

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
FOR
THE GREGG SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

THE GREGG SCHOOLS TRUST

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FOR THE YEAR ENDED 31 AUGUST 2022**

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THE GREGG SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2022

TRUSTEES

V J Davies
R D Hart (resigned 28.9.21)
Ms J L Preston
Ms S H Sellers
Ms C A Pulman
J W Watts
Ms H Witt
W A Lane (resigned 26.8.22)
Ms C Tipper
C Harvey (appointed 7.12.21)
P Oxenham (appointed 8.2.22)
N Price (appointed 12.10.22)

COMPANY SECRETARY

Ms C A Pulman

REGISTERED OFFICE

Highland House
Mayflower Close
Chandler's Ford
Eastleigh
SO53 4AR

REGISTERED COMPANY NUMBER

03687622 (England and Wales)

REGISTERED CHARITY NUMBER

1089055

AUDITORS

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

BANKERS

National Westminster Bank plc
3 Lower Northam Road
Hedge End
Southampton
Hampshire
SO30 4PA

THE GREGG SCHOOLS TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022**

SOLICITORS

Trethowans LLP
Pavilion
Botleigh Grange Business Park
Hedge End
Southampton
Hampshire
SO30 2AF

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

As set out in the Memorandum and Articles of Association, the Trust is established for the promotion and advancement of education and in particular the operating of a school or schools for such purpose. Its principal activity continued to be the provision of education for boys and girls at an independent primary and secondary school.

The Charity provides education for boys and girls aged 3-11 years at The Gregg Preparatory School and for boys and girls aged 11-16 years at The Gregg School. The Trust's aim, as an educational charity, is to benefit the public by providing a first class education independent of the State system. It also aims to provide a forward looking disciplined environment where pupils are given the opportunity to achieve their full potential, as well as helping to build self-confidence and a desire to contribute to the community.

In setting our objectives and planning our activities, our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The Gregg Schools Trust is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the schools and at a level that is consistent with our aims.

Our Schools welcome pupils from all backgrounds. An individual's gender, ethnicity, race, religion and in most cases disability do not form part of our assessment processes.

Our Schools are committed to safeguarding and promoting the welfare of our pupils and expect all staff and volunteers to share this commitment

The Trust's main objectives are:

- a) To achieve the highest academic performance commensurate with the cultivation of a well-rounded development of the personality in our pupils.
- b) To widen public access to our system of education within the constraints of our funding as an independent education provider.
- c) To work within the local community in order that the public can also benefit from the pupils' education and development.

The Trust's strategies for achieving its objectives are:

- a) To ensure the continued development and motivation of staff through training and support.
- b) To ensure that the Trust is suitably staffed with the relevant expertise to cope with the changes in educational ideas and legislation.
- c) To ensure that suitable investment is made to aid the teaching process and the development of pupils.
- d) To continually review and develop our methods for awarding means-tested bursaries to ensure wider access to pupils from all backgrounds.
- e) Develop and maintain links with local junior schools and nurseries within both the state and Independent Schools sector.
- f) Continue to raise funds for other charities and provide musical and theatrical entertainment to the local residents.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

Significant activities

- a) The increase in students, especially in the Gregg School has increased the Trust's fee income, enabling many large ticket maintenance items to be accomplished or planned.
- b) The continued delivery of the school curriculum, whilst adhering to the ongoing adaptations to schooling necessitated by the Covid Pandemic.
- c) Both schools remaining open during the pandemic, either by virtual learning or in 'bubbles' whilst coping with staff and student Covid absences.
- d) The achievement of 98% of students obtaining 5 or more Grade 4(C) and above GCSE grades remains an excellent performance for a non-selective school.
- e) The focus on engaging new Trustees with dedicated skills e.g., previous board or governor experience, together with a revamp of the subcommittee offerings.
- f) Bursaries remain in place at the level of 3.26% of fees.

Principal funding sources and expenditure supporting the key objectives:

The principal source of funding is from tuition fee generation, the total of which is determined by pupil numbers and the level of the advertised annual fees, as determined each year by the Trustees.

The principal form of expenditure is levied on staff salaries. A large proportion of the remaining funds are expended on the maintenance and development of the schools' infrastructures and in the provision of teaching aids.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

Public benefit

The Trustees have considered the Commission's guidance of Public Benefit and are satisfied that the current activities meet these objectives, as can be seen in the following activities:

Bursary and Scholarship Policy

The Trustees view our bursary and scholarship awards as important in helping to ensure children from families who would otherwise not be able to afford the fees to access the education we offer. Our schools do not have endowments and fund awards from within our own financial activity. We must therefore be mindful of the balance between fee paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards.

In accordance with our bursary policy, our bursary awards are available to all pupils and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. The awards normally range from 10% to 50% but additional support up to 100% will be considered in extreme circumstances.

Parents are required to complete a comprehensive application form (designed by The Bursars' Association) to provide full details of income and assets in order that each financial situation can be assessed by the Trustees. Further information can be found within the schools' Bursary Policy.

Scholarships and bursaries are advertised on the schools' websites, within advertisements and within prospectus information.

Scholarships are offered for academic excellence, or for Art, Music and Sport, when pupils initially apply to enter the school in year 7. Academic scholarship awards of up to 33% are dependent on Entrance Examination performance. Art, Music and Sport scholarships are 20% with only one award made per subject.

Bursaries, Scholarships and Accessibility

Both Schools continue to offer means tested bursaries to widen the accessibility of our educational system. The Gregg School also offers part scholarships for academic excellence, music, art and sport. Both scholarships and bursaries are awarded from the Trust's own income and are therefore limited to affordability.

