the subsequent lockdown, the use of the School's facilities by the local community during the year has been curtailed. The School very much hopes it can continue support local organisations and groups when it is safe and able to do so.

FINANCIAL REVIEW

The financial results for the year are shown in the statement of financial activities on Page 9 which shows net income, before transfers, of £219,670 (2019: £261,759). Included within this result is a loss of £204,879 (2019: gain of £144,261) attributable to the School's subsidiary, Cheam Trading Limited. The loss incurred by Cheam Trading Limited in the year has principally arisen as a result of a donation (of £193,942) made to its parent company, Cheam School Educational Trust.

As a result of the necessary move to remote learning in the Summer term, together with recognition of the financial difficulties that parents may have been facing as a result of Coronavirus, the School implemented discounts to its normal fees for that term, which were applied based on year group. As a result of the shutdown of the School's premises, there was no boarding income in the summer term. There was a natural reduction in expenditure whilst the School site was closed and other cost saving measures were also implemented to mitigate the reduced level of income. In addition, the School utilised grants made available from the government in relation to the Coronavirus that allowed it to support our employees who were unable to work during the period of lockdown.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Investment performance

The Trust deposits cash funds at variable rates of interest with the Bank. The Trust has invested in two residential properties in Newbury which it currently rents to teachers at the School.

Other income

£5,000 of Donations (2019: £11,170) were received during the year. Other funds were raised from lettings and on-site activity camps during the year.

Reserves Policy

Reserves at 31 August 2020 totalled £10,052,807 (2019: £9,833,137), of which £10,003,200 were unrestricted. After deducting amounts applied towards fixed assets totalling £11,173,823 and the related secured loan of £550,000 the level of free reserves is (£620,623) compared to (£751,042) in 2019.

The reserves policy of the School has been based on the School's objectives. Its main features are:

- a) To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the managements of the School's buildings and maintenance programme.
- b) To provide resources to fund the School to provide cover for unexpected or unavoidable items of expenditure, which cannot be funded from current income.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board continues to keep the School's activities under review and consider the major risks faced in each of the principal areas of the School's operations. In the opinion of the Board the School has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operations.

In particular, the Governors have identified the major risks as being:

Global health pandemic: like almost all organisations the School has been impacted by Coronavirus and the subsequent lockdown imposed during the Spring and Summer 2020 terms. The School has implemented plans, following guidance from the government and professional bodies, to safeguard the health and safety of the School community (pupils, staff and parents) in the context of continuing Coronavirus risk. These plans are reviewed and amended on a regular basis to reflect the latest guidance and the evolving circumstances of the Coronavirus outbreak. The School has implemented a remote learning platform for pupils who are unable to attend school because of Coronavirus and older pupils have been provided with devices which will better facilitate their access to it. The remote learning platform and offering continues to develop and improve as experience of using it matures amongst both staff and pupils. From a financial perspective, the short term impact of Coronavirus has been closely managed and the School has also performed a detailed review of the potential longer term impact of Coronavirus on its financial position. The School has substantial emergency reserves at its disposal on its own balance sheet; additionally it has liaised closely with its bank during this time and has put additional facilities in place which will provide further financial resource if required, should further financial interruptions arise as a result of Coronavirus. From an operational perspective, the Governors are satisfied that the School has adequate systems and processes in place in order to protect the safety and wellbeing of its staff and pupils and continue to provide quality education in the face of the ongoing Coronavirus epidemic.

Dramatic fall in pupil numbers: strategies and plans are in place to ensure the School remains an attractive option for future parents both academically and in the provision of excellent facilities. However, the Governors recognise that the reputation of a school can be destroyed through the actions of others both past and present in a very short time and could result in a dramatic loss of pupils. To mitigate these risks the School ensures appropriate policies are in place, which are regularly reviewed by the Governors and procedures are monitored by Governors. The Governors have also ensured that there is appropriate training undertaken by all staff and good communication among staff, parents and Governors.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

Withdrawal of capital project loan financing: a termly cash flow forecast is prepared by the DFO and reviewed by the Finance Committee at their meetings to ensure the School has sufficient liquidity to operate and meet its liabilities as they fall due. As part of the loan covenants, there is regular communication with the School's bank regarding the financial performance of the School and budgets for the upcoming year.

