

**Charity number: 1115098**

**Company number: 05846105**

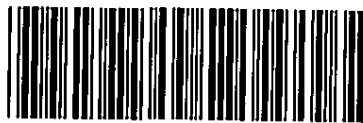
**CHIGWELL SCHOOL**

**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 July 2012**

**FRIDAY**



**\*L109GEOY\***

**LD5**

**21/12/2012**

**#21**

**COMPANIES HOUSE**

## **CHIGWELL SCHOOL**

### **CONTENTS**

	<b>Page</b>
Directors, Officers and Advisers	1
Report of the Trustees	2 – 9
Report of the Auditors	10 – 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Accounts	15 – 27

---

#### **The following pages do not form part of the statutory financial statements**

Income and Expenditure Account	28 – 29
Income Summary	30

**CHIGWELL SCHOOL**  
**DIRECTORS, OFFICERS AND ADVISERS**

<b>DIRECTORS</b>	Mrs S L Alier BA MBA ACMA (Chairman) D Morriss BSc CEng FIET FBCS CITP (Vice Chairman) C P de Boer R W J Howard MA J F Cullis MBE BA MSc(Econ) Sir Richard Dales KCVO CMG MA R H Youdale MA Reverend G R Smith AKC Dr A E Pruss BSc PhD MBBS LRCP MRCS AFOM N Garnish BSc(Hons) MBA MCMi Reverend M E Lambert BSc MA MPhil M J Higgins A Howat Dr G P Dixon MA BMus PhD MBA BMus ARAM FRCO FRSA Mrs E Brett ACA
<b>SECRETARY</b>	G J Norman BSc(Econ) CPFA ACIS 120 Dukes Avenue Theydon Bois Epping Essex CM16 7HF
<b>HEADMASTER</b>	M E Punt MA MSc
<b>BURSAR</b>	D N Morrison MA PGCE Chigwell School Chigwell Essex IG7 6QF
<b>AUDITOR</b>	Kingston Smith LLP Chartered Accountants Devonshire House 60 Goswell Road London EC1M 7AD
<b>BANKERS</b>	HSBC Plc 6 The Broadway Woodford Green Essex IG8 0HW
<b>SOLICITORS</b>	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

# CHIGWELL SCHOOL REPORT OF THE TRUSTEES

The trustees are pleased to present their report together with the financial statements of the charitable company for the year ended 31 July 2012

## Reference and administrative details

<u>Charity number</u>	1115098
<u>Company number</u>	5846105
<u>Principal address</u>	Chigwell School, Chigwell, Essex, IG7 6QF
<u>Auditors</u>	Kingston Smith LLP Devonshire House, 60 Goswell Road, London, EC1M 7AD
<u>Bankers</u>	HSBC Bank Plc 6 The Broadway, Woodford Green, Essex, IG8 0HW
<u>Solicitors</u>	Veale Wasbrough Vizards Orchard Court, Orchard Lane, Bristol, BS1 5WS
<u>Company Secretary</u>	G J Norman BSc(Econ) CPFA ACIS, Clerk to the Governors

## Directors and trustees

The Governors of the School are the directors of the charitable company (the School) and its trustees for the purposes of charity law, and throughout this report are collectively referred to as the trustees. The trustees who served in office during the year and since the year end were as follows

Mrs S L Alier BA MBA ACMA (Chairman)	
C P de Boer (Former Chairman)	
D Morriss BSc CEng FIET FBCS CITP (Vice Chairman)	
R W J Howard MA	
J F Cullis MBE BA MSc(Econ)	
Sir Richard Dales KCVO CMG MA	
R H Youdale MA	
Reverend G R Smith AKC	
Dr A E Pruss BSc PhD MBBS LRCP MRCS AFOM	
N Garnish BSc(Hons) MBA MCMI	
Reverend M E Lambert BSc MA MPhil	
M J Higgins	
A Howat	
Dr G P Dixon MA BMus PhD MBA BMus ARAM FRCO FRSA	<i>(appointed 12 November 2011)</i>
Mrs E Brett ACA	<i>(appointed 30 June 2012)</i>

On 30 June 2012 C P de Boer resigned as Chairman with effect from 10 November 2012 and Mrs S L Alier succeeded him with effect from that latter date

**CHIGWELL SCHOOL**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**For the year ended 31 July 2012**

### **Structure**

The School was founded in 1629 by Samuel Harsnett who was at the time Archbishop of York. It is an incorporated charity which is regulated and managed under a Charity Commission scheme dated 7 November 1986, the deed has been amended on a number of occasions, the latest being in 1990.

The incorporated charity is a company limited by guarantee, each member's liability is restricted to £10.

The charitable company was incorporated on 14 June 2006 and commenced operations on 1 August 2006, at which time it received by transfer the whole of the undertaking and assets, other than restricted assets, of Chigwell School Trust. The trustees of that Trust also gave the charitable company powers to deal with the restricted assets on their behalf, under a uniting direction by the Charity Commission, the company is permitted to record these assets in its own accounts.

### **Objectives**

The object of the charity is to provide and conduct in or near Chigwell a day and boarding school for boys and girls.

The school is primarily a day school for boys and girls aged from 7 to 18, with boarding provision for sixth formers. The aim is to develop high academic standards and well-balanced and self-confident young men and women.

### **Governance and internal control**

The School is governed by a Board of up to seventeen directors and trustees, known as Governors. Up to fourteen are appointed by the Board for a five-year term and may be re-elected. Two are ex-officio members of the local clergy and one is a nominee of the University of Cambridge. The Board of Governors meets three times a year, once in each School term.

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Trust deed, the Committee structure and decision-making processes, the development plan and the recent financial performance of the charity. Most of this is contained in a Governors' handbook. Trustees are encouraged to attend appropriate external training events where these will facilitate the understanding of their role. They meet key employees and other trustees. Once a year the School holds a Governors' Day at which many Governors have guided tours of the School, meet informally with staff and students and discuss issues without the pressure of decision-making, most of which takes place in the evenings and at weekends.

The Board considers annually the establishment, terms of reference, constitution and membership of its Committees of which there are six – the Finance and Property Committee, Education and Staffing Committee, the Audit Committee, the Remuneration Committee, the Nominations Committee and the Urgency Committee, the last consisting of the Chairman and Vice Chairman of the Board and the Chairmen of the other Committees, who must be governors. Strong budgetary control is a continuing priority for the Bursar and the Finance and Property Committee, ensuring that resources are targeted at areas to promote academic performance.

Kingston Smith LLP continued as the School's external auditors, having been appointed in 2010/11.

The Audit Committee is responsible to the Board of Governors for reviewing the effectiveness of the control environment and seeks assurances from management on the effectiveness of internal controls.