Means tested bursaries are available to all pupils and not dependent on performance in the Entrance Assessment provided that prospective students have reached the minimum pass level. The schools are nonselective; those pupils who do not pass The Gregg School Entrance Examination are interviewed by the head teacher to assess our ability to meet their needs within our Learning Support department.

Bursary awards have fallen during the last year and are similar in value to scholarships at the rate of 1.57:1 (2021: 1.62:1).

This year 46 (2021 - 55) pupils were helped through means tested bursaries, representing 9.9% of all pupils (2021 - 11.2%) with a value of £189,898 (2020/21 - £216,862, 55 students) 3.3% of gross fee income (2020/21 3.9%). A further 56 pupils (12%) were assisted through scholarships with a value of £120,744 (2020/21 - 64 pupils; 13.1% value of £133,886), 2.1% of gross fee income (2020/21 - 2.4%). A further 88 pupils (2020/21 - 94 pupils) received a sibling discount of 7.5% or 10% representing 1.5% of gross fee income (2020/21 - 1.3%) and there were 11 pupils (2020/21 - 13 pupils) in receipt of staff discounts representing 0.7% of gross fee income (2020/21 - 2.7%).

Bursaries generally allow parents a reduction in fees of up to 50%. However in extreme overall circumstances more has been offered. During 2021/22, 22 (2020/21 - 27) pupils benefit from 50% assistance and 5 pupils benefit from between 50-100% assistance (during 2020/21, 2 pupils benefited from between 50%-100% assistance).

The Gregg School is working on a "Working in Partnership Arrangement" with its neighbouring Townhill School, which will allow the use of the grounds, facilities and minibuses of The Gregg School.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

The Gregg School hosts the Southampton Junior Schools Cross Country, it also offers science and food technology afternoons to various junior schools.

Public and Community Involvement

The Gregg School

Charity and Community Involvement Report 2021/22

The Gregg has continued to support local and national charities, and good causes during the year. This support has not been as wide as previous years due to Covid restrictions, but this remains one of the school's key community involvements.

In November, a non-uniform day enabled the schools to raise £580, which was split equally between Emmaus (a homelessness charity that offer a home, a job, and a sense of belonging) and Rainbow Trust (a charity that supports families who have a child aged 0-18 years with a life threatening or terminal illness). Both donations were received with thanks.

In December, the school held the annual drama production (Treasure Island) for the first time since 2019, and were able to raise £1,346 via ticket sales, refreshments, and a choir collection for the Honeypot Children's Charity. The charity gives young carers a break from demanding and stressful responsibilities at home and provide a safe, nurturing environment where children at risk can develop their full potential. The charity were delighted with these much needed donations.

Once again, the schools embraced a Christmas Jumper Day, a chance for some light-hearted fun whilst raising much needed supplies of food and pet food for the Eastleigh Food Bank and the Second Chance animal charity respectively. Sadly, both charities are seeing larger reliance on their centres.

We were delighted to be able to continue our support for the No Limits charity in February, holding a non-uniform day and cake sale which raised £906, an increase on the same event last year of £828. This was a fitting way to mark national Mental Health Awareness Week and the charity, who help help children and young people facing mental health difficulties, bereavement, homelessness and poverty, were extremely grateful.

In March, a sale of cakes, sunflower seeds and Ukrainian ribbons raised an excellent sum of £1,500 via UNICEF to support the war in Ukraine. This was made up of donations for the above, support from individual Trustees and then rounded up by the Trust for this very worthwhile and devastating cause.

Finally, in May the school raised £170 via a cake sale for the Jubilee celebrations.

Our thanks to everyone who has supported our charity and community programme this year, and we look forward with cautious optimism to next year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

The Gregg Preparatory School

Charity and Community Involvement Report

Whilst some Covid restrictions remained this year, we did manage a few charity and community activities. The hope is that in the coming year we will re-establish all the routine community support alongside key activities such as the Nativity play.

Fundraising activities this year have been very limited. The Gregg Prep school, although small in numbers did their bit this year and held several fund-raising events in school during the year. These included a FairTrade snack event in March that raised £80 for TeamSeas, a beaches, river and oceans clear up operation, and held a non-uniform day that raised £287 for Unicef, and £169 for Comic Relief.

We hope for better in the next academic year.

Volunteers

Other than salaried members of staff (Headteacher and Teacher), the schools' Trustees did not receive any payment for the work they carried out in the capacity for the charity in the year ending 31 August 2022.

New Trustees and other volunteers are recruited and inducted in accordance with Schools' policy and DBS clearance is obtained. The Gregg School has three volunteers helping with its Duke of Edinburgh programme.

The Gregg School's formal Gertrude Jekyll gardens are tended to by The Friends of Townhill Park House Gardens, who are all non-paid volunteers.

Student numbers

The Gregg School

Student numbers in 2021/22 averaged 352 (2020/21: 351). The start numbers for 2022/23 are 358, The recent Open Day has been well supported as we continue to widen the links with a number of our feeder schools through invitations to Science and Technology workshops. This has been supported by presentations to parents at these schools, including the triennial Sherborn House open event.

A major factor in recruitment is the provision of transport to and from school, with a total of 22 minibus routes, now having dispensed with coach travel. Continued student demand saw 92% of our students using these services daily, having a positive effect on the environment with only a small number of parents needing to use their own cars.

