

**CRANLEIGH**

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**CRANLEIGH SCHOOL**

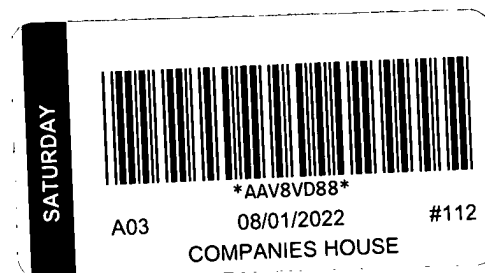
**A COMPANY LIMITED BY GUARANTEE**

**REGISTERED NUMBER 3595824**

**CHARITY NUMBER 1070856**

**ANNUAL REPORT AND ACCOUNTS**

**31 July 2021**



**CRANLEIGH SCHOOL  
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

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# CRANLEIGH SCHOOL

## CRANLEIGH SCHOOL ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

### GOVERNORS, OFFICERS AND ADVISORS

#### GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The members of the Governing Body of **Cranleigh School** are the charity trustees of Cranleigh School and the Directors of Cranleigh School ('the Charity'). The members of the Governing Body are:

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
A J Lajtha MA, FCIB* (Chairman)	•	•	•	•		•	•
Mrs S E Bayliss, MA, PGCE		•					
Colonel J Boyd OBE MA (appointed 21 September 2020)	•						
Mrs J A Brown MA		•					
Dr R Chesser MA, MB, BChir, MRCP*	•						
Mrs M M S Fisher MA (Deputy Chair)		•		•		•	•
M Foster MA (retired 30 September 2020)							
P S P Going BSc, MRICS*			•	•			
S Gunapala BEng, MEng, FCA				•	•		
Miss K J S Kerr BA (Hons) MCIPD (appointed 18 August 2021)				•			
J A M Knight BA			•		•		
D Khurshid BA QC (appointed 10 September 2020)						•	
Mrs A J Lye BA		•	•		•		
C H Severs LLB (Hons) (appointed 14 June 2021)						•	
Mrs E Stanton BSc, ACA				•			•
J J D C Tate BA (Hons) DipArch MArch (appointed 6 November 2020)			•				
S J Watkinson BSc ACA (retired 12 April 2021)							
O A R Weiss MA (retired 21 November 2020)							
P M Wells BEd (Hons)		•					•
D G Westcott BA BCL QC		•					
S J Whitehouse BA (Cantab)	•			•			
Professor R J Wilkins MA DPhil	•				•	•	
D A E Williams BA FCA		•					
Mrs M J Williamson *				•			

- (1) Strategy and Risk Committee
- (2) Education Committee
- (3) Buildings and Estate Committee
- (4) Finance Committee
- (5) Risk Management Committee
- (6) Overseas Committee
- (7) Nominations Committee
- \* Parent of a pupil or pupils at the School

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Mr Weiss has special responsibility for Cranleigh Prep School. Mrs Fisher, Mr Watkinson and Mr Whitehouse are members of the management board of Cranleigh Abu Dhabi. Mr Williams is a Trustee of Cranleigh School Pension Scheme.

The Board is a self-appointing body. The normal term of office for governors is five years with two further terms of three years each if elected by the majority of Governors to continue in office. Cranleigh Preparatory (Prep) School has the same Governing Body as Cranleigh School.

### **EXECUTIVE OFFICERS:**

Headmasters	- Cranleigh School	Mr M S Reader MA, MPhil, MBA, QTS
	- Cranleigh Prep School	Mr N R Brooks BA, QTS
Director of Operations		Mr P A Dunn BA
Director of Finance		Miss J A Underdown BA (Hons) ACMA
Clerk to the Governing Body		Mr P T Roberts MBE, DChA

Principal address	<b>Cranleigh School</b>	<b>Cranleigh Prep School</b>
and Registered Office	Horseshoe Lane Cranleigh Surrey GU6 8QQ	Horseshoe Lane Cranleigh Surrey GU6 8QH
Websites	<a href="http://www.cranleigh.org">www.cranleigh.org</a>	<a href="http://www.cranleighprepschool.org">www.cranleighprepschool.org</a>

### **ADVISORS:**

Bankers:	Handelsbanken Andrews House College Road Guildford GU1 4RG
Solicitors:	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
Auditors:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Investment Advisors:	Brewin Dolphin Limited 12 Smithfield Street London EC1A 9BD

## **CRANLEIGH SCHOOL**

### **ANNUAL REPORT OF THE CRANLEIGH SCHOOL GOVERNORS** **FOR THE YEAR ENDED 31 JULY 2021**

The Cranleigh School Governing Body presents the annual report for the year ended 31 July 2021 under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Acts, the Articles of Association and the Charities SORP 2015 in accordance with FRS 102 (as updated).

#### **DIRECTORS' REPORT**

#### **CONSTITUTION AND OBJECTS**

The Charity was founded in 1865 and is registered with the Charity Commission under charity number 1070856. Cranleigh School is a company limited by guarantee, registered number 3595824. Cranleigh School is governed by Articles of Association introduced in 2010 to incorporate changes in legislation in the Companies Act 2006. These Articles replaced the previous Memorandum and Articles of Association dating from 2000. Cranleigh School's object and principal activity, as a charity and as set out in the Articles of Association, is the advancement of education by providing a boarding and/or day school or schools for boys and/or girls in accordance with the principles of the Church of England.

The Charity is structured with a single governing body for two schools known as Cranleigh School and Cranleigh Preparatory (Prep) School. The Charity, in furtherance of its object, establishes and administers bursaries, grants, awards and other benefactors, and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of the Charity's objects. The Trustees are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011 and have had regard to Charity Commission guidance on public benefit. The Charity's governance complies with the Code for the Voluntary and Community Sector, endorsed by the Charity Commission and other best-practice guidelines published by the Charity Commission. Further details of the Charity's activities are set out below in the strategic report section of this annual report.

#### **GOVERNANCE AND MANAGEMENT**

##### **Governing Body**

There is one Governing Body for the two schools. The members of the Governing Body and executive officers of the School, together with the principal advisors are listed on pages 1 and 2.

##### **Recruitment and Training of Governors**

The Charity's elected members of the Governing Body are appointed at meetings of the Cranleigh School Governing Body on the basis of recommendations from the Nominations Committee. The Nominations Committee scrutinises candidates on behalf of the Governing Body. Trustees and executive officers of the School put forward candidates to the Nominations Committee based on a candidate's professional qualities, experience, personal competences and local availability. The Governing Body is mindful of the benefits of diversity in the widest sense and as noted in Principle 6 of Charity Commission guidance. New members of the Governing Body are inducted into the workings of the Charity and its schools, including Governing Body policy and procedures, at briefings organised for them by the Headmasters and Bursar. The new members also attend specialist external courses on the roles and responsibilities of charity trustees. Members of the Governing Body attend external trustee training and information courses in order to ensure that the Governing Body is kept informed of

## CRANLEIGH SCHOOL

current issues and regulations in the education and charity sectors. Governors may attend days at the School shadowing pupils or visiting support departments.

### **Organisational Management**

The members of the Cranleigh School Governing Body, as trustees of the Charity, are legally responsible for the overall management and control of both Cranleigh School and Cranleigh Prep School. The Governing Body takes note of guidance provided by the Charity Commission and specifically the principles set out in the Governance Code published in July 2017. Overall, the Charity meets a very significant proportion of the recommended and best practice for governance that is contained within the Governance Code across the seven principles and is comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code. The Chairman of the Governing Body is Mr A J Lajtha and the Deputy Chair is Mrs M M S Fisher. The full Board meets each term, and so three times a year, and the work of implementing its policies is carried out by six sub-committees:

- The Strategy and Risk Committee considers proposals for development of the School and advises senior management of the strengths and weaknesses of strategic options. A biennial strategy day is held for members of the Governing Body and senior executives to review performance and consider future development. The last strategy day was in June 2019 with the next planned for March 2022, having been delayed by one year due to Covid-19. The Strategy and Risk Committee is chaired Mr D G Westcott.
- The Education Committee considers educational and pastoral policy. Mrs S E Bayliss has special responsibility for Safeguarding and Mrs A J Lye has special responsibility for Special Educational Needs and Disabilities (SEND). The Education Committee is chaired by Mrs M M S Fisher.
- The Buildings and Estate Committee supervises and monitors capital building projects and maintenance of the fabric of the School. The Committee has delegated responsibility for Health and Safety and it produces a report each term on Health and Safety matters for the Governing Body. Mrs M J Williamson has oversight of boarding on behalf of the Governing Body; including both the provision of facilities and pastoral support (the latter is a responsibility of the Education Committee). The Buildings and Estate Committee is chaired by Mr P S P Going.
- The Overseas Committee was established in 2020 to monitor performance and risks of the School's overseas schools specifically Cranleigh Abu Dhabi and Cranleigh China. The Overseas Committee is chaired by Mr S J Whitehouse.
- The Risk Management Group (RMG) monitors risks facing the School. This Committee presides over an annual risk management process that culminates with the production of a risk report in the autumn each year. Each sub-committee is responsible for considering the risks in its area of governance and each has appointed a member to take the lead in risk management. The RMG is chaired by Mr J A M Knight.
- The Finance Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. The Finance Committee is chaired by Mrs E Stanton.

The day-to-day running of the School is delegated to the respective Headmasters, supported by their Senior Management Teams. The Headmasters and representative members of senior management attend meetings of the Governing Body sub-committees and together these groups are the key management personnel. Remuneration is determined by the Governing Body which is mindful of the contribution of all staff to the School's success and, as such, it is right that remuneration of staff is the highest single cost incurred by the Charity. The Governing Body makes reference to comparisons of staff costs at other schools which are produced in various benchmark surveys that are anonymous and so compliant with competition law. The remuneration policy balances fair wages and a generous pension scheme for lower paid staff with the provision of incentives for senior managers who take the

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burden of responsibility for the School's complex operations. The School produced a gender pay report again this year as required of employers with more than 250 employees. The gender pay report for 2020 is available on the School's website.