### **Risk management**

The Audit Committee is also responsible for advising the Board of Governors on the management of risk. The Board has approved its risk management policy and a process for the regular review and improvement of risk management, involving a risk register. The oversight of the management of particular risks is devolved to the appropriate Committees which check that policies and procedures controlling risks are implemented and regularly reviewed by 'risk owners' within senior management. The Audit Committee has responsibility for the oversight of the management of the major risks for the School and reports on those to the Board of Governors.

### **Achievements and performance**

The academic year 2011/12 was another highly successful and busy one, and the school roll was 745. At GCSE 68% of all grades achieved were A\* or A grade and thirteen pupils out of the year group of seventy eight gained at least eight A\* grades. Meanwhile, at A level 86% of grades awarded were A\*, A or B grade and of the year group of eighty five students, twenty seven achieved at least three A\*A grades, and ten achieved at least four A\*A grades. These were record results which placed the School 66th in the Daily Telegraph national league tables of independent schools. In another highly competitive year most leavers met their university offers and 90% of the year group moved on to university.

**CHIGWELL SCHOOL**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**For the year ended 31 July 2012**

**Achievements and performance - continued**

The School strives to provide a first class education in the broadest sense and success in the classroom does not come at the expense of extra-curricular opportunities. Indeed, many of the pupils who performed best academically contributed most to the extra-curricular life of the School through sport, music, drama, the Duke of Edinburgh Scheme, or through the whole host of other opportunities. Chigwell School seeks to produce confident, interesting and multi-talented individuals who will thrive in the rapidly changing world of the 21st Century and make a really positive contribution.

As regards sport, there were many notable highlights – too many to list. However, two boys played hockey for the England U16 side and a former pupil swam in the Paralympics. Three senior boys' hockey sides reached the regional finals and the U18s were regional runners up. The U11s were Essex champions. More girls are playing with county academies and all golf matches were won by the School. The School aims to provide a sports programme which is about much more than sporting excellence. Mass participation is encouraged as well as competition and the many sporting successes were celebrated at the Chigwell Sports Personalities of the Year evening in June.

Meanwhile, many academic lectures took place at school – twenty seven in 2011/12 and some of these were organised by students through societies such as the Geography and Jewish Societies. The BBC School Report project was well supported once again and two Year 8 boys who participated were interviewed on BBC London News. Visiting artists both exhibit and talk about their work as part of the Chigwell Arts Programme. Chigwell pupils reached the final of the National Mastermind Chemistry Competition and, as a result of the partnership with Kingsford Community College a Mandarin Club took place for pupils as young as Year 3. Pupils in Year 6 began Philosophy for Children, Art + pupils produced a mural for the Sixth Form Coffee Shop with a Royal Academy Artist. Two pupils were elected as our new representatives on the Epping Forest Youth Council. Others participated in the Model United Nations Conference and, following their entry in the David Shepherd SOS Global Canvas Competition, some were chosen to exhibit their art at the National History Museum. Junior School pupils help look after the six Chigwell chickens, some have learnt about bee-keeping, and through the Chigwell Service Challenge scheme some harvested produce from the school allotment. Scouts and the Duke of Edinburgh Scheme are as popular as ever, many of those in the Sixth Form who did not opt for DoE did participate in the Chigwell Award scheme.

A wide range of music was performed over the course of the year and, as with sport, many pupils are encouraged to participate and some music of a phenomenally high standard was produced. The Chapel Choir performed on many occasions including Evensong at Pembroke College, Cambridge. Young Musician of the Year competitions were held for both the Junior and Senior Schools and, in addition to the winners, numerous competitors deserve to be very proud of their performances. In just the last two terms of this year, five pupils gained Grade 8, all at Distinction. One pupil achieved Grade 7, and seven more Grade 6, one third of all music exams taken resulted in a Distinction.

Many drama productions have taken place this year and, as with music, the quality and quantity of school drama is exceptional. There were the highly impressive performances of the Thwarting of Baron Bolligrew, Bugsy Malone, and the very moving Sixth Form scholars' play Be My Baby with so much more besides. In addition there was the Festival of the Spoken Word, the 100% pass rate at LAMDA, the debating team that reached the national finals of Rotary Youth Speaks, which all amounted to plenty of opportunities for students to perform and develop their confidence to present to others.

Over thirty years ago a group of Old Chigwellians bought 25 acres of land that adjoined Chigwell School as a permanent sports ground for Old Chigwellians and on which they built a clubhouse. Over five years ago the School and Club came together to try to find a solution to the problem of both declining numbers joining the Club, and lack of volunteers to help manage it. Three years ago, the Old Chigwellian Association to which all Chigwellians belong on leaving the School was formed. In the year 2010/11, the school lettings company, Chigwell Mitre Enterprises, took over the running and letting of the Club, and the facilities there were enhanced for the benefit of Old Chigs, those who let the facilities and for current pupils. In June 2012, an agreement was signed whereby the Old Chigwellian Trustees and members transferred ownership of the Clubhouse and site to the School.

This new partnership protects the School's boundaries and means that Chigwell is one of very few schools within the M25 to have an estate of 100 acres. It provides an additional revenue stream for the School which undertakes to provide an ever-improving facility. The School continues to work to bring former pupils together and a huge resource for existing and former pupils is the Old Chigwellian network itself. On Speech Day, the Headmaster commented that he was very grateful to all those who had worked so hard to bring the Club and School together in

**CHIGWELL SCHOOL**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**For the year ended 31 July 2012**

**Achievements and performance - continued**

this partnership, for the benefit of both organisations now and for the future, and to the trustees of the Club as well as the original founders for having the vision to acquire the land which can now be enjoyed by future generations of Chigwellians

Charitable work continues to be a key part of the life of the School and once again over £20,000 was raised for a wide selection of charities. The School continues to raise funds for the Tim Pruss Memorial School and other social projects in India and the annual visit took place once again in February. One pupil who has set up her own charity was chosen to be an Olympic torch bearer in recognition of her work.

The Governors have continued to develop school facilities throughout the year. A new changing room was created in order to cope with the extra classes that started in September 2012 and the history department gained extra space. Much planning work was carried out in advance of the project to build the Chigwell Pre Prep.

All of this and much more was celebrated at the annual Speech Day in July which was held at the School once again. Prizes were distributed by Mr Stefan Golaszewski OC, BBC scriptwriter and performer.

As always, the core purpose of Chigwell School is to provide a full and varied education for boys and girls with excellence in all facets. Hopefully, pupils enjoy their time at Chigwell, unleash their full potential by taking full advantage of everything that is on offer and remain in touch with their School after they have moved on. The School aims to prepare pupils for the changing world of the future so that they can use their education not just in their own careers, supporting themselves and their families, but also for the benefit of others.