The Gregg Preparatory School

During 2021/22 the main school pupil numbers averaged at 102 (2020/21: 112). The Preschool was closed, so numbers were nil for 2021/22 (2020/21: Preschool 11 on average).

Numbers for the new school year 2022/23 are 95, which is very encouraging. Relationships continue to be built with local nurseries to try and maintain numbers in reception now that the Preschool is closed.

Members' liabilities

The charity has no share capital and is limited by guarantee. In the event of a winding up, each member of the company is liable to contribute an amount not exceeding £1. As at 31 August 2022 there were 10 members (2021: 8).

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

i.) During the 2021-2022 year, The Gregg Schools Trust has been able to spend money on capital projects, given the increase in fee income and the expansion of the surplus/reserves. Having last year provided the much needed and necessary expansion of the school learning facilities, via the two new classrooms in the Hart building, it has given the Trust the ability to make some much needed repair and maintenance decisions. These have included the upgrading of the Western Façade of Townhill Park House, a Grade II listed building which houses much of the school's activities and a repurposing of rooms in The Gregg Prep school to enable a new reception area/room, (to enable better first impressions to prospective and current parents), a dedicated PDA area for staff and a bistro style break room. All new facilities have been welcomed and the working party included staff from the school. More projects are in the pipeline for the coming year, via a tender process.

ii.) GCSE results were very pleasing and surpassed the 2019 figures, the last comparable set of data pre the Covid pandemic. These figures, 98% of students obtaining 5 or more Grade 4(C) and above GCSE grades continue to be an outstanding achievement given that the School is non-academically selective.

iii.) Continued reorganisation of the Schools' governing body to provide more involvement and support to both Schools has progressed well, with two new Trustees appointed this year, with an additional two in the wings for next year. These two new Trustees this year bring audit, risk, governance, and project skills to the Trust's skill base. We will look to increase the communication and education skills in the next year.

iv.) The Trust has taken the decision that from September 2022, the Trustees will be known as Governors going forwards. The reason for this is to reflect the wider accountability's and responsibilities, to be better understood in the educational environment and public domain and is the term used by AGBIS in their Governance manual.

Fundraising activities

The charity adheres to charity sector guidelines and regulations including the Fundraising Code of Practice and would take appropriate action to remedy any shortcomings identified. The Charity's fundraising practices are ethical. We are committed to protecting privacy and only use personal data that we collect in line with applicable laws, including the General Data Protection Regulation (GDPR): data is not shared, sold, swapped or rented to third parties for marketing purposes; communication is only sent to those who want it in the method they have agreed to.

FINANCIAL REVIEW

Financial position

Financial performance key indicators

The annual accounts are a consolidation of both The Gregg and The Gregg Prep Schools.

The Trust has a rolling 5 year financial plan, which includes Cash Flow and Profit and Loss predictions. These plans are reviewed and updated each year.

This year's accounts show a surplus of £314,382 after depreciation of £112,836 and after profit on sale of assets of £7,352 (2020/21: £394,484 surplus after £148,475 depreciation and profit on sale of assets of £1,100).

Fees for the school year, 2022/23 have been increased at both schools by 5.5%, The Gregg School to £4,853 per term and at The Gregg Prep School to £3,138 per term.

Tuition fee income generation amounted to £5,448,749 (2020/21: £5,052,220). Tuition fee income accounted for 90.73% of total income (2020/21: 90.10%) which was £5,995,766 (2020/21: £5,603,698).

To provide the education and support needed to achieve the key objectives of the Trust £4,062,845 (2020/21: £3,818,999) was paid in salaries (including Employers NI and Pension Contributions). This accounts for 74.56% of the fee income (2020/21: 75.59%) and 67.65% of total income (2020/21: 68.11%). The Trust presently bases its teaching salaries on the educational pay scales within the State Sector, the annual basic salary was frozen across all staff (2019/20: State Sector rise: 0%) . The combined schools' staff/pupil ratio was 7.87 (2020/21: 7.79), The Gregg School 7.45 (2020/21: 7.5) The Gregg Prep 9.10 (2020/21: 7.64).

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

FINANCIAL REVIEW

Reserves policy

The Trustees have reviewed the charity's need for reserves in line with the guidance issued by the Charity Commission in SORP (FRS102). The ideal level of free reserves is two thirds of the Schools' operating costs being £3,789,754 (2021: £3,475,065). Unrestricted funds at 31 August 2022 amounted to £2,289,923 (2021: £1,968,832) After excluding unrestricted fixed assets £5,225,343 (2021: £5,286,044) (Note 21) and adding back related bank loans, there are negative 'free' reserves of £916,374 (2021: £1,154,179). However, the charity has secured cash flow in the form of fees received in advance of £3,337,313 (2021: £3,107,197) (Note 16 and 17) to meet its operating costs as they arise.

The Trustees regularly review the finances, budgets and spend against budget together with a monthly cash flow analysis as part of the effective stewardship of the School.

In common with other Independent Schools, the Trustees have invested funds into school buildings in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Although the free reserves are at a negative balance, this illustrates the extent of the investment in our School, which is a common practice by Independent Schools which have to finance their own capital investment plans.

The Trustees recognise that the level of reserves fluctuates during periods of investment in the Schools and arrangements with our bank are in place to provide an adequate 'safety net' should it be required.

Valuation of land and buildings

The freehold land and buildings were professionally valued in December 2020 at £4,250,000. Land and buildings are recognised at historical cost less accumulated depreciation and so this valuation has not been reflected in these financial statements.

