

COMPANY NUMBER: 00924280
CHARITY NUMBER: 307019

**GOVERNORS' REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR
THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 AUGUST 2021**

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

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THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
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| Governors | J Stevenson (Chairman) F Flint H Miller V Mills A Moore-Bick G Nash J Pennock G Peters J Watts |
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| Senior Leadership Team | Principal Deputy Head Bursar & Secretary Head of Boarding Head of 6th Form Head of Prep Head of Senior | N Goodman G Godin Y Hopkins S Medcraft H Lawrence S Welch N Stanley |
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| Company number | 00924280 |
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| Charity number | 307019 |
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| Registered office and principal address | Frewen College Brickwall Rye Road Northiam Rye East Sussex TN31 6NL |
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| Auditors | TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN |
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| Bankers | HSBC Bank plc 4 Robertson Street Hastings East Sussex TN34 1HW |
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THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (INCORPORATING THE DIRECTORS REPORT)

The Governors present their report and financial statements for the year ended 31 August 2020, which comply with the Charity's Memorandum and Articles of Association and with the Companies Act 2006 requirement for a Directors Report.

The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

The Charity, registration number 307019, is a limited liability company governed by the Memorandum and Articles of Association as amended by special resolution on 4 October 1996. The company is registered in England and Wales and numbered 00924280.

Details of the school's Senior Leadership Team, auditors, bankers, registered office and principal address can be found on the Legal and Administrative Information page.

The Governors who are also the directors for the purpose of company law, who served during the year were:

J Stevenson (Chairman)
V Mills
A Moore-Bick
G Nash
J Pennock
G Peters
J Slater (resigned 2 Jul 21)
J Watts
H Miller
F Flint

Governors are proposed and appointed by current serving Governors at a full meeting of the members. None of the Governors has any beneficial interest in the company. All of the Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

New Governors are usually either well known to existing Governors in a professional capacity, or are personally recommended to them by similar connections. Prospective Governors typically receive an extensive briefing from the Chairman of Governors before visiting the school and having the opportunity to meet with and question the Principal and members of the Senior Leadership Team. Enhanced Disclosure and Barring Service checks are undertaken for all Governors.

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GOVERNORS' REPORT (INCORPORATING THE DIRECTORS REPORT)

Governors are selected on the basis of their extensive knowledge and experience in relevant sectors. The Chairman ensures that a broad balance of experience is maintained encompassing the spheres of education, finance, and business, as well as social and moral guidance.

Governors are encouraged to attend those training courses and conferences which they consider helpful in broadening and deepening their existing knowledge and strengths and as necessary to ensure ongoing compliance.

The school is governed through a Company limited by guarantee, by an independent Board of Directors which oversees the management and sets the policies for the school. The Board members fulfil the roles of school Governors and act as Trustees. The Principal attends board meetings, and is entitled to sit on the Board if he so chooses. The Board meets once a term as a minimum. The Board has also established a Finance and General Purposes Committee, a Health and Safety Committee, an Education Committee, a Boarding and Pastoral Committee, and a Marketing Committee, each of which meets at least once a term. An independent visitor attends school twice per term and checks aspects of safeguarding including the Single Central Register and checks on the wellbeing of boarders. The executive function is managed and accomplished by a Senior Leadership Team led by the Principal. The day-to-day running of the School is delegated to the Senior Leadership Team.

The school is registered with the Department for Education (DfE), the Council for the Registration of Schools Teaching Dyslexic Pupils (CRSTeD) and UK Visas and Immigration. It is approved by the Independent Schools' Association and the Children's Education Advisory Service, and is a member of the Boarding Schools' Association, and a Supporting Corporate Member of the British Dyslexia Association.

Risk management

The Governors are satisfied that systems are in place to manage exposure to major risks and that all appropriate steps have been taken to ensure the future financial stability of the Company. A continuing process is in place in order to identify, monitor and minimise all significant areas of risk.

The principal risks are considered to be:

- Failure to maintain student numbers at a level to ensure the school remains financially viable;
- Safeguarding risk;
- Regulatory risk;
- Performance risk, whereby the school's reputation would suffer if students did not make or exceed the expected progress

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Objectives and activities

The principal object of the Charity is that of maintaining an independent co-educational school, known as Frewen College. The aim of the school is to be a centre of excellence for educating children with Specific Learning Difficulties such as Dyslexia, Dyspraxia and closely related difficulties including Speech and Language and Sensory Integration problems. The school includes a junior section known as Frewen Preparatory School, and a Sixth Form, which together cater for pupils aged 7-19.