**Public benefit**

As an educational charity the School enjoys tax exemption on its educational activities and on its investment income and gains provided that these are applied to its charitable aims. As a charity the School is also entitled to an 80% reduction on its business rates on the property it occupies for its charitable purposes. However, as an educational charity and being exempt for VAT purposes, the School is unable to reclaim VAT input tax.

The financial benefits it receives from the above tax exemptions are all applied for educational purposes and indirectly help the Governors to maintain their access and bursary policies. In addition to the very substantial benefits the School brings to its pupils, the local community and society through the education it offers, its access and bursary programmes create a social asset without cost to the Exchequer.

In setting the School's objectives and planning its activities the Governors continue their longstanding policy of giving careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary guidance on advancing education and on fee charging.

Sharing knowledge, skills and facilities

The School is fortunate in having a range of very fine facilities and well-kept playing fields amounting to some 100 acres. These are made available as a resource for other local schools and community groups and those further afield. The School is also committed to sharing its knowledge, skills and expertise by providing access to lessons and by hosting educational events.

The School and its staff use their contacts to reach out to those who may benefit from the use of its resources and welcome approaches from other organisations and groups who may benefit likewise. Often the School becomes aware of opportunities to extend its existing activities into other academic and sporting initiatives. In recent years teachers at the School have participated in the Gifted and Talented scheme, a national programme set up by the Department for Children, Schools and Families, which aims to encourage children of all ages to achieve their maximum potential.

**CHIGWELL SCHOOL**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**For the year ended 31 July 2012**

**Public benefit (Sharing knowledge, skills and facilities) - continued**

The following are examples of community groups or events that have used the School's facilities free of charge or at a discount –

England & Wales Cricket Board, Lord's Ladies Taverners Charity Match	Cricket for Change, Essex Disability Squad training sessions	HMC Central East European scholars London week hosting
Local school Chinese assistant accommodation	Girl Guiding Chigwell District Charity Fashion Show	East 15 Acting School (Essex University) drama production
1 <sup>st</sup> Chigwell and Chigwell Row Scout Group events	The Chigwell Choral Society rehearsals	Chigwell Boys' Football Club matches
Chigwell County Primary summer swimming classes	Old Loughtonian Hockey Club matches	Stagecoach Drama School classes
Essex U13 County Schools FA finals for boys and girls	The Friends of Jubilee Lodge dinner	Essex County Cricket matches
Rotary Club events	The Children's Society dinner St Mary's Church fundraising dinner	Daiglen School Speech Day

The following are examples of collaborative work which has taken place with maintained schools -

Hackney Academy cricket match	Chigwell County Primary School swimming gala	Annual Year 5 primary schools quiz night
Language materials and expertise provided for Kingsford Community College	Annual football and netball competitions for local primary schools	Coaching courses in hockey, netball, cricket and football
Summer activities course for 7 to 13 year olds	Annual cricket coaching day for local primary schools	Norlington School, Leytonstone cricket matches
Local primary schools art exhibitions	Annual art INSET organised and hosted for local teachers	

Access to lessons and educational events has also been made possible -

- Short courses in Spanish and Mandarin
- A PGCE student had a placement at the School
- University Admissions
  - The Head of Sixth Form shares good practice with a group of schools, he also shares information on university funding
  - Maintained sector pupils were invited to a seminar on admissions for medicine, dentistry and veterinary medicine
  - Mock Oxbridge interviews were held for students from other schools
- Each year, the School participates in the HMC Central East European Scholars' schemes and provides a bursary for two Sixth Form students from Eastern Europe, the Bursar has served on the working group for this organisation for over 16 years

As an organisation, the School shares knowledge, skills and expertise –

- The School advertises its willingness to host those who are investigating joining the teaching profession
- Five teachers are public examiners and one is a coursework advisor for West Essex
- East 15 (Essex University) and Chigwell students collaborate on drama performances
- One teacher helps interview prospective medical students for University College, London
- Two teachers serve on the committee of the Oxford Conference for Education



**CHIGWELL SCHOOL**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**For the year ended 31 July 2012**

**Public benefit - continued**

Helping others

There is a long tradition of community service in Chigwell. Pupils volunteer to work in charity shops, at the Chigwell Riding School for the Disabled, at the Essex Wildlife Trust Nature Reserve, at the Birthmark Trust Family Day and in local homes for the elderly. The Chigwell Award scheme encourages Sixth Formers to involve themselves in community service and the Annual Activities week includes many more community projects.

Chigwell School has, over many years, highlighted the importance of giving to support those in need, whether at home or abroad. This year over £20,000 was raised for a variety of causes including the Bede Griffiths Charitable Trust - £4,220, Haven House - £2,916, ELHAP - £2,260, Streets 2 Homes - £1,600 and Chigwell Riding Trust - £1,360. Other charities supported include Seeds for Africa, Send a Cow, Bridges to Africa, Macmillan Cancer, Cancer Research and the Children's Society.

Chigwell School has built close links with a Christian ashram in Tamil Nadu, India. Over £4,000 was raised for the work of the Tim Pruss Memorial School and other charities helping the poor. Donations are administered by the School on behalf of the Charities Committee, but do not form part of its financial statements. Charity giving is organised through the Charities Committee which is composed of pupils, parents and staff. Over the course of the year they have worked hard to put on special events which focus on particular causes.

Access and Bursaries

Chigwell School is not the preserve of the rich and, in the majority of cases, families make considerable sacrifices to send their children to the School. Indeed when the School was founded in 1629 by Samuel Harsnett, it was stipulated that some poor local scholars be offered places at Chigwell. Nearly 400 years later the Governors maintain a Bursary policy and a commitment to sharing the School's knowledge, skills and facilities which together contribute to a widening of access to the opportunities it offers.

There is a Bursary fund which is available to help parents in cases of financial hardship and to enable pupils from the poorest of backgrounds to attend Chigwell School. Bursary awards are available to all candidates who meet the School's normal academic requirements. The awards offer means-tested financial support with the payment of school fees to parents or guardians who would otherwise be unable to afford them. The School also helps in cases of sudden unforeseen need. Parents or guardians with a child at the School whose financial circumstances suddenly change may make a bursary application. In addition to bursaries from School funds, the Arnold Fellows Bursary Fund is also available to help families in this way.

Bursary awards range from 10% to 100% remission of fees. In order to make prospective families aware of the availability of means-tested financial support, information is included in the School's prospectus, on the School website and in advertisements in the local press.