Financial effects of significant events

The Trust had borrowed under the government's Coronavirus Business Interruption Scheme in 2020 to support its Cash Flow. This supported us well throughout the year and has latterly been repaid. This has been included in additional borrowing to cover the cost of the additional classrooms needed with the expansion in numbers. The HART building has now been completed with the addition of 2 further classrooms on the first floor. These will shortly be followed by another 2, with the completion in September of 2 cabin classrooms, The Studio & The Lodge. This supports the material change that's been made to numbers increasing to 375 and which necessitated inspection during the summer holiday.

FUTURE PLANS

The Gregg Prep at Winn Road continues to be leased from the Sutton Brothers. With Lease arrangements now up for renewal, the opportunity to explore alternatives and seek a long term solution is being considered. This will ensure that we have made provision for the future of the school and its ability to feed the Gregg.

The 2 standalone classrooms near the HART building were ready on schedule and brought into service as a forest school & Humanities classroom in one case and an Art & DT classroom in the other.

The funding and construction of a new sports hall at The Gregg School remains the Trustees' significant goal when appropriate funds become available.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is governed by its Memorandum and Articles of Association which were drawn up on 23 December 1998 and amended by Special resolution(s) on 7 August 2001 and as amended by Special Resolution(s) on 21 February 2005 and as amended by Special Resolution(s) on 7 December 2018.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees are responsible for all aspects of school: The educational and pastoral care provided by the Schools coupled with the financial and legal management of the schools. If a vacancy arises the Trustees will ensure that all skills continue to be covered. The main skills required are educational knowledge, legal and accountancy.

The day-to-day management is delegated to the Head Teachers and the Bursar.

Induction and training of new trustees

Proposals to introduce new Trustees are discussed and agreed within Trust meetings. New Trustees are interviewed by two Trustees and performance, as with all Trustees, reviewed annually by the Chair.

Training of new Trustees is undertaken by the Chair and Bursar, backed by appropriate professionally run external courses and full use of publications available from the Charity Commission & AGBIS.

The pay of key management personnel is set by the Trustees, in line with the charity governing policy.

AUDITORS

Hopper Williams & Bell Limited, was appointed under section 487(2) of the Companies Act 2006.

The auditors, Hopper Williams & Bell Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 19 December 2022 and signed on its behalf by:

Ms J L Preston - Trustee

THE GREGG SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of The Gregg Schools Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GREGG SCHOOLS TRUST

Opinion

We have audited the financial statements of The Gregg Schools Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GREGG SCHOOLS TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GREGG SCHOOLS TRUST

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities even though the audit has been properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, and the industry in which it operates. These include but are not limited to compliance with the Companies Act 2006, UK Generally Accepted Accounting Principles and the relevant tax compliance regulations for the company.
- We obtained an understanding of how the company is complying with these frameworks through discussions with management.
- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the company operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GREGG SCHOOLS TRUST

Use of our report

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

Michaela Johns FCCA (Senior Statutory Auditor)
for and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

19 December 2022

THE GREGG SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME FROM					
Donations and legacies	3	741	1,217	1,958	2,205
Charitable activities					
School fees receivable		5,448,749	-	5,448,749	5,052,220
Additional school activities		547,017	-	547,017	427,551
Other		-	-	-	123,927
Investment income	4	607	-	607	77
Other income	6	7,352	-	7,352	1,100
Total		6,004,466	1,217	6,005,683	5,607,080
EXPENDITURE ON					
Charitable activities	7				
School operating costs		4,508,690	7,926	4,516,616	3,958,855
Welfare costs		361,271	-	361,271	283,202
Transport costs		297,369	-	297,369	308,699
Premises		516,045	-	516,045	661,840
Total		5,683,375	7,926	5,691,301	5,212,596
NET INCOME/(EXPENDITURE)		321,091	(6,709)	314,382	394,484
RECONCILIATION OF FUNDS					
Total funds brought forward		1,968,832	20,165	1,988,997	1,594,513
TOTAL FUNDS CARRIED FORWARD		2,289,923	13,456	2,303,379	1,988,997

CONTINUING OPERATIONS

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes form part of these financial statements

THE GREGG SCHOOLS TRUST (REGISTERED NUMBER: 03687622)

BALANCE SHEET
31 AUGUST 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	14	5,237,951	5,304,461
CURRENT ASSETS			
Stocks	15	15,555	15,263
Debtors	16	1,129,333	1,082,590
Cash at bank		<u>1,755,995</u>	<u>1,179,871</u>
		2,900,883	2,277,724
CREDITORS			
Amounts falling due within one year	17	(3,817,609)	(3,430,155)
NET CURRENT ASSETS		<u>(916,726)</u>	<u>(1,152,431)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,321,225	4,152,030
CREDITORS			
Amounts falling due after more than one year	18	(2,017,846)	(2,163,033)
NET ASSETS		<u>2,303,379</u>	<u>1,988,997</u>
FUNDS	22		
Unrestricted funds		2,289,923	1,968,832
Restricted funds		<u>13,456</u>	<u>20,165</u>
TOTAL FUNDS		<u>2,303,379</u>	<u>1,988,997</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 19 December 2022 and were signed on its behalf by:

J L Preston - Trustee

The notes form part of these financial statements

THE GREGG SCHOOLS TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	759,777	976,780
Interest paid		(62,082)	(49,184)
Interest element of hire purchase or finance lease rental payments paid		-	(5)
Net cash provided by operating activities		<u>697,695</u>	<u>927,591</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(46,326)	(610,930)
Sale of tangible fixed assets		7,352	2,850
Interest received		607	77
Net cash used in investing activities		<u>(38,367)</u>	<u>(608,003)</u>
Cash flows from financing activities			
New loans in year		-	2,180,000
Bank loan repayments in year		(83,204)	(1,981,888)
Payment of finance lease obligations		-	(575)
Net cash (used in)/provided by financing activities		<u>(83,204)</u>	<u>197,537</u>
Change in cash and cash equivalents in the reporting period		576,124	517,125
Cash and cash equivalents at the beginning of the reporting period		<u>1,179,871</u>	<u>662,746</u>
Cash and cash equivalents at the end of the reporting period		<u>1,755,995</u>	<u>1,179,871</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	314,382	394,484
Adjustments for:		
Depreciation charges	112,836	148,475
Profit on disposal of fixed assets	(7,352)	(1,100)
Interest received	(607)	(77)
Interest paid	62,082	49,184
Interest element of hire purchase and finance lease rental payments	-	5
(Increase)/decrease in stocks	(292)	2,593
Increase in debtors	(46,743)	(14,962)
Increase in creditors	325,471	398,178
Net cash provided by operations	<u>759,777</u>	<u>976,780</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank	<u>1,179,871</u>	<u>576,124</u>	<u>1,755,995</u>
	<u>1,179,871</u>	<u>576,124</u>	<u>1,755,995</u>
Debt			
Debts falling due within 1 year	(162,616)	17,771	(144,845)
Debts falling due after 1 year	(2,026,907)	65,433	(1,961,474)
	<u>(2,189,523)</u>	<u>83,204</u>	<u>(2,106,319)</u>
Total	<u>(1,009,652)</u>	<u>659,328</u>	<u>(350,324)</u>

1. ACCOUNTING POLICIES

Charity information

The Gregg Schools Trust (formerly The Gregg and St Winifred's School Trust) is a private company limited by guarantee incorporated in England and Wales. The registered office is Highland House, Mayflower Close, Chandler's Ford, Eastleigh, Hampshire, SO53 4AR.

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Trust's governing documents, the Companies Act 2006 and "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). The Trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional and presentational currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principle accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This confidence comes from steps the School has taken to strengthen ties between the two Schools alongside the genuine investment in marketing. The Trust also have a strong 5 year strategy supported by well resourced marketing and admissions plans. The forward momentum created by improved pass rates and a focus on Student Support all assist in this. Ambitious housing expansion plans released by Southampton City Council demonstrate a continuing increase in numbers within catchment as more land is developed - all positive news for student numbers.

Accordingly, the trustees have prepared the financial statements on this basis.

Charitable funds

Unrestricted funds are defined as income realised or generated for the objectives of the Charity without further specified purpose and which are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, will be identified to the fund.

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

Fund transfers

Resources are transferred from Unrestricted Funds to Restricted Funds where expenditure meeting the criteria laid down by a donor of restricted income exceeds this income.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered possible, and the amount can be measured reliably.

Fee income

Tuition fee income comprises gross termly fees less allowances and discounts made. This and all other income except certain donations, represent unrestricted funds.

Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as creditors until either taken to income in the term when used or else refunded.

1. ACCOUNTING POLICIES - continued

Income

Tuition fees are recognised on a receivable basis. Amounts invoiced in advance are deferred and carried forward within creditors and accruals, whilst amounts due but not yet received in the year are shown within debtors and prepayments.

Deferred income - advance fees

Where income is received in advance of meeting any performance related conditions and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance conditions are met.

Donations and legacies

Funds from the appeals to raise finance for buildings and future capital projects are accounted for on a receivable basis.

Donations are accounted for on a receivable basis and are recorded in line with the stipulations attached to them by the donor.

All income was generated in the UK.

Expenditure

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds comprise the costs of marketing to attract students to the School.

Expenditure on charitable activities includes the costs of teaching salaries, and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity which expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activity. Support costs include the costs of office salaries, and governance costs which support the School in the provision of education. The bases on which support costs have been allocated are set out in note 8.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition and construction of freehold properties and added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

Tangible fixed assets

Tangible fixed assets are measured at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and any impairment. No lower limit is applied to individual items that are capitalised.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1.43% & 10% straight line
Leasehold land and buildings	Over the term of the lease

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Plant and machinery	15% straight line
Fixtures, fittings and equipment	15% straight line
Motor vehicles	20% straight line or over the life of the lease

Freehold land and assets in the course of construction are not depreciated. Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Specific borrowing costs directly attributable to the construction of freehold properties are added to the costs of these properties until such a time as the properties are ready for their intended use or sale.

Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stock is valued at the lower of costs, being the purchase price, and net realisable value.

Cash and cash equivalents

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

Taxation

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

Hire purchase and leasing commitments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charges to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

Classification of leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the School.

Retirement benefits

The pension arrangements of the charity are defined contribution schemes where the assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the funds during the year in accordance with FRS 102.

School deposits

School deposits are currently classified between long term and short term in the financial statements. These deposits are not refundable in the event that pupils leave the school on one term's notice and it is discretionary as to whether a refund will be made. Short term deposits reflect those pupils that will be leaving the school within one year, and the long term deposits reflect those pupils that will be leaving the school after 12 months from the balance sheet date.

Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price include transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES - continued

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Trust transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate interest. Financial liabilities classified as payable within one year are not amortised.