Unforeseen events: the School regularly reviews its insurance coverage to ensure that it has appropriate cover to offset the impact of any serious events occurring that may impact either the ability to provide education to its pupils or a significant detrimental impact on its financial stability.

Loss of 'key player': there is a strong senior management team in place to help mitigate the impact of the loss of a key player.

FUTURE PLANS

The Governors' objectives and strategies are reviewed every year. The majority remain unchanged and they continue to be to ensure, through sound financial diligence, that the School continues to be a market leader through the provision of modern facilities and first class teaching staff. The Governors have reviewed and approved the business plan for the next financial year and also reviewed a financial forecast for the next five years including appropriate scenario analysis.

Although the Coronavirus epidemic has had a significant short-term impact on the School's operations, the Governors do not believe there is a material impact on the School's longer term objectives, plans and overall strategy. However, the Governors acknowledge that the current operating environment is highly uncertain and therefore they are regularly reviewing the impact on strategy and, in particular, the School's long term financial stability.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the result of the Trust for that period. In preparing financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the principles and methods of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Trust will continue in business.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregular activities.

So far as each of the Governors is aware at the time the report is approved:

- There is no relevant audit information of which the Trust's auditors are unaware; and
- The Governors 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.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

AUDITORS

A resolution proposing the re-appointment of Haysmacintyre LLP as auditors of the Trust from 1 September 2020 will be approved by the Governors.

The Governors' statement, incorporating the Strategic Report is hereby approved on behalf of the Governors on 13th November 2020:



R. Marsh
Chair

13th November 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHEAM SCHOOL EDUCATIONAL TRUST

Opinion

We have audited the consolidated financial statements of Cheam School Educational Trust for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheet, the Consolidated 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 Group and parent charitable company's affairs as at 31 August 2020 and of the Group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 6, the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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 Governors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and parent 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHEAM SCHOOL EDUCATIONAL TRUST**

Other information

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

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 the audit:

- the information given in the Governors Annual Report (which incorporates the strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Annual Report (which incorporates the strategic report and the Directors' report) 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report (which incorporates the strategic report and the Directors' 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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the Group and 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.



Kathryn Burton
Senior Statutory Auditor
for and on behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 23 November 2020

CHEAM SCHOOL EDUCATIONAL TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2020

		General Unrestricted Fund 2020 £	Other Funds 2020 £	Total Funds 2020 £	Total Funds Restated 2019 £
INCOME AND EXPENDITURE	Notes				
INCOME FROM:					
Income from charitable Activities					
Tuition fees	1	6,777,037	-	6,777,037	7,142,483
Disbursements and extras		111,410	-	111,410	341,254
Other ancillary income	2	16,713	-	16,713	22,691
Investments					
Interest receivable	4	9,506	-	9,506	4,201
Voluntary sources					
Donations and appeal income	5	5,000	-	5,000	11,170
Other income					
Government grants		402,863	-	402,863	-
Other income	6	3,149	-	3,149	49,102
Trading income		2,358	-	2,358	192,953
		<u>£7,328,036</u>	<u>-</u>	<u>£7,328,036</u>	<u>£7,763,854</u>
EXPENDITURE ON:	7				
Raising funds					
Finance costs		26,883	-	26,883	52,405
Prepaid fee discount		8,834	-	8,834	14,848
Trading expenditure		2,800	-	2,800	15,049
Charitable activities					
School operating costs					
Teaching costs		4,252,624	-	4,252,624	4,396,088
Welfare		635,189	-	635,189	746,581
Premises		1,282,427	-	1,282,427	1,391,685
Support costs of schooling		895,498	-	895,49	882,765
Grants		-	4,111	4,111	2,673
		<u>£7,104,255</u>	<u>£4,111</u>	<u>£7,108,366</u>	<u>£7,502,095</u>
Net income before transfers		223,781	(4,111)	219,670	261,759
Transfers between funds		-	-	-	-
Net income after transfers		223,781	(4,111)	219,670	261,759
Balance brought forward		9,779,420	53,717	9,833,137	9,571,378
Balance carried forward		<u>£10,003,201</u>	<u>£49,606</u>	<u>£10,052,807</u>	<u>£9,833,137</u>

All activities are continuing. All the funds are unrestricted apart from the Other Funds, which comprises the Learning Support Fund. No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

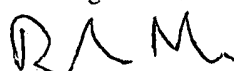
The accompanying notes are an integral part of the accounts. The results of the parent company are not presented in accordance with exemptions provided by the Companies Act (2006). The result for the year was a £423,811 surplus (2019: £117,498 surplus).