In the year ended 31 July 2012 the value of means-tested bursaries totalled £389,153 (2011 £362,565) and provided assistance to 38 pupils (2011 38), of which seven (2011 six) benefited from a full remission of fees. The total includes £24,715 (2011 £26,158) in remissions provided by the Arnold Fellows Bursary Fund to two pupils (2011 three).

Scholarships

Chigwell scholarships are awarded each year primarily at ages 11 and 16, in recognition of academic merit, irrespective of financial means. Music, Art and Drama scholarships are also available. Scholarships are currently awarded with a fixed remission of fees between 10% and 50%, some awards which commenced in earlier years remain at higher rates but these are gradually diminishing as the pupils concerned complete their schooling.

The School awarded scholarships to 124 pupils (2011 131), totalling £587,422 (2011 £638,145) several of whom also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

The School is committed to attracting and retaining the highest calibre teachers and as part of this commitment discounts are available to those staff members who choose to educate their children at the School.

In total bursaries, scholarships and other remissions totalled £1,229,391 (2011 £1,247,470) and represented 12% (2011 12%) of gross fees.

**CHIGWELL SCHOOL**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**For the year ended 31 July 2012**

**Financial review**

The School surplus for the year before transfers between funds was £960,667 (2011 £937,582) After transfers between funds including notional interest, the net movement in the School Fund was £740,051 (2011 £677,904) Net income on designated funds was £90,586 (2011 £48,996) and net income from restricted fund appeals and donations totalled £22,551 (2011 £93,009) before transfers between funds and unrealised gains on investments Notional interest totalling £35,000 (2011 £25,000) has been transferred to the Bursary Fund, a further £28,000 (2011 £nil) transferred to the Building Development Fund and £2,600 (2011 £1,500) transferred to the CME Disbursement Fund

Net fee income amounted to £9,313,003 (2011 £9,151,757) after bursaries, grants and allowances of £1,229,391 (2011 £1,247,470) Teaching costs, including allocated support costs, totalled £5,196,607 (2011 £5,055,616)

The strong financial results for the year are a reflection of the continuing demand for the high quality of education and facilities on offer at the School, even in difficult economic times Pupil numbers remained robust for the third year in succession helped by an increase in total remissions awarded this year, including a 7% increase in means-tested bursaries alone

A significant proportion of cash funds thus generated has been earmarked towards the ongoing commitment of the School to improve further the facilities available for both current and future pupils

**Reserves policy**

The School has reinvested its surpluses in adding to and improving the facilities it provides and continues to retain in liquid funds only what it needs as working capital The School plans on a cash flow basis and has an overdraft facility available to cover any unforeseen working capital requirements

The total net assets of the School stand at £13,226,286 (2011 £12,139,122) of which £2,113,633 (2011 £2,102,437) is in the form of restricted funds and £2,152,621 (2011 £1,816,704) relates to designated unrestricted funds The School's tangible assets are all functional assets held for the use of the School The School buildings were valued at £68,885 in 1939 and the figure shown in the financial statements represents this valuation plus subsequent additions after application of specific donations in past years

The accounts show in notes 22 and 23 a description of the various trusts and an analysis of the assets attributable to the funds These assets are sufficient to meet the School's obligations on a fund by fund basis

**Investment powers**

All investments relate to restricted funds and the trustees' policy is to invest through the Charities Aid Foundation in accordance with the various trust deeds Cash surpluses and advances are held by the School's bankers in separate interest-bearing accounts where applicable

**Plans for future periods**

The Governors have agreed a building development plan to ensure the continued development of facilities for the highest possible educational provision Approval has been given to the construction of a Pre-prep School which it is planned will open in September 2013 Fundraising is well underway for a Sixth Form Study Centre and there are plans to extend the Sports Hall

As stated above, the trustees are looking ahead and are reviewing their 10-year development plan The key elements of the future strategy will continue to be

- sustained academic excellence,
- the generation of a modest cashflow to enable the education and welfare of the pupils to be developed and improved by providing additional facilities and offering bursaries when appropriate,
- the provision of public benefit by sharing our facilities with the local community,
- the development of the tutoring and house system to encourage pupils to obtain the maximum benefit from the education provided as well as encouraging their involvement in extra-curricular activities, with a focus on providing public benefit where possible, and
- the maintenance of the spiritual character of the School

**CHIGWELL SCHOOL**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**For the year ended 31 July 2012**

**Statement of Trustees' Responsibilities in relation to the financial statements**

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations

The trustees are required to prepare financial statements for each year in accordance with United Kingdom accounting standards and applicable law (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for the year. In preparing those financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make sound judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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

**Statement as to disclosure of information to the auditor**

- (a) So far as the trustees are aware, there is no relevant information (information needed by the charitable company's auditor in connection with preparing their report) of which the charitable company's auditor is unaware, and
- (b) each trustee has taken all steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditor is aware of that information

**Auditor**

A resolution will be proposed at the Annual General Meeting that Kingston Smith LLP be re-appointed as auditor to the charity for the ensuing year

**Approved by the trustees on 10 November 2012  
and signed on their behalf by:**



**G J Norman**  
**Company Secretary**  
**Clerk to the Governors**

**CHIGWELL SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHIGWELL SCHOOL**  
**For the year ended 31 July 2012**

We have audited the financial statements of Chigwell School for the year ended 31 July 2012 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2012 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**CHIGWELL SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHIGWELL SCHOOL (continued)**  
**For the year ended 31 July 2012**

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

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 and sufficient 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

*Kingston Smith LLP*

**Anjali Kothari (Senior Statutory Auditor)**  
For and on behalf of Kingston Smith LLP, Statutory Auditor  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date *20th December 2012*

Kingston Smith LLP is eligible to act as auditor in line with the terms of section 1212 of the Companies Act 2006

**CHIGWELL SCHOOL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including an income and expenditure account)**  
**For the year ended 31 July 2012**