### **Group Structure and Relationships**

Cranleigh Foundation was set up in 2007 as a separate charity limited by guarantee with a registered charity number of 1122918 and a company number of 06452540. Cranleigh Foundation's statutory financial statements are consolidated with the School's within this Annual Report and Financial Statements. Cranleigh Foundation is governed by a Memorandum of Association and Articles of Association produced in 2008. The Chairman is a former governor, Mr M J Meyer and one member of the Governing Body, Mr A J Lajtha is also a Foundation Trustee. The Headmasters and Director of Finance attend Foundation Trustee meetings.

Cranleigh School has two wholly owned non-charitable subsidiaries. Cranleigh Enterprises Limited (CEL) is a trading company that arranges the letting of facilities when not in use by the School and it has a retail outlet within the School for the sale of items such as school uniform and sports equipment. CEL profit is donated under gift aid to the School. There are more details concerning CEL at Note 3 to the financial statements. The accounts of CEL are consolidated into the Cranleigh School accounts. Cranleigh Education Services Limited (CESL) was incorporated in September 2012. The Company has five directors who are members or former members of the Governing Body or executive officers of Cranleigh School. The Company's purpose is to facilitate the establishment of overseas schools and then monitor the operation of overseas schools once open. The Company was responsible for planning Cranleigh Abu Dhabi, working closely with joint venture partners and the firm contracted to run the School. 'Cranleigh Abu Dhabi opened in September 2014 with 637 pupils from FS 1 to Year 9. The School now has 1,604 pupils and has expansion plans to increase the number to around 1,800 pupils (it is now at full capacity) from FS 1 to Year 13. The School's public exam results were, in common with other schools, based on Centre Assessed Grades but nevertheless impressive with 75% (2020: 79%, 2019: 73%) of pupils achieving GCSE grades 9-7 and at A Level 87% (2020: 73%, 2019: 63%) achieved grades A\*-B. Cranleigh China opened its first school in Changsha in September 2020. There are 476 pupils as of September 2021. The first public exams were taken during 2020. The results were excellent with 42% achieving GCSE grades A/A\*.

### **Stakeholder Engagement, Employment and Sustainability Policy**

The Trustees confirm that in accordance with Section 172 (1) of the Companies Act and Charity Commission guidance they govern in order to achieve the objects of the Charity. The long-term financial and operational sustainability of the School is considered by Trustees as set out in the Going Concern section of this report. Trustees assess financial projections and key risks that could impact the sustainability and reputation of the School. Assessments are made with the assistance of the executive and by reviewing management information, budgets, capital expenditure plans, cash flow forecasts and progress against financial projections each school term and during the Covid-19 pandemic more often. Overarching the assessments of financial sustainability is a comprehensive risk management process that guides the executive and Trustees towards areas of risk and specifically the impact and likelihood of risks together with mitigation strategies. The risk process and current assessments are explained in more detail later in this report.

Cranleigh School is an equal opportunities employer. Full and fair consideration is made of job applications from disabled persons and consideration of their training and employment needs is made as necessary. The School complies with modern slavery regulations. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are aware of the financial and economic performance of the School. Communication with employees continues through normal management channels in a variety of forms and through exceptional channels to apprise staff

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of current issues. Examples of consultation are briefings to teaching staff at the start of each term by the respective Headmasters to outline development options and seek the views of staff and engagement with staff regarding terms and conditions of employment through respective common room salaries committees which meet with the Headmasters, Director of Finance together with the Chairman of the Governing Body and Chair of the Finance Committee of the Governing Body. An equivalent for support staff is arranged by the Director of Operations who gives regular staff updates and briefings to staff in smaller meetings by department.

Communication with staff, during the Covid-19 lock down and then subsequent restrictions to achieve bio-secure working conditions, has been of great importance for the monitoring of the morale for a second year. The School has briefed staff more frequently on the full range of operational issues including the continuing financial effects of the lock downs. Briefings were conducted during lock downs using Zoom and Google Meet and for wider audiences by video films and through a dedicated and closed Facebook account for staff. The School continued to use the Government's flexible Job Retention Scheme at the start of the reporting period but the bulk of staff had returned to full time work by end of March 2021. At the time of writing in September 2021, the School is functioning at near to pre-pandemic levels but under the operation of a comprehensive bio-security policy to monitor and, where necessary, control the pandemic. The School's medical Centre has conducted circa 5,000 Covid tests during the pandemic, a figure excludes self-tests conducted twice each week by pupils.

The Company complies with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The 2020 report is available on the School's website.

The strategic development of the School has been in a period of transition during the last two years because of the overriding requirement to focus on the provision of the highest quality real time education of our pupils during the pandemic. The 2015 plan completed its implementation in September 2018 with the next three year cycle commencing in 2019 after a thorough review. Due to the pandemic the completion date for this plan is now July 2023. The planning cycles seek to involve staff at every level in the construction and implementation of targets. This engagement seeks to achieve transparency, and through this, ownership of future plans by staff at all levels. This has been particularly important post pandemic, and with important adaptations having to be made following the murders of George Floyd and Sarah Everard and a national focus on both racism and sexual violence in schools. More details of future plans are explained later in this report.

The School is committed to engagement with stakeholders. The main groups are pupils, parents, alumni, employees and contractors. There is significant communication using a full range of media with pupils and their parents or guardians. This is routine and extensive with the aim of ensuring a smooth passage for the eleven years of a pupil's education at Cranleigh. The alumni organisation, The Old Cranleigh Society (OCS), is based at the School and works on behalf of all alumni including those from Cranleigh Abu Dhabi. There is extensive engagement with the functional sub groups of the OCS and assistance is given with the organisation of events. Furthermore, during lock down the OCS staff at the School were in regular contact with older members of the Society to check on their welfare.

The procurement of goods and services by the School is undertaken to achieve a secure supply of high quality provisions and material with fair and timely payment. Local and smaller companies are favoured wherever possible and there are arrangements with a variety of sole traders in the local area. The School is conscious of its position as the largest employer in the area and aims to support local business wherever possible. Payment terms are thirty days but sole traders are able to request earlier payment which is arranged on a case-by-case basis.



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The School is committed to improving environmental sustainability. There is a pupil led environmental committee which developed its strategy in 2019 and, pre lock down, was focusing on minimising food waste and ceasing the use of single use plastic. There had been good progress on both initiatives which have been picked up again in the new school year now that school life has largely returned to normal. The School recycles food waste for anaerobic digestion to generate energy from the waste. The School complies with environmental regulation and specifically:

- The School has completed an Energy Savings Opportunity Scheme (ESOS) assessment and is working to decrease energy consumption.
- Streamline Energy and Carbon Reporting (SECR) has been adopted. There is a commitment to improve energy efficiency. The total energy consumption figures for the year were:

UK energy use (1) kWh	8,900,295
Associated Greenhouse gas emissions (2) Tonnes CO <sup>2</sup> equivalent	1,752
Intensity ratio Emissions (tCO <sub>2</sub> e) per £m Total Sales Revenue	66.89

The School is active in monitoring for risks of bribery, corruption, fraud and cyber-attack. The risk process is comprehensive and overseen by the Governing Body Risk Management Group. A more detailed explanation of the risk process is given later in this report.

The School maintains a register of those executives and trustees in positions of Significant Control. Conflicts of interest are reviewed formally each year and attendees are required to declare any change of conflict status at each sub committee and main board meeting of the Governing Body.

### **AIMS AND OBJECTIVES**

#### **Mission Statement**

The purpose of Cranleigh School is to provide, within a Christian environment, the necessary education and appropriate training to enable pupils to develop their potential as individuals, and thereby to ensure that, on leaving, they will become confident members of society and effective contributors to it.

#### **Aims**

The aims of Cranleigh School, for the public benefit, are to enable young people to flourish in a school where busy pupils lead fulfilled lives now while developing the personal skills and qualities that will enhance their adult lives. Cranleigh aims to provide young people with the strength to succeed; the wisdom to make informed choices; resilience in the face of failure or difficulty; and the insight to recognise their privilege and to shape the future culture of the world through lives of service and leadership. With these skills, and in the context and heritage of their culture, Cranleigh pupils are encouraged to explore and ask central questions about their purpose and identity. A rigorous academic curriculum is reinforced by a commitment to a breadth of activity that enhances personal development.

Cranleigh is committed to being a medium-sized, co-educational boarding and day school, large enough to provide for breadth of opportunity and small enough to sustain a friendly, cohesive community in which there is a strong and active partnership between parents and the School. 'Pupils first' is a guiding principle for all decision making. Arising from the School's Christian heritage and cultural background, at the heart of a Cranleigh education are four central values of Service, Relationships, Leadership and Excellence.

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*Service:* All in the community are encouraged to adopt an attitude of service to each other and the wider community.

*Relationships:* Strong relationships are fostered as a priority in a predominantly boarding community. Children flourish within safe, supportive environments.

*Leadership:* Openness, integrity and thoroughness are characteristics of everything we do. Cranleigh aspires to lead thinking and practice in holistic, boarding education. Cranleighans will be equipped with the knowledge and skills to shape future culture.

*Excellence:* Cranleigh will strive for excellence in everything it does and aspires to be recognised both for its educational vision and for the personal qualities of Cranleighans.

### **Primary objectives**

In order to achieve its aims the School has developed primary objectives which are:

- to provide a stimulating learning environment in which pupils are encouraged to pursue and stretch their academic potential;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, co-education, respect for one another and good citizenship; the pursuit of best practice in safeguarding young people will always be a priority;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately;
- to provide the necessary administrative and logistical framework to meet the needs of members of Common Room and pupils alike.
- to encourage diversity within a predominantly local boarding community through the expansion of the bursary programme, an increase in the number of Foundationers, and regular monitoring of the Admissions process.

### **Strategies to achieve primary objectives**

The first objective is to provide a stimulating learning environment and this is achieved by 160 FTE teachers (2020: 151). These teachers strive to allow every pupil to develop their academic potential. This is achieved by focusing on each individual whilst fostering the broader ethos of the School's community as a whole. The School's structure enables tutors, and at the younger age groups form teachers, to commit time and energy to their tutees and individual pupils in each form.