CONSOLIDATED AND CHARITY BALANCE SHEETS

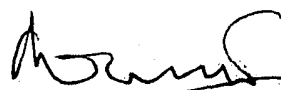
AS AT 31 AUGUST 2020

		Group		School	
	Notes	2020 £	2019 £	2020 £	2019 £
FIXED ASSETS					
Tangible fixed assets	10	11,173,823	11,280,462	11,173,823	11,280,462
Investments	3	-	-	1	1
CURRENT ASSETS					
Debtors					
Fees and extras in arrears		4,787	3,600	4,787	3,600
Other debtors, stocks and prepayments		382,711	466,006	382,711	265,513
Cash and cash equivalents		1,188,716	1,639,810	1,180,273	1,627,387
		<u>1,576,214</u>	<u>2,109,416</u>	<u>1,567,771</u>	<u>1,892,500</u>
CREDITORS - due within one year					
Fees received in advance		(522,723)	(745,740)	(522,723)	(745,740)
Prepaid fees	11	(367,641)	(371,611)	(367,641)	(371,611)
Other creditors	12	(601,301)	(680,231)	(601,301)	(675,898)
Bank loan	13	(300,000)	(300,000)	(300,000)	(300,000)
		<u>(1,791,665)</u>	<u>(2,097,582)</u>	<u>(1,791,665)</u>	<u>(2,093,249)</u>
NET CURRENT ASSETS/LIABILITIES		(215,451)	11,834	(223,89)	(200,749)
CREDITORS - Due after one year	13	(905,565)	(1,459,159)	(905,565)	(1,459,159)
TOTAL ASSETS LESS LIABILITIES		<u>£10,052,807</u>	<u>£9,833,137</u>	<u>£10,044,365</u>	<u>£9,620,554</u>
UNRESTRICTED FUNDS					
<i>Designated fund</i>					
General Fund	15	10,003,201	9,779,420	9,994,759	9,566,837
Learning Support Fund	17	49,606	53,717	49,606	53,717
		<u>£10,052,807</u>	<u>£9,833,137</u>	<u>£10,044,365</u>	<u>£9,620,554</u>

The financial statements were approved and authorised for issue by the Board of Governors on 13th November 2020 and were signed below on its behalf by:



R Marsh, Chairman



Sir M Hatford, Governor

The accompanying notes are an integral part of the accounts.

CHEAM SCHOOL EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020	2019
	£	£
Cash flow from operating activities		
Net income for the year	219,670	261,759
Depreciation	347,638	362,090
Interest receivable	(9,506)	(4,201)
Interest paid	26,883	39,559
(Increase)/decrease in debtors	82,107	(199,023)
Increase/(decrease) in creditors	(279,296)	350,561
Net cash generated from operating activities	<u>387,496</u>	<u>810,745</u>
Cash flow from investing activities		
Interest received	9,506	4,201
Purchase of fixed assets	(240,999)	(292,444)
Net cash used in investing activities	<u>(231,493)</u>	<u>(288,243)</u>
Cash flows from financing activities		
Bank loan repayments	(200,000)	(300,000)
Increase/(decrease) in prepaid fees (net)	(380,214)	(74,029)
Interest paid	(26,883)	(39,559)
Net cash used in financing activities	<u>(607,097)</u>	<u>(413,588)</u>
Increase/(decrease) in cash and cash equivalents	<u>£(451,094)</u>	<u>£108,913</u>
Cash and cash equivalents as at 1 September 2019	<u>1,639,810</u>	<u>1,530,897</u>
Cash and cash equivalents as at 31 August 2020	<u><u>£1,188,716</u></u>	<u><u>£1,639,810</u></u>

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31 AUGUST 2020

ACCOUNTING POLICIES

ACCOUNTING POLICIES

Cheam School Educational Trust is a charitable company incorporated in England and Wales. Further company information can be found on page 1.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2019), the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The accounts present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flows and the consolidated and School balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Cheam Trading Limited. No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006.