	Notes	Unrestricted Funds School £	Other Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from charitable activities.</b>						
School fees	3	9,313,003	-	-	9,313,003	9,151,757
<b>Incoming resources from generated funds:</b>						
<i><b>Voluntary income</b></i>						
Donations	4	6,600	90,586	25,194	122,380	150,692
<i><b>Activities for generating funds.</b></i>						
Commercial trading operations	5	132,465	-	-	132,465	132,465
Other income	5	168,799	-	-	168,799	136,423
<i><b>Investment income</b></i>	6	4,351	-	4,553	8,904	9,863
<b>Total incoming resources</b>		<u>9,625,218</u>	<u>90,586</u>	<u>29,747</u>	<u>9,745,551</u>	<u>9,581,200</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>						
Fundraising costs of donations	7	-	-	3,484	3,484	4,728
Commercial trading operations	5	86,150	-	-	86,150	92,366
		<u>86,150</u>	<u>-</u>	<u>3,484</u>	<u>89,634</u>	<u>97,094</u>
<b>Charitable activities:</b>						
Teaching costs	8	5,196,607	-	-	5,196,607	5,055,616
Welfare	8	1,826,618	-	3,616	1,830,234	1,876,907
Premises	8	1,528,645	-	96	1,528,741	1,443,372
<b>Governance costs</b>	7	26,531	-	-	26,531	28,624
<b>Total resources expended</b>		<u>8,664,551</u>	<u>-</u>	<u>7,196</u>	<u>8,671,747</u>	<u>8,501,613</u>
<b>Net incoming resources before transfers</b>		960,667	90,586	22,551	1,073,804	1,079,587
Gross transfers between funds	12	(220,616)	245,331	(24,715)	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		<u>740,051</u>	<u>335,917</u>	<u>(2,164)</u>	<u>1,073,804</u>	<u>1,079,587</u>
Unrealised gains on investments	16	-	-	13,360	13,360	11,912
<b>Net income</b>		<u>740,051</u>	<u>335,917</u>	<u>11,196</u>	<u>1,087,164</u>	<u>1,091,499</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		8,219,981	1,816,704	2,102,437	12,139,122	11,047,623
<b>Total funds carried forward</b>	2	<u>8,960,032</u>	<u>2,152,621</u>	<u>2,113,633</u>	<u>13,226,286</u>	<u>12,139,122</u>

All activities derive from continuing operations

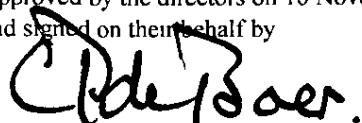
All gains and losses recognised in the year are included in the Statement of Financial Activities

The accompanying notes form part of these financial statements

**CHIGWELL SCHOOL**  
**BALANCE SHEET**  
as at 31 July 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
School buildings and equipment	15	11,925,245	11,351,729
Investments	16	206,575	192,232
		<u>12,131,820</u>	<u>11,543,961</u>
<b>Current assets</b>			
Stocks	17	97,151	97,910
Debtors	18	266,109	223,488
Cash at bank and in hand		2,254,966	1,301,616
		<u>2,618,226</u>	<u>1,623,014</u>
<b>Liabilities</b>			
Creditors falling due within one year	19	(1,213,544)	(792,815)
<b>Net current assets</b>		<u>1,404,682</u>	<u>830,199</u>
<b>Total assets less current liabilities</b>		13,536,502	12,374,160
<b>Creditors falling due after more than one year</b>	21	(310,216)	(235,038)
<b>Net assets</b>		<u>13,226,286</u>	<u>12,139,122</u>
<b>Funds</b>			
Restricted funds	22	<u>2,113,633</u>	<u>2,102,437</u>
Unrestricted funds			
Designated	22	2,152,621	1,816,704
General funds	22	8,960,032	8,219,981
<b>Total Unrestricted funds</b>		<u>11,112,653</u>	<u>10,036,685</u>
<b>Total funds</b>		<u>13,226,286</u>	<u>12,139,122</u>

Approved by the directors on 10 November 2012  
and signed on their behalf by



**C P DE BOER**  
**Director**  
**Former Chairman of Governors**

Company registration number: 05846105 (England & Wales)

The accompanying notes form part of these financial statements

**CHIGWELL SCHOOL**  
**CASH FLOW STATEMENT**  
**For the year ended 31 July 2012**

	Notes	2012 £	2011 £
<b>Net cash inflow from operating activities</b>	26	1,266,144	785,795
<b>Cash from other sources</b>			
Long term loan received		-	150,000
		<u>1,266,144</u>	<u>935,795</u>
<b>Capital expenditure</b>			
School buildings and equipment	15	(605,083)	(1,072,443)
Investments	16	(983)	(984)
<b>Cash inflow/(outflow) before movements on advance fees</b>		<u>660,078</u>	<u>(137,632)</u>
Advance fees		410,086	142,412
		<u>1,070,164</u>	<u>4,780</u>
<b>Financing</b>			
Long term loan repaid		(31,089)	(12,690)
Amounts repaid on hire purchase and leasing contracts		-	(1,649)
<b>Increase/(decrease) in cash in the year</b>	27	<u><u>1,039,075</u></u>	<u><u>(9,559)</u></u>

The accompanying notes form part of these financial statements



**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 July 2012**

**1 Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, with the exception of investments held as fixed assets which are included at market value and land and buildings which were revalued in 1939 (note 15). The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005), applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

**b) Incoming resources**

Donations received for the general purposes of the School are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to the relevant restricted funds.

Income from commercial trading activities is recognised as earned.

Investment income is recognised on a receivable basis.

Fees receivable and charges for services are accounted for in the period in which the service is provided. Fees receivable are stated after deducting grants (allowances, scholarships and other remissions) allowed by the School; these are recognised in full in the year in which they are receivable.

**c) Donated services and equipment**

Where services and equipment that would normally be purchased from our suppliers are provided to the charity as a donation, this expenditure is included in the financial statements at the estimated value of the contribution to the charity.

**d) Resources expended**

Expenditure is recognised when a liability is incurred.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with teaching, welfare and School buildings and equipment and include both the direct costs and support costs relating to these activities.
- Governance costs represent those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs represent central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, adopting suitable apportionment criteria.

**e) Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at an estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably consistent charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

**1 Accounting policies (continued)**

**f) Tangible fixed assets**

Freehold land and buildings are functional assets and are therefore shown at cost. Their value is maintained by a full programme of repair and renovation and the book value is substantially less than the present value for insurance purposes of approximately £47m. Therefore, no provision for depreciation of the land and buildings is made, with the exception of certain sporting facilities which are separately identifiable and are deemed to have a finite life. The land and buildings are reviewed annually for any potential impairment.

Equipment is shown at cost and relates to minibuses and movable items purchased for installation in new buildings. Individual items of equipment over £5,000 are capitalised unless they are included in the relevant department's budget for the year in which case they are written off. All equipment purchases below £5,000 are also written off.

Depreciation is provided on cost to write off the asset in equal instalments over its useful life, as follows:

Sports surface	- over 7 years
Other equipment	- over 5 years

**g) Stock**

Stock is included at the lower of cost or net realisable value.

**h) Funds structure**

The School has a number of restricted income funds to account for situations where a donor requires that a donation is spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted funds. The Governors retain part of the unrestricted funds:

- i) to help parents in cases of financial hardship to enable pupils from the poorest of backgrounds to attend the School and have set up a designated Bursary Fund to reflect this, and
- ii) to provide for future site development projects with a view to improving School facilities.