The provision of a happy and secure pastoral environment is at the core of the School's approach to education. Pupils are cared for within a close 'house' structure that provides for comprehensive individual care based on Christian principles and a strong bond that creates friendships throughout the School. The second element of this objective is to foster a sense of community and citizenship. This has been achieved through links with the local community and with international and regional organisations. The Senior School has had close links with a charity assisting education in Zambia for a decade and, pre-Covid, during school holidays pupils and staff travel to Zambia where Cranleigh has assisted in building a primary school, sponsoring children and is involved with supporting teachers. It is planned to restart these visits as soon as the pandemic situation allows visits to Zambia. The Prep School supports local, national and international charities fostering empathy and responsibility in the younger years.

The co-curriculum is broad. Leadership and decision-making are embedded in many activities. The number of activities on offer to pupils is too numerous to mention here. A clearer understanding of the

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whole school approach to the co-curriculum can be found at the School websites [www.cranleigh.org](http://www.cranleigh.org) and [www.cranleighprepschool.org](http://www.cranleighprepschool.org). Readers are encouraged to visit these sites.

Cranleigh Foundation Trustees' Report and Financial Statements outline the continued progress in the development of the Foundation. The Foundation has received donations this year of £334k (2020: £328k) and total income of £371k (2020: £375k). The Foundation supports pupils at Cranleigh School. The Trustees have decided to focus activity on the development of an endowment which will be built up over decades whilst continuing to support Foundationer pupils.

The Charities had no active fund-raising activities this year requiring disclosure under S162A of the Charities Act 2011. The decision to pause fund-raising was made eight years ago and modest resources have been allocated since to establish the conditions for future fund-raising. This has involved friend-raising and data gathering. The School and Foundation are compliant with the General Data Protection Regulation (GDPR). It had been intended to start a fund-raising campaign within the next year but with the uncertainty of the corona virus pandemic this decision is on hold.

### STRATEGIC REPORT

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Review of achievements and performance for the year**

The principal activity, as specified in the Articles of Association, is the advancement of education and, in this, the School has had another successful, albeit unique, year. Cranleigh School averaged 675 pupils (2020: 663) of whom 190 (2020: 193) were day pupils and Cranleigh Prep School averaged 338 (2020: 338) pupils. At the Prep School the flexible boarding arrangements continued to be popular once boarding returned post lock down in the summer term with, on average, circa 70 pupils boarding at the School each week in the newly refurbished boarding facilities which opened in September 2021. Waiting lists remain full for both schools and demand for places has increased again this year. The school year was successful with many notable specific achievements, some of which are reported below, but the overriding theme for the year, as with last year, has been the impact of Covid-19 and the mitigation needed to limit transmission of the virus whilst still providing a full and varied educational programme, often remotely. Benchmarked surveys compiled by the Independent Schools Council demonstrated very high levels of satisfaction from parents at the remote education offered during lockdown. The School complied with the various requirements specified by Government to limit the spread of Covid-19 but, within this, it has functioned as close as possible to the pre Covid normal. This has not been straightforward, particularly given that Cranleigh is predominantly a boarding school. For much of the year restrictions were placed on external activities such as educational visits and inter school sports fixtures; and internally with activities confined to year group bubbles. Notwithstanding this, staff provided alternatives that enabled pupils to experience the full educational benefit. These alternatives included virtual visits and internal co-educational sport which had the added benefit of allowing pupils to play sports that they would not normally experience. The mixed netball competitions were, for example, highly competitive. The level of attainment for academic and co-curriculum work was generally good and in many cases excellent as shown in more detail below.

The School's academic results in public exams were affected by the cancellation of exams and the subsequent grades awarded by OFQUAL for GCSES and A levels. The School developed a robust process in line with Government guidelines to afford pupils opportunities to demonstrate their capabilities within the required holistic judgement of the centre assessed grading. The excellent results continue to demonstrate the strong and improving academic performance with 29% of A level exams

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achieving A\* (2020: 22%) and 91% A\*- B grade (2020: 85%). The entry to university this year has been unique; nevertheless, 99% of leavers were successful in securing places at their university of choice. The School continues to be encouraged that for more academically able pupils, as well as the traditional entry to Oxford or Cambridge, students are gaining places and scholarships at Ivy League universities and other leading universities in America; of those gaining places in the UK, 81% gained entry into Russell Group or equivalent universities. Extended Project Qualification (EPQ) exams were completed prior to the Covid-19 lock down at the start of the year and so grades based on actual work were awarded. The School continues to take a national lead in the EPQ and it is encouraging to note that an increasing number of universities, including a significant number in the Russell Group, now recognise the value of EPQ by making a lower A level offer contingent on achieving an A\* or A in the EPQ. This year 60% of Year 13 pupils achieved A\* or A grades in their EPQ (2020: 55%). GCSE results were also awarded by centre assessed grades, using the same approach as used for A levels. The GCSE results were excellent and a testament to the hard work of both pupils and staff with 74% of exams achieving grades 9 – 7 (2020:70%).

Cranleigh School retains its place amongst the best schools in the country for academic performance which, combined with the breadth of the educational experience, enables pupils to reach their potential. At Cranleigh Prep School every Form 6 (Year 8) pupil again moved to their first choice senior school this year and many scholarships and awards were again granted to Prep School pupils to their first choice senior school. The School continues to be regarded as one of the best preparatory schools in the country.

The School has a broad ethos and academic achievement is just one element of a pupil's education at Cranleigh. Restrictions on external travel meant that there were few external sport fixtures during the year but staff were imaginative and two joint initiatives to develop sport and well-being were successful: internal competitions replaced external fixtures and the 'Cranfit' initiative developed by the Director of Sport increased activity levels for all pupils. 'Cranfit' was particularly successful delivered remotely. This meant that, as in previous years, all pupils continued to play sport at least three times each week and often daily, including at weekends. The internal competitions were a notable success with inter boarding house, cross year group and co-educational sport. The latter was particularly successful for netball and hockey. The competitive spirit of these internal competitions was impressive and level of attainment was extremely high, often more so than for inter school fixtures. It also allowed pupils to play sports that they would not normally have experienced. One notable increase in activity was for girls' cricket and with a new coach this sport is increasing in significance at Cranleigh, in line with global development of the sport. The success and depth of sport at Cranleigh continues therefore to be impressive and this was demonstrated by representative honours and medals for young Old Cranleighians in the England men's cricket team and at the Tokyo Olympics where two former pupils were part of the men's and women's hockey team with the women's team winning the bronze medal. The School takes great pride in providing opportunities for all pupils to participate and recognises the strong link between an active lifestyle and well-being which was at the core of the 'Cranfit' initiative. In this context sport is just one part of a cohesive programme that includes provision of first class medical support, including specialist sports medicine provision, strength and conditioning for all pupils and a balanced diet. This is all part of the wider 'Cranleigh Being' initiative that provides pupils with the resilience for a healthy lifestyle beyond Cranleigh.

The School gives high priority to the performing arts. Lock down restrictions affected music significantly but, as with other areas of Cranleigh's educational and co-curriculum provision, the music department devised a programme that enabled pupils to continue to practice and perform music at a level appropriate to their development. These included several outstanding online concerts that were filmed and their broadcast had the added benefit of broadening the audience for musical events with all having over 1,000 views on YouTube. A virtual Big Band was organised, using recordings from pupils at home, and stitched together to create a complete performance. There were a number of outstanding live

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concerts during the summer term when restrictions had been lifted, notably from Year 9 pupils. Ten pupils received Distinction at Grade 8 in a variety of instruments. One pupil at the Prep School successfully auditioned for the National Youth Choir, several other pupils auditioned for the National Children's Choir of Great Britain and one became a full-time Chorister at Guildford Cathedral. A significant achievement was that a Year 13 pupil was awarded scholarship offers from all four London Conservatoires, and after consideration, decided to accept a major award from the Royal Academy of Music.

The School has a rich history of drama and this year has seen another diverse range of productions. There were outdoor plays in garden settings when restrictions allowed that were a great success and had the added benefit of a small audience largely comprising the parents of those pupils performing. The inability to perform inside meant that pupils were given the opportunity to develop media skills and particularly with the production of films. These were produced to a very high standard and shown widely through the school. Three pupils secured places at drama schools and a further three at universities to study drama.

Away from sport and the arts, pupils have been involved in a broad range of activities to develop their experience and exposure to leadership challenges. Outdoor education retains its important place in the life of both schools. It was unfortunate that at both the Prep School and Senior School external activities were restricted. Notwithstanding this the School's participation in the Duke of Edinburgh's Award (DoE) continued, albeit in a slightly restricted format, with 39 bronze, 16 silver and 2 gold certificates awarded. Furthermore, younger pupils were able to experience camping and associated outdoor activities which proved highly popular. The CCF was able to operate and it continues to expand. It is stronger again this year than at any time in the last decade with 174 cadets (2020: 139). During the lock downs CCF continued online for all cadets. The CCF also makes up the core of the newly reformed shooting team which has entered teams into rifle competitions at Bisley for the first time in many years. This activity has broadened opportunities available to pupils.

The majority of plans to refurbish buildings at the Prep School that were put on hold at the start of the Covid-19 pandemic, as reported in the 2020 Directors' Report, commenced at the start of summer 2021 and have all now been completed. This includes the reorganisation and refurbishment of boarding facilities and a new Learning Support department. The completion of these projects leaves, at the Prep School, just the refurbishment of the gym/theatre (The Wyatt Hall) from pre Covid-19 development plans.

### **Public benefit**

Cranleigh School continues to be committed to the provision of public benefit in accordance with its founding principles. The requirement to report public benefit in more detail is formalised in the Charities Act 2011.

The awarding of bursaries is a measurable means of providing public benefit. The Trustees consider that bursaries, awarded to those who would not otherwise be able to afford the fees, are important, but not to the exclusion of the much wider benefit that Cranleigh provides within the local community. Those pupils who attend Cranleigh and who receive this financial support contribute to the School community in a variety of ways and so enrich the whole School and, in some cases, the community outside the School. The value of scholarships and bursaries to people who would not otherwise be able to afford the fees to attend Cranleigh School was this year £1,044k (2020: £1,174k).

