

Berkhamsted Schools Group

REPORT AND FINANCIAL STATEMENTS

For the year ended
31 July 2022

Berkhamsted Schools Group

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Berkhamsted Schools Group

WHO WE ARE

Berkhamsted Schools Group is a prestigious group of independent day schools in Hertfordshire and Buckinghamshire which also offer boarding for the senior year groups. Founded in 1541, the school celebrated 480 years of history and tradition in 2021. We are a school that is firmly rooted in our local community and also has an international outlook with overseas students joining the school from Year 10.

Berkhamsted has an outstanding reputation based on the following key characteristics:

A 'diamond school' - one of just a handful in the country, Berkhamsted offers co-educational tuition up to age 11 and single sex classroom education from the age of 11 to 16 - at a time when we believe girls and boys benefit most from being taught separately in the classroom, whilst extracurricular activities are undertaken co-educationally at all ages. Girls and boys come back together in a co-educational Sixth Form. We also have a girls-only Prep School, Heatherton, in Amersham, which has a co-educational nursery class.

A passion for learning and well-being – the world is changing at an ever-increasing pace. We believe life-long learning will be required of all of us and awareness of the skills that enable us to learn effectively are a key requirement. At the school we develop these skills through the use of an educational framework called the "Learning Powered Approach" which underpins our approach in the classroom and in all extra-curricular activities. We also believe that our pupils need to develop qualities of character such as mental toughness and resilience to believe they can cope with whatever life throws at them. Our well-being programme and framework is comparable with any school programme in the country and we care deeply about the well-being of our school community and the individuals within it.

A broad education - we develop outstanding, well-rounded, remarkable young people through a broad education based not just on academic excellence, but also through activities outside the classroom, including sport, outdoor education, music, art and drama. We are proud to have produced excellence at national and international levels while maintaining very high levels of pupil participation in extra-curricular activities. We have one of the most outstanding outdoor education programmes at any school in the country, demonstrated by the high numbers of participants in the Duke of Edinburgh's Award at all levels, and the range of experiences offered through our Combined Cadet Force. Every pupil in senior school attends Bushcraft training and spends a night under canvas as part of the introduction to the Duke of Edinburgh's Award.

A school that 'grows with you' - we offer our pupils fantastic experiences and opportunities that stretch their abilities and help develop their full potential at all stages throughout their formative years. Our pupils leave us with the qualifications and life skills needed to make a successful transition to the next stage of life, be that a top university, or the start of their career in the workplace. These are gained through initiatives such as our innovative Student Consultancy, pioneered at Berkhamsted in conjunction with the Oxford University Careers Service and since rolled out nationally, or the work experience opportunities we provide to our Sixth Formers. Other opportunities exist at our Sports Centre as a lifeguard or with our in-house caterers to gain customer service experience at School events.

Outstanding pastoral care – we are predominantly a day school running on structures built up through a history of being a traditional boarding school. We have a vertical house system, run by Heads of House and their teams of tutors, who oversee and support each child's personal development.

A large school with a small school feel - we are based on four campuses in Berkhamsted and one in Amersham, each structured to cater for the different age groups taught at those sites from Pre-Prep in the woodland setting of the Haresfoot campus to a Sixth Form moving between Castle and Kings campuses as a taster of what lies ahead at university. Each school benefits from outstanding whole school facilities in close proximity, which smaller schools are unable to provide. Examples include our 500 seat Centenary

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Theatre, the Knox-Johnston Sports Centre and 25 metre swimming pool, nine Eton Fives courts, a Wooded Gruffalo Trail and our High Ropes course.

A school **with community spirit** - our pupils are consistently helping in the community and looking to uphold the school's value of 'Serving Others'. From the Prep school children visiting the local care home for regular musical performances, to Year 7 boys litter picking across town, through to our Sixth Formers helping at local primary schools and in High Street charity shops. The introduction of The Berkhamsted Society has also offered our local neighbours the opportunity to use the school's facilities and attend a number of cultural events which are open to all. We work with maintained sector schools in Berkhamsted, Hemel Hempstead and Luton, and co-sponsor the Wren Academies Trust.

A school which **supports working parents** - we provide care at all stages of a child's school journey so parents need never be concerned if they are delayed at the office, have to go on a business trip, or wish to find activities for their child in the holidays. We provide wrap-around care at both ends of the day up to Prep School, flexi-boarding at the senior schools, and work with a specialist company to lay on a range of courses and activities during half terms. We offer all year-round nursery provision from five months to three years old. In addition, our travel network also offers those in senior school a coach service from home to school each day with late services available to cater for those pupils taking part in after-school activities.

A key aim of the Berkhamsted Schools Group is to deliver teaching and learning excellence for the benefit of pupils throughout the group. Investment in the continuous training, professional development and well-being of our staff is a priority. We are proud to have been awarded the Investors in People Gold Award twice in recent years, an unprecedented achievement for an independent school, reflecting our commitment to this aim.

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GOVERNORS

The Board of Governors is appointed in accordance with the terms and conditions laid down in the Scheme of the Charity Commissioners for England and Wales sealed on 29 August 1996. Except as otherwise indicated, the Governors served throughout the year and are as follows:

	Appointed /Resigned	(1)	(2)	(3)	(4)	(5)	(6)
G.C. Laws (Chair)	Appointed 17 March 2012	▪ (c)				▪ (c)	▪ (c)
D.J. Atkins	Appointed 1 September 2014		▪				
Prof S-J. Blakemore	Appointed 17 June 2017				▪		
C. Edwards	Appointed 1 September 2022		▪				
Dr M.A. Fenton	Appointed 1 January 2014				▪ (c)		
A.R Hart	Appointed 1 December 2018			▪			
K. Musgrave	Appointed 1 December 2018		▪				
K. Nijjar	Appointed 24 September 2020				▪		
C. Nicholls	Appointed 1 September 2015				▪	▪	
S. Rolland	Appointed 19 January 2011			▪			
S. Shields	Appointed 25 March 2017			▪			
J.J. Smith	Appointed 1 September 2020				▪		▪
N. Twogood	Appointed 1 September 2015	▪	▪ (c)			▪	▪
A. Wilcock	Appointed 26 November 2016				▪		
J. Williams	Appointed 1 March 2018	▪		▪ (c)		▪	

- (1) Chair's Committee
- (2) Finance and Property Committee
- (3) Risk and Regulatory Committee
- (4) Education Committee
- (5) Nominations Committee
- (6) Remuneration Committee

- (c) Chair

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OFFICERS

Principal	R P Backhouse MA (Cantab)
Clerk to the Governors	M Shell LL.B (Hons)
Vice Principal	A Ford BA
Chief Operating Officer	J Anthony BSc, FCA
Chief People Officer	T L Evans CIPD, FInstLM
Assistant Vice Principal (External Relations)	R C Thompson BA
Headteacher, Berkhamsted Sixth	M Walker BA
Headteacher, Berkhamsted Boys (left 31 Dec 2021)	M-C Startin BA, MA
Headteacher, Berkhamsted Boys (joined 1 Jan 2022)	TL Hadcroft BA (Hons), MSc, MRes, MEd
Headteacher, Berkhamsted Girls (left 31 Aug 2022)	E Richardson BA
Headteacher, Berkhamsted Girls (joined 1 Sept 2022)	E Watson BEng
Headteacher, Berkhamsted Prep	J Hornshaw MEd, BEd, NPQH, FInstLM
Headteacher, Heatherton	N Nicoll MEd, BEd (Hons)
Headteacher, Berkhamsted Pre-Prep	K O'Connor BA (Hons), PGCE, NPQH

Principal address and Registered Office

6 Chesham Road
Berkhamsted
Hertfordshire HP4 3AA

Bankers NatWest Bank
P.O. Box 202
199 High Street
Berkhamsted, Herts. HP4 1BH

Solicitors Veale Wasbrough Vizards
Orchard Lane
Bristol BS1 5WS

Auditors Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Investment Advisors Brewin Dolphin
12 Smithfield Street
London EC1A 9BD

Insurance Brokers Aon UK Limited
8 Devonshire Square
London EC2M 4PL

Property Advisers	Aitchison Raffety 8 Cavendish Square London W1G 0PD	Bidwells Trumpington Road Cambridge CB2 9LD
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ESG Advisers Orbis Advisory
25 Wilton Road
London SW1V

Berkhamsted Schools Group

ANNUAL REPORT OF THE GOVERNORS CHAIR'S REPORT

CHAIR'S REPORT

Once again staff and students at the Berkhamsted Schools Group have had a year characterised by outstanding support for students academically, pastorally, and in their extra-curricular pursuits. Pastoral care of pupils has been a particular focus, given the challenges which recent Covid-caused turbulence in education. Parental feedback has been exceptionally strong. Consequently, the reputation of the school grows: enquiries for places have risen by one third, and we have waiting lists for entry into many of our year groups.

Our aim is to be a school which serves its local community excellently, with outstanding staff and infrastructure that compares to the best in the country. We want to be world class in everything we do to give the young people here the best chance to develop and succeed in whatever they choose to do. We do not just select pupils purely on academic skills – we offer an all-round education challenging our students and giving them real skills to help in later life.

During the academic year we have continued to build on our Digital Device Provision strategy which saw School Microsoft Surface devices provided to every child in Years 5-13, using the advances made during remote learning while also gaining the benefits of the resumption of face to face learning. We were pleased to win an award for the best Leadership Team across schools in the UK, and for recognition of excellence for provision in Sport (rugby, netball, lacrosse and football particularly excelling) and for our international boarding provision. The academic results gained this year were the best ever – higher at A level even than the two previous years, despite lower aggregates at high grades nationally.

We continue to invest sustainably in our infrastructure. During the year, demolition began on the site where a new Sixth Form Centre will be constructed, projects to relocate maintenance workshops were successfully continued and Berkhamsted Day Nursery's accommodation was further upgraded. Negotiations were successfully undertaken to acquire a valuable piece of land adjacent to Heatherton. We have now invested over £30m in the schools' sites during the last 15 years. We recognise that students and parents rightly expect first class facilities, and we are continuing to invest in infrastructure which generates educational opportunities for young people. We are also very aware that affordability of school fees is at the front of many parents' minds. Our goal is to provide an outstanding all-round education at a competitive price and therefore we have continued to strive to constrain our fee increases for the past few years whilst finding efficiencies within the schools to allow continued investment in staff and facilities.