The funds held in each of these categories are disclosed in note 22.

**i) Pensions**

The School participates in the Teachers' Pension Scheme (England and Wales) for its teaching staff. This is a multi-employer defined benefits pension scheme under which the pension liability is the responsibility of Teachers' Pensions. As a result it is not possible to identify the assets and liabilities of the Scheme that are attributable to the School. Accordingly, under Financial Reporting Standard 17 the Scheme is accounted for as if it were a defined contributions scheme.

The School also contributes to personal pension schemes for non-teaching staff at 10% of annual basic pay.

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

	2012	2011			
	£	£			
<b>2 Financial activities of the charity</b>					
A summary of the financial activities undertaken by the charity is set out below					
<b>Gross incoming resources</b>	9,745,551	9 581,200			
Total expenditure on charitable activities	(8,555,582)	(8 375,895)			
Cost of generating funds	(89,634)	(97,094)			
Governance costs	(26,531)	(28,624)			
Investment profit	13,360	11,912			
<b>Net incoming resources</b>	<u>1,087,164</u>	<u>1,091,499</u>			
Total funds brought forward	12,139,122	11,047,623			
<b>Total funds carried forward</b>	<u><u>13,226,286</u></u>	<u><u>12,139,122</u></u>			
<b>Represented by:</b>					
Restricted income funds	2,113,633	2,102,437			
Unrestricted income funds	11,112,653	10,036,685			
	<u><u>13,226,286</u></u>	<u><u>12,139,122</u></u>			
<b>3 Incoming resources from charitable activities</b>					
School fees receivable					
Gross fees	10,542,394	10 399,227			
Less Bursaries	389,153	362,565			
Scholarships	587,422	638,145			
Other remissions and discounts	252,816	246,760			
	<u>1 229,391</u>	<u>1,247,470</u>			
Net fees	<u><u>9,313,003</u></u>	<u><u>9 151,757</u></u>			
<b>4 Voluntary income</b>					
	<b>School Fund</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total 2012</b>	<b>Total 2011</b>
	£	£	£	£	£
School property development funds	-	-	25,149	25,149	92,450
Scholarship and prize funds	-	-	45	45	1,550
Friends of Chigwell	6,600	-	-	6,600	7,696
Chigwell Mitre Enterprises Limited	-	90,586	-	90,586	48,996
	<u>6,600</u>	<u>90,586</u>	<u>25,194</u>	<u>122,380</u>	<u>150,692</u>

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
For the year ended 31 July 2012

**4 Voluntary income (continued)**

Friends of Chigwell donated sports and activities equipment with a value of £6,600 in the year (2011 £7,696)

Chigwell Mitre Enterprises Limited, a company incorporated in the United Kingdom, was formed to exploit the School's facilities commercially. It pays all of its profits to the charity by way of donation (note 22)

In addition to the donations above received by the School, its pupils raised some £20,000 (2011 £25,000) during the year, and this was distributed to various charitable causes. These donations were administered by the School but do not form part of its income and are excluded from these financial statements

Details of the restricted funds and related fund movements are given in note 22

	2012 £	2011 £
<b>5 Incoming resources from activities for generating funds</b>		
<b>Commercial trading operations</b>		
This comprises the School shop and the Coffee shop. Their combined profits are generated as follows		
Turnover	132,465	132,465
Cost of sales	(86,150)	(92,366)
	<u>46,315</u>	<u>40,099</u>
<b>Other activities to generate funds</b>		
Entrance and registration fees	61,950	53,300
Rent and accommodation	47,963	35,943
Sundry income (see below)	58,886	47,180
	<u>168,799</u>	<u>136,423</u>
<b>Sundry income</b>		
Insurance commissions	25,587	34,033
Fees in lieu	14,061	3,000
Interest on late and unpaid fees	3,260	4,137
Other	15,978	6,010
	<u>58,886</u>	<u>47,180</u>

**6 Investment income**

	School Fund £	Designated Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Dividends from listed investments	-	-	3,333	3,333	3,337
Bank deposit interest receivable	4,351	-	1,220	5,571	6,526
	<u>4,351</u>	<u>-</u>	<u>4,553</u>	<u>8,904</u>	<u>9,863</u>

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

**7 Support costs**

The charity allocates its support costs as shown in the table below and then further apports those costs between the charitable activities undertaken (note 8). Support costs are allocated on a basis consistent with the use of resources

	<b>School operation</b>	<b>Costs of generating voluntary income</b>	<b>Governance</b>	<b>Total 2012</b>	<b>Total 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Non-teaching salaries	1,229,166	2,000	-	1,231,166	1,211,988
Staff recruitment, training and redundancy	66,518	-	-	66,518	72,130
Central costs	440,217	1,484	10,455	452,156	413,835
External audit	-	-	13,920	13,920	13,920
Legal and other professional services	87,804	-	2,156	89,960	88,613
Bad debts	45,340	-	-	45,340	54,735
Bank charges	8,753	-	-	8,753	7,735
Bank interest	-	-	-	-	1,325
Hire purchase interest	-	-	-	-	356
	<u>1,877,798</u>	<u>3,484</u>	<u>26,531</u>	<u>1,907,813</u>	<u>1,864,637</u>
<i>Total 2011</i>	<u>1,831,285</u>	<u>4,728</u>	<u>28,624</u>	<u>1,864,637</u>	

**8 Analysis of charitable expenditure**

The charity undertakes direct charitable activities only and does not make grant payments

	<b>Teaching</b>	<b>Welfare</b>	<b>Premises</b>	<b>Total 2012</b>	<b>Total 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries and wages	4,258,328	-	-	4,258,328	4,096,341
Catering salaries	-	676,998	-	676,998	661,556
Academic	315,928	-	-	315,928	319,031
Sports and activities	81,472	-	-	81,472	74,343
Central costs	65,570	398,685	422,718	886,973	947,272
Ground materials	-	-	92,823	92,823	106,370
Maintenance materials	-	-	333,695	333,695	310,009
Depreciation (note 15)	-	-	31,567	31,567	29,688
Support costs (note 7)	475,309	754,551	647,938	1,877,798	1,831,285
	<u>5,196,607</u>	<u>1,830,234</u>	<u>1,528,741</u>	<u>8,555,582</u>	<u>8,375,895</u>
<i>Total 2011</i>	<u>5,055,616</u>	<u>1,876,907</u>	<u>1,443,372</u>	<u>8,375,895</u>	

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>9 Analysis of staff costs</b>		
Wages and salaries	4,590,441	4,437,160
Social Security costs	385,077	376,116
Pension contributions	513,976	495,053
	<u>5,489,494</u>	<u>5,308,329</u>

The average number of employees in the year was 147 (2011 155) of which 93 (2011 101) were teaching staff. The number of employees whose emoluments exceeded £60,000 were

£60,000 - £70,000	3	5
£70,000 - £80,000	1	-
£80,000 - £90,000	1	-
£110,000 - £120,000	1	1

All of the above highest earners were members of the Teachers' Pensions defined benefit pension scheme

## **10 Pensions**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify consistently the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8%. For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards.