In addition to bursaries the School has engaged in many activities that provide public benefit in accordance to the Charity's objectives and these are listed in a register maintained by the School. Examples of the types of benefit are partnerships with local maintained schools so that teachers from Cranleigh School teach at local maintained schools if there is a need for enhancement in a particular

## **CRANLEIGH SCHOOL**

area. Three members of staff are governors at local primary schools. The School's outreach programme into the community is active and has during the year involved activities such as the relief of hardship through support by Cranleigh Mission and support to local sports clubs. Forty six local sports clubs use the School's sporting facilities and outreach assistance includes maintenance by the School's grounds department of the estate at Glebelands School, the maintained secondary school bordering Cranleigh School. In many cases the School's support is focused on providing support to the youth sections of sports clubs. The School has formed a good relationship with the Surrey Virtual School supporting educational programmes for looked after children. This theme of social responsibility is important as Cranleigh School aims to develop local community projects.

It is difficult, to measure accurately the financial cost to the School of this public benefit, that is given in addition to bursaries, but it is certainly well into six figures. The benefit provided by bursaries and other activities can also be considered alongside the benefit of educating the 1013 pupils (191 in the primary school sector) which, in itself, has saved the exchequer some £5,925,200k<sup>1</sup> this year.

Cranleigh Foundation is an integral element in the provision of public benefit. There are six Foundation bursary holders (Foundationers) in the School in September 2021 each with a bursary covering either full fees or a significant proportion of full fees. The School continues to seek candidates to be Foundationers. The financial benefit to Foundationers this year was £214k (2020:£192k).

### **FINANCIAL REVIEW**

#### **Results for the year**

The School's consolidated net movement in funds in the attached financial statements is £10,579k (2020: (£931k)). The surplus made by Cranleigh School (net incoming funds from operations before transfers and investment gains) was £7,301k for the year (2020: £904k). Following a renegotiation of the School's overseas agreement with its partner in Abu Dhabi, the School received a lump sum buy out of future profit share obligations totalling £4,805k. The School will continue to receive management fee income. The FRS 102 pension valuation is a non-cash item within the School's accounts and has calculated that the scheme has a funding surplus of £2,248k and that the funding level is in surplus (2020: deficit of £1,716k).

The Governing Body conducted regular reviews of the School's financial performance throughout the Covid-19 lock down, starting in March 2020. It was decided to discount fees during those periods when remote learning for all pupils was implemented. The discount during these periods was 34% for boarders and between 20% and 25% for day pupils. Furthermore, the School, wherever appropriate, were flexible with payment options for those families most effected by Covid-19 and in some cases Covid bursaries were awarded.

#### **Forecast for the current year (2021/22)**

The Governing Body has considered several factors when forming their conclusion as to the use of the going concern basis for the basis of preparation of these financial statements including a review of updated forecasts to 31 December 2023, a consideration of the key risks, including the impact of Covid-19, that could negatively affect the charity and its working capital requirements. Recent Governing Body financial reviews have focused on the risks for the current school year and beyond, including the impact of Covid-19.

The two schools started the school year in September 2021 with 679 pupils at the Senior School and 330 at the Prep School. This is a significant increase on pre-covid levels against a background of

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2020 Annual Report on Education Spending in England by the Institute of Fiscal Studies (page 8). £6,000 per pupil in secondary schools and £5,200 per pupil in primary schools.

## CRANLEIGH SCHOOL

continued interest during the summer together with reputational gain built up from a further period of successful remote learning. Re-engagement with all pupils and parents, old, current and new is the theme for the new year. Fee income for the first term of the 2021/22 school year has been strong with an indication that payment of fees will be consistent with previous years, albeit with a higher number than usual of short term bursaries because of temporary financial shock caused by Covid-19 restrictions. The brakes on expenditure have been lifted as school life returns back to normal but continues to be closely controlled. The School's cash flow forecast indicates that cash remains positive, without the need to liquidate reserves, for most scenarios but were there to be two school terms of significantly lower income caused by another Covid-19 lockdown then reserves may need to be realised to remain cash positive and thereby provide working capital and meet the requirements of bank covenants. Given this position the Governing Body concludes that School's finances at the start of the current year and for the year ahead are sound and so it continues to adopt the going concern basis in preparing the financial statements.

### **Investment policy, objectives and performance**

The Governing Body has a balanced risk policy for investments. This is set out in the Statement of Investment Principles which is reviewed annually. The Finance Committee has delegated responsibility for investments to an Investment Committee. The Investment Committee comprises the Chair of the Finance Committee, two former members of the Governing Body who each have specialist knowledge and the Director of Finance. The Committee meet the School's investment advisors four times a year and provide a brief for the Governing Body at each Finance Committee meeting. Investment performance is measured against appropriate benchmarks and the Finance Committee is satisfied that performance is good when measured against benchmarks. This year performance has again been ahead of inflation and the portfolio increased in value by 22.5% (2020: (2.3%)) to £4,692k. The Governing Body considers the performance of investments over the year to be tracking well and in line with benchmark total returns.

### **Reserves level and policy**

Cranleigh School has total reserves of £9,692k (2020: £6,830k). The School's reserves policy is to maintain sufficient unrestricted funds to meet an unexpected shortfall of revenue in order to provide cash for three months operating costs at an average of £2,380k per month. The School's reserves comprise the investment portfolio valued at £4,692k, the unused bank facility of £2,000k and unused overdraft of £3,000k. Total reserves at 31<sup>st</sup> July therefore exceeded the £7,140k sum required by the policy. This position has been re-examined after the year-end and in light of the financial impact of Covid-19. Financial performance remains strong at the date of signing and although the level of reserves at the year exceeds the sum required by the policy, this is considered appropriate in the current environment to provide additional headroom for future potential challenges arising from Covid-19.

The Charity has not conducted active fund-raising during the year and the staff associated with fund-raising were placed on the Government's Job Retention Scheme for much of the reporting year. Notwithstanding this Cranleigh Foundation (Charity Number 1122918) raised £371k (2020: £374k) during the accounting year from donations and legacies.

### **Principal risks and uncertainties**

Cranleigh School Governing Body is responsible for the management of the risks faced by the School. Risk Management is delegated to the Risk Management Group (RMG) which reports formally to the Governing Body each autumn. This Committee comprises four members of the Governing Body and it is assisted in its work by senior management and other staff as necessary. The process provides continuous assessment of risks through the auspices of the sub committees with each taking responsibility for risks, and where appropriate mitigation, in its given area of expertise. The generic controls used by the Charity to minimise risks include:

## CRANLEIGH SCHOOL

- oversight of key areas of risk, such as health and safety and safeguarding, by individually nominated governors;
- formal agendas for Committee and Board activity;
- formal strategic planning, reviewed annually and assisted by the Strategy and Risk Committee;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies;
- vetting procedures as required by law for the protection of the vulnerable;
- compliance with regulations that apply to the running of a school;
- declaration of conflicts of interest, renewed at each Governing Body meeting, including sub committee meetings.

The most significant external risk facing the School is the financial effect of Covid-19 and the associated regulations to limit the spread of the virus. The School has opened successfully for the autumn term in 2021. The RMG is mindful that the situation could change. Measures therefore in place to mitigate the Covid-19 risk are:

- A comprehensive risk assessment to ensure that internal procedures limit the possibility of spreading Covid-19 within the School.
- Enhanced remote learning to enable either a full remote offer or a blended offer allowing some pupils to attend teaching whilst others are remote learning.
- Financial measures to balance income with expenditure.
- Regular Governing Body meetings to review operations, plans and possible contingencies.

The previous direction given to the executive to place Safeguarding of pupils as the School's first priority remains and within this Covid-19 risks are an element of Safeguarding. Health and Safety is both a Safeguarding and more general risk and both risks are residual and so will endure. The RMG is mindful that with considerable effort devoted to mitigating Covid-19 risks there must continue to be emphasis on Safeguarding in its widest sense.

With this in mind, the School has embarked on a comprehensive programme of sex and relationships education, working closely with Teach Us Consent to address issues of sexual violence raised by the Ofsted Enquiry following the murder of Sarah Everard and the launch of Everyone's Invited. The School has also prioritised anti-racist education and a governors' working party formed in 2021 will support the School leadership as it reviews and encourages diversity across the school

The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment. Sports' injuries are monitored carefully, each being tracked, to record trends in order to identify those elements of sport most likely to cause injury so that mitigating actions can be taken. To release any potential pressures on the NHS ambulance service, and prevent further risk of injury, all matches this term will have private medical facilities on the touch line. There continues to be interest in the wider education community about the risk of injury on the rugby field.

The Governing Body seeks to understand some individual risks in more detail and from time-to-time initiates external scrutiny. There have been no external studies this year because resources have been devoted to mitigating Covid-19 risks.

The Governing Body is satisfied that the major risks have been identified and controls put in place to adequately manage risk. It is recognised that systems can provide reasonable but not absolute assurance that major risks are being managed.



## CRANLEIGH SCHOOL

### Future plans

The School Development Plan of 2015 is now complete. A new development cycle has commenced and will be complete by 2023. The core work of this plan is that Cranleigh School will continue to articulate and extend its culture through ***Cranleigh Thinking, Cranleigh Being and Cranleigh Giving***.

***Cranleigh Thinking*** teaches pupils to think beyond the test, to become independent learners who know how to learn, adapting to changing contexts.

***Cranleigh Being*** promotes a culture in which ***who*** we are and ***how*** we are is as important as what we achieve and in which the well-being of all in the community is a priority.

***Cranleigh Giving*** encourages all in the community to think beyond themselves and to consider how they will share their resources, time and expertise. It also seeks to widen access to Cranleigh, offering opportunities to young people from a diverse range of backgrounds and experience.

Together, these themes express the aspiration that all members of the community are encouraged to be thinking, being, giving individuals who are able to consider who they are, what they will be and how they will be now and in the future. It is this aspiration that is to be taken forward in the next school development plan.

The Governing Body and senior executives are actively refining the development plan so that the School remains resilient and continues to advance its charitable objects post the coronavirus pandemic. These refinements will be considered during the current term and then in detail at the Governing Body strategy day in March 2022.

### STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 charity will continue to operate.

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

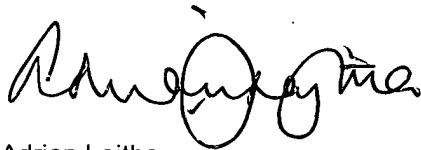
Insofar as each of the members of the Governing Body at the date of approval of this report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with

## CRANLEIGH SCHOOL

preparing the audit report) of which the Charity's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

### **AUTHORISATION**

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Cranleigh School on 27<sup>th</sup> November 2021, including in their capacity as company directors approving the Directors' and Strategic Reports contained therein, and is signed as authorised on its behalf by the Chairman of the Governing Body.

A handwritten signature in black ink, appearing to read 'Adrian Lajtha', written in a cursive style.

Adrian Lajtha  
(Chairman of Governing Body)

## **Independent Auditor's Report to the Members of Cranleigh School**

### **Opinion**

We have audited the financial statements of Cranleigh School ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2021 which comprise Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2021 and of the group's 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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustee's 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 or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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 trustees' responsibilities statement, set out on page 15, 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.

## **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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

We also considered compliance with local legislation for the group's overseas operating segments.

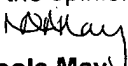
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of voluntary income, the timing of recognition of other trading activities, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## **Use of our report**

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

  
**Nicola May**  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor

London

Date 20th December 2021

**CRANLEIGH SCHOOL**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating an Income and Expenditure Account)

**FOR THE YEAR ENDED 31 JULY 2021**

		Trading School Subsidiaries				
		Unrestricted	Unrestricted	Restricted	Group	Group
		Funds	Funds	Funds	2021	2020
	Note	2021	2021	2021	2021	2020
		£'000	£'000	£'000	£'000	£'000
<b>INCOME FROM:</b>						
<b>Charitable activities</b>						
School fees	2	26,029	-	-	26,029	24,759
Other income	4	690	-	-	690	1,014
<b>Other trading activities</b>						
Facilities and trading income	5	1	6,228	-	6,229	751
Other incoming resources	5	599	-	-	599	895
Share of surplus from Joint Venture	5	-	319	-	319	164
<b>Investments</b>						
Investment income	6	37	-	31	68	88
Bank and other interest	6	-	-	-	-	-
<b>Voluntary sources</b>						
Donations and legacies	7	31	-	360	391	411
Fundraising events	7	-	-	6	6	19
<b>Total incoming resources</b>		<u>27,387</u>	<u>6,547</u>	<u>397</u>	<u>34,331</u>	<u>28,101</u>
<b>EXPENDITURE ON:</b>						
<b>Raising funds</b>	8					
Trading costs		-	351	-	351	412
Share of loss from Joint Venture	12	-	-	-	-	-
Other income-generating activities		-	-	-	-	1
Financing costs	9	774	1	-	775	948
Investment management		29	-	-	29	25
Fundraising & development		-	-	1	1	4
<b>Total deductible costs</b>		<u>803</u>	<u>352</u>	<u>1</u>	<u>1,156</u>	<u>1,390</u>
<b>Charitable activities</b>						
Education and grant making	8	<u>25,818</u>	<u>-</u>	<u>56</u>	<u>25,874</u>	<u>25,807</u>
<b>Total expenditure</b>		<u>26,621</u>	<u>352</u>	<u>57</u>	<u>27,030</u>	<u>27,197</u>
<b>NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS</b>		766	6,195	340	7,301	904
<b>Gains/(losses) on investments</b>	12	<u>854</u>	<u>-</u>	<u>176</u>	<u>1,030</u>	<u>(119)</u>
<b>NET INCOME / (EXPENDITURE)</b>		1,620	6,195	516	8,331	785
<b>Transfers</b>	3	5,276	(5,276)	-	-	-
<b>Other recognised gains / (losses):</b>						
Pension scheme actuarial gain/(loss)	20	<u>2,248</u>	<u>-</u>	<u>-</u>	<u>2,248</u>	<u>(1,716)</u>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		9,144	919	516	10,579	(931)
<b>FUNDS B/FWD 1 AUGUST 2020</b>		<u>36,462</u>	<u>387</u>	<u>1,468</u>	<u>38,317</u>	<u>39,248</u>
<b>FUNDS C/FWD 31 JULY 2021</b>		<u>45,606</u>	<u>1,306</u>	<u>1,984</u>	<u>48,896</u>	<u>38,317</u>

The notes on pages 24 to 40 form part of these accounts

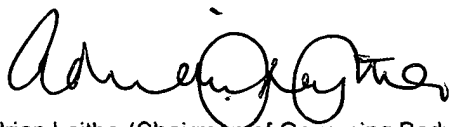
**CRANLEIGH SCHOOL**

**BALANCE SHEETS AS AT 31 JULY 2021**

	Note	School 2021 £'000	School 2020 £'000	Group 2021 £'000	Group 2020 £'000
<b>FIXED ASSETS</b>					
Tangible assets	11	58,288	59,764	58,309	59,796
Investments	12	4,692	3,830	6,770	4,913
		<u>62,980</u>	<u>63,594</u>	<u>65,079</u>	<u>64,709</u>
<b>CURRENT ASSETS</b>					
Stocks		36	46	202	232
Debtors - due within one year	13	5,677	755	396	481
- due after one year	13	85	115	85	115
Cash and bank balances		2,868	196	9,268	1,120
		<u>8,666</u>	<u>1,112</u>	<u>9,951</u>	<u>1,948</u>
<b>CURRENT LIABILITIES</b>					
Creditors payable within one year	14	(8,386)	(7,970)	(8,480)	(8,066)
		<u>(8,386)</u>	<u>(7,970)</u>	<u>(8,480)</u>	<u>(8,066)</u>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>280</u>	<u>(6,858)</u>	<u>1,471</u>	<u>(6,118)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>63,260</b>	<b>56,736</b>	<b>66,550</b>	<b>58,591</b>
<b>LONG-TERM LIABILITIES</b>					
Creditors payable after one year	15	(17,654)	(18,064)	(17,654)	(18,064)
<b>TOTAL NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>45,606</u>	<u>38,672</u>	<u>48,896</u>	<u>40,527</u>
Pension scheme funding	20	-	(2,210)	-	(2,210)
<b>TOTAL NET ASSETS</b>		<u>45,606</u>	<u>36,462</u>	<u>48,896</u>	<u>38,317</u>
<b>FUNDS</b>					
Foundation restricted funds		-	-	1,984	1,468
Trading subsidiaries		-	-	100	100
School unrestricted funds		45,606	38,672	46,812	38,959
Pension reserve	20	-	(2,210)	-	(2,210)
<b>TOTAL FUNDS</b>	18	<u>45,606</u>	<u>36,462</u>	<u>48,896</u>	<u>38,317</u>

The net movement in funds for the financial year dealt with in the financial statements of the parent company was £9,144k (2020: £1,414k)

Approved and authorised for issue by the Governors on 27 November 2021  
and signed on their behalf by



Adrian Lajtha (Chairman of Governing Body)

The notes on pages 24 to 40 form part of these accounts

Company No.3595824

# CRANLEIGH SCHOOL

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2021

	2021 £'000	2020 £'000
<b>Net cash inflow from operations</b>		
Net cash provided by / (used in) operating activities (a)	<u>10,865</u>	<u>3,125</u>
<b>Cash flows from investing activities</b>		
Payments for tangible fixed assets	(284)	(111)
Proceeds on sale of tangible fixed assets	-	-
Purchase of investments	(537)	(260)
Withdrawals from investments	29	24
Investment income and bank interest received	<u>37</u>	<u>60</u>
<b>Net cash (used in) / provided by investing activities</b>	<b>(755)</b>	<b>(287)</b>
<b>Cash flows from financing activities</b>		
Finance costs paid	(659)	(719)
Advance fees: New contracts	1,883	994
Accrued to contracts	53	48
Appropriations	(1,620)	(1,943)
Loan Facility	<u>(1,619)</u>	<u>(594)</u>
<b>Net cash provided by financing activities</b>	<b>(1,962)</b>	<b>(2,214)</b>
	<u>8,148</u>	<u>624</u>
Debt repayment (net)	<u>1,619</u>	<u>594</u>
	<u>9,767</u>	<u>1,218</u>
Change in cash and cash equivalents in the reporting period	<b>9,767</b>	<b>1,218</b>
Cash and cash equivalents at the beginning of the reporting period	<b>(18,158)</b>	<b>(19,376)</b>
Cash and cash equivalents at the end of the reporting period (b)	<u><b>(8,391)</b></u>	<u><b>(18,158)</b></u>

The notes on pages 24 to 40 form part of these financial statements



# CRANLEIGH SCHOOL

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2021

### (a) Reconciliation of net income to net cash flow from operating activities

	2021 £'000		2020 £'000
Net incoming resources	7,300		904
Elimination of non-operating cash flows:			
Investment income	(37)	(60)	
Finance costs paid	659	719	
Pension gains less contributions paid	(2,210)	1,685	
Depreciation	1,771	1,876	
Profit from disposal of assets	-	-	
(Increase)/Decrease in stock	30	15	
Decrease/(Increase) in debtors	115	99	
Increase/(Decrease) in creditors	<u>3,237</u>	<u>(2,113)</u>	2,221
	<u>10,865</u>		<u>3,125</u>

### (b) Analysis of cash and cash equivalents

	1 August 2020 £' 000	Cash Flow £' 000	31 July 2021 £' 000
Cash at bank and in hand less overdraft	1,120	8,148	9,268
Loan facility - Handelsbanken	<u>(19,278)</u>	<u>1,619</u>	<u>(17,659)</u>
	<u>(18,158)</u>	<u>9,767</u>	<u>(8,391)</u>

# CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 1. ACCOUNTING POLICIES

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 9 July 1998 (Company No. 3595824) and registered as a charity (Charity No. 1070856).

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

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 15.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School and with its wholly owned subsidiaries Cranleigh Enterprises Limited (Company No. 2902113), Cranleigh Foundation (Company No.1122918) and Cranleigh Education Services Limited (Company No. 8224546). Cranleigh Education Services Limited also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture. 50% of the Joint Venture profits are included in the Group accounts. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The net incoming resources of the Charity are disclosed on page 28. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments. The charity has taken advantage of exemption 408 of the Companies Act and as such a separate parent income statement has not been prepared.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value 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 affected current and future periods.