With over 500 staff and around 2,000 pupils aged between 5 months and 18 years old, and in excess of 100 acres of land in Berkhamsted, we recognise our importance and need to contribute to, the local community. Our students continue to give thousands of hours of their time to community service, with nearly 2,000 hours by the sixth form alone. Whether it's visiting a senior citizens' home, a hospice, reading with pupils at local primary schools, or working with disabled adults and children, Berkhamstedians' time and effort makes a difference to the lives of so many in our community. We also open up our facilities to the community, and the Knox-Johnston Sports Centre is very well used outside of school hours. We support the people of the area through the provision of wraparound care and holiday camps to help working parents. In a new development, we have hosted booster weeks for Looked-After-Children in partnership with Hertfordshire Virtual Schools in both Easter and Summer. The Berkhamsted Schools Group and the London Diocesan Board for Schools continue to co-sponsor the Wren Academies Trust who have recently opened a new school in Enfield.

I would like to thank all our staff who commit so much time, energy, skill and professionalism to the school. Without them we wouldn't be the school of choice for so many families. Our Governors

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continue to work tirelessly and commit many hours to the school. We have an exceptional board and I thank them all for their commitment.

A handwritten signature in dark ink, consisting of a large, stylized 'G' followed by a horizontal line and a small flourish.

G.C. LAWS
Chair of Governors

Berkhamsted Schools Group

STRATEGIC REPORT

CONSTITUTION AND OBJECTS

Berkhamsted Grammar School was founded on 14 October 1541, re-founded by an Act of Parliament in 1549, and is regulated by a scheme made under the Endowed Schools Act on 13 May 1887 and subsequent amendments. Berkhamsted Girls Grammar School was constituted by the above scheme on 13 May 1887. The administration and management of these two charities and other subsidiary charities were amalgamated by a scheme dated 14 August 1975 approved by the Charity Commissioners for England and Wales.

With effect from 1 August 2011, the School merged with Heatherton House, a Prep School for Girls in Amersham. As part of the merger process, Berkhamsted School changed its name to Berkhamsted Schools Group and became an incorporated charity. The registered charity number is 310630 and the registered company number is 622349.

The Charity has two operating wholly owned non-charitable subsidiaries, Berkhamsted School Enterprises Limited and Berkhamsted Day Nursery Limited. The school actively supports the provision of the highest standards of education in the independent sector and co-operates with many local charities, schools and organisations to widen public access to the education and facilities it provides for the public benefit.

The School's objects and principal activity, as set out in the Articles of Association, are to promote the education (including social and physical training) of boys and girls for the public benefit and in particular to conduct and maintain day or day and boarding schools in or near Berkhamsted, at which religious education in accordance with the principles of the Church of England is provided.

GOVERNANCE AND MANAGEMENT

Governing Body

There is one Governing Body for all the schools in the Group. Details of the Governing Body, together with the school's officers and principal advisors, are given on pages 4-5.

The Governing Body consists of between twelve and fifteen people with each Governor term limited to three years. Each Governor is limited to a maximum of three terms, unless elected to become the Chair or Vice Chair, or if the Board consider it would be in the best interest of the Charity for a Governor to be eligible for re-election, in which case further terms are permissible.

Recruitment and Training of Governors

The school's Governors are appointed at a meeting of the Governing Body on the basis of recommendations made by the Nominations Committee, taking into account eligibility, personal competence, specialist skills and availability.

New Governors are inducted into the workings of the school and of the Charity, including Strategy, Policies and Procedures, at an induction meeting organised by the Clerk to the Governors. Governor training is carried out by using seminars either organised nationally or arranged internally.

During the 2021-22 year, Governors undertook a voluntary governance review with a team from AGBIS undertaking a series of interviews with all governors and senior members of the executive. The outcome of this review was both to endorse strongly the governance of the School, and to make recommendations for consideration in respect of further development. As a consequence of this review, and the consequent implementation of recommendations, the Governors are satisfied that the Charity both applies the principles of the Charity Governance Code, and that governance is executed very well at the School.

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Organisational Management

The School Governors, as the Trustees of the Charity, are legally responsible for the overall management and control of the school and normally meet four times each year, plus one biennial meeting usually in Lent Term to review strategy.

The School's Committees are:

- The Finance and Property Committee, whose responsibility is to plan and oversee delivery of the Board's strategies in relation to all financial and property matters.
- The Education Committee, whose responsibility is to plan and oversee the delivery of all academic, co-curricular and pastoral education.
- The Risk and Regulatory Committee, which has responsibility for the implementation, ongoing management and review of performance in practice of the Group's regulatory, statutory and general policies. It also acts to ensure that major risks for the Group are actively managed, and that an appropriate balance is struck between controls to mitigate risk and the costs (financial or non-financial) associated with doing so and to monitor the environmental and sustainability activities being done across the group to ensure we continually work to improve our environmental impact.
- The Chair's Committee, comprising the Chair of Governors, the Chairs of the other Governor Committees, the Principal, Vice Principal, Chief Operating Officer and Chief People Officer. The function of this Committee is to review strategic issues prior to consideration by the full Governing Body.
- The Nominations Committee, which has responsibility for overseeing Governor and Executive appointments.
- The Remuneration Committee, which has responsibility for setting the remuneration of the Principal and overseeing the remuneration of other senior personnel.

The day-to-day management of the school is delegated to the Principal, Vice Principal, Chief Operating Officer and Chief People Officer who, together with the Headteachers of the respective schools in the group and the Vice Principal, External Relations form the Executive. The Executive is supported by the Senior Management Team which includes the Deputy Heads and other key educational and operational roles.

Remuneration of staff is set by the Governors with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the school's success.

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

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We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the school's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Employment Policy

The school is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests.

The school has a Disability policy and an Equal Opportunities policy, which is compliant with the Equality Act 2010, and has regard to the guidance issued by the Equality and Human Rights Commission "What equality law means for you as an education provider: schools". The Disability policy states that the school will maintain and drive a positive culture towards inclusion of disabled people in all the activities of the school, and will not knowingly discriminate against any disabled person, including in matters of employment such as admissions, training and career development.

In addition, the school has a strict Staff Code of Conduct policy that sets the standards of behaviour for all staff to ensure the ethos of the school is maintained.

AIMS, OBJECTIVES AND ACTIVITIES

Aims

The School's aim for the public benefit is to be the first-choice independent school in the area for families seeking educational excellence.

The governors are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance of public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Primary Objectives

The School continues to place huge importance on its Core Values. At the heart of every decision made and practice used we continue to cultivate a culture in which our values are evident. Our Values are as follows:

- Aim High with Integrity

We believe that we should strive to be the best possible version of ourselves, in the classroom or debating chamber, on the stage or sports pitches, to be the best we can be in everything we do. To aim high *with integrity* means being successful without exercising sharp elbows. Try, as CS Lewis suggested, to 'do the right thing even when no one is looking'. Whatever we achieve in life will be all the more worthy if it is done in support and not at the expense, of others.

- Be Adventurous

Being adventurous is an important ingredient of aiming high. We need to discover what our talents might be before we can develop them, and this will only happen if we are adventurous in thought, word, and deed. We must all have the courage to fail and the resilience to do so repeatedly...because we will. We should all think of mistakes – whether made by ourselves or others – as opportunities to learn. As Nelson Mandela once said: 'Do not judge me by my successes; judge me by how many times I fell down and got up again.' If we are all brave enough to try, fail and then start again, we will all, in time, become the best we can be.

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- **Serve Others**

We want our students to grow in moral purpose, character, and courage as they go through our school, and in doing so, contribute to the wellbeing of our community. We want them to become remarkable people. Our definition of success is an inclusive one, and our expectation of school life is for it to be a team game: we believe it is as important to contribute to the successes of others as to our own. Our definition of leadership includes elements of altruism, and being a school community, we often find that, in giving, we are also receiving. We celebrate and encourage the work of our students in the local community, as volunteers for example, and as those who engineer change for good, inside and outside the School. Our expectation is that Berkhamstedians will not just go on and do well, although of course, we expect that they will, but that they will also go on and do good.

The implementation of these values in the provision of education which is both excellent and broad, boarding and day, single sex and co-educational, large in scale, but small school in feel, traditional and forward looking continues to be the aim of the Group.

STRATEGIES TO ACHIEVE PRIMARY OBJECTIVES

The Group has selected seven areas of focus, which will not only help us to meet our primary aims and objectives but move us to a position where we are recognised to be world class. It must be noted that this list does not preclude our pursuit of excellence in all areas.

Teaching and Learning / ICT

The “Learning Powered Approach”, a whole school approach to teaching and learning, is being embedded across the group to provide a core focus on dispositions within the four learning types (emotional, social, cognitive, and strategic). We will continue to work with schools in both the independent and maintained sectors, universities, and teacher training institutions to share best practice so that Berkhamsted becomes a centre of excellence for teaching and learning. Alongside a strong focus on cyber security we have this year continued our digital device provision plan so that each pupil in Y5-13 has their own Microsoft Surface device, with younger children having access to class sets of iPads, the stock of which was renewed during the year.

Wellbeing

The school recognises the importance of wellbeing amongst its pupils and staff and employs several strategies to encourage and promote it. The senior school operates a house system which ensures a high level of pastoral care for pupils which is further supported by the availability of counselling services and other initiatives such as the presence of wellbeing dogs throughout the school week. In all parts of the school, class sizes are small enough to enable our teachers to notice any behavioural changes that may require their intervention. Staff wellbeing is also deemed very important and all staff have access to counselling services on request and provision is made for other beneficial activities such as mindfulness sessions, yoga, wellbeing treatments and a wide range of other social activities.

Outdoor Education

Very few schools in the South-East have strong Outdoor Education – this is seen as a market differentiator. The School has a long and distinguished Duke of Edinburgh Award programme and Combined Cadet Force (CCF). Today pupils from Stepping Stones through to Year 13 have extensive opportunities to have a range of outdoor education experiences both at school and around the country and world. An Outdoor Education centre for the Group has been established on the site of the Pre-Prep school.