There has been close review and monitoring of the School's financial position as a result of Coronavirus, in addition to the normal processes, controls and governance in this area. Additionally, the School has taken steps to further protect its financial stability in light of the impact of Coronavirus. The potential longer-term implications of Coronavirus on the School's finances have been reviewed and factored into forecast performance with sufficient contingency to account for the uncertainty of the current environment. The School has been in close communication with its bank and they have provided support in the form of an overdraft facility and a 12-month capital repayment holiday for its existing loans. Having reviewed its current financial resources, the funding facilities available to the School, together with the School's future projected cash flows (which reflect the impact of Coronavirus), the Governors have a reasonable expectation that the School 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.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable probability.

c) Expenditure

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised directly to support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

During the year, the School has revised its management reporting processes, and this has allowed more accurate allocation of income and expenditure between appropriate categories. Income and expenditure shown in the consolidated SOFA for the year ended 31 August 2020 is in line with the revised allocation. The consolidated SOFA for the year ended 31 August 2019 has been restated in line with the methodology used for the current year and this has also affected the presentation of financial information in the notes to the accounts.

d) Pension costs

During the year, the Trust contributed to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. Please also see Note 8 on page 16.

The School withdrew from the Teachers' Pension Scheme on 31 December 2019 and from 1 January 2020, all staff (teaching and non-teaching) are members of defined contribution schemes, where required by pursuant legislation, which comply with the requirements for a stakeholder pension scheme.

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31 AUGUST 2020

ACCOUNTING POLICIES (continued)

ACCOUNTING POLICIES (continued)

c) Fixed assets

All items of a capital nature with a combined value of over £900 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Freehold land	Freehold land is not depreciated
Freehold buildings & improvements	2%
Furniture, fixtures and equipment	10%
Motor vehicles	20%
Computers	25%

f) Financial Instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

g) Operating Leases

Rental charges are charged on a straight-line basis over the term of the lease.

h) Debtors

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

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Governors. The use of designated funds remains at the discretion of Governors.

CHEAM SCHOOL EDUCATIONAL TRUST**NOTES TO ACCOUNTS****YEAR ENDED 31 AUGUST 2020****l) Critical sources of estimation uncertainty and accounting judgements**

The governors consider there to be the following key sources of estimation uncertainty and have therefore applied judgement.

Useful lives of fixed assets

The useful lives over which fixed assets are depreciated are estimated by reference to historical experience of the time assets are retained and utilised by the School.

m) Employee benefits

Employee benefits are accounted for in the period in which the employee's services were provided.

n) Employee termination payments

Employee termination payments are accounted for in the period in which the employee ceased employment with the School.

1. CHARITABLE ACTIVITIES	2020 £	2019 Restated £
Fees receivable consist of:		
Boarding and tuition fees	7,308,041	7,793,856
Less scholarships, bursaries and remissions given	(531,004)	(651,373)
	<u>£6,777,037</u>	<u>£7,142,483</u>
2. OTHER ANCILLARY INCOME	2020 £	2019 Restated £
Registration fees	5,150	5,167
Other	11,563	17,524
	<u>£16,713</u>	<u>£22,691</u>
3. SUBSIDIARY	2020 £	2019 £
Turnover and other income	1,620	204,433
Administrative expenditure	(12,022)	(10,564)
Net (loss)/profit	(10,402)	193,869
Bank Interest Received	203	73
Tax on profit	-	(4,485)
(Loss)/profit for the financial period	(10,199)	189,457
Gift Aid donation to parent undertaking	(193,942)	(33,716)
Retained in subsidiary	(204,141)	155,741
Net assets	<u>£8,442</u>	<u>£212,583</u>

The Charitable Company has an investment in a subsidiary undertaking which comprises a holding of 1 ordinary share of £1, being the whole of the issued share capital of Cheam Trading Limited (formerly Cheam Asia Limited), a company registered in England.