The Company is established to deliver the following principal objects:-

- a) to promote the cause of education;
- b) in furtherance of that object, to establish and carry on any school or schools; to acquire any school as a going concern subject to any liabilities thereto;
- c) to provide for the training and instruction of pupils in any school so acquired or established in every branch of learning and knowledge; in citizenship, and in arts and crafts of all kinds, and on the basis of broad Christian principles to provide such pupils with spiritual, moral, mental and physical training in a non-denominational environment;
- d) in furtherance of the foregoing objects to do all or any of the things laid down in the Memorandum of Association.

In pursuit of the school's specialist educational objectives all appropriate classroom staff including teaching assistants are expected to undertake specialist training. Full time therapists are employed offering speech and language, occupational, sensory integration, and Johansen IAS sound therapies. Small class sizes are maintained, and individual provision plans are prepared for each pupil. Additional reading tuition is provided for all pupils in small groups as well as regular intensive numeracy tuition.

Governors regularly review the structure of the school, which led to a Sixth Form being established (in 2014) in partnership with Bexhill Sixth Form College. The Senior Leadership Team was also restructured in 2016 to better align Teaching and Learning with the specific needs of our pupils.

Guidance is provided to parents seeking Local Authority funding, and a means tested bursary scheme is available to assist parents of limited means who are unable to obtain funding. Services Bursaries are available to assist Service families. During the year, 5 pupils benefited from bursary support.

The ongoing COVID pandemic was extremely disruptive to our school year yet we remained resilient and adapted our Risk Assessments accordingly. The closing of schools as part of the national lockdown in January 2021 coincided with the start of our Spring term and boarding was closed from the outset. The Senior Leadership Team had worked over the Christmas holidays in readiness for the lateral flow test and pupils returning and immediately put plans in to place for the continuation of education for the Spring term and produced risk assessments in light of the changes to the business.

All teaching staff were fully employed and created a virtual learning environment for all pupils, following a daily timetable wherever possible. Some pupils, those deemed vulnerable or children of key workers returned to school and followed the virtual classroom.

The Governors decided not to charge for Spring term boarding with a loss of revenue. However, this was offset by a number of support staff being furloughed including the boarding and catering teams.

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Consequently, school life for the second academic year was severely disrupted, however, in a normal year, sports fixtures with other schools would happen together with football, cross country and athletics. Normally, the Prep School would participate in the Rural Rother Sports Partnership and would have enjoyed involvement in a wide range of sports activities. Popular Prep activities included archery and many other sports.

We had to cancel our annual school residential trips, including the Year 6 trip to the PGL activity centre, the Duke of Edinburgh's Award and the Year 11 trip to Rockley Park in France. Many highlights of the school calendar were sadly scaled back with no visitors being invited, including Sports Day and Prize Giving.

The school continues to extend its pastoral activities with both boarding and day pupils. Designated staff have time allocated for mentoring activities and have undertaken specialist training. Tutor time allows tutors to check pupils' welfare throughout the day; along with timetabled PSHEE (Personal Social Health and Economic Education) lessons across the school and SEAL (Social and Emotional Aspects of Learning) lessons for KS2 & 3. The PSHEE curriculum has been developed to ensure that we are addressing pupils' emotional wellbeing, as well as physical wellbeing. Boarding Care staff regard the social development of their pupils as an integral part of their role. Pupils are encouraged to join external groups such as Sea Cadets and Athletics Clubs, and to give enthusiastic support to fundraising activities such as MacMillan Nurses, The Teenage Cancer Trust and more local charities like St Michael's Hospice. We offer a range of enrichment activities after school, including archery, fencing, bush craft and garden clubs, modern languages, kayaking, GCSE revision, art and music; and all pupils (boarding and day pupils) are actively encouraged to take part in these activities.

The school remains committed to maintaining small class sizes, thus ensuring that teachers know and understand all of their pupils' needs, giving pupils the environment in which they can achieve their potential.

Achievements and performance

The school's boarding provision was inspected by Ofsted in October 2019 and assessed as 'Good'. Boarders, who previously experienced significant difficulties at school, respond to the individualised support provided and make excellent progress.

The School is now inspected by the Independent Schools Inspectorate which in May 2019 found it to be compliant with its standards in all respects.

The most recent CReSTeD report also reports extremely positively on all aspects of the school.

We encourage pupils to sit GCSE exams in as many subjects as we believe they can manage. Those we think cannot cope with GCSE level are entered for the Entry Level Certificate or other qualification appropriate to their ability so that they have a goal to aim for and a reward for their efforts. These other qualifications can also provide a stepping stone to subsequently sitting the appropriate GCSE exam.

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We have increased the number of BTEC over the two years, now offering Music, Performing Arts, Health & Social Care and Travel & Tourism as more coursework based alternatives to GCSE.