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Business Education and Skills

Berkhamsted is a business community and many of our parents are business professionals. Berkhamsted School is well placed to be a leader in Business Education and Skills and looks to achieve this by closing the gap between academic education and the world of work. We give our pupils an understanding of how business works and also work experiences outside of the main curriculum. By developing links with alumni and the local community we can offer insights into business and provide enterprise opportunities to enable pupils to develop the skills required for the modern workplace. We are now planning for a new Sixth Form Centre configured to help bridge the gap between school, university and work, and we continue to seek international opportunities that could give pupils a taste of international culture and diversity that will prepare them for careers in a global market.

Early Years

Berkhamsted is a centre of excellence for Early Years Education, regularly hosting national Early Years' conferences and is seen as a beacon of best practice. We have a highly innovative curriculum and some of the best facilities in the country. The teaching facilities at the Pre-Prep in a wonderful woodland setting enable the school to provide the very best in Early Years Education. These facilities have been augmented during a period of significant investment in the facilities used by children between the ages of 5 months to three years old..

Sport

Berkhamsted has a distinguished sporting heritage for both boys' and girls' sport. We aim to be one of the top sporting schools in England by being consistently:

- in the top four schools nationally at Lacrosse, with Regional and National representatives;
- in the top 18 schools nationally at Netball;
- in the top 12 schools nationally at Rugby, with Regional and National representatives;
- the best Fives school in the country for boys and girls, attaining National Championship titles.

Furthermore, we actively seek to have some of the highest participation rates in school sport for a large school as evidenced by the number of pupils who actively participate in physical activity each and every week.

Music and Drama

Berkhamsted offers pupils the opportunity of music and drama within the curriculum across the age span, but many pupils undertake additional lessons with 388 Senior pupils playing an instrument and 127 music exams taken by Senior pupils in the 2021/22 academic year. Drama also has many participants with over 299 Senior pupils taking LAMDA lessons each term

FUTURE PLANS

A new version of the Group's current Strategic Plan was agreed by Governors in 2022. This will continue to be subject to bi-annual review by Governors. Significant progress has been made towards the objectives identified in this plan. Future plans to underpin the Group's primary aims and objectives include:

- Further implementation of our plans to 'develop remarkable people', focusing on education of character, skills, and leadership, in order that the education offered to pupils meets excellently the

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challenges posed by contemporary changes in society, the economy, further education and the workplace;

- Developing our campus to support the education we seek to offer our pupils in every way;
- Intentionally developing the culture of the school to be, ambitious, adventurous, humble, kind, and inclusive;
- Continuing to develop and sustain a quality of community among pupils, staff, parents and the locality that sets us apart as a school;
- Excellence in our commercial practices to support the public benefit activity, bursaries and outreach schemes operated by the School

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The school has again had a remarkable year. During the 2021/22 academic year the school averaged 2,005 pupils, of whom 1,953 were day pupils. This compares to 2,002 and 1,958 pupils in 2020/21 respectively. Demand for places continues to be high, allowing for comprehensive planning for future improvements and developments.

For the first time since the pandemic, students returned to the exam hall to undertake their GCSE's and A Levels. The results overall, were extremely successful given the disruption that these pupils have seen in their education, showing the digital provision provided by Berkhamsted during the pandemic was excellent. 28.3% of GCSE results were at grade 9, down just 1.7% on Teacher Assessed Grades of 2021 and 74.7% at grade 7 or above. The continued increase in both attainment and value-added continues to show that Berkhamsted adds significant improvement to pupil outcomes when measured against other participating independent schools.

A-level results were also to a very high standard again this year. Students increased the attainment of the top grades from 32.2% to 32.9% graded at A*; 68% at A* or A; and 90.1% at A*, A or B. An increase was seen in all the highest grades by our hard-working pupils. Value-added results were as expected.

In Sport, Michaelmas Term kicked off with pre-season training. This year Lacrosse had a very successful year at National Schools with all teams achieving at least Top 8 in the Country in their respective categories. Our 1st and 2nd Senior Teams both reached National finals after a two-day competitive tournament and finished first and second with our 3rd team finishing in the top 8. The U15A team were crowned National Champions after beating Putney High in a fantastic final in which they performed with tenacity and flare. The U15B team also had a very successful day reaching the semi-final stages of their competition. In the younger competitions both of our U13A and U14A teams had a great experience at their first ever Nationals and finished Top 8 in the Country. Across all the age groups this was our most consistently successful Nationals Schools in Berkhamsted Lacrosse history, it was a fantastic achievement for the school.

In Rugby, during the Michaelmas term the school had 14 teams who played 108 fixtures and finished with a 55%/45% win/loss ratio. Over 280 boys represented Berkhamsted in competitive matches. This was a very positive return to inter-school rugby after the disruption of the previous 18 months. The fixture card continues to evolve with the inclusion of highly respected Bromsgrove and Seaford. Local block fixtures of sufficient standard or quantity of games is becoming more difficult to find.

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This season saw further development of inter-school non-contact fixtures for lower ability teams. Partly due to Covid and partly to ensure those boys have a competitive but safe and controlled enjoyable rugby experience.

The 1st XV won the Daily Mail Trophy, a feat which would have been unthinkable only 5 years ago due to the highly competitive nature of the competition. 15 senior boys represented their respective RFU Academies at Saracens, Wasps and London Irish, 4 senior boys have been involved with England U18/U17 squads either playing internationals or in training squads and 1 has represented the Scotland U17 team.

The 2021-2022 sporting year has also been very successful for the 31 Berkhamsted Netball Teams. It has been uplifting to see so many of our girls represent the school in over 220 fixtures and display our school values both on and off the court.

We had some terrific runs in the National Cup Competitions where many of our teams because of their success travelled around the country competing against some of the other top Netball schools. During the year the 1st VII, the U16's and the U12's all secured top four places before losing to tough opposition in their Semi-Finals.

The school achieved further success in the County League Cricket Competition with all 5 teams finishing in the top 2. Well done to the 1st VII and the U15's being crowned County Champions and for the U13's, U14's and U16's for being runners up!

In Music and Drama our students continued to excel; the hugely successful production of Shrek was performed by senior school pupils to a full theatre over three nights, showcasing the talents of our remarkable students. Once Upon A Time, a play written by a member of our English department, was also performed to full audiences.

The Music department performed in musical Gala evenings, and showcased their talents too, culminating in a hugely successful Music tour to Paris in June 2022, which included 140 students.

Our value to 'Serve Others' often sees our students giving something back to the local community. This continued with the regular House charity support, the Year 13 volunteering and the Year 7 litter picking. We were delighted to be able to welcome back Senior Citizens to our tea party in the summer. Whilst enjoying the musical talents of students they tucked into sandwiches and cakes (made by the students) and entered the cake baking competition. The usual non-school uniform days took place with money raised donated to worthy charities, together with numerous House charity events also contributing significantly.

In July 2022 with the lifting of all restrictions the annual Prize Giving Service was able to resume with 2,700 parents, staff, governors, pupils, and guests in attendance. The change also took place with our prizes being value based and awarded on contribution to the school rather than based on academic achievement. The Academic Attainment awards were presented in an end of year assembly at each Senior school.

PUBLIC BENEFIT

In considering the provision of Public Benefit, the Governors have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Scholarships and Bursaries

The Governors are committed to broadening access to the school by offering means-tested bursaries to eligible parents/guardians. The gross value of scholarships and bursaries awarded totalled £1.377m (2021: £1.178m) of which £1.289m (2021: £1.083m) was met from unrestricted funds, where the policy is to assist in hardship cases where the pupil's education and prospects would otherwise be at risk. Bursaries are available both to new pupils to the school where a scholarship place has been offered and

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parents/guardians cannot afford the tuition fees, and also existing pupils where a unexpected change in parents'/guardians' circumstances has resulted in severe difficulty in meeting tuition fees and may otherwise result in a pupil being withdrawn part way through a stage of education.

The school has continued with its plans to raise the level of bursary funding through an increased programme of activity to reach out to talented pupils in the local community who would benefit from financial assistance towards fees. Bursary funding was £1.014m (2021: £0.782m) which supported 52 pupils, 27 of these receiving fully funded school places.

Scholarships are awarded on merit to pupils who Governors wish to attract to the school because of the contribution that they can make to school life, be that academic, musical, sporting, creative or leadership. Individual scholarship awards are usually worth 10% of tuition fees and means-tested bursaries are available to increase the support where needed. Financial assistance may also be provided, where appropriate, for uniform and sports kit, travel to and from School and for extra-curricular activities and lessons.

Partnerships with other schools and the community

The school seeks to share its expertise and perspectives with colleagues from state schools. This has involved exchanging teaching experience for newly qualified teachers and trainees and providing INSET advice for state schoolteachers and moderators. Our sports staff have organised tournaments for local and other state schools and the regular annual Oxbridge Information Evening is open to local state schools.

Our pupils take part in many activities in the community including visiting the local Hospice, helping in charity shops, visiting the elderly, hosting an Easter tea party, as well as assisting in local primary schools. Year 13 students also join The Student Consultancy which is run in conjunction with the Careers Service at the University of Oxford, a programme which is now being rolled out to schools around the country after its introduction here through which free management consultancy is offered to charities and local government.

The school's Knox-Johnston Sports Centre is open to the public and priority is given to local children's groups and clubs.

The school is a co-sponsor with the London Diocese for Schools of Wren Academies Trust, based in Finchley and Enfield, providing two Directors for the Board, and two governors for the local governing bodies. The school continues to offer extensive help and advice to both the senior team and to Heads of Department at Wren Academy Finchley. Pupils from Wren Academy Finchley continue to enjoy visits to utilise the school's extensive facilities on site, as well as some of our education programmes. The relationship with Wren is of mutual benefit for both parties. For example, Wren's experience of being a Building Learning Power school pre-dates ours.

We have also developed a similar partnership with Denbigh High School in Luton, sharing access to facilities and expertise. Denbigh High School does not have its own Sixth Form, and in September 2018 we admitted an initial intake of six aspirational pupils from this school to benefit from a Berkhamsted Sixth Form education, funded completely from School bursary funds and targeted donations. A further Six pupils from Denbigh High School have joined our Sixth Form in September 2022 making a total of 35 since 2018.