The School has recognised its liability in relation to the Cranleigh School Pension Scheme which involves a number of estimations as detailed in note 20.

# CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 1. ACCOUNTING POLICIES (continued)

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

#### 1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

#### 1.2 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

Rental income (including incentives received or paid) for operating leases on investment property are recognised in profit or loss on a straight line basis over the lease term.

#### 1.3 Donations, legacies, grants and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

#### 1.4 Advance Fee Scheme

Interest is paid by the charity on the advance, in which case the transaction is in substance a loan and is classed as a basic financial instrument. The financing cost is the interest paid and this must be treated as an interest expense. (If the interest rate paid is below the market rate for an equivalent loan, then the loan may qualify for treatment as a concessionary loan)

#### 1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. The direct costs incurred in preserving the School's ancient buildings and their contents are shown as a charitable activity distinct from that of education and grant making. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments. Governance costs comprise the costs of complying with constitutional and statutory requirements. Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure

# CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 1. ACCOUNTING POLICIES (continued)

#### 1.6 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £5,000 are capitalised and carried in the balance sheet at historical cost. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on equipment incurred in the normal day-to-day running of the School and its subsidiaries is charged to the Statement of Financial Activities as incurred.

#### 1.7 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

School buildings, including major extensions	15-50 years
Staff housing	50 years
Furniture, machinery and equipment	3-30 years
Motor vehicles	5 years
IT	4 years

#### 1.8 Investments

Investment properties are valued as individual investments at their market values as at the balance sheet date. Rental income is recognised in the period to which it relates. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets. Investments in subsidiaries are valued at cost less provision for impairment.

#### 1.9 Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

#### 1.10 Fund accounting

The charitable trust funds of the School and its subsidiaries 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.

**Restricted** income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

# CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 1. ACCOUNTING POLICIES (continued)

#### 1.11 Pension costs

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

(a) The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

(b) The Cranleigh School Pension Scheme - This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit liability is presented separately after other net assets on the face of the balance sheet. If the School cannot recover any pension scheme asset, it is not recognised in accordance with FRS 102.

(c) The Cranleigh School Group Personal Pension Plan - This is a defined contribution group personal pension plan with Aviva. Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

#### 1.12 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### 1.13 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

# CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

<b>2. CHARITABLE ACTIVITIES - FEES</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fees receivable consist of:</b>		
Gross fees	30,059	28,629
Less: Total bursaries, grants and allowances	(4,055)	(3,925)
Add back: Bursaries paid for by donations to the Fee Relief Fund	25	55
	<u>26,029</u>	<u>24,759</u>
The above educational awards were made to 384 pupils (2020 : 388).		

### 3. SUBSIDIARY COMPANIES

Cranleigh Enterprises Limited, is a company in which the School owns all 100 £1 shares, and the aggregate amount of assets, liabilities and funds is £14.9k. The trading activities of Cranleigh Enterprises Limited comprise a retail operation (supplying school clothing, sportswear and sports equipment, for pupils, teachers and employees of Cranleigh School), and the lettings of School facilities. The turnover was £320k and the net profit £22.3k with £46.2k of net funds. The net profit earned by this company is donated annually to Cranleigh School under Gift Aid. The value of goods and services supplied to the School by the company in the year was £47.4k (2020 : £54.9k) and the value of services supplied to the company by the School in the year was £0k (2020 : £Nil). The Gift Aid donation for the year of £31k (2020 : £85k) has been shown on the Statement of Financial Activities as a transfer to the School.

Cranleigh Education Services Limited is a company in which the School owns all 100 £1 shares and the aggregate amount of assets, liabilities and funds is £881k. The trading activities of Cranleigh Education Services Limited is to facilitate the establishment of overseas schools and then monitor the running of overseas schools once open. The turnover was £5,908k and the net profit £5,852k. There were no services supplied to the School by the Company in the year and £27.7k services supplied to the Company by the School in the year. The Gift Aid donation for the year of £5,245k (2020 : £214k) has been shown on the Statement of Financial Activities as a transfer to the School.

Both trading companies are now consolidated within the group financial statements as detailed in the Statement of Accounting Policies.

Cranleigh School is also the sole member of Cranleigh Foundation, a company limited by guarantee established to promote and advance any charitable purpose directly connected with Cranleigh School. The financial results of Cranleigh Foundation are included as the Foundation restricted funds within these consolidated accounts

<b>4. CHARITABLE ACTIVITIES - OTHER INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Educational visits	182	408
Activities	115	216
Other	294	301
Rental income	83	52
Registration fees	16	37
Other	<u>690</u>	<u>1,014</u>

<b>5. OTHER TRADING ACTIVITIES</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Facilities and trading income</b>		
Cranleigh School	1	31
Cranleigh Enterprises Ltd	320	432
Cranleigh Education Services Ltd	5,908	288
	<u>6,229</u>	<u>751</u>
<b>Other incoming resources</b>		
Surplus on asset sales	-	-
Foundation (recoveries)	-	4
Other	599	891
	<u>599</u>	<u>895</u>
<b>Share of surplus from JV</b>		
C R Education Ltd (see note 12)	319	164

**CRANLEIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 JULY 2021

	2021 £'000	2020 £'000
<b>6. INVESTMENTS</b>		
Investment income	68	88
Bank and other interest		
Bank interest	-	-
<b>7. VOLUNTARY SOURCES</b>	2021 £'000	2020 £'000
Donations and legacies		
Donations to Cranleigh School	57	83
Donations to Cranleigh Foundation	334	328
	391	411

During the year Cranleigh Foundation has awarded grants to Cranleigh School totalling £0k (2020: £4k) to support bursaries and various capital projects being carried out by the School, all of which were completed in the year. Cranleigh Education Services donated £0k (2020: £0k) to the School during the year.

	2021 £'000	2020 £'000
<b>Fundraising events</b>		
Cranleigh Foundation Ltd	6	19

	Staff Costs £'000	Other £'000	Depreciation £'000	Total 2021 £'000	Total 2020 £'000
<b>8. ANALYSIS OF EXPENDITURE</b>					
<b>a) Total expenditure</b>					
Costs of generating funds					
Trading costs	70	270	11	351	412
Cost of other activities	-	-	-	-	1
Financing costs	-	775	-	775	948
Investment	-	29	-	29	25
Fundraising	-	1	-	1	4
<b>Total costs of generating funds</b>	70	1,075	11	1,156	1,390
Charitable expenditure					
Education and grant making					
Teaching costs	12,629	1,777	102	14,508	14,858
Welfare	2,594	1,280	13	3,887	3,532
Premises	1,015	2,430	1,458	4,903	4,710
Support costs and governance	812	1,521	187	2,520	2,625
Grants and awards	-	56	-	56	82
<b>Total charitable expenditure</b>	17,050	7,064	1,760	25,874	25,807
<b>Total expended</b>	17,120	8,139	1,771	27,030	27,197

	2021 £'000	2020 £'000
<b>b) Grants and awards</b>		
From Restricted Funds: Bursaries	25	55
From Unrestricted Funds: Bursaries	31	27
	56	82

	2021 £'000	2020 £'000
<b>c) Governance included in support costs</b>		
Remuneration paid to auditor for audit services: School	26	25
Subsidiaries	8	8
Reimbursement of personal expenses to Governors - travel costs	-	-
Other governance costs	125	261
	159	294

Travel expenses were reclaimed by nil members (2020: 2) of the Governing Body.

In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £4.6k (2020: £12.1k)

**CRANLEIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 JULY 2021

<b>9. FINANCING AND OTHER COSTS</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Bank interest and charges	722	900
Advanced fees discounts	<u>53</u>	<u>48</u>
	<b><u>775</u></b>	<b><u>948</u></b>
 <b>10. STAFF COSTS AND REPLATED PARTY TRANSACTIONS</b>	 <b>2021 £'000</b>	 <b>2020 £'000</b>
The aggregate payroll costs for the year were as follows		
Wages and salaries	13,393	13,087
Social security costs	1,307	1,278
Pension costs	<u>2,420</u>	<u>2,287</u>
	<b><u>17,120</u></b>	<b><u>16,652</u></b>

No Governor received remuneration in 2021 (2020: £16.3k) from Cranleigh Education Services Ltd. The granting of a benefit to any Governor is consistent with the School's policies for benefits and no Governor receives any remuneration or benefit that would not be available to a parent.

Aggregate employee-benefits of 18 (2020: 18) key management personnel	<u>1,904</u>	<u>1,911</u>
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The number of higher paid employees in bands of:

£ 60,001 - £ 70,000	20	18
£ 70,001 - £ 80,000	7	8
£ 80,001 - £ 90,000	3	2
£ 90,001 - £100,000	2	2
£ 100,001 - £110,000	0	0
£ 110,001 - £120,000	1	2
£ 120,001 - £130,000	0	0
£ 130,001 - £140,000	0	0
£ 140,001 - £150,000	0	0
£ 150,001 - £160,000	0	0
£ 160,001 - £170,000	<u>1</u>	<u>1</u>

	34	33
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The number with retirement benefits accruing

- in Defined Contribution schemes was	31	29
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of which the contributions amounted to	£506,000	£493,000
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The average number of the School's employees during the year calculated on a full time equivalent basis was 341 (2020: 335). The average headcount for the year was 401 (2020: 408)

	<b>2021 £'000</b>	<b>2020 £'000</b>
Teaching	166	165
Welfare	80	74
Premises	32	33
Support	14	14
Other activities	<u>49</u>	<u>49</u>
	<b><u>341</u></b>	<b><u>335</u></b>

During the year no termination payments were made (2020: £Nil). There were none outstanding at the year end.



CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

11. TANGIBLE FIXED ASSETS	Freehold Land & Buildings £'000	Assets Under Construction £'000	Motor Vehicles £'000	Fittings & Equipment £'000	IT Hardware £'000	Total £'000
<b>School and Group</b>						
<b>Cost (or frozen valuation)</b>						
At 1 August 2020	72,339	670	238	4,138	2,192	79,577
Additions	5	93	-	52	134	284
Transfers	-	-	-	-	-	-
Disposals	-	-	(6)	(44)	(177)	(227)
At 31 July 2021	<b>72,344</b>	<b>763</b>	<b>232</b>	<b>4,146</b>	<b>2,149</b>	<b>79,634</b>
<b>Depreciation</b>						
At 1 August 2020	14,652	-	205	3,003	1,921	19,781
Charge for year	1,428	-	11	152	180	1,771
Disposals	-	-	(6)	(44)	(177)	(227)
At 31 July 2021	<b>16,080</b>	<b>-</b>	<b>210</b>	<b>3,111</b>	<b>1,924</b>	<b>21,325</b>
<b>Net book values</b>						
At 31 July 2021	<b>56,264</b>	<b>763</b>	<b>22</b>	<b>1,035</b>	<b>225</b>	<b>58,309</b>
At 31 July 2020	<b>57,687</b>	<b>670</b>	<b>33</b>	<b>1,135</b>	<b>271</b>	<b>59,796</b>

The School's fixed assets total £58,288k and Cranleigh Enterprises £21k.

All tangible fixed assets are held for use on charitable activities.

The freehold land and buildings, excluding separate buildings, comprising Cranleigh School and Cranleigh Preparatory School were revalued in 1999. Buildings were not previously depreciated, but with effect from 1 August 2005, depreciation is calculated over 50 years for all School buildings. When building projects are still in progress at the year end, depreciation is not calculated until the financial year in which the asset is brought into full use. Land is not depreciated.

12. SECURITIES INVESTMENTS	School 2021 £'000	School 2020 £'000	Group 2021 £'000	Group 2020 £'000
<b>Group investments</b>				
Balance at 1 August 2020	3,632	3,722	4,618	4,501
New money invested from realised gains	-	-	-	-
New money invested	-	-	500	200
Reinvested Income	37	60	37	60
Investment management fees	(29)	(24)	(29)	(24)
Increase/(decrease) in value of investments	854	(126)	1,030	(119)
<b>Group investments at 31 July 2021</b>	<b>4,494</b>	<b>3,632</b>	<b>6,156</b>	<b>4,618</b>
Balance at 1 August 2020	198	198	295	148
Investment in Subsidiary	-	-	-	-
Subsidiary investment in Joint Venture	-	-	319	147
<b>School investments at 31 July 2021</b>	<b>198</b>	<b>198</b>	<b>614</b>	<b>295</b>
<b>Investments comprise:</b>				
Listed investments - Equities	4,480	3,595	6,142	4,581
Cash	14	37	14	37
<b>Group investments</b>	<b>4,494</b>	<b>3,632</b>	<b>6,156</b>	<b>4,618</b>
Investment in Subsidiary	198	198	-	-
Subsidiary investment in Joint Venture	-	-	614	295
<b>School investments</b>	<b>198</b>	<b>198</b>	<b>614</b>	<b>295</b>
<b>School investments</b>	<b>4,692</b>	<b>3,830</b>	<b>6,770</b>	<b>4,913</b>

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Securities investments are managed for the School by Brewin Dolphin Ltd. All investments are managed and held in the UK.

Original cost of investments held at 31 July 2021 is £2.078m (2020 : £1.939m)

The School has invested £198,001 in Cranleigh Education Services Ltd purchasing all 100 shares.

Cranleigh Education Services Ltd also has a 50% share in CR Education Ltd a United Arab Emirate Joint Venture in relation to the construction, operation and management of a school in Abu Dhabi. Cranleigh Education Services Ltd holds 50 shares with a nominal value of Dirhams 1000 each. With the school having opened in September 2014, Cranleigh Education Services Ltd now incorporates 50% of the Joint Venture profit to 31 August 2020 and 70% of the Joint Venture profit from 1 September 2020 to 31 July 2021. The subsidiary's share of turnover for the year ended 31 July 2021 was £6,635k (2020: £466k) with a net profit of £5,774k (2020: £164k) and the aggregate share of assets, liabilities and funds of the Joint Venture is £606k (2020: £287k).

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

<b>13. DEBTORS</b>	<b>School 2021 £'000</b>	<b>School 2020 £'000</b>	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>
Fees	17	173	17	173
Sundry debtors	91	78	196	194
Prepayments	167	107	167	107
Staff loans	101	122	101	122
Amounts due from Cranleigh Enterprises Ltd	110	91		
Amounts due from Cranleigh Education Services Ltd	-	-		
Gift aid donations from subsidiary companies	5,276	299		
	<u>5,762</u>	<u>870</u>	<u>481</u>	<u>596</u>

All debtors are due within one year, except for £85k (2020:£115k) of staff loans, which are due after more than one year.

The above fees are net of bad debt provision £353k (2020:£394k).

<b>14. CREDITORS : amounts falling due within one year</b>	<b>School 2021 £'000</b>	<b>School 2020 £'000</b>	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>
Bank loans (see Note 17)	1,626	2,604	1,626	2,604
Fees received in advance	751	615	751	615
Final term deposits	2,049	1,822	2,049	1,822
Taxation, social security and pension contributions	726	692	726	692
Amounts due to Cranleigh Enterprises Ltd	-	-	-	-
Overdraft	-	-	-	-
Other creditors and accruals	1,969	1,056	2,063	1,152
	<u>7,121</u>	<u>6,789</u>	<u>7,215</u>	<u>6,885</u>
Advance fees (see Note 16)	1,265	1,181	1,265	1,181
	<u>8,386</u>	<u>7,970</u>	<u>8,480</u>	<u>8,066</u>

<b>15. CREDITORS : amounts falling due after one year</b>	<b>School 2021 £'000</b>	<b>School 2020 £'000</b>	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>
Bank loans (see Note 17)	16,033	16,674	16,033	16,674
Advance fees (see Note 16)	1,621	1,390	1,621	1,390
	<u>17,654</u>	<u>18,064</u>	<u>17,654</u>	<u>18,064</u>

# CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 16. ADVANCE FEE PAYMENTS

Parents may enter into a contract to pay to the School up to the equivalent of ten years' tuition fees in advance. The amounts received are treated as deferred income and form part of the School's working capital. Fees are taken to income for each term as the relevant pupils progress through the School. Advance payments may be returned subject to specific conditions on the receipt of one term's notice.

	2021	2020
	£'000	£'000
Assuming pupils will remain in the School, advance fees will be applied as follows :		
After 5 years	-	-
Within 2 to 5 years	1,621	1,390
Within 1 year (Note 14)	1,265	1,181
	<u>2,886</u>	<u>2,571</u>

The balance represents the accrued liability under the contracts, and the movements during the year were:

	£'000	£'000
Balance at 1 August 2020		2,571
New contracts		1,882
Amounts accrued to contracts		53
		<u>4,506</u>
Amounts utilised in payment of fees:		
To the School	(1,564)	
To other schools	(52)	
Refunds	(4)	
		<u>(1,620)</u>
Balance at 31 July 2021		<u>2,886</u>

### 17. LOAN FINANCE

Credit facilities with Handelsbanken are currently in place, on which interest is payable at normal commercial rates. The loan facilities are secured by separate First Legal Mortgages executed by the School over certain freehold properties owned by the School. The structure is shown in the following table.

	£'000
5.33% Fixed rate amortizing credit facility expiring 23 April 2022	3,080
Libor + 1.65% amortizing credit facility expiring 25 July 2022	1,259
5.28% Fixed rate amortizing credit facility expiring 30 March 2024	2,482
Libor + 1.65% revolving credit facility expiring 30 March 2022, £3m available, £1m utilised	3,000
2.91% Fixed rate amortizing credit facility expiring 17 July 2022	2,205
3.24% Fixed rate amortizing credit facility expiring 2 April 2023	2,260
2.95% Fixed rate amortizing credit facility expiring 22 November 2022	2,232
2.77% Fixed rate amortizing credit facility expiring 12 August 2022	2,210
3.07% Fixed rate amortizing credit facility expiring 29 March 2024	931
	<u>19,659</u>

The facilities are repaid by quarterly installments with the exception of the revolving credit which is repayable on maturity. All facilities mature as follows:

	2021	2020
	£'000	£'000
After 5 years	13,305	14,038
Within 2 to 5 years	2,728	2,636
Within 1 year	1,626	2,604
	<u>17,659</u>	<u>19,278</u>

In addition there is a revolving current account overdraft facility from Handelsbanken of £3m expiring on 30 September 2022.

# CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 18. STATEMENT OF FUNDS

	Balance 1 August 2020 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Balance 31 July 2021 £'000
Fees relief fund	-	25	(25)	-	-
Foundation	1,468	372	(32)	176	1,984
Total restricted funds	1,468	397	(57)	176	1,984
Total unrestricted funds	36,849	33,934	(26,973)	3,102	46,912
<b>Total funds</b>	<b>38,317</b>	<b>34,331</b>	<b>(27,030)</b>	<b>3,278</b>	<b>48,896</b>

The funds of the Foundation are considered to be restricted given the aims and objects are narrower than the School and as such are accounted for as a restricted fund in the Group.

### 19. COMPARATIVE STATEMENT OF FUNDS (*restated*)

	Balance 1 August 2019 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Balance 31 July 2020 £'000
Fees relief fund	-	55	(55)	-	-
Foundation	1,125	374	(38)	7	1,468
Total restricted funds	1,125	429	(93)	7	1,468
Total unrestricted funds	38,123	27,672	(27,104)	(1,842)	36,849
<b>Total funds</b>	<b>39,248</b>	<b>28,101</b>	<b>(27,197)</b>	<b>(1,835)</b>	<b>38,317</b>

### 20. PENSION SCHEMES

Retirement benefits to employees of the School are provided through two defined benefit schemes and one defined contribution scheme, which are funded by the School's and employees' contributions.

#### Defined benefit schemes

##### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,738k (2020: £1,654k) and at the year-end £144k (2020: £134k) was accrued in respect of contributions to this scheme.

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

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

## CRANLEIGH SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

#### 20. PENSION SCHEMES (continued)

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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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 cost cap mechanism review is 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.