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	<u>1,958</u>	<u>2,205</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>607</u>	<u>77</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	School fees receivable	Additional school activities	2022	2021
	£	£	Total activities £	Total activities £
School fees	5,883,483	-	5,883,483	5,512,155
Less: scholarships	(120,744)	-	(120,744)	(133,886)
Less: bursaries	(189,898)	-	(189,898)	(216,862)
Less: other discounts	(124,092)	-	(124,092)	(109,187)
Grants	-	-	-	123,927
Learning support	-	60,894	60,894	25,643
Coach fares	-	251,233	251,233	189,290
Canteen	-	216,000	216,000	193,880
Miscellaneous income	-	14,448	14,448	17,688
Hire of facilities	-	4,442	4,442	1,050
	<u>5,448,749</u>	<u>547,017</u>	<u>5,995,766</u>	<u>5,603,698</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Government grant - Furlough scheme	-	112,451
Hampshire County Council	-	11,476
	<u>-</u>	<u>123,927</u>

6. OTHER INCOME

Other income

	2022	2021
£	£	
Net gain on disposal of tangible fixed assets	<u>7,352</u>	<u>1,100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 8) £	Totals £
School operating costs	4,145,461	371,155	4,516,616
Welfare costs	331,585	29,686	361,271
Transport costs	272,933	24,436	297,369
Premises	473,639	42,406	516,045
	<u>5,223,618</u>	<u>467,683</u>	<u>5,691,301</u>

8. SUPPORT COSTS

	General support costs £	Governance costs £	Totals £
School operating costs	344,877	26,278	371,155
Welfare costs	27,585	2,101	29,686
Transport costs	22,706	1,730	24,436
Premises	39,404	3,002	42,406
	<u>434,572</u>	<u>33,111</u>	<u>467,683</u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs are apportioned on the basis of direct cost per activity as a percentage of total direct costs for charitable activities.

Support costs, included in the above, are as follows:

General support costs

	School operating costs £	Welfare costs £	Transport costs £
Wages	184,390	14,749	12,140
Social security	17,141	1,371	1,129
Pensions	12,884	1,030	848
Telephone	17,814	1,425	1,173
Postage and stationery	8,052	644	530
Other costs	104,596	8,366	6,886
Bank loan arrangement fees	-	-	-
	<u>344,877</u>	<u>27,585</u>	<u>22,706</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

8. SUPPORT COSTS - continued

General support costs - continued

	Premises	2022 Total activities	2021 Total activities
	£	£	£
Wages	21,067	232,346	235,627
Social security	1,959	21,600	22,297
Pensions	1,472	16,234	15,893
Telephone	2,035	22,447	27,644
Postage and stationery	920	10,146	8,117
Other costs	11,951	131,799	112,145
Bank loan arrangement fees	-	-	21,037
	<u>39,404</u>	<u>434,572</u>	<u>442,760</u>

Governance costs

	School operating costs	Welfare costs	Transport costs
	£	£	£
Auditors' remuneration	6,678	534	440
Auditors' remuneration for non audit work	1,478	118	97
Legal and professional fees	18,122	1,449	1,193
	<u>26,278</u>	<u>2,101</u>	<u>1,730</u>

	Premises	2022 Total activities	2021 Total activities
	£	£	£
Auditors' remuneration	763	8,415	11,300
Auditors' remuneration for non audit work	169	1,862	2,909
Legal and professional fees	2,070	22,834	31,572
	<u>3,002</u>	<u>33,111</u>	<u>45,781</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	8,415	11,300
Auditors' remuneration for non audit work	1,862	2,909
Depreciation - owned assets	111,101	146,734
Depreciation - assets on hire purchase contracts and finance leases	1,735	1,741
Surplus on disposal of fixed assets	(7,352)	(1,100)
Operating lease charges	<u>206,949</u>	<u>207,336</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

10. TRUSTEES' REMUNERATION AND BENEFITS

A trustees received remuneration, including employer's pension contributions and benefits, for teaching and administrative services to the schools, as follows, in line with the charity governing document:

		2022	2021
£	£		
S Sellers		90,431	87,335
C Tipper		337	-
		<u>90,768</u>	<u>87,335</u>

Trustees' expenses

During the year one trustee was reimbursed travel expenses totalling £551 (2021: £nil). Two trustees attended a safeguarding course at a cost of £195 per person (2021: £nil). This cost was met directly by the Trust.

The school has paid for Trustee Indemnity Insurance for the year, the insurance premium is included within travellers school insurance policy.

11. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	3,510,223	3,302,226
Social security costs	307,369	295,761
Other pension costs	245,253	221,011
	<u>4,062,845</u>	<u>3,818,998</u>

The level of remuneration is set in accordance with the National Leadership pay scales. The highest paid employee is on level 27 (2021 - 26) out of 43 on this scale.

The average monthly head count and average monthly number of full time equivalent (FTE) employees during the year were as follows:

	2022	2021
	FTE	FTE
Teaching	56.1	57.6
Teaching support	12.8	12.1
Grounds, maintenance and admin	18.3	19.5
Drivers and cleaners	13.4	12.1
	<u>100.6</u>	<u>101.3</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

11. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2022	2021
Teaching	60	64
Teaching support	23	17
Grounds, maintenance and admin	24	24
Drivers and Cleaners	38	40
	<u>145</u>	<u>145</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	2	2
£80,001 - £90,000	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

Contributions were made into Pension Schemes for the higher paid employees of £17,010 (2021 - £16,115).

12. EX GRATIA PAYMENTS

During the year termination payments totalling £5,000 (2021: £nil) were made .