Our Chief People Officer is Vice Chair of Governors at Ashlyn's, a local secondary state school, and Assistant Vice Principal (External Relations) is a serving governor at Gayhurst School in Gerrards Cross. The Headteacher of Berkhamsted Sixth Form is a governor at Chesham Preparatory School, and the Headteacher of Berkhamsted Prep School is a governor at York House School.

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Further afield the Preparatory and Senior Schools have sustained their links with the Ntsundwane Primary and Sandi Secondary Schools in Eastern Cape Province, South Africa. During 2021 the school also donated thousands of pounds worth of classroom furniture, books, dining room fixtures and sports equipment to schools in Gambia through "Gambia Building Project", a charity dedicated to improving the lives and education of children in The Gambia by supporting and building schools.

FINANCIAL REVIEW

Results for the Year

The Consolidated Statement of Financial Activities on Page 31 shows net incoming resources before transfers for the year of £1.940m (2021: £2.832m).

COVID-19

Unlike the previous two years there were no interruptions to the school year from the COVID-19 pandemic.

Income

School fee income was £35.733m in the year (2021: £33.697m), representing an increase of 6.0% mainly due to there being no requirement to offer parents a concession for physical school closures during this year. Ancillary income was also higher at £2.121m (2021: £1.675m) primarily due to the resumption of residential school trips.

Expenditure

A large proportion of the School's expenditure item is on staff costs and these rose in the year ended 31 July 2022 to £23.171m (2021: £21.850m), a increase of 6.0%. This was due primarily to a full working year for all support staff, a significant number of whom had received reduced pay whilst on furlough leave for periods during the previous year.

Cash

The School's net cash position improved in the year ended 31 July 2022. At the year-end cash balances were £6.727m (2021: £6.067m).

Subsidiary company performance

The School has two wholly owned trading subsidiaries. Berkhamsted School Enterprises Limited runs the various commercial activities of Berkhamsted School, and due to these not yet having returned to full operation since the pandemic these activities generated a loss of £36k (2021: profit of £111k). Berkhamsted Day Nursery Limited provides day-care to babies and children under 3 years old and out of school hours care for Prep and Pre-Prep pupils. The Nursery company generated a profit before tax and gift aid of £164k (2021: £86k).

Contribution to UK authorities

The School's direct contribution during the year to the UK Exchequer amounted to £8.3m (2021: £7.5m) of tax revenues, based on the school's payments of employer national insurance contributions (NICs), business rates and council tax, Vehicle Excise Duty, taxes on business supplies purchased (such as VAT), plus payments by our school's staff of income tax and NICs.

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It is also worth noting that all parents in our school, as with all other private schools, contribute to State school funding via taxes whilst also saving the government from having to fund their children's education in the State system. Based on State funding fees, as per the government's published National Funding Formula, the estimated saving to the public purse is £9m-£10m per annum.

Going concern assumption

The Governors closely monitor the current and future expected financial performance of the school, taking into consideration budgets, forecasts and the longer-term strategic business plan. In 2022, these budgets, cashflows and forecasts have been remodelled to reflect plausible downside scenarios specifically relating to increasing energy costs and increases in interest rates. Conservative cash flows were prepared based on the revised forecasts with sensitivity analysis on the key assumptions such as the impact of a drop in pupil numbers. This scenario planning confirmed the cash reserves of the School are adequate to meet the charity's obligations as they fall due and the same modelling continues to be valid to demonstrate the School is financially secure and able to operate effectively for the foreseeable future.

The School reported a strong cash position at the year-end together with healthy pupil numbers for 2022/23 offering the Governors a confident expectation that the charity has adequate resources to continue its activities for the foreseeable future, being at least 12 months from the date of approval of the financial statements with there being no material uncertainties over the school's financial viability. Accordingly, Governors continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 26.

Fundraising Performance

The school continues to progress a number of initiatives to increase awareness amongst the school's constituent communities to provide additional resources. £182k (2021: £223k) was raised during the year, with monies allocated to Bursary and Scholarship Funds. The Governors would like to thank all of the donors for their generosity and support for the school in this regard.

The majority of the school's income is from school fees and other associated income. The school has not engaged with third parties to raise funds and any direct approach to members of the public for funding has been limited to parents of pupils and alumni. No complaints were received in relation to our fundraising activities.

Investment policy, objectives and performance

The Governing Body aims to maximise the overall return on the portfolio consistent with a degree of risk acceptable to it. Funds are invested with Brewin Dolphin in a broad range of global equities, bonds and other forms of investment.

The overall investment objective for total return for funds invested with Brewin Dolphin can be quantified as inflation plus 3% per annum. The Charity's investment performance of its managed investment funding is monitored as a standing item by the Finance & Property Committee. During the year, the value of investments held in the School's main investment account with Brewin Dolphin fell from £1.976m in 2021 to £1.866m in 2022, a 5.5% decrease. The school also has a second investment account for the management of the monies raised for its Anniversary Fund. The value of this investment account increased from £1.165m to £1.411m. This increase was due to £294k of additional funds which was partly offset by a fall in the value of the existing investments. On an annual basis Governors assess performance in the light of prevailing market conditions. Whilst it is disappointing that the investment performance has not met the objectives set, the volatility across the market place over the last twelve months has driven the under performance and Governors will continue to assess the fund management effectiveness..

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Reserves level and policy

The school's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

The school's total reserves of £45.451m at the year-end included £7.888m of endowment funds, £0.2m of unspent restricted funds and unrestricted funds of £37,363m. The school has no free reserves at the balance

sheet date due to the investment of funds in tangible fixed assets, largely buildings for use within the school. However, the Governors regularly examine the school's cash flows alongside the development plans for the future and are satisfied that they are adequate for the purpose of meeting its working capital requirements and that they will also cover strategic capital expenditure.

Notes 14 and 15 to the financial statements set out an analysis of the school's endowment, restricted and unrestricted funds and their attributable assets. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

It is the school's policy to build up funds to meet planned improvements and additions to the School's resources by means of annual operating surpluses and judicious management of investment assets.

Total investment return

During the year ended 31 July 2016 the Governors, in their role as Trustees, exercised the power granted under section 104A of the Charities Act 2011 to adopt a total return approach to investment of the School's permanent endowment. A permanent endowment of £1,144k was originally given to the school in 2003 and an initial valuation of the Unapplied Total Return (UTR) of £687k was approved by the Governors on 14 June 2016.

- In years when the permanent endowment generates sufficient UTR an amount equivalent to the brought forward value of the permanent endowment multiplied by the annual increase in the Consumer Price Index (CPI) should be allocated to capital to maintain the value of the fund for future beneficiaries.
- Where there is insufficient UTR generated each year to make the allocation to capital indicated above the school must retain £100,000 of UTR to act as a buffer against years when the UTR is flat or reduced.

PRINCIPAL RISKS AND UNCERTAINTIES

The current cost of living and energy crises together with the Russia Ukrainian war represent significant risks for the School both in terms of its own cost base, its supply chain sustainability and the potential impact on affordability of fees by parents across the independent sector due to interruption in employment and wealth. These challenges come on top of the ongoing effects from the COVID-19 pandemic, which still poses risks to continuity of teaching and learning. Demand for places at the School remain high and Governors are keen to ensure all that can be done is done to maintain that interest. The School's cost base was already under significant pressure from managing the COVID-19 pandemic and Brexit impacts on supply chains, so the latest challenges emphasise even more sharply how important robust cost management is to the School to enable Governors to continue to ensure fee increases are maintained to an average well below that of the Independent School sector and general inflation.

Linked to the effects of all the challenges referenced above, Governors are also very conscious of the potential risk to the morale and general wellbeing of staff and pupils and this is an area reviewed with Management on a regular basis.

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Cyber risk and general data security remains in sharp focus, with schools continually being targets for cyber attacks. With the support of our Governors the School has invested in tools and user training to protect against attack.

The rising costs of the Teachers' Pension Scheme arrangements remain a significant risk within the sector and any risk mitigation needs to balance the exposure to further cost rises with the need to retain and recruit outstanding staff.

The Governors have agreed an estates development masterplan aimed at ensuring the School can deliver the best and most appropriate facilities to help our pupils develop to the best of their potential and to prepare them for the world beyond school. Such ambitious building development plans also carry associated risks, particularly in relation to planning issues, that are managed with the appointment of relevant expertise and close Senior Management and Governor supervision.

Health and Safety is considered to play a significant part in risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). Risk is mitigated via risk assessment and the enforcement of Health and Safety Policy which is monitored and reviewed by the School's Health and Safety Committee. This body reports to the Risk and Regulatory Committee. The School also employs a Health and Safety Officer to ensure that the Health and Safety Policy is consistently applied.

Governors are responsible for the management of the risks faced by the School. Detailed consideration of risk has been formally delegated by Governors to the Risk and Regulatory Committee, assisted by the Principal, Chief Operating Officer, and members of the School's Senior Management Team.

Through the above risk management processes, the Governors are satisfied that major risks are identified and, as far as practicable, adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. Other key risks are considered to be those which would materially impact the brand and reputation of the Group. Examples of these, which should they occur would likely generate significant media interest, include:

- A major business interruption causing partial or total closure of the School for some time.
- A major accident involving death or serious injury, possibly as a result of contributory negligence.
- A major scandal involving child protection issues.
- A failed regulatory inspection
- A breach of statutory requirements (such as data protection or the Charity Act)
- Climate action failure

Key controls used by the Governors to identify, assess and mitigate risks during the year include:

- Formal programme of risk assessments and steps taken to mitigate those risks reported to Governors' meetings.
- Comprehensive strategic planning, budgeting and management accounting.

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- Established organisational structure and lines of reporting.
- Formal written policies, including clear authorisation and approval levels.
- Vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks across the Group, including "what-if" scenario planning to address the financial risks.

SECTION 172 STATEMENT

Berkhamsted School's Group is governed by its charitable objects as set out on page 8 which outline the purpose of the charity. All decisions and activities of the charity take into account how we best deliver that long-term purpose and are driven by our strategic aims (see page 10). All decisions we make as a charity, from our operational teams through to the Board of Governors, are made in the best interests of our beneficiaries, (pupils), and in the knowledge we are accountable to them, their parents, regulators and our staff.