#### **Cranleigh School Pension Scheme**

The School operates a defined benefit scheme for non-teaching staff, the Cranleigh School Pension Scheme. The scheme was closed to new members with effect from 1 January 2013, though it remains open to existing members. As of 1 January 2013, the School established a generous defined contribution scheme for new employees (see page 37).

Contributions are made to the scheme in accordance with the recommendations of the scheme's actuary and are charged to the Statements of Financial Activities. Following the signing of the latest valuation in May 2019 the School's contribution increased to 22.5%. In addition the School paid contributions totalling £89,400 in respect of the past service deficit. At 31 July 2021 £0 was accrued in respect of pension contributions to this scheme (2020: £0).

Following the latest full Actuarial Valuation at 6 April 2018, the Trustees of the Cranleigh School Pension Scheme agreed with Cranleigh School, the employer, to continue with a recovery plan designed to eliminate the deficit from 6 May 2019 until 31 January 2028. Cranleigh School will make lump sum contributions of £7,450 per calendar month to fund the past service deficit.

The School has provided £119k to cover the potential cost of meeting the possible commitment to pay additional guaranteed minimum pension (GMP) equalisation costs following the October 2018 ruling by the High Court in the Lloyds Bank case

The fair value of the scheme assets exceeded the present value of future obligations at the 31 July 2021 by £233k. However, as the School will not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements in accordance with FRS102.

CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

**20. PENSION SCHEMES (continued)**

	2021 £'000	2020 £'000
<b>(a) The amounts recognised in the balance sheet are as follows :</b>		
Present value of funded obligations	(26,861)	(27,136)
Fair value of plan assets	<u>27,094</u>	<u>24,926</u>
less asset not recognised	(233)	-
<b>Deficit amount shown in the balance sheet</b>	<u>-</u>	<u>(2,210)</u>
<b>(b) Changes in the present value of the defined benefit obligation</b>	2021 £'000	2020 £'000
Opening defined benefit obligation	27,136	23,948
Service cost	558	568
Interest cost	389	483
Actuarial loss/(gain)	(581)	2,910
Benefits paid	<u>(641)</u>	<u>(773)</u>
<b>Defined benefit obligation at year end</b>	<u>26,861</u>	<u>27,136</u>
<b>(c) Changes in the fair value of the Scheme assets</b>	2021 £'000	2020 £'000
Opening fair value of the scheme assets	24,926	23,423
Interest on assets/Expected return	361	478
Actuarial gain/(loss)	1,900	1,194
Employer's contributions	439	482
Employees' contributions	109	122
Benefits paid	<u>(641)</u>	<u>(773)</u>
<b>Closing defined benefit obligation</b>	<u>27,094</u>	<u>24,926</u>
<b>(d) Amounts included within the Statement of Financial Activities</b>	2021 £'000	2020 £'000
Current service cost	233	(2,210)
Past service cost (GMP equalisation)	-	-
Expected return on scheme assets	361	478
Interest on pension liabilities	<u>(389)</u>	<u>(483)</u>
<b>Total amount charged to the Statement of Financial Activities</b>	<u>205</u>	<u>(2,215)</u>
Net Actuarial gains/(losses)	<u>2,481</u>	<u>(1,716)</u>
less asset not recognised	<u>(233)</u>	<u>-</u>
<b>Net Actuarial gains/(losses) recognised in the year</b>	<u>2,248</u>	<u>(1,716)</u>
<b>Net Cumulative actuarial gains/(losses)</b>	<u></u>	<u></u>

The School expects to contribute £422k to the scheme in 2021/22

## CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

**20. PENSION SCHEMES (continued)**

	2021 £'000	2020 £'000
<b>(e) Reconciliation of movements in Present Value of Plan :</b>		
<b>Liabilities and Assets</b>		
Net liability at the beginning of the year	-	-
Movements in the year:		
Employer's current service cost	(449)	(446)
Employer's past service cost	-	-
Employer's contribution	439	482
Net interest on the Defined Benefit Asset/Liability	28	5
Actuarial gains less scheme asset not recognised	(18)	(1,716)
Net liability at end of the year	-	(1,675)

<b>(f) The categories of scheme assets as a percentage of total assets</b>	2021	2020
Equities	49	44
Bonds	47	52
Annuities	4	4
Cash	-	-

**(g) Principal assumptions at the balance sheet date (expressed in percentages as weighted averages)**

Discount rate	1.70	1.45
Expected return on plan assets	1.70	1.45
Rate of increase in salaries	3.25	2.90
Rate of increase in pensions in payment	3.65	3.50
Rate of increase in pensions in deferment	2.35	2.25
RPI	3.25	2.90
CPI	2.35	2.00
Assumes life expectations in years on retirements age 65		
Retiring today - males	22.1	22.4
Retiring today - females	24.1	24.3
Retiring in 20 years - males	23.4	23.7
Retiring in 20 years - females	25.3	25.5

**(h) The amounts for the current and previous periods are :**

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Defined benefit obligation	(26,861)	(27,136)	(23,948)	(20,920)	(21,942)
Scheme assets	27,094	24,926	23,423	21,082	19,996
Deficit	-	(2,210)	(525)	-	(1,946)
Experience adjustments on liabilities	4,381	491	(1,191)	(2,675)	(253)
Experience adjustments on assets	1,900	1,194	1,869	597	1,176

**Defined contribution scheme**

The Cranleigh School Group Personal Pension Plan started in January 2013. This is a money purchase group personal pension scheme managed by Aviva. Basic contributions are 4% for the employee and 8% for the employer. The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the year amounted to £250,983 (2020: £227,549). At 31 July 2021 £0 was accrued in respect of pension contributions to this scheme (2020 : £0).

# CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 21. FINANCIAL INSTRUMENTS

The charity 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

At the balance sheet date the charity held financial assets at amortised cost of £9,748k (2020: £1,716k). Financial assets at fair value through income or expenditure of £0k (2020: £0k) and Financial liabilities at amortised cost of £26,134k (2020: £26,130k)

### 22. RELATED PARTY TRANSACTIONS

The Headmaster of Cranleigh School is also the Trustee of 1170. This charity has used the facilities of Cranleigh School for fundraising meetings. There was no charge for these services and there were no amounts owed to the School at 31 July 2021 (2020: Nil)

The School rents a residential property from the Chairman of Governors (Mr A J Lajtha) for the housing of school staff. The school pays rent of £1,700 per month under an Assured Shorthold Tenancy agreement. There were no amounts outstanding or owed to the School at 31 July 2021 (2020: Nil)

There have been no other related party transactions that require disclosure other than transactions with other group entities, as set out below:

In 2021 the Charity charged Cranleigh Enterprises Limited minibus running costs totalling £25,560 (2020: £25,080). This is calculated as a fee per term based on fuel and maintenance costs

In 2021 Cranleigh Enterprises Limited charged the Charity minibus usage costs totalling £40,380 (2020: £39,600). This is calculated as a fee per term based on the reasonable wear and tear of the vehicles.

In 2021 Cranleigh Enterprises Limited charged the Charity stationery and book costs totalling £47,388 (2020: £54,995). This is based on the recommended retail price.

### 23. CAPITAL COMMITMENTS

As at 31 July 2021 the Group had no capital commitments for the construction works on the capital development programme.

### 24. OPERATING LEASES

As at 31 July 2021 the Group had the following non-cancellable operating leases, payable as follows:

	2021 £'000	2020 £'000
Within 2 to 5 years	19	40
Within 1 year	35	112
	<u>54</u>	<u>152</u>



CRANLEIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

25. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES

	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Total Funds 2020 £'000
<b>INCOME FROM:</b>			
<b>Charitable activities</b>			
School fees	24,759	-	24,759
Other income	1,014	-	1,014
<b>Other trading activities</b>			
Facilities and trading income	751	-	751
Other incoming resources	895	-	895
Share of surplus from Joint Venture	164	-	164
<b>Investments</b>			
Investment income	61	27	88
Bank and other interest	-	-	-
<b>Voluntary sources</b>			
Donations and legacies	28	383	411
Fundraising events	-	19	19
<b>Total incoming resources</b>	<u>27,672</u>	<u>429</u>	<u>28,101</u>
<b>EXPENDITURE ON:</b>			
<b>Raising funds</b>			
Trading costs	412	-	412
Share of loss from Joint Venture	-	-	-
Other income-generating activities	-	1	1
Financing costs	948	-	948
Investment management	25	-	25
Fundraising & development	-	4	4
<b>Total deductible costs</b>	<u>1,385</u>	<u>5</u>	<u>1,390</u>
<b>Charitable activities</b>			
Education and grant making	25,719	88	25,807
<b>Total expenditure</b>	<u>27,104</u>	<u>93</u>	<u>27,197</u>
<b>NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS</b>	568	336	904
<b>Gains/(losses) on investments</b>	(126)	7	(119)
<b>Transfers</b>	-	-	-
<b>NET INCOME AND CAPITAL (INFLOW)</b>	442	343	785
<b>Pension scheme actuarial gain/(loss)</b>	<u>(1,716)</u>	<u>-</u>	<u>(1,716)</u>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>	(1,274)	343	(931)
<b>FUNDS B/FWD 1 AUGUST 2019</b>	38,123	1,125	39,248
<b>FUNDS C/FWD 31 JULY 2020</b>	<u>36,849</u>	<u>1,468</u>	<u>38,317</u>

# CRANLEIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 26. ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2021:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	65,079	-	65,079
Current assets	9,864	87	9,951
Current liabilities	(8,480)	-	(8,480)
Long term liabilities	(17,654)	-	(17,654)
Pension scheme assets	-	-	-
<b>Total net assets</b>	<b>48,809</b>	<b>87</b>	<b>48,896</b>

### 27. COMPARATIVE ALLOCATION OF NET ASSETS TO FUNDS

Fund balances at 31 July 2020	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fixed assets	64,709	-	64,709
Current assets	1,861	87	1,948
Current liabilities	(8,066)	-	(8,066)
Long term liabilities	(18,064)	-	(18,064)
Pension scheme liabilities	(2,210)	-	(2,210)
<b>Total net assets</b>	<b>38,230</b>	<b>87</b>	<b>38,317</b>