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME FROM			
Donations and legacies	-	2,205	2,205
Charitable activities			
School fees receivable	5,052,220	-	5,052,220
Additional school activities	427,551	-	427,551
Other	123,927	-	123,927
Investment income	77	-	77
Other income	<u>1,100</u>	<u>-</u>	<u>1,100</u>
Total	<u>5,604,875</u>	<u>2,205</u>	<u>5,607,080</u>
EXPENDITURE ON			
Charitable activities			
School operating costs	3,956,650	2,205	3,958,855
Welfare costs	283,202	-	283,202
Transport costs	308,699	-	308,699
Premises	<u>656,245</u>	<u>5,595</u>	<u>661,840</u>
Total	<u>5,204,796</u>	<u>7,800</u>	<u>5,212,596</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted fund £	Total funds £
NET INCOME/(EXPENDITURE)	400,079	(5,595)	394,484
RECONCILIATION OF FUNDS			
Total funds brought forward	1,568,753	25,760	1,594,513
TOTAL FUNDS CARRIED FORWARD	<u>1,968,832</u>	<u>20,165</u>	<u>1,988,997</u>

14. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £
COST			
At 1 September 2021	5,270,793	271,205	172,183
Additions	4,438	-	11,000
Disposals	-	-	-
At 31 August 2022	<u>5,275,231</u>	<u>271,205</u>	<u>183,183</u>
DEPRECIATION			
At 1 September 2021	273,747	148,540	155,036
Charge for year	49,613	4,747	7,309
Eliminated on disposal	-	-	-
At 31 August 2022	<u>323,360</u>	<u>153,287</u>	<u>162,345</u>
NET BOOK VALUE			
At 31 August 2022	<u>4,951,871</u>	<u>117,918</u>	<u>20,838</u>
At 31 August 2021	<u>4,997,046</u>	<u>122,665</u>	<u>17,147</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

14. TANGIBLE FIXED ASSETS - continued

	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST			
At 1 September 2021	982,526	177,516	6,874,223
Additions	30,888	-	46,326
Disposals	-	(20,050)	(20,050)
At 31 August 2022	<u>1,013,414</u>	<u>157,466</u>	<u>6,900,499</u>
DEPRECIATION			
At 1 September 2021	858,575	133,864	1,569,762
Charge for year	32,963	18,204	112,836
Eliminated on disposal	-	(20,050)	(20,050)
At 31 August 2022	<u>891,538</u>	<u>132,018</u>	<u>1,662,548</u>
NET BOOK VALUE			
At 31 August 2022	<u>121,876</u>	<u>25,448</u>	<u>5,237,951</u>
At 31 August 2021	<u>123,951</u>	<u>43,652</u>	<u>5,304,461</u>

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles £
COST	
At 1 September 2021 and 31 August 2022	<u>8,703</u>
DEPRECIATION	
At 1 September 2021	6,968
Charge for year	1,735
At 31 August 2022	<u>8,703</u>
NET BOOK VALUE	
At 31 August 2022	<u>-</u>
At 31 August 2021	<u>1,735</u>

Land and buildings are held at deemed cost following the transition to FRS 102. At 31 August 2022, had the revalued assets been carried at historic cost less accumulated depreciation, their carrying amount would have been approximately £4,098,527 (2021 - £4,148,140).

On 10 December 2020 a professional valuation was undertaken on the land and buildings at The Gregg School in Cutbush Lane Southampton. The land and buildings were valued at £4,250,000.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**15. STOCKS**

	2022	2021
	£	£
Stocks	<u>15,555</u>	<u>15,263</u>

16. DEBTORS

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,048,435	1,029,067
VAT	6,190	3,461
Prepayments and accrued income	<u>62,208</u>	<u>37,562</u>
	<u>1,116,833</u>	<u>1,070,090</u>
Amounts falling due after more than one year:		
Other debtors	<u>12,500</u>	<u>12,500</u>
Aggregate amounts	<u>1,129,333</u>	<u>1,082,590</u>

During the year nil (2021 - £7,474) school fees were written off as bad debts.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 19)	84,845	102,616
Other loans (see note 19)	60,000	60,000
Trade creditors	140,380	48,291
Social security and other taxes	72,507	75,236
Accruals and deferred income	178,936	172,941
Fees invoiced in advance	1,481,464	1,428,440
Fees received in advance	<u>1,799,477</u>	<u>1,542,631</u>
	<u>3,817,609</u>	<u>3,430,155</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022 £	2021 £
Bank loans (see note 19)	1,961,474	2,026,907
Fees received in advance	56,372	136,126
	<u>2,017,846</u>	<u>2,163,033</u>

19. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year on demand:		
Bank loans	84,845	102,616
Other loans	60,000	60,000
	<u>144,845</u>	<u>162,616</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	87,131	112,426
Amounts falling due between two and five years:		
Bank loans - 2-5 years	278,154	287,268
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	1,596,189	1,627,213

The trust took out a loan for £1,980,000 in February 2021 repayable over 20 years at an initial fixed rate of 2.9% for the first 84 months. The loan is secured by a second legal charge over The Gregg School and its associated assets.

In June 2021, a further loan for £200,000 was taken out, repaying the CBILS loan taken out in the previous year. The new loan is for 20 years with interest charged at a rate of 2.39% over the base rate. The loan also has a second legal charge over The Gregg School and its associated assets.