The Board of Governors consider that they have adhered to the requirements of Section 172 of the Companies Act 2006 (the "Act") and have, in good faith, acted in a way that they consider would be most likely to promote the success of the school for the benefit of its key stakeholders and, in doing so, have had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Act) in its decision-making. Our Board of Governors consists of a broad mix of backgrounds including former and existing parents of the school, educational experts plus well-established commercial successes in areas such as law, property, finance and risk management. Many of our Governors are also local community members.

The Board has approved a number of policies that help to ensure the safety of our pupils and staff, such as Child Protection and Safeguarding, Counselling and Coaching, Health & Safety, Missing Persons, Child-on-Child Abuse, Critical Incident Plan, as well as those that ensure the integrity of our business conduct, such as Anti-bribery and Corruption, Bursary, Complaints, Whistleblowing, Anti-modern slavery. The school's Anti-modern slavery statement can be seen on the school's website.
(<https://www.berkhamsted.com/wp-content/uploads/2022/10/Anti-Modern-Slavery-Statement-2022.pdf>)

As part of the Governor induction process, governors are briefed on their duties and responsibilities under the Companies Act. The governors are entitled to request from the school all such information they may reasonably require in order to be able to perform their duties. On-going training is provided to the governors, as required, to ensure that their knowledge remains up to date and they continue to be able to discharge their duties as company directors.

For all decision making at Board level, discussion takes place around employee impact and impact on other stakeholders, such as pupils, parents and the local community. The relevance of each stakeholder group may vary by reference to the issue in question, so the Board seeks to understand the needs of each stakeholder group and any potential conflicts as part of its decision-making. The school's Executive team and Senior Management team ensure the Board are fully focused on the impacts to each stakeholder group.

Our Governors attend "Governor Engagement Days" during the school year which affords them the opportunity to engage directly with pupils and staff so they can gain a greater insight into the School's operations and also challenge staff and be challenged by them.

Key decisions

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For the year ending 31 July 2022, the Governors consider that the following are examples of key decisions that they made in the year. This is not intended to be an exhaustive list of board decisions but instead highlights areas of significant impact:

- Bank funding for the Estates masterplan developments
- Implementation of a Code of Conduct for the school community in relation to ethnicity
- Appointment of a contractor for the construction of the School's new Sixth Form Centre, following a robust tender exercise
- Admission of Afghan refugee pupils on full bursaries
- Commissioning of a second survey relating to Equality, Diversity and Inclusion aimed at fostering anti-racist cultures
- Engagement of an education management company to carry out an independent Governance review
- Appointment of a new Head of the Girls School
- Appointment of an in-house psychologist to commence September 2022, to add further skills to the School's pastoral support
- Appointment of a new Governor from September 2022
- Budget approval for an extensive wind and watertight inspection and maintenance programme across the School campus
- Approval of the new Gender Separation Policy
- Formation of a new Sustainability Committee to provide leadership, coordination and guidance to the School for integration of sustainability principles and practices throughout the School's core teaching, learning, operational and charitable activities

Stakeholder engagement

The table below sets out our approach to stakeholder engagement during 2022:

Stakeholders	Why are they important to Berkhamsted School?	Our approach to stakeholder engagement and consideration in the Board's decision making
Parents	Parents are the school's customers and also joint stakeholders in the development of the pupils. Their involvement in the school in both these capacities is fundamental to the success of the school and we aim to form a key alliance with Parents	<p>We aim to involve parents as much as possible in the running of the school through open days, parents' evenings and other events that showcase the School's strength in music, drama and sport.</p> <p>In addition the Governing body is always cognisant of the importance of fee levels in attracting and retaining the pupil base and places great importance in the efficient running of the school and the tight control of fee increases.</p>

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	through strong and varied communication.	Throughout the year we continued to be pro-active in our messaging regarding Covid measures
Pupils	Our values of "Aim high with integrity, Be adventurous and Serve others" are shared across the Berkhamsted family of schools. Children from Nursery through to Sixth and staff too are encouraged to embrace these ideals in everyday life. Our pupils are the very reason the school exists and their development is at the heart of all we do.	<p>The senior school takes a strong pastoral approach to the development of pupils by maintaining a "house" structure which exists alongside the academic timetable.</p> <p>The purpose of assigning all pupils to a house with dedicated house tutors is to ensure that each individual pupil has a sense of belonging and ready access to approachable members of staff who will look to ensure that there is a strong focus on their wellbeing.</p> <p>An in-house psychologist has been appointed to add expertise to the pastoral support available.</p>
Employees	Our employees' commitment to developing outstanding and rounded individuals is essential for us to earn the trust of both existing and prospective parents so that they have the confidence that Berkhamsted School is the best place for the education of their children.	<p>We have a Staff Consultation Committee that meets regularly and raises matters to the Executive for discussion and decision and have a voluntary arrangement in place with the NASUWT (the NASUWT works to enhance the status of the teaching profession to deliver real improvements to teachers' working lives, seeking to ensure they are recognised and rewarded as highly skilled professionals with working conditions that enable them to focus on their core role of teaching).</p> <p>We have regular all staff meetings as well as a weekly briefing to cascade important information to all levels of the workforce.</p> <p>Berkhamsted School is committed to promoting the health and wellbeing of our workforce.</p>
Suppliers	We rely on a range of suppliers to deliver services to ensure the school can operate efficiently and effectively for the benefit of our pupils and workforce. It is vital that we build strong working relationships with our intermediaries, including around risk management and customer service.	<p>The school works closely with a wide range of key suppliers with the aim of ensuring that the school's requirements in terms of service levels and price are clearly understood and delivered upon.</p> <p>At the same time the school works ethically with suppliers settling invoices within payment terms and raising queries promptly.</p> <p>The school has well-developed internal processes to ensure that suppliers' invoices receive appropriate levels of authorisation for payment.</p>
Community/wider society	We recognise the importance of contributing to our communities through volunteering, community investment, and long-term partnerships. In addition, as a significant employer in the area	<p>We make our facilities available free of charge to a number of local community groups whether that be schools, sports clubs or disadvantaged individuals.</p> <p>In addition, we provide employment opportunities for a local learning disability employment charity.</p>

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	and a large landowner we are fully aware of our responsibilities with regard to the importance of sustainability and the impact our decisions may have on climate change.	For significant development activities, such as the planning application for a new Sixth Form building, we hold public consultations to discuss details of our plans with all interested parties and to seek their feedback and concerns.
Regulators	We understand that regulators are key in maintaining the credibility of both the school and the sector that we operate in. The school strives to be fully compliant in all areas in which we face external regulatory review and ensures that any regulatory changes are understood and acted upon quickly.	The Senior Management of the School are fully involved in all areas where the School is subject to regulatory control. School Governor Committees will be kept informed of all regulatory review outcomes and recommendations and governors will then ensure that Senior Management acts upon recommendations to resolve any areas of structural or process weakness.
Donors	Donations to the school's charitable entity provide opportunities to increase the public benefit from the delivery of the school's main charitable aim of promoting the education of its pupils.	All donations are gratefully received and acknowledged by the school. Donors are made aware by the school website and other forms of communication of how their donations are being used to provide educational opportunities.
Alumni	The School recognises the importance of its alumni in that they are the representation of the delivery of the School's talent and expertise in teaching and pastoral care. The School also regards its alumni as a strong link to the outside world which can provide further benefit to current pupils.	The School maintains contact with its alumni through its links with the Old Berkhamstedians organisation and also through the Berkhamsted Society which has been set up by the School to encourage stronger relationships between the town of Berkhamsted, the School and its alumni.

Sustainability Report

Berkhamsted Schools Group is committed to incorporating sustainability within all core activities of teaching and operations. During the year the school established a Sustainability Committee to provide leadership, coordination and guidance for integration of sustainable principles and practices across our activities and operations. The Committee will report on the groups sustainability performance, including our work with the local community, to the Governors via the Risk and Regulatory Committee.

The School is strongly committed to integrating environmental, social, and governance (ESG) priorities into all aspects of the School's functions and decision-making, and recognise the importance of having an inclusive ESG strategy that benefits the Group as well as the community it represents. We therefore work closely with the local council, businesses, and organisations on various projects that have environmental, social, and wider community benefits.

With the help of an external sustainability consultancy the newly established Sustainability Committee has developed and set Key Performance Indicators (KPIs) with short-term and long-term goals that will allow

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us to track and measure our performance and progression each year. Targets have been set at Group level and progress will be reviewed during committee meetings.

Starting this year, Berkhamsted School plans to increase its transparency on ESG reporting, by publishing an Annual Sustainability Report. The report will highlight the School's ESG aspects, strategy, and goals, along with some of the ESG initiatives undertaken by the School at a group-level.

The School acknowledges the wider impacts of our activities and operations on the natural environment and our surrounding communities, and that our decisions and initiatives can make a difference for the better. Berkhamsted Schools Group support the UN's Sustainability Development Goals (SDGs) and we therefore made sure that in setting our KPIs and goals that some of these aligned with the UN SDGs. We did this by identifying and focusing on the ones where we believe Berkhamsted can have the greatest impact. The targets we are focusing on are:



STATEMENT ON STREAMLINED ENERGY AND CARBON REPORTING (SECR)

GHG emissions and energy used between 1 August 2021 and 31 July 2022

Measure	Units	UK and Offshore	
		2021/22	2020/21
Energy consumption used to calculate emissions	Total Energy (kWh)	9,567,000	7,745,960
Emissions from the combustion of gas	Scope 1 (tonnes CO ₂ e)	1,305	1,012
Emissions from the combustion of fuel for transport	Scope 1 (tonnes CO ₂ e)	30	19
Emissions from purchased electricity (location based)	Scope 2 (tonnes CO ₂ e)	492	504
Emissions from the combustion of fuel for transport	Scope 3 (tonnes CO ₂ e)	0	0
Total gross tonnes CO ₂ e	Scope 1, 2 and 3	1,827	1,535
Intensity ratio : Gross tonnes CO ₂ e / number of students	Intensity ratio	0.880	0.7668

Methodology

The above data has been prepared in accordance with the provisions of the GHG Reporting Protocol – Corporate standard and HM Government's Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance, issued March 2019.

DEFRA conversion factors 2019 have been used to convert electricity and gas consumption in kWh to tonnes CO₂e and to convert transport fuel consumption in mileage/litres to tonnes CO₂e and then to kWh.