The government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%.

The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

The pension charge for the year includes contributions payable to the Scheme of £458,522 (2011 £437,843).

The School also participates in a scheme administered by The Pensions Trust for its non-teaching support staff. This is also a multi-employer defined contributions scheme and it is again not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School. The charge for the year represents the School's contributions to the scheme of £55,454 (2011 £57,210).

At 31 July 2012, contributions amounting to £69,418 (2011 £62,907) were payable to the above schemes and are included in creditors. This includes deductions from employees' pay in relation to their pension contributions.

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

	2012 £	2011 £
<b>11 Movement in total funds for the period</b>		
This is stated after charging		
Refurbishment of pupil accommodation	333,695	310,009
Operating lease rentals - hire of equipment	38,224	75,498
Depreciation of equipment		
Owned assets	31,567	29,688
Auditors' remuneration for audit	<u>13,920</u>	<u>13,920</u>

12 Transfers between funds	Unrestricted Funds				Restricted Funds
	School	Building	Bursary	CME	
		Development		Disbursement	
		£		£	
Means-tested bursaries	364,438	-	(364,438)	-	-
Arnold Fellows Bursaries	24,715	-	-	-	(24,715)
Non-academic income	(87,229)	87,229	-	-	-
CME Disbursement Fund	43,060	50,000	-	(93,060)	-
Earmarked for Building Development	(500,000)	500,000	-	-	-
Notional interest on Fund monies held in school bank account	(65,600)	28,000	35,000	2,600	-
	(220,616)	665,229	(329,438)	(90,460)	(24,715)

Further information is contained in note 22

**13 Taxation**

The School is a registered charity and no provision for taxation is considered necessary

**14 Auditors' remuneration**

The auditors' remuneration of £13,920 (2011 £13,920) related solely to the audit. Further remuneration for additional consultancy work amounted to £nil (2011 £1,200)

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

**15 Tangible fixed assets**

	Freehold land & buildings £	Equipment £	Total £
<b>Cost</b>			
At 1 August 2011	11,366,493	1,093,019	12,459,512
Additions	589,081	16,002	605,083
At 31 July 2012	<u>11,955,574</u>	<u>1,109,021</u>	<u>13,064,595</u>
<b>Depreciation</b>			
At 1 August 2011	51,859	1,055,924	1,107,783
Charge for the year	17,287	14,280	31,567
At 31 July 2012	<u>69,146</u>	<u>1,070,204</u>	<u>1,139,350</u>
<b>Net book value</b>			
At 31 July 2012	<u>11,886,428</u>	<u>38,817</u>	<u>11,925,245</u>
At 31 July 2011	<u>11,314,634</u>	<u>37,095</u>	<u>11,351,729</u>

i) Included in freehold land and buildings above are depreciable assets, as follows

Synthetic sports surface, net book value £51,861 (2011 £69,148), depreciation £69,146 (2011 £51,859)

ii) Freehold land and buildings includes endowment properties held previously by Chigwell School Trust, whose trustees have given the company power to hold and administer those properties, their inclusion in the company's balance sheet is sanctioned by a uniting direction issued by the Charity Commission. It is not possible, given the long history of the School, to analyse the cost between endowment and non-endowment properties. The total is made up of a valuation in 1939 of £68,885 plus additions since less, prior to their transfer to the company, the application of monies received as specific or general donations. The book value is substantially less than the present value for insurance purposes of approximately £47m. Following a review, no impairment has been identified.

iii) Equipment with a value of £6,600 was donated during the year (note 4). Additions to land and buildings include £43,060 satisfied by contributions from designated funds (note 22). A further £5,010 (2011 £6,480) of the additions to freehold land and buildings in the year was satisfied by contributions from restricted funds.

	2012 £	2011 £
<b>16 Investments</b>		
Market value at 1 August 2011	192,232	179,336
Additions	983	984
Unrealised gains	13,360	11,912
Market value at 31 July 2012	<u>206,575</u>	<u>192,232</u>
Historical cost at 31 July 2012	<u>113,328</u>	<u>111,271</u>

All investments form part of restricted funds (note 23)

**17 Stock**

School shop	80,685	93,621
Catering and cleaning supplies	14,053	396
Oil	2,413	3,893
	<u>97,151</u>	<u>97,910</u>



**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

	2012 £	2011 £
<b>18 Debtors</b>		
Fees	46,092	40,441
Sundry debtors	68,869	9,688
Prepayments and accrued income	151,148	173,359
	<u>266,109</u>	<u>223,488</u>
<b>19 Creditors falling due within one year</b>		
Bank loans and overdrafts	33,355	119,080
Other loans	31,089	31,089
Admission deposits	14,250	15,450
Taxation and Social Security	194,049	185,915
Other creditors and accruals	424,622	235,371
	<u>697,365</u>	<u>586,905</u>
Advance fees (note 20)	516,179	205,910
	<u>1,213,544</u>	<u>792,815</u>
The bank loans and overdrafts are secured on freehold property Other loans are unsecured		
<b>20 Advance fee payments</b>		
Parents may pay school tuition fees in advance The money may be returned on the receipt of one term's notice Assuming pupils will remain in the School, advance fees will be applied as follows		
Within one year	516,179	205,910
Between one and five years	132,934	33,117
	<u>649,113</u>	<u>239,027</u>
<b>21 Creditors falling due after more than one year</b>		
Other loans	75,132	106,221
Advance fees (note 20)	132,934	33,117
Admission deposits	102,150	95,700
	<u>310,216</u>	<u>235,038</u>
<b>Other loans</b>		
Repayable within one year	31,089	31,089
Repayable between one and five years	75,132	106,221
	<u>106,221</u>	<u>137,310</u>
Included in liabilities falling due within one year (note 19)	(31,089)	(31,089)
	<u>75,132</u>	<u>106,221</u>

During the prior year, the School received a loan of £150,000 from Compass Services (UK) Limited, trading as Chartwells, who are the School's caterers The loan is interest free and repayable in fixed instalments over 58 months