The percentage of exam entries at GCSE or equivalent level was 95%, 14% higher than last year, and the highest ever. The percentage of 9-4 grades at GCSE or equivalent Level 2 exams was 66% (compared to 79% last year). This was the second highest ever and considering the lower cognitive ability we are pleased with this outcome.

The Sixth Form continues to build its reputation for excellence with 2021 summer results maintaining 100% pass rate across all courses, with an average attainment grade of a Merit on Level 2 course and a C grade on Level 3 courses. We had 9 leavers, 1 went to university, 4 continued in Further Education and 4 successfully secured employment.

Financial review

The past year has seen a strong focus on increasing pupil numbers through reputation, marketing and raising awareness of the school, following which the pupil roll increased from 123 to 131 by the start of the Summer term 2021.

This growth in pupil numbers along with robust financial management resulted in a surplus of £427,693.

As a result of COVID-19 and having to close the Boarding houses, the Governors decided not to charge for Spring term boarding with a loss of revenue in the region of £100,000. However, this was offset by a number of support staff being furloughed, whilst all teaching was via remote learning for the Spring term. We did manage to hold a number of small weddings throughout the summer following government guidance at all times.

We continued to invest in the school IT facilities buying new laptops and smart screens. Further capital expenditure items included CCTV and the total refurbishment of the Old Drama studio converted to the English block. We also started a feasibility study for the proposed new build and expansion of the kitchen, servery and dining room(s) within the Main house.

As at the Balance Sheet date, the school had unrestricted reserves of £1,229,085 compared to £801,392 in 2020. These funds are to be kept at the discretion of the Governors to further any of the Charity's objectives.

Fees have been reviewed from September 2021, although Governors recognise the need to maintain affordability of school fees and have continued to restrict the level of fee increase as far as is consistent with financial prudence.

Remuneration of Senior Management

The day-to-day running of the school is delegated to the Principal and Senior Leadership Team.

The remuneration of key management is set by Governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school's success.

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GOVERNORS' REPORT (INCORPORATING THE DIRECTORS REPORT)

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure the school remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the school's charitable vision and purpose is primarily dependent on key management, and staff costs are the largest single element of charitable expenditure.

Reserves policy

It is the policy of the school that its financial affairs are maintained within a tight budget that is approved by the Governors. The nature of the school's activities determines that the reserves fund, property and other net assets are held to cover unexpected shortfalls on the Statement of Financial Activities. In previous years Governors have considered that, in the event of a significant drop in short term funding, they will be able to continue the school's activities while consideration is given to ways in which additional funds may be raised. There is no reason to change this view – however, to ensure the ongoing sustainability of the school Governors have determined that an annual surplus is essential to build reserves for capital investment in the school. This is consistent with other independent schools - an annual target of 10% of income has been agreed, although it is recognised that this cannot be achieved immediately whilst still maintaining

Funding sources and how expenditure meets objectives

School fees continue to represent the great majority of income, and the school has experienced an increase in pupils, including several from Overseas. Additional income is generated from grants and donations, and a small amount of rental income.

The school's Grade 1 listed building and grounds has been re-established as a wedding venue in 2018, raising additional income to support the charitable objectives. All expenditure is directly related to the salaries of classroom and support staff, the delivery of the school curriculum, and the upkeep of the school's premises, fixtures, fittings and equipment.

The school continues to operate a means tested bursary scheme to assist parents with school fees. Additional discounts and bursaries are available to children from Service families, and sibling discounts are provided. The Governors have agreed a limit on the maximum bursary commitments permissible, as a proportion of total fee income. This bursary commitment is currently not fully drawn.

The Trust has wide investment powers, but any monies subject to the jurisdiction of the Charity Commission for England and Wales or the Secretary of State for Education or representing property so subject shall be invested only upon such investments and with such sanction (if any) as may for the time being be required by law.

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Public Benefit

In setting the school's objectives and planning activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The school's specialist role, with a consequent high proportion of Local Authority funded placements, sets it apart from the majority of the Independent sector. The means tested bursary scheme, and the guidance given to parents seeking funding underpin the school's conviction that access to specialist education should be available to the broadest possible spectrum of pupils in terms of their social and economic background.

In addition, a number of the school's facilities are made available to the public, in particular the maintained primary school adjacent to the school, the local village cricket club, and local youth football teams.

The impact of COVID-19 meant that we were unable to host a Dyslexia Conference in 2021 nor did we hold virtual specialist training for all classroom staff from the British Dyslexia Association in the teaching of Dyslexic pupils. This event is now planned for June 2022 and we will invite teachers from local schools to join the training as in previous years.