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Action on energy efficiency undertaken during the reporting period

The programme to upgrade lighting to LED bulbs has been continued across the school and roof structures have been repaired and replaced across several sites.

AUDITOR

Crowe U.K. LLP has indicated its willingness to be re-appointed as statutory auditor.

Insofar as each of the Governors of the school at the date of approval of this report is aware there is no relevant audit information (information needed by the school's auditor in connection with preparing the audit report) of which the school's auditor is unaware. Each Governor has taken all of the steps that he/she should have taken as a governor in order to make himself/herself aware of any relevant audit information and to establish that the school's auditor is aware of that information.

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GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Governors are responsible for preparing the Governors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

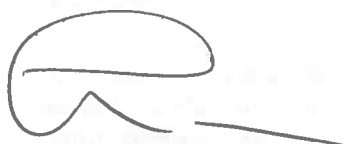
Under charity law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming resources for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL

This Annual Report, including the Statement of Governors' Responsibilities, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors on 3 December 2022, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



G.C. LAWS
Chair of Governors

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INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Berkhamsted Schools Group

Opinion

We have audited the financial statements of Berkhamsted Schools Group and its subsidiaries ('the group') for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Berkhamsted Schools Group

INDEPENDENT AUDITOR'S REPORT

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the governor's responsibilities statement set out on page 26, 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Berkhamsted Schools Group

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

Use of our report

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



Andrew Thomas
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date 24 January 2023

Berkhamsted Schools Group
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)


	Notes	Unrestricted Funds		Restricted Funds	Endowment and Building Funds	Year Ended July 2022	Year Ended July 2021
		School £'000	Designated £'000	£'000	£'000	Total £'000	Total £'000
Income and endowments from Charitable activities							
School fees receivable	1	35,733				35,733	33,697
Ancillary trading income	2	2,121				2,121	1,675
Other trading activities							
Non-ancillary trading income	3	1,123				1,123	1,074
Investments							
Investment income		54	28			82	55
Bank and other interest		4				4	1
Voluntary sources							
Grants and donations		-	12	102	68	182	611
Total Incoming Resources		39,035	40	102	68	39,245	37,113
Expenditure on:							
Raising funds							
Non-ancillary trading	4	980				980	911
Fundraising and Development	4	21				21	20
Total deductible costs		1,001				1,001	931
Charitable activities							
Education and grant making	4	35,362	780	93	69	36,304	33,350
Total expenditure	4	36,363	780	93	69	37,305	34,281
Net income/(expenditure) before transfers and investment gains/(losses)		2,672	(740)	9	(1)	1,940	2,832
Gains/(losses) on investments	9	-	(67)	-	(97)	(164)	528
Net income/(expenditure) after gains(losses) on investments		2,672	(807)	9	(98)	1,776	3,360
Transfer between funds	15	(2,672)	2,672	-	-	-	-
Net movement in funds		-	1,865	9	(98)	1,776	3,360
Fund balances at 1 August 2021		-	35,498	191	7,986	43,675	40,315
Fund balances at 31 July 2022		-	37,363	200	7,888	45,451	43,675

Berkhamsted Schools Group
CONSOLIDATED AND SCHOOL BALANCE SHEETS
for the year ended 31 July 2022

		Group		School	
	Notes	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Land and buildings	7	42,955	39,256	42,955	39,256
Other tangible assets	7	1,110	656	1,110	656
Intangible fixed assets	8	-	6	-	6
Investments	9	3,279	3,141	3,279	3,141
		<u>47,344</u>	<u>43,059</u>	<u>47,344</u>	<u>43,059</u>
Current assets					
Stock	10	29	7	29	7
Debtors	11	904	923	890	904
Cash at bank and in hand		6,727	6,067	6,642	6,003
		<u>7,660</u>	<u>6,997</u>	<u>7,561</u>	<u>6,914</u>
Creditors: Amounts falling due within one year	12	(8,026)	(5,812)	(7,890)	(5,729)
Net current assets / (liabilities)		<u>(366)</u>	<u>1,185</u>	<u>(329)</u>	<u>1,185</u>
Total assets less current liabilities		46,978	44,244	47,015	44,244
Creditors: Amounts falling due after one year	13	(1,527)	(569)	(1,527)	(569)
Net assets		<u>45,451</u>	<u>43,675</u>	<u>45,488</u>	<u>43,675</u>
Endowment and building funds	15a	7,888	7,986	7,888	7,986
Restricted funds	15b	200	191	200	191
Unrestricted funds					
Designated funds	15c	37,363	35,498	37,400	35,498
Total funds		<u>45,451</u>	<u>43,675</u>	<u>45,488</u>	<u>43,675</u>

The net incoming resources for the financial year dealt with in the financial statements of the parent Charity were £1.940m (2021 : £2.832m).

The financial statements were approved and authorised for issue by the Board of Governors on 3 December 2022 and are signed on their behalf by;


G.C. LAWS (Chair)


N. TWOGOOD

Berkhamsted Schools Group
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
Net cash inflow from operations					
Net cash provided by operating activities	(i)		<u>6,174</u>		<u>4,717</u>
Cash flows from investing activities					
Payments for tangible fixed assets		(5,267)		(4,270)	
Decrease in cash held within Investment portfolio		(294)		(292)	
Investment income and bank interest received		54		55	
Net investment management charges settled from the investment portfolio		(7)		-	
Net cash used in investing activities			<u>(5,514)</u>		<u>(4,507)</u>
Cash flows from financing activities					
Bank loan repayments			-		-
Change in cash and cash equivalents in the reporting period			<u>660</u>		<u>210</u>
Cash and cash equivalents at the beginning of the period			<u>6,067</u>		<u>5,857</u>
Cash and cash equivalents at the end of the period	(ii)		<u>6,727</u>		<u>6,067</u>

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

	2022		2021	
	£'000	£'000	£'000	£'000
Net incoming resources		1,940		2,832
Elimination of non-operating cash flows:				
- Investment income	(58)		(55)	
- Finance costs	20		18	
Depreciation charge	1,114		1,155	
Amortisation charge	6		58	
Loss/(Profit) on disposal of a fixed asset	(16)		700	
Decrease / (Increase) in stock	(23)		47	
Decrease / (Increase) in debtors	19		58	
(Decrease) / Increase in creditors (excluding fees in advance scheme and deposits)	1,425		359	
(Decrease) / Increase in fees in advance scheme creditors	1,489		(554)	
Increase in parents' deposits	258		99	
		<u>4,234</u>		<u>1,885</u>
Net cash inflow from operations		<u>6,174</u>		<u>4,717</u>

(ii) Analysis of cash and cash equivalents

	2022	2021
	£'000	£'000
Cash at bank	<u>6,727</u>	<u>6,067</u>

Berkhamsted Schools Group

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2022

BASIS OF PREPARATION

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

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

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

The individual entities of Berkhamsted Schools Group have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

The accounts present the Consolidated Statement of Financial Activities (SOFA), the consolidated balance sheet and the consolidated cash flow statement, comprising the results of the School and its wholly owned subsidiaries Berkhamsted Day Nursery Limited, Berkhamsted School Enterprises Limited and Berkhamsted Schools International Limited made up to 31 July 2022 and consolidated on a line by line basis. Intra-group transactions and profits are eliminated fully on consolidation. Uniform accounting policies have been adopted across the Group.

No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 5 March 1959 (company number: 622349) and registered as a charity on 15 November 1962 (charity number: 310630). Its registered office is 6 Chesham Road, Berkhamsted, Hertfordshire, HP4 3AA.

GOING CONCERN

The Governors closely monitor the current and future expected financial performance of the school, taking into consideration budgets, forecasts and the longer-term strategic business plan. In 2020, due to the ongoing COVID-19 pandemic, these budgets, cashflows and forecasts were remodelled to reflect, plausible worst case, downside scenarios. Conservative cash flows were prepared based on the revised forecasts with sensitivity analysis on the key assumptions such as the impact of a drop in pupil numbers. This scenario planning confirmed the cash reserves of the School are adequate to meet the charity's obligations as they fall due and the same modelling continues to be valid to demonstrate the School is financially secure and able to operate effectively for the foreseeable future.

The School reported a strong cash position at the year-end together with healthy pupil numbers for 2021/22, offering the Governors a confident expectation that the charity has adequate resources to continue its activities for the foreseeable future, being at least 12 months from the date of approval of the financial statements, with there being no material uncertainties over the school's financial viability. Accordingly, Governors continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 26.

Berkhamsted Schools Group
STATEMENT OF ACCOUNTING POLICIES
for the year ended 31 July 2022

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, trustees and management are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The items in the accounts where these judgements and estimates have been made include:

- the useful life of tangible and intangible fixed assets;
- the level of provision required for unpaid school fees;
- the amount of expenditure that should be accrued for; and
- the allocation of overheads and governance costs between charitable expenditure categories.

FEES AND SIMILAR EARNED INCOME

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

EXPENDITURE

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements. Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

DONATIONS, LEGACIES, GRANTS AND OTHER VOLUNTARY INCOME

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

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

Government grants are recognised on the performance model, when the School has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme was recognised in the period to which the underlying furloughed staff costs relate to. An amount of £388k received in respect of the Coronavirus Job Retention Scheme was recognised in the year ended 31 July 2021.

Berkhamsted Schools Group

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2022

TANGIBLE FIXED ASSETS

Land and Buildings are carried in the balance sheet at their cost as the Governors consider it is not appropriate to apply a current value to such property. The cost of new buildings is added to fixed assets as it is incurred. The School seeks to maintain its properties in a good condition. The costs incurred in doing so, which can include major building modernisation and improvement, are written off as incurred. The cost of land and buildings represents expenditure since 1866. Foundation land and buildings bequeathed on trust for retention in perpetuity have not been valued.

The School capitalises strategic development projects (which are typically greater than £100,000), motor vehicles and significant equipment purchases; minor items of School equipment and furniture are written off in the year of purchase.

DEPRECIATION

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

Land & Buildings	1 - 10%
Furniture & Equipment	20% - 25%
Motor Vehicles	20% - 25%

The Governors have considered the value of buildings and deem the depreciation policy appropriate.

INTANGIBLE FIXED ASSETS

The intangible fixed asset shown in the balance sheet relates to software costs incurred on the School's Finance and Human Resources management systems.