As at 31 August 2020, the company had net assets of £8,442 (2019: net assets of £212,583).

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2020

4. INTEREST RECEIVABLE	2020	2019
	£	£
Bank interest	<u>£9,506</u>	<u>£4,201</u>
5. DONATIONS	2020	2019
	£	£
Donations received	<u>5,000</u>	<u>11,170</u>
	<u>£5,000</u>	<u>£11,170</u>
6. OTHER INCOME	2020	2019 Restated
	£	£
Rent and lettings	<u>5,041</u>	<u>41,673</u>
Miscellaneous	<u>(1,892)</u>	<u>7,429</u>
	<u>£3,149</u>	<u>£49,102</u>

7a. ANALYSIS OF EXPENDITURE

	Staff Costs	Other	Depreciation	2020 Total
	£	£	£	£
Cost of generating funds				
Finance costs	-	26,883	-	26,883
Prepaid fee discount	-	8,834	-	8,834
School operating costs				
Teaching	3,759,914	412,794	79,916	4,252,624
Welfare	457,498	177,691	-	635,189
Premises	603,054	438,290	241,083	1,282,427
Support	537,260	331,599	26,639	895,498
Grants	-	4,111	-	4,111
Trading expenditure	-	2,800	-	2,800
Total expenditure	<u>£5,357,726</u>	<u>£1,403,002</u>	<u>£347,638</u>	<u>£7,108,366</u>

7b. COMPARATIVE ANALYSIS OF EXPENDITURE - RESTATED

	Staff Costs	Other	Depreciation	2019 Total
	£	£	£	£
Cost of generating funds				
Finance costs	-	52,405	-	52,405
Prepaid fee discount	-	14,848	-	14,848
School operating costs				
Teaching	3,792,545	557,918	45,625	4,396,088
Welfare	482,772	263,809	-	746,581
Premises	609,717	482,704	299,895	1,391,685
Support	512,179	353,878	16,708	882,765
Grants	-	2,673	-	2,673
Trading expenditure	-	15,049	-	15,049
Total expenditure	<u>£5,397,212</u>	<u>£1,742,654</u>	<u>£362,229</u>	<u>£7,502,095</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2020

8. STAFF COSTS	2020 £	2019 Restated £
Wages and salaries	4,454,332	4,412,936
Social security costs	391,025	424,793
Pension contributions	512,369	559,483
	<u>£5,357,726</u>	<u>£5,397,212</u>

Redundancy payments of £19,865 were incurred during the year (2019: £nil).

The average number of employees in the year was:	No.	No.
Teaching	98	101
Others	67	67
	<u>165</u>	<u>168</u>

The number of employees whose emoluments exceeded £60,000

£60,000 - £70,000	3	3
£70,000 - £80,000	1	2
£80,000 - £90,000	-	-
£90,000 - £100,000	1	1
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-

Teachers' Pension Scheme

Until 31 December 2019, the School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £184,768 (2019: £378,165) and at the year-end £nil (2019: £48,341) was accrued in respect of contributions to this scheme. There is a further £110,000 provision (2019: £95,000) recognised in the accounts and not included in the amounts above relating to two claims that have been made by employees during 2019. These TPA contributions have been recognised within other creditors and expenditure in the year.

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.

CHEAM SCHOOL EDUCATIONAL TRUST**NOTES TO ACCOUNTS (continued)****YEAR ENDED 31 AUGUST 2020****8. STAFF COSTS (continued)**

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.

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.

Following a consultation process with teaching staff at the School who participated in the TPS, the School made the decision to leave the TPS with effect from 31 December 2020. All contributions to the TPS were fully paid up at the year end. An alternative defined contribution pension scheme was put in place for the benefit of teaching staff at the School following withdrawal from the TPS.

Aviva Pension Trust for Independent Schools

From 1 January 2020, as the replacement for the TPS for teaching staff, the School participated in a defined contribution scheme with the Aviva Pension Trust for Independent Schools. During the year £252,709 (2019: £nil) was recognised as an expense in the Consolidated Statement of Financial Activities.