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

**22 Analysis of charitable funds**

**Analysis of restricted fund movements**

	Balance at 1 August 2011 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31 July 2012 £
School property development funds	1,558,174	25,974	(3,580)	-	13,950	1,594,518
Scholarship and prize funds	544,263	3,773	(3,616)	(24,715)	(590)	519,115
	<u>2,102,437</u>	<u>29,747</u>	<u>(7,196)</u>	<u>(24,715)</u>	<u>13,360</u>	<u>2,113,633</u>

**School property development funds**

*Description, nature and purposes of the fund*

Sinking Fund	To recoup the capital value of endowment land and buildings sold
Drama Centre Fund	To construct a new Drama Centre
All-weather Pitch Fund	To provide an all-weather pitch at the school
Jack Leiper Cricket Pavilion Fund	To replace the previous pavilion positioned on Top Field
Sixth Form Centre Appeal Fund	To construct a new Sixth Form Centre
Kitchen Development Fund	To contribute towards the cost of Kitchen and Dining Hall development

Construction had yet to begin on the Sixth Form Centre at the year end, all of the other developments are completed and in use

**Scholarship and prize funds**

*Description, nature and purposes of the fund*

Prize Fund	To provide academic and other prizes for achievement
Arnold Fellows Scholarship Fund	To provide bursaries for pupils in case of severe financial need
Tim Pruss Memorial Fund	To provide a suitable memorial in remembrance of a deceased pupil

The above Prize Fund represents a separately registered charity, its inclusion in the company's balance sheet is sanctioned by a uniting direction issued by the Charity Commission

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
For the year ended 31 July 2012

**22 Analysis of charitable funds (continued)**

**Analysis of designated fund movements**

	Balance at 1 August 2011 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31 July 2012 £
Bursary Fund	1,116,840	-	-	(329,438)	-	787,402
CME Disbursement Fund	4,121	90,586	-	(90,460)	-	4,247
Building Development Fund	695,743	-	-	665,229	-	1,360,972
	<u>1,816,704</u>	<u>90,586</u>	<u>-</u>	<u>245,331</u>	<u>-</u>	<u>2,152,621</u>

The Bursary Fund to help parents in cases of financial hardship to enable pupils from the poorest of backgrounds to attend Chigwell School. Bursaries are means-tested.

The CME Disbursement Fund to receive the annual donation from Chigwell Mitre Enterprises Limited (note 25) which is designated for expenditure on maintaining and improving the School's sporting and other facilities. In the current year £43,060 was earmarked to secure the transfer of land and buildings from the Old Chigwellians (note 15) and, after the addition of notional interest amounting to £2,600 (2011 £1,500), a further £50,000 (2011 £100,000) has been earmarked for and transferred to the Building Development Fund.

Building Development Fund to receive funds from the School surplus, including non-academic income, earmarked for future School site development projects. During the year £587,229 (2011 £595,743) was designated from the School general fund, together with £50,000 (2011 £100,000) from the CME Disbursement Fund, plus notional interest of £28,000 (2011 £nil).

**Analysis of general fund movements**

	Balance at 1 August 2011 £	Incoming resources £	Resources expended £	Transfers £	Investment gains/(losses) £	Balance at 31 July 2012 £
School Fund	<u>8,219,981</u>	<u>9,625,218</u>	<u>(8,664,551)</u>	<u>(220,616)</u>	<u>-</u>	<u>8,960,032</u>

The School Fund, which is unrestricted, represents the accumulated resources of the School over the years, retained to cover working capital requirements and to finance improvements.

**23 Analysis of net assets between funds**

The net assets are held for the various funds as follows:

	Fixed assets £	Investments £	Net Current Assets/ (Liabilities) £	Long Term Liabilities £	Total £
Restricted funds					
School property development funds	1,162,742	150,308	281,468	-	1,594,518
Scholarship and prize funds	-	56,267	462,848	-	519,115
	<u>1,162,742</u>	<u>206,575</u>	<u>744,316</u>	<u>-</u>	<u>2,113,633</u>
General funds					
Designated funds	2,105,095	-	47,526	-	2,152,621
General fund	8,657,408	-	612,840	(310,216)	8,960,032
	<u>11,925,245</u>	<u>206,575</u>	<u>1,404,682</u>	<u>(310,216)</u>	<u>13,226,286</u>
Total net assets at 31 July 2012	<u>11,925,245</u>	<u>206,575</u>	<u>1,404,682</u>	<u>(310,216)</u>	<u>13,226,286</u>

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

**24 Contracts and commitments**

At 31 July 2012, the School had the following financial and capital commitments

i) Financial commitments under non-cancellable operating leases

	<b>Equipment</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
Due under one year	2,840	2,840	19,625
Due between two and five years	20,196	20,196	2,840
	<u>23,036</u>	<u>23,036</u>	<u>22,465</u>

ii) Capital commitments, authorised but not contracted for, estimated at £3.9m towards building a new Pre-prep school. Planning permission was granted in August 2012 for the development, and contracts have now been let for building and other works in the expectation that the new facility will open in September 2013.

**25 Related party transactions**

During the year, the School received £90,586 (2011 £48,996) by way of a donation from Chigwell Mitre Enterprises Limited, a company formed to exploit the School's facilities commercially, that company makes its accounts up to 31 December in each year and donates the whole of its profit to the School.

There are two subsidiaries, the Prize Fund and The Chigwell School Trust, which are separately registered charities, their inclusion in the company's financial statements is sanctioned by a uniting direction issued by the Charity Commission.

Of the funds raised by pupils during the year (note 4), £4,220 (2011 £7,000) was donated to the work of the Tim Pruss Memorial School in India through the Bede Griffiths Charitable Trust, a charity in which the Company Secretary is a trustee.

The charity trustees were not paid or reimbursed expenses during the year, and no charity trustee received any emolument or payment for professional or other services.

**CHIGWELL SCHOOL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 31 July 2012**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>26 Reconciliation of net incoming resources to net cash inflow from operations</b>		
Net incoming resources	1 073,804	1,079,587
Depreciation charges	31,567	29,688
Decrease/(increase) in stocks	759	(3,523)
Decrease/(increase) in debtors	(42,621)	(45,372)
Increase/(decrease) in creditors, adjusted for advance fees due within one year	197,385	(276,535)
Increase in admission deposits	5,250	1,950
	<u>1,266,144</u>	<u>785,795</u>

**27 Analysis of changes in cash and cash equivalents**

	<b>Cash at bank and in hand</b>	<b>Bank overdraft</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 August 2011	1,301,616	(119,080)	1,182,536
Net cash inflow	953,350	85,725	1,039,075
Balance at 31 July 2012	<u>2,254,966</u>	<u>(33,355)</u>	<u>2,221,611</u>