AMORTISATION

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

Business software	20% - 33%
-------------------	-----------

INVESTMENTS

Investments held as fixed assets are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting gain or loss is taken to the fund to which it relates.

STOCK

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

ENDOWMENT AND BUILDING FUNDS

The Endowment and Building Funds represents the Charity's endowed assets comprising land and buildings and certain investments (as referred to in the Charity's Scheme dated 29th August 1996) together with all subsequent additions to buildings. All strategic building projects from 2004 were funded from general

Berkhamsted Schools Group

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2022

reserves and in recognition of this, these costs have been separately identified within a designated unrestricted fund.

TOTAL RETURN INVESTMENT ACCOUNTING

A Charity Commission Order dated 21 October 2012 authorises the School to adopt a 'total return' basis for the investment of its permanent endowment. Under the Total Return Order, the School can invest its permanent endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated, under the Order, as a capital supplement to the preserved ('frozen') value of the permanent endowment.

FUND ACCOUNTING

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

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

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

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the School (freehold land) or for financial benefit (by investment). The Total Return Order stipulates that any investment returns will accrue to a capital element (Unapplied Total Return) to the permanent endowment.

PENSION ARRANGEMENTS

For teachers the School contributes to the Teachers' Pension Scheme at rates set by the scheme actuary and advised to the School by the scheme administrator. The School is unable to identify its share of the Scheme Funds and therefore the Scheme has been accounted for as a defined contribution scheme. For non-teaching staff the School contributes to defined contribution pension schemes. For the Teachers' Pension Scheme and for defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The School also sets aside funds to meet unfunded pension obligations for certain former members of staff.

OPERATING LEASES

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

FINANCIAL INSTRUMENTS

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at

Berkhamsted Schools Group
STATEMENT OF ACCOUNTING POLICIES
for the year ended 31 July 2022

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

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

1	SCHOOL FEES	2022 £'000	2021 £'000
	Fees receivable consist of;		
	Gross fees	37,935	36,972
	Less; Bursaries, Grants and Allowances	(2,290)	(2,146)
	Less: Trinity term COVID-19 fee concession	-	(1,224)
	Add back; Scholarships paid for by Restricted funds	88	95
		<hr/>	<hr/>
		35,733	33,697
		<hr/>	<hr/>
2	ANCILLARY TRADING INCOME	2022 £'000	2021 £'000
		139	
	Registration fees		101
	Extra-curricular lessons	686	635
	Hire and lettings income	73	78
	Income arising from school trips	730	-
	Other income	493	861
		<hr/>	<hr/>
		2,121	1,675
		<hr/>	<hr/>
3	NON-ANCILLARY TRADING INCOME	2022 £'000	2021 £'000
		38	
	Membership fees		39
	Hire of facilities	95	30
	Classes and admissions	71	34
	Other income	8	388
	Nursery care	870	535
	Holiday camp	41	48
		<hr/>	<hr/>
		1,123	1,074
		<hr/>	<hr/>

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

4 ANALYSIS OF EXPENDITURE

4a Total expenditure

	Staff Costs £'000	Depreciation £'000	Other Costs £'000	Total 2022 £'000	Total 2021 £'000
Raising funds					
Trading costs	744	-	236	980	911
Fundraising for voluntary resources	-	-	21	21	20
Total costs of raising funds	744		257	1,001	931
Charitable activities					
Teaching	18,379	185	4,588	23,152	20,966
Welfare	34	-	2,136	2,170	1,790
Premises repair and maintenance	1,939	929	5,160	8,028	7,617
Support costs and governance	2,164	6	691	2,861	2,882
Funding of scholarships	-	-	93	93	95
Total charitable expenditure	22,516	1,120	12,668	36,304	33,350
	23,260	1,120	12,925	37,305	34,281
2021	21,924	1,861	10,496	34,281	

4b Governance included in support costs

	2022 £'000	2021 £'000
Management time	49	49
Auditor's fees		
- Audit	41	39
- Tax compliance	16	13
- Other Services	-	3
Governors Indemnity insurance	12	12
Legal and professional fees	40	78
	158	194

5 STAFF COSTS AND RELATED PARTY TRANSACTIONS

	2022 £'000	2021 £'000
Total staff costs comprise:		
Wages and salaries	17,930	16,791
Social security costs	1,785	1,650
Pension contributions	3,456	3,409
	<u>23,171</u>	<u>21,850</u>
Aggregate employee benefits of key management personnel	<u>1,456</u>	<u>1,419</u>

Key management personnel comprise the Executive team as described in the Trustee's Report.

The number of employees whose emoluments (excluding employer pension contributions) exceeded £60,000 were:

	2022	2021
£200,001 - £210,000	1	1
£110,000 - £120,000	1	1
£90,001 - £100,000	2	1
£80,001 - £90,000	5	4
£70,001 - £80,000	4	6
£60,001 - £70,000	<u>25</u>	<u>25</u>
	<u>38</u>	<u>38</u>

Total payments to the School's defined contribution pension scheme in the year-end 31 July 2022 were £919k (2021: £884k).

Redundancy or termination payments of £113k (2021: £46k) arose during the year. There was £80k outstanding to be paid at the year end (2021: £46k).

Grants and donations in the Consolidated Statement of Financial Activities includes £Nil of income received from the Government's Coronavirus Job Retention Scheme (2021: £388k).

6 STAFF COSTS AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2022		2021	
	Full time	Part time	Full time	Part time
Teaching staff	184	84	188	79
School based support staff	94	92	91	92
Maintenance and domestic staff	35	35	33	31
Administrative and Sport Centre	17	18	19	19
	<u>330</u>	<u>229</u>	<u>331</u>	<u>221</u>

In the year ended 31 July 2022 no Governors or persons connected with them received any remuneration or other benefits from the school (year ended 31 July 2021: £nil). Expenses of £278 were reimbursed to Governors (2021: £175) wholly in relation to the carrying out of their duties.

Gift aid transactions and year end balances between the Charity and its subsidiaries are shown in Note 15.

There are no further related party transactions requiring disclosure.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

7 TANGIBLE FIXED ASSETS – GROUP AND SCHOOL

	Land and Buildings £'000	Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
1 August 2021	48,251	4,371	748	53,370
Additions	4,563	553	151	5,267
Disposals	-	-	(46)	(46)
31 July 2022	52,814	4,924	853	58,591
Depreciation				
1 August 2021	8,995	3,931	532	13,458
Charged in the year	864	150	100	1,114
Disposals	-	-	(46)	(46)
31 July 2022	9,859	4,081	586	14,526
Net book value				
31 July 2022	42,955	843	267	44,065
31 July 2021	39,256	440	216	39,912

Buildings, including contents, are insured for £170 million (2021: £165 million).

The flats known as Dean Fry Court and the Haresfoot site are subject to a charge by the National Westminster Bank. The School is in the process of arranging additional security with NatWest in connection with a facility which will be used to finance the School's Estates Masterplan.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

8 INTANGIBLE FIXED ASSETS

GROUP

	Software costs £'000
Cost	
1 August 2021	276
Additions	-
Disposals	-
	<hr/>
31 July 2022	276
	<hr/>
Depreciation	
1 August 2021	270
Charged in the year	6
	<hr/>
31 July 2022	276
	<hr/>
Net book value	
31 July 2022	-
	<hr/>
31 July 2021	6
	<hr/>

SCHOOL

	Software costs £'000
Cost	
1 August 2021	255
Additions	-
	<hr/>
31 July 2022	255
	<hr/>
Depreciation	
1 August 2021	249
Charged in the year	6
	<hr/>
31 July 2022	255
	<hr/>
Net book value	
31 July 2022	-
	<hr/>
31 July 2021	6
	<hr/>

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

9 INVESTMENTS – GROUP AND SCHOOL

	Total 2022 £'000	Total 2021 £'000
Market value at 1 August 2021	3,141	2,322
Capital invested	294	292
Management charges	(20)	(19)
Revaluation	(164)	528
Net dividend income retained in Investment Fund	28	18
Market value at 31 July 2022	3,279	3,141

	Designated £'000	Restricted £'000	Endowment and Building £'000	Total 2022 £'000	Total 2021 £'000
Managed portfolio	1,412	-	1,867	3,279	3,141
Market value at 31 July	1,412	-	1,867	3,279	3,141
Historical cost of investments	1,414	-	1,610	3,024	2,446

Investments are represented by (at market value):

	2022 £'000	2021 £'000
UK equity shares	692	815
UK bonds	143	178
Overseas bonds	158	129
Overseas equity shares	1,362	1,402
Other investments	505	458
Cash	419	159
Total	3,279	3,141

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

10 STOCK

	Group		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Stock of goods for resale	29	7	29	7

Stock held by the School comprises peripheral items for pupil laptops.

11a DEBTORS: Amounts due within one year

	Group		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Fees receivable	6	21	6	21
Recoverable disbursements	27	37	27	37
Trade debtors	132	136	100	111
Other debtors and prepayments	546	531	544	530
Due from subsidiary undertaking	-	-	20	7
	<u>711</u>	<u>725</u>	<u>697</u>	<u>706</u>

11b DEBTORS: Amounts due in more than one year

	Group		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Other debtors and prepayments	193	198	193	198
	<u>193</u>	<u>198</u>	<u>193</u>	<u>198</u>

Other debtors and prepayments due in more than one year comprises the benefit accruing to the school from an arrangement that allows the School the use of a court at a local squash club until the year 2059 following a contribution made to construction costs at the club in 2009.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

12 CREDITORS: Amounts falling due within one year

	Group		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Fees received in advance	1,077	546	1,077	546
Payments received on account	173	249	173	249
Fee deposits held at year end	2,501	2,243	2,486	2,232
Trade creditors	2,219	1,010	2,207	1,002
Other taxes and national insurance contributions	464	419	455	419
Other creditors	454	529	451	526
Accruals	600	552	584	540
Deferred income	538	264	452	211
Due to subsidiary undertakings	-	-	5	4
	<u>8,026</u>	<u>5,812</u>	<u>7,890</u>	<u>5,729</u>

All deferred income shown in the table above relates to fees for the 2022/23 school year. All deferred income held at 31 July 2021 was released in the following year.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