Incorporated Association of Preparatory Schools Retirement

The School also participates in a defined contribution scheme with the Incorporated Association of Preparatory Schools Retirement Plan for certain non-teaching staff. During the year £58,597 (2019: £52,884) was recognised as an expense in the Consolidated Statement of Financial Activities.

Nest Pension Scheme

The School also participates in the Nest Pension Scheme, a government backed defined contribution scheme, for the benefit of certain non-teaching staff. During the year £16,295 (2019: £20,612) was recognised as an expense in the Consolidated Statement of Financial Activities.

At the year-end £64,439 (2019: £13,520) was accrued in respect of contributions to the defined contribution pension schemes that the School participates in for the benefit of its staff.

None of the Governors received any remuneration. There were no out of pocket expenses paid to Governors during the year (2019: £288). The School has purchased Governor's liability insurance. As the premium is included with other insurance costs, it is not separately identifiable.

9. EXPENDITURE	2020	2019
	£	£
Expenditure include:		
Operating lease payments	117,566	127,260
Auditor's remuneration - Audit	15,600	14,000
- Other services	630	1,050
Depreciation	347,638	362,090

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2020

10. TANGIBLE FIXED ASSETS

The movements of tangible fixed assets are as follows:

Group and School	Freehold land and freehold buildings £	Furniture, Fittings, equipment and motor vehicles £	Computers £	Total £
COST OR VALUATION				
At 1 September 2019	13,942,617	1,294,830	471,862	15,709,309
Additions	34,591	158,083	54,507	247,181
Disposals	-	(7,273)	-	(7,273)
At 31 August 2020	13,977,208	1,445,640	526,369	15,949,217
DEPRECIATION				
At 1 September 2019	3,267,494	829,696	331,656	4,428,846
Charge for the year	151,985	89,098	106,555	347,638
On disposals	-	(1,090)	-	(1,090)
At 31 August 2020	3,419,479	917,704	438,211	4,775,394
NET BOOK VALUE				
At 31 August 2020	£10,557,729	£527,936	£88,158	£11,173,823
At 31 August 2019	£10,675,123	£465,134	£140,206	£11,280,462

11. PREPAID FEES

The movements on the School's prepaid fees scheme during the year were as follows:

	Group and School	
	2020	2019
	£	£
Balance at 1 September 2019	1,056,027	1,130,057
New contracts	327,060	450,992
Amount accrued to contracts	8,834	14,848
Refunded to parents	(291,593)	-
	1,100,328	1,595,897
Amounts utilised in payment of fees	(424,515)	(539,870)
Balance at 31 August 2020	£675,813	£1,056,027

Assuming pupils remain with the School, prepaid fees will be applied as follows:

	2020	2019
	£	£
Within one year	367,641	371,611
Between two and five years	308,172	486,227
After five years	-	198,189
	£675,813	£1,056,027

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2020

12. CREDITORS: - Due within one year

	Group		School	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	119,393	225,550	119,393	225,550
Other tax and social security	101,488	101,280	101,488	101,280
Other creditors	241,585	241,968	241,585	241,968
Accruals	138,836	111,433	138,836	107,000
Amounts owed to group undertakings	-	-	-	100
	<u>£601,301</u>	<u>£680,231</u>	<u>£601,301</u>	<u>£675,898</u>

13a CREDITORS: - Due after one year

	Group		School	
	2020	2019	2020	2019
	£	£	£	£
Prepaid fees	308,172	684,416	308,172	684,416
Fee deposits	347,393	324,743	347,393	324,743
Bank loans	250,000	450,000	250,000	450,000
	<u>£905,565</u>	<u>£1,459,159</u>	<u>£905,565</u>	<u>£1,459,159</u>

13b BANK LOAN

	Group and School	
	2020	2019
	£	£
Due:		
- between one and two years	250,000	300,000
- between two and five years	-	150,000
	<u>250,000</u>	<u>450,000</u>
Creditors due within one year	300,000	300,000
	<u>£550,000</u>	<u>£750,000</u>

The above loan, which is secured on the School's freehold property, consists of £275,000 which bears interest at 2.95% over base rate and £275,000 which bears interest at a fixed rate of 5.18%. The loans commenced in February 2013 with a 9-year term and are therefore both finally repayable in February 2022. Commencing Summer term 2020, the School has agreed a 12 months capital repayment holiday in relation to the loans.