Due to Covid restrictions for gatherings >30 people, we could not welcome the Brickwall Music and Arts Society, a long established charity which stages regular music concerts in the school's historic Drawing Room nor was we able to host the annual village bonfire and firework display in November on behalf of Northiam Bonfire Society, a registered charity.

We have subsequently hosted these events again and have recently established links with Northiam Primary CE School to use our swimming pool for swimming lessons for their pupils and inviting them to our firework display.

Asset cover for funds

The assets are sufficient to meet the charity's obligations.

Plans for the future

Cost controls continue to be developed to ensure a sound financial operating basis for the future, including adequate provision to secure the appropriate maintenance and future development of the premises.

The further development of the Preparatory School and establishment of a Sixth Form reinforce our commitment to providing all through education for children with Specific Learning Difficulties. Referrals from local mainstream Preparatory Schools continue, and the restructure of the Senior Leadership Team has enabled these relationships with local schools to be further developed.

As our pupil roll is growing and the year groups go through the school, we anticipate that by 2023 we will need to expand our teaching spaces and other facilities to accommodate a school of 180 pupils. The governors have appointed Ptolemy Dean Architects to conduct a feasibility study for the planned new build and expansion of our catering facilities.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

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GOVERNORS' REPORT (INCORPORATING THE DIRECTORS REPORT)

Post Balance Sheet Event - COVID-19 Pandemic

The school community returned in September 2021 with social distancing measures and an enhanced cleaning regime in place across the school. Most meetings between staff and visitors, including Open Mornings are held on Teams or outside.

Auditors

A resolution proposing that TC Group be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the Board of Governors



J Stevenson (Chairman)

Date: 25 April 2022

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the 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 year.

In preparing these financial statements the governors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will not continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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.

THE FREWEN EDUCATIONAL TRUST LIMITED

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REPORT OF THE INDEPENDENT AUDITORS

Opinion

We have audited the financial statements of The Frewen Educational Trust Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 governor's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast 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 governor's with respect to going concern are described in the relevant sections of this report.

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REPORT OF THE INDEPENDENT AUDITORS

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained during the audit, we have not identified material misstatements in the Directors' Report included within the Governors' Report.

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

- adequate and proper 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

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REPORT OF THE INDEPENDENT AUDITORS

Responsibilities of the governors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

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REPORT OF THE INDEPENDENT AUDITORS

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the governors and other management (as required by auditing standards), and discussed with the governors and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, school inspections, DBS checks, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the governors and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK.
- We considered the nature of the charitable company's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to

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REPORT OF THE INDEPENDENT AUDITORS

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

TC Group

Mark Cummins FCCA (Senior Statutory Auditor)

Statutory Auditor

Office: Steyning, West Sussex

Dated: 3 May 2022

THE FREWEN EDUCATIONAL TRUST LIMITED

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STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2021

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 6 | - | - | - | 50,023 |
| Government grants | 7 | 66,605 | 48,857 | 115,462 | 153,354 |
| Other trading activities | 8 | 33,941 | - | 33,941 | 26,796 |
| Charitable activities | 9 | 3,615,849 | - | 3,615,849 | 3,010,958 |
| Total income | | 3,716,395 | 48,857 | 3,765,252 | 3,241,131 |
| EXPENDITURE ON: | | | | | |
| Raising funds | 10 | 28,109 | - | 28,109 | 55,322 |
| Charitable activities | | 3,260,593 | 48,857 | 3,309,450 | 2,855,293 |
| Total expenditure | | 3,288,702 | 48,857 | 3,337,559 | 2,910,615 |
| Net income/expenditure and movement in funds | | 427,693 | - | 427,693 | 330,516 |
| Transfers between funds | 21 | - | - | - | - |
| Net movement in funds | | 427,693 | - | 427,693 | 330,516 |
| Fund balances brought forward | | 801,392 | - | 801,392 | 470,876 |
| Fund balances carried forward | | 1,229,085 | - | 1,229,085 | 801,392 |

All funds are unrestricted and all income and gains for the year are recognised above. All of the charity's activities are classed as continuing.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FREWEN EDUCATIONAL TRUST LIMITED

Company Number 00924280

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BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2021

| | Notes | 2021 | 2020 |
|--|-------|-------------------------|-----------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible Assets | 13 | 1,639,335 | 1,565,181 |
| CURRENT ASSETS | | | |
| Debtors | 14 | 1,442,872 | 926,314 |
| Cash at bank and in hand | | 393,119 | 519,446 |
| | | <u>1,835,991</u> | <u>1,445,760</u> |
| CURRENT LIABILITIES | | | |
| Creditors due within one year | 15 | <u>(1,836,678)</u> | <u>(1,577,795)</u> |
| NET CURRENT LIABILITIES | | <u>(687)</u> | <u>(132,035)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,638,648</u> | <u>1,433,146</u> |
| LONG TERM LIABILITIES | | | |
| Creditors due after one year | 16 | (409,563) | (631,754) |
| NET ASSETS | | <u><u>1,229,085</u></u> | <u><u>801,392</u></u> |
| REPRESENTED BY: | | | |
| UNRESTRICTED FUNDS | | | |
| General funds | 21 | 1,229,085 | 801,392 |
| | | <u><u>1,229,085</u></u> | <u><u>801,392</u></u> |