Other loans of £60,000 (2021 - £60,000) have been received from parents of ex-pupils. These loans do not have fixed repayment terms and are unsecured. Interest is payable on these loans at 3% over the base rate per annum.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	105,543	148,738
Between one and five years	101,407	203,970
	<u>206,950</u>	<u>352,708</u>

Leases of land and buildings are subject to periodic rental reviews.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
Fixed assets	5,225,343	12,608	5,237,951	5,304,461
Current assets	2,900,035	848	2,900,883	2,277,724
Current liabilities	(3,817,609)	-	(3,817,609)	(3,430,155)
Long term liabilities	(2,017,846)	-	(2,017,846)	(2,163,033)
	<u>2,289,923</u>	<u>13,456</u>	<u>2,303,379</u>	<u>1,988,997</u>

22. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	1,968,832	321,091	2,289,923
Restricted funds			
Restricted fund	20,165	(6,709)	13,456
TOTAL FUNDS	<u>1,988,997</u>	<u>314,382</u>	<u>2,303,379</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**22. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	6,004,466	(5,683,375)	321,091
Restricted funds			
Restricted fund	1,217	(7,926)	(6,709)
TOTAL FUNDS	<u>6,005,683</u>	<u>(5,691,301)</u>	<u>314,382</u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	1,568,753	400,079	1,968,832
Restricted funds			
Restricted fund	25,760	(5,595)	20,165
TOTAL FUNDS	<u>1,594,513</u>	<u>394,484</u>	<u>1,988,997</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,604,875	(5,204,796)	400,079
Restricted funds			
Restricted fund	2,205	(7,800)	(5,595)
TOTAL FUNDS	<u>5,607,080</u>	<u>(5,212,596)</u>	<u>394,484</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**22. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.20 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	1,568,753	721,170	2,289,923
Restricted funds			
Restricted fund	25,760	(12,304)	13,456
TOTAL FUNDS	<u>1,594,513</u>	<u>708,866</u>	<u>2,303,379</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	11,609,341	(10,888,171)	721,170
Restricted funds			
Restricted fund	3,422	(15,726)	(12,304)
TOTAL FUNDS	<u>11,612,763</u>	<u>(10,903,897)</u>	<u>708,866</u>

23. EMPLOYEE BENEFIT OBLIGATIONS**Defined contribution schemes**

The Trust previously operated a defined contribution pension scheme and now pays employer contributions into a Group Personal Pension Fund. The assets of both schemes are held separately from those of the Trust in an independently administered fund.

The pension cost charge represents contributions payable by the Trust to the fund and amounted to £245,253 (2021 - £221,011). Contributions totalling £34,592 (2021 - £28,506) were outstanding at the year end and are included in accruals and other creditors.

THE GREGG SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

24. CAPITAL COMMITMENTS

	2022 £	2021 £
Contracted but not provided for in the financial statements	<u>61,804</u>	<u>-</u>

During the year the charity committed to fire alarm and playground works.

25. RELATED PARTY DISCLOSURES

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2022 £	2021 £
Aggregate compensation	<u>182,895</u>	<u>176,596</u>

See note 11 for information on trustees expenses.

During the year, payments of £3,395 (2021: £3,100) from pupil subscriptions were made to The Gregg School Parents Teachers & Friends Association - Charity Number 1088756, also known as FROGS (Friends of The Gregg School). The headteacher and trustee, Mrs S Sellers, is also a trustee of this charity. Receipts of £2,044 (2021: £2,147) were received back from this charity as donations in the year.

Balances due from this charity as at 31 August 2022 were £269 (2021: £201).

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are the Trustees as shown in the Trustees Report.

27. COMPANY STATUS

The Trust is a company limited by guarantee. In the event of the Trust being wound up, the members' liability is limited to £1 each. There are 10 members (2021 - 8).

28. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2021 £	Income	Expenditure	Balance at 31 August 2022
Library fund	11,326	-	(3,094)	8,232
Sports facilities fund	2,026	-	(500)	1,526
New Build fund	1,160	-	(232)	928
Furniture Room 1	1,250	-	(750)	500
Wild Life Cameras	1,040	-	(626)	414
Table Tennis Tables	506	-	(191)	315
HART Sound System	549	-	(206)	343
Pizza Oven	560	-	(210)	350
Christmas Igloo	848	-	-	848
Nativity donation	900	-	(900)	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

28. RESTRICTED FUNDS - continued

Robot making club	-	1,217	(1,217)	-
	<u>20,165</u>	<u>1,217</u>	<u>(7,926)</u>	<u>13,456</u>

The Library Fund represents a specific donation received for conversion of a school building into a library. Expenditure relates to depreciation being charged over the life of the asset.

The Sports Facilities Fund was set up to raise funds for improving the sports facilities the school is able to provide its pupils. Expenditure relates to depreciation being charged over the life of the asset.

The New Build Fund represents a donation received to help fund the cost of the new building. Expenditure relates to depreciation being charged over the life of the asset.

The Furniture Room 1 Fund represents a donation received to help fund the cost of kitting out Room 1. Expenditure relates to depreciation being charged over the life of the assets.

The Wild Life Cameras Funds represents a donation received to help fund the cost of purchasing cameras. Expenditure relates to depreciation being charged over the life of the assets.

The Table Tennis Tables Funds represent a donation received to fund and improve the sports facilities for the students at the school.

The HART Sound System funds represent a donation to help fund the cost of purchasing the sound system in the HART building.

The Pizza Oven represents a donation for the purchase and construction of a Pizza oven. The oven itself has been capitalised and therefore part of the expenditure represents depreciation charged over the life of the asset. The rest of the expenditure represents revenue expenditure on the project.

Christmas Igloo and Nativity donation represent fund donated, but have not yet been expensed on the Igloo due to the pandemic. The Nativity fund was spent in the current year.

During the year the money was received and spent for the school to start a Robot making club.

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