14. FINANCIAL INSTRUMENTS

	Group and School	
	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>£4,787</u>	<u>£3,600</u>
Financial liabilities measured at amortised cost	<u>£1,498,694</u>	<u>£1,447,753</u>
Financial assets include fee debtors and extras due in arrears.		
Financial liabilities include bank loans, trade creditors and other creditors.		

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2020

15. GENERAL FUNDS

General funds can be applied to the School's operations at the discretion of the governors.

OTHER FUNDS

16. LEARNING SUPPORT FUND

The fund consists of donations of £60,000 that are now reduced to £49,606 which are being used for learning support. £4,111 was spent during the year.

17a. ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets £	Net current assets/ (liabilities) £	Creditors: due after one year £	2020 Total £
General Fund	11,173,823	(265,058)	(905,565)	10,003,200
Learning Support Fund	-	49,606	-	49,606
	<u>£11,173,823</u>	<u>£(215,452)</u>	<u>£(905,565)</u>	<u>£10,052,806</u>

17b. COMPARATIVE ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets £	Net current assets/ (liabilities) £	Creditors: due after one year £	2019 Total £
General Fund	11,280,462	(41,883)	(1,459,159)	9,779,420
Learning Support Fund	-	53,717	-	53,717
	<u>£11,280,462</u>	<u>£(11,834)</u>	<u>£(1,459,159)</u>	<u>£9,833,137</u>

19. OPERATING LEASE COMMITMENTS

The School has the following total operating lease commitments due as follows:

	Group and School	
	2020 £	2019 £
Less than one year	65,959	42,203
Two to five years	153,684	41,569
Over five years	10,860	-
	<u>£230,503</u>	<u>£83,772</u>

20. CAPITAL COMMITMENTS

The School had no capital commitments at year end.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2020

21. RELATED PARTY DISCLOSURES

Cheam Trading Limited, the wholly owned subsidiary of Cheam School Educational Trust, used the services of Taylor Wessing in the year. Richard Marsh, a Governor of the School, is a consultant at Taylor Wessing but was not involved in the services provided.

Three Governors have children at the School and pay fees in line with other parents.

22. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - RESTATED

INCOME AND EXPENDITURE	Notes	General Unrestricted Fund 2019 £	Bursary Fund 2019 £	Development Fund 2019 £	Total Funds 2019 £
INCOME FROM:					
Income from charitable Activities					
Tuition fees	1	7,142,483	-	-	7,142,483
Disbursements and extras		341,254	-	-	341,254
Other educational income	2	22,691	-	-	22,691
Investments					
Interest receivable	4	3,965	236	-	4,201
Voluntary sources					
Donations and appeal income	5	11,170	-	-	11,170
Other income					
Government grants		-	-	-	-
Other income	6	49,102	-	-	49,102
Trading income		192,953	-	-	192,953
		<u>£7,763,618</u>	<u>£236</u>	<u>-</u>	<u>£7,763,854</u>
EXPENDITURE ON:	7				
Raising funds					
Finance costs		-	-	-	-
Prepaid fee discount		14,848	-	-	14,848
Loan interest		52,405	-	-	52,405
Charitable activities					
School operating costs					
Teaching costs		4,396,088	-	-	4,396,088
Welfare		746,581	-	-	746,581
Premises		1,391,685	-	-	1,391,685
Support costs of schooling		882,766	-	-	882,766
Grants		-	-	2,673	2,673
Trading expenditure		15,049	-	-	15,049
		<u>£7,499,422</u>	<u>-</u>	<u>£2,673</u>	<u>£7,502,095</u>
Net income before transfers		264,196	236	(2,673)	261,759
Transfers between funds		461,219	(461,219)	-	-
Net income after transfers		725,415	(460,983)	(2,673)	261,759
Balance brought forward		9,054,005	460,983	56,390	9,571,378
Balance carried forward		<u>£9,779,420</u>	<u>-</u>	<u>£53,717</u>	<u>£9,833,137</u>