The accounts were approved by the board and signed on their behalf by:



J Stevenson (Chairman)

Date: 25 April 2022

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

| | Notes | 2021 | | 2020 | |
|---|-------|-----------|-----------|-----------|-----------|
| | | £ | £ | £ | £ |
| Cash flows from operating activities: | | | | | |
| Net income/(expenditure) for the year | | 427,693 | | 330,516 | |
| Adjustments for: | | | | | |
| Depreciation charges | 13 | 87,489 | | 51,119 | |
| Loss/(profit) from sale of tangible fixed assets | | (1,163) | | - | |
| (Increase)/decrease in debtors | | (516,558) | | 48,005 | |
| Increase/(decrease) in creditors | | 172,867 | | (213,019) | |
| Net cash provided by/(used in) operating activities | | | 170,328 | | 216,621 |
| Cash flows from investing activities: | | | | | |
| Proceeds from sale of tangible fixed assets | | 2,376 | | - | |
| Purchase of tangible fixed assets | 13 | (162,856) | | (72,012) | |
| Net cash provided by/(used in) investing activities | | | (160,480) | | (72,012) |
| Cash flows from financing activities: | | | | | |
| Repayments of borrowing | | (136,175) | | (33,344) | |
| Cash inflows from new borrowing | | - | | 750,000 | |
| Net cash provided by/(used in) financing activities | | | (136,175) | | 716,656 |
| Change in cash and cash equivalents in the year | | | (126,327) | | 861,265 |
| Cash and cash equivalents at the beginning of the year | | | 519,446 | | (341,819) |
| Cash and cash equivalents at the end of the year | | | 393,119 | | 519,446 |
| Analysis of cash and cash equivalents | | | | | |
| Cash at bank and in hand | | | 393,119 | | 519,446 |
| Total cash and cash equivalents | | | 393,119 | | 519,446 |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 STATUTORY INFORMATION

The charity is a charitable company, limited by guarantee, registered in England and Wales. The registered office, company number and charity number are detailed in the Legal and Administrative Information on page 1.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared under the Companies Act 2006, The Charities Act 2011 and in accordance with the Charities' Statement of Recommended Practice (SORP (FRS 102)) and Financial Reporting Standard 102.

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

The charitable company meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

After reviewing the charity's forecasts and projections to the end of the 2021/22 financial year, the governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future (including taking into account any potential impact of the COVID - 19 pandemic). The charity will continue to require the support of its bankers throughout the next 12 months. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Income

Fees receivable and charges for services, less any allowances, scholarships and bursaries granted by the school against those fees are accounted for in the period in which the service is provided. Where fees are received for a future service period they are included in deferred income, including those fees received under an advance fee payment scheme.

Investment and biomass RHI income is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income are accounted for as and when entitlement arises, the amount can be reliably measured and the economic benefit is considered probable.

Where a donor or an appeal has imposed restrictions the income is credited to a restricted fund.

The charity is not registered for VAT.

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2.4 Expenditure

Expenditure is accounted for on an accruals basis with irrecoverable VAT included with the item to which it relates.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Redundancy and termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

All costs are allocated between expenditure categories and departments on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

| | |
|----------------------------------|---|
| Freehold land is not depreciated | |
| Freehold buildings | - 1% -33% straight line less estimated £50,000 for cost of land |
| | - 25% reducing balance |
| Portable buildings | - 20% straight line |
| Fixtures, fittings and equipment | - 33% straight line |
| Motor vehicles | - |

Minor items of capital expenditure up to £1,000 are written off to the Statement of Financial Activities as incurred.

2.6 Leasing and hire purchase commitments

Rentals paid under operating leases are charged against income on a straight line basis over the period of the

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and the useful life of the asset. Obligations under such agreements are included as creditors net of the finance charge allocated to future periods. The finance charge element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

2.7 Pensions

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The TPS is an unfunded scheme. Contributions on a 'pay as you go' basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in FRS 102 the TPS is a multi-employer pension scheme. The charity is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

The charity also contributes to personal pension schemes for its non-teaching staff.

2.8 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial instruments are recognised at amortised cost.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The governors seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2.12 Fund accounting

Unrestricted funds comprise those funds which can be used in accordance with the charitable objects at the discretion of the governors.

Restricted funds are those funds that can only be used for particular restricted purposes in accordance with the wishes of the donor or when funds are raised for particular restricted purposes.

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

2.13 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Governors 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.

a. Critical judgements in applying the entity's accounting policies

i) Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other entities. In the judgment of the governors, the charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 19 for further details.

b. Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 2.5 for the useful economic lives for each class of assets.

ii) Impairment of debtors

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

3 TURNOVER

The turnover of the charity is wholly attributable to the objects of the charity as stated in the Governors' Report and is earned entirely within the UK.

4 NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2021 | 2020 |
|---|----------------|---------------|
| | £ | £ |
| Operating lease payments | 26,744 | 28,164 |
| Depreciation | 87,489 | 33,158 |
| Profit/(loss) on disposal of assets | (1,163) | - |
| Auditors' remuneration - audit services | 11,750 | 11,100 |
| Auditors' remuneration - non-audit services | 8,784 | 9,702 |
| | <u>133,604</u> | <u>82,124</u> |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

5 TAXATION

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

6 INCOME FROM DONATIONS AND LEGACIES

| | UNRESTRICTED | RESTRICTED | TOTAL 2021 | TOTAL 2020 |
|-----------|--------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Donations | - | - | - | 50,023 |

7 INCOME FROM GOVERNMENT GRANTS

| | UNRESTRICTED | RESTRICTED | TOTAL 2021 | TOTAL 2020 |
|----------------------------------|--------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Coronavirus Job Retention Scheme | - | 48,857 | 48,857 | 153,354 |
| Other | 66,605 | - | 66,605 | - |
| | 66,605 | 48,857 | 115,462 | 153,354 |

8 INCOME FROM OTHER TRADING ACTIVITIES

| | UNRESTRICTED | RESTRICTED | TOTAL 2021 | TOTAL 2020 |
|----------------------------------|--------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Lettings income | 1,750 | - | 1,750 | 2,192 |
| Fund raising income | - | - | - | 1,614 |
| Biomass RHI income | 22,539 | - | 22,539 | 22,990 |
| Weddings | 8,489 | - | 8,489 | - |
| Gain on disposal of fixed assets | 1,163 | - | 1,163 | - |
| | 33,941 | - | 33,941 | 26,796 |

9 INCOME FROM CHARITABLE ACTIVITIES

| | TOTAL 2021 | TOTAL 2020 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Gross school fees | 3,530,485 | 2,980,732 |
| less bursaries and allowances | (41,767) | (51,953) |
| Net school fees | 3,488,718 | 2,928,779 |
| Add: | | |
| Registration fees | 5,100 | 3,925 |
| Extras income | 83,820 | 52,791 |
| School bus / Transport Income | 38,211 | 25,463 |
| | 3,615,849 | 3,010,958 |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

10 ANALYSIS OF EXPENDITURE

| | Staff Costs £ | Depreciation £ | Other costs £ | Total 2021 £ | Total 2020 £ |
|-------------------------------------|---------------------|-------------------|---------------------|--------------------|--------------------|
| Cost of raising funds: | | | | | |
| Financing costs | - | - | 28,109 | 28,109 | 55,322 |
| Total cost of raising funds | - | - | 28,109 | 28,109 | 55,322 |
| Charitable expenditure | | | | | |
| Education | | | | | |
| Teaching | 1,797,172 | 37,699 | 232,410 | 2,067,281 | 1,799,827 |
| Welfare | 266,450 | - | 82,607 | 349,057 | 323,426 |
| Premises | 260,152 | 49,790 | 238,937 | 548,879 | 442,740 |
| Support and governance | 190,493 | - | 153,740 | 344,233 | 289,300 |
| Total charitable expenditure | 2,514,267 | 87,489 | 707,694 | 3,309,450 | 2,855,293 |
| Total expenditure | 2,514,267 | 87,489 | 735,803 | 3,337,559 | 2,910,615 |

Included within staff costs is restricted expenditure of £48,857 (2020: £153,354).

| Analysis of support and governance costs: | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Governance costs: | | |
| Auditors remuneration for audit services | 11,750 | 15,900 |
| Governors' expenses | - | 101 |
| Total governance costs | 11,750 | 16,001 |
| Support costs: | | |
| Auditors' remuneration for non audit services | 8,784 | 8,454 |
| Legal and professional fees relating to support | 80,880 | 28,744 |
| Support staff wages, national insurance and pension | 190,493 | 182,429 |
| Other support costs | 52,326 | 53,672 |
| | 344,233 | 289,300 |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

11 STAFF COSTS

The average monthly headcount was 86 staff (2020: 80 staff) and the number of full time equivalent employees during the year was:

| | 2021 Number | 2020 Number |
|----------|----------------|----------------|
| Teaching | 41 | 44 |
| Welfare | 14 | 12 |
| Premises | 6 | 4 |
| Support | 7 | 6 |
| | <u>68</u> | <u>66</u> |

The aggregate payroll costs for the year were as follows:

| | 2021 £ | 2020 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,060,952 | 1,872,717 |
| Social security costs | 181,906 | 158,652 |
| Pension costs | 271,409 | 237,115 |
| | <u>2,514,267</u> | <u>2,268,484</u> |

No ex-gratia payments were made during the year (2020: none).

Staff earning in excess of £60,000 per annum in the following bands are:

| | 2021 Number | 2020 Number |
|-------------------|----------------|----------------|
| £90,000 - £99,999 | <u>1</u> | <u>1</u> |

Of the employees whose emoluments exceed £60,000, 1 (2020: 1) have retirement benefits accruing under defined benefit schemes.

Contributions payable by the company for those employees were:

| | 2021 £ | 2020 £ |
|-------------------------|---------------|---------------|
| Defined benefit schemes | <u>21,354</u> | <u>20,576</u> |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

11 STAFF COSTS

cont'd

The key management personnel (Senior Leadership Team) of the school are detailed in the Governors' Report and Legal and Administrative Information.

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Aggregate employee benefits of key management personnel (*) | <u>505,707</u> | <u>444,013</u> |

* This includes employer's national insurance and pension contributions.

None of the governors received any remuneration or other benefits from the school or any connected body. One Governor had travel related expenses reimbursed for the amounts detailed in note 10 in respect of travel and subsistence in 2020 (2021: none).

12 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 31 AUGUST 2020

| | Unrestricted Funds £ | Restricted Funds £ | Total 2020 £ |
|--------------------------------------|----------------------------|--------------------------|--------------------|
| INCOME FROM: | | | |
| Donations and legacies | 46,916 | 3,107 | 50,023 |
| Government grants | - | 153,354 | 153,354 |
| Other trading activities | 26,796 | - | 26,796 |
| Charitable activities | 3,010,958 | - | 3,010,958 |
| Total income | <u>3,084,670</u> | <u>156,461</u> | <u>3,241,131</u> |
| EXPENDITURE ON: | | | |
| Raising Funds | 55,322 | - | 55,322 |
| Charitable activities | 2,701,939 | 153,354 | 2,855,293 |
| Total expenditure | <u>2,757,261</u> | <u>153,354</u> | <u>2,910,615</u> |
| Net income/expenditure | 327,409 | 3,107 | 330,516 |
| Transfers between funds | 3,107 | (3,107) | - |
| Net movement in funds | <u>330,516</u> | <u>-</u> | <u>330,516</u> |
| Fund balances brought forward | <u>470,876</u> | <u>-</u> | <u>470,876</u> |
| Fund balances carried forward | <u>801,392</u> | <u>-</u> | <u>801,392</u> |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

13 TANGIBLE FIXED ASSETS

| | Assets under Construction | Freehold Property £ | Fixtures & Fittings £ | Motor Vehicles £ | Total £ |
|------------------------|------------------------------|---------------------------|-----------------------------|------------------------|------------------|
| Cost | | | | | |
| At 1 September 2020 | - | 2,039,058 | 228,044 | 32,306 | 2,299,408 |
| Additions | 10,511 | 41,462 | 85,189 | 25,694 | 162,856 |
| Disposals | - | - | - | (32,306) | (32,306) |
| At 31 August 2021 | <u>10,511</u> | <u>2,080,520</u> | <u>313,233</u> | <u>25,694</u> | <u>2,429,958</u> |
| Depreciation | | | | | |
| At 1 September 2020 | - | 520,461 | 182,673 | 31,093 | 734,227 |
| Charge for year | - | 49,790 | 32,660 | 5,039 | 87,489 |
| Eliminated on disposal | - | - | - | (31,093) | (31,093) |
| At 31 August 2021 | <u>-</u> | <u>570,251</u> | <u>215,333</u> | <u>5,039</u> | <u>790,623</u> |
| Net Book Value | | | | | |
| At 31 August 2021 | <u>-</u> | <u>1,510,269</u> | <u>97,900</u> | <u>20,655</u> | <u>1,639,335</u> |
| At 31 August 2020 | <u>-</u> | <u>1,518,597</u> | <u>45,371</u> | <u>1,213</u> | <u>1,565,181</u> |

Included above are the following assets on HP:

ASSETS ON HIRE PURCHASE

| | Biomass Unit £ |
|--|----------------------|
| Cost | |
| At 1 September 2020 and 31 August 2021 | <u>190,132</u> |
| Depreciation | |
| At 1 September 2020 | 9,505 |
| Charge for year | 7,225 |
| At 31 August 2021 | <u>16,730</u> |
| Net Book Value | |
| At 31 August 2021 | <u>173,402</u> |
| At 31 August 2020 | <u>180,627</u> |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

14 DEBTORS

| | 2021 | 2020 |
|--------------------------------|------------------|----------------|
| | £ | £ |
| Fee debtors | 1,363,496 | 867,526 |
| Prepayments and accrued income | 79,376 | 58,788 |
| | <u>1,442,872</u> | <u>926,314</u> |

15 CREDITORS: due within one year

| | 2021 | 2020 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 204,262 | 118,246 |
| Trade creditors | 54,166 | 20,285 |
| Other creditors | 41,131 | 28,710 |
| Accruals | 44,885 | 17,221 |
| Fees in Advance | 1,421,361 | 1,274,950 |
| Pupil deposits | 25,150 | 23,999 |
| Other taxes and social security | 45,723 | 94,384 |
| | <u>1,836,678</u> | <u>1,577,795</u> |

Fees in advance represent fees received for the Autumn term 2021.

16 CREDITORS: due after one year

| | 2021 | 2020 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Bank loans (see note 17) | 409,563 | 631,754 |
| | <u>409,563</u> | <u>631,754</u> |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

17 BANK LOANS

Bank loans are wholly repayable in instalments as follows:

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Less than one year | 204,262 | 118,246 |
| In more than one year but less than two years | 204,262 | 183,149 |
| In more than two years but less than five years | 205,301 | 448,605 |
| | <u>613,825</u> | <u>750,000</u> |

The bank loans is secured on the freehold property of the school. The terms of the security provide for the lender to claim title to the property in the event of a default on principal and interest payments. The loan has an interest rate of 3.75% above base rate and is repaid by monthly instalments (with payments having started in January 2021).

18 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2021 the company had total commitments under non-cancellable operating leases payable as follows:

| | Other | |
|----------------------------|---------------|---------------|
| | 2021 | 2020 |
| | £ | £ |
| Within one year | 9,610 | 18,793 |
| Between one and five years | 5,837 | 10,237 |
| | <u>15,447</u> | <u>29,030</u> |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

19 PENSION COMMITMENTS

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes employer contributions payable to the TPS of £221,529 (2020: £198,967) and at the year-end £27,160 (2020: £23,811) was due in respect of contributions to this scheme.

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

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

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

19 PENSION COMMITMENTS

Cont'd

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The school also contributes to defined contribution schemes on behalf of its other staff. Employer contributions payable to these schemes were £49,881 (2020: £38,148) and at the year end £7,109 (2020: £5,577) was accrued in respect of contributions due to these schemes.

20 SHARE CAPITAL AND CONTROL

The charity is limited by guarantee and does not have a share capital. In the event of a winding up each member guarantees to contribute an amount of no more than £1.

21 SUMMARY OF FUND MOVEMENTS

| | At 1 Sept 2020 | Income | Expenses | Transfers | At 31 Aug 2021 |
|----------------------------------|-------------------|-----------|-------------|-----------|-------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | |
| General reserves | 801,392 | 3,716,395 | (3,288,702) | - | 1,229,085 |
| Restricted funds | | | | | |
| Coronavirus Job Retention Scheme | - | 48,857 | (48,857) | - | - |
| | - | 48,857 | (48,857) | - | - |
| Total funds | 801,392 | 3,765,252 | (3,337,559) | - | 1,229,085 |

Unrestricted funds:

These are funds to be spent or applied at the discretion of the Governors to further any of the Charity's objectives.

Restricted funds:

The Coronavirus Job Retention Scheme fund is funding received from the government to contribute towards the cost of furloughed employees as a result of the Coronavirus pandemic.

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds 2021 £ |
|--|------------------------------------|
| For the year ended 31 August 2021 | |
| Tangible fixed assets | 1,639,335 |
| Current assets | 1,835,991 |
| Creditors: less than one year | (1,836,678) |
| Creditors: over one year | (409,563) |
| | <u>1,229,085</u> |
| | |
| | Unrestricted Funds 2020 £ |
| For the year ended 31 August 2020 | |
| Tangible fixed assets | 1,565,181 |
| Current assets | 1,445,760 |
| Creditors: less than one year | (1,577,795) |
| Creditors: over one year | (631,754) |
| | <u>801,392</u> |

23 RELATED PARTIES

During the year governors were reimbursed travel expenses totalling £nil (2020: £101).
There were no other related party transactions during the year (2020: none).