13 CREDITORS: Amounts falling due in more than one year

	Group		School	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fees received in advance	1,400	442	1,400	442
Deferred income	127	127	127	127
	<u>1,527</u>	<u>569</u>	<u>1,527</u>	<u>569</u>

Fees received in advance total £2,477k of which £1,077k falls due within one year, and £1,400k falls due between two and five years. The balance represents the accrued liability under the contracts. The movements during the year were:

	2022 £'000	2021 £'000
Balance at 1 August 2021	988	1,542
New contracts	2,198	304
Repayments	-	-
Amounts used in payment of fees to the school	(709)	(858)
	<u>2,477</u>	<u>988</u>

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

14 ALLOCATION OF SCHOOL NET ASSETS

	Tangible fixed assets £'000	Investments £'000	Other assets/ (liabilities) £'000	Total £'000
Endowment and building funds	5,654	3,278	(1,044)	7,888
Restricted funds	-	-	200	200
Unrestricted funds:				
Designated funds	36,076	-	1,287	37,363
Retained income	2,335	-	(2,335)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	44,065	3,278	(1,892)	45,451
	<hr/>	<hr/>	<hr/>	<hr/>

	2022 £'000	2021 £'000
Unrealised gains / (losses) included above in investments:		
Endowment and building funds	(97)	376
Designated funds	(67)	152
	<hr/>	<hr/>
	(164)	528
	<hr/>	<hr/>

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

15a ENDOWMENT AND BUILDING FUNDS

	Balance 1 August 2021 £'000	Incoming resources £'000	Resources Expended £'000	Investment gains/(losses) £'000	Transfers £'000	Balance 31 July 2022 £'000
Represented by:						
Land and buildings	5,723		(69)			5,654
Anniversary Fund	188	68				256
Scholarship and prize fund	2,075			(97)		1,978
	<u>7,986</u>	<u>68</u>	<u>(69)</u>	<u>(97)</u>		<u>7,888</u>

15b RESTRICTED FUNDS

The Berkhamstedian Foundation	191	4	(1)			194
500 th Anniversary Fund	-	98	(92)			6
	<u>191</u>	<u>102</u>	<u>(93)</u>			<u>200</u>

15c DESIGNATED FUNDS

The Berkhamstedian Foundation	118	3				121
500 th Anniversary Fund	1,196	37		(67)		1,166
Land and buildings	33,939		(780)		2,672	35,831
Heatherton Development Fund	245					245
	<u>35,498</u>	<u>41</u>	<u>(780)</u>	<u>(67)</u>	<u>2,672</u>	<u>37,363</u>

15d UNRESTRICTED FUNDS

School funds	-	39,035	(36,363)		(2,672)	-
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15e TOTAL FUNDS HELD

TOTAL FUNDS	43,675	39,245	(37,305)	(164)		45,451
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Berkhamsted Schools Group

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

Endowment and Building Funds

Land and Buildings

Tangible fixed assets are all held for use by the School. Land and Buildings represent assets donated on foundation and subsequent major additions at cost. As a consequence these assets are a mixture of those endowed to the School and those subsequently acquired. Tangible fixed assets are shown at cost in the balance sheet.

Buildings are depreciated at 1-10% of cost, with the charge being written off to the Endowment and Buildings Funds. All costs of maintaining the buildings are written off as expenses of the school in the year of expenditure.

Scholarships and Prize Fund

This fund represents bequests and donations received by the Charity, where the donor has specified that the funds should be used to provide opportunities for and acknowledgement of educational achievements for future generations. The investment income recognised on these funds is added to the balance each year.

During the year ended 31 July 2016 the Governors exercised the power granted under section 104A of the Charities Act 2011 to adopt a total return approach to the school's Scholarships and Prize fund. This allows the School to recognise an Unapplied Total Return ("UTR") element in the fund which is accessible for spending on current beneficiaries.

Under the Total Return approach, the school must ensure that the value of the fund does not fall below the core endowment value. The core endowment value is fixed at £1,144k representing the value of the endowment in 2003.

The overall movement in unapplied total return in the year ended 31 July 2022 was as follows:

	£'000
Unapplied total return at 1 August 2021	930
Add: Investment losses	(97)
Less: Resources expended	-
Unapplied total return before transfer to income	833
Less: transfer to income	-
Unapplied total return at 31 July 2022	833
Add: core value	1,145
Scholarship and prize fund assets at 31 July 2022	<u>1,978</u>

500th Anniversary Fund

This fund holds donations given to the school specifically to be invested under the name 500th Anniversary Fund to generate income from which school places will be made available to children who could not otherwise afford to attend the school. The name of the fund is in recognition of the forthcoming important anniversary of the school's foundation.

Berkhamsted Schools Group

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

Restricted Funds

The Berkhamstedian Foundation

This represents a restricted fund established for the purpose of providing resources for specific projects and to widen the opportunity for scholarships and bursaries.

500th Anniversary Fund

This part of the Anniversary Fund has been set up to receive donations to the Anniversary Fund that will be used to directly fund school places. The balance on this fund represents monies which have not yet been applied.

Designated Funds

Land and Buildings Fund

This represents fixed asset additions for major strategic projects mostly since 2004 funded from annual net incoming resources.

The Berkhamstedian Foundation

This represents a designated fund established by Governors. The fund represents unrestricted fundraising donations received which are set aside for the purpose of providing resources for specific projects and to widen the opportunity for scholarships and bursaries.

Heatherton Development Fund

The designated Development Fund represents unrestricted funds set aside by the Governors of Heatherton House School for the future functioning of the School.

500th Anniversary Fund

This fund is for unrestricted donations that the Governors have designated to be added to the 500th Anniversary Fund, a fund that provides access to the school for aspiring pupils who could not otherwise afford to attend.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

16 SUBSIDIARY UNDERTAKINGS

Berkhamsted Schools Group has three wholly owned subsidiaries all of which are registered in the United Kingdom and share the same registered office as the School (see note 1).

- Berkhamsted Day Nursery Limited (trading) - company number 07610890
- Berkhamsted School Enterprises Limited (trading) - company number 02048201
- Berkhamsted Schools International Limited (dormant) - company number 10054110

The trading subsidiaries pay all their distributable profits to the school through gift aid declarations and their results for the year and retained capital and reserves are shown below:

Berkhamsted Day Nursery Limited	2022	2021
	£'000	£'000
<i>Profit and loss account</i>		
Turnover	870	657
Total expenditure	(706)	(571)
Profit before tax and gift aid	164	86
Taxation	-	-
Gift Aid	(164)	(86)
Profit /(loss) after tax and gift aid	-	-
<i>Balance sheet</i>		
Total assets	70	53
Total liabilities	(70)	(53)
Net assets	-	-
Costs recharged from Berkhamsted Schools Group	37	38
Amount owed from / (to) Berkhamsted Schools Group	5	4
Berkhamsted School Enterprises Limited	2022	2021
	£'000	£'000
<i>Profit and loss account</i>		
Turnover	252	466
Total expenditure	(288)	(355)
Profit before tax and gift aid	(36)	111
Taxation	-	-
Gift Aid	-	(111)
Profit /(loss) after tax and gift aid	(36)	-
<i>Balance sheet</i>		
Total assets	55	41
Total liabilities	(91)	(41)
Net assets	(36)	-
Costs recharged from Berkhamsted Schools Group	5	14
Amount owed from Berkhamsted Schools Group	(20)	(7)

Berkhamsted Schools Group

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

17 PENSION SCHEME

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2.647m (2021: £2.534m) and at the year-end £215k (2021 - £213k) was accrued in respect of contributions to this scheme.

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

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

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. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

18 COMMITMENTS UNDER OPERATING LEASES

At 31 July 2022 the School had minimum lease payments under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
Plant and machinery:		
Due within one year	555	816
Due between one and five years	464	541
	<hr/>	<hr/>
	1,019	1,357
	<hr/>	<hr/>

19 CAPITAL COMMITMENTS

There are £14.697m (2021: £63k) of capital commitments as at 31 July 2022.

20 FINANCIAL INSTRUMENTS

Group financial assets measured at fair value are the School's investments which totalled £3.279m (2021: £3.141m). Income from assets measured at fair value in the year totalled £54,000 (2021: £55,000) and unrealised losses totalled £164,000 (2021: a gain of £528,000).

21 POST BALANCE SHEET EVENT

The School entered into a loan agreement with NatWest on 27 September 2022 for the purpose of providing funding towards the School's Estates Masterplan. The loan amount of £6 million has initially been borrowed at a fixed rate of 5.33% for a 10 year term and unless repaid before then will be then subject to a variable rate of interest at 1.55% above base rate for a further 15 years. The terms of the loan allow the School to repay the loan at any time without penalty. The School has pledged property with a loan to value ratio of 70% as security for this loan.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

22 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE
FIGURES BY FUND TYPE

Year Ended 31 July 2021

	Unrestricted Funds		Restricted Funds	Endowment and Building Funds	Total
	School £'000	Designated £'000	£'000	£'000	£'000
Income and endowments from					
Charitable activities					
School fees receivable	33,697	-	-	-	33,697
Ancillary trading income	1,675	-	-	-	1,675
Other trading activities					
Non-ancillary trading income	1,074	-	-	-	1,074
Other activities					
Investments					
Investment income	55	-	-	-	55
Bank and other interest	1	-	-	-	1
Voluntary sources					
Grants and donations	388	43	96	84	611
Total Incoming Resources	36,890	43	96	84	37,113
Expenditure on:					
Raising funds					
Non-ancillary trading	911	-	-	-	911
Fundraising and Development	20	-	-	-	20
Total deductible costs	931	-	-	-	931
Charitable activities					
Education and grant making	31,756	1,430	95	69	33,350
Total expenditure	32,687	1,430	95	69	34,281
Net incoming funds from operations before transfers and investment gains	4,203	(1,387)	1	15	2,832
Gains/(losses) on investments	-	152	-	376	528
Transfer between funds	(4,203)	4,203			
Net movement in funds	-	2,968	1	391	3,360
Fund balances at 31 July 2020	-	32,530	190	7,595	40,315
Fund balances at 31 July 2021	-	35,498	191	7,986	43,675

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

23 SUMMARY OF MOVEMENTS ON SCHOOL FUNDS AND ANALYSIS OF NET ASSETS BETWEEN FUNDS

Year Ended 31 July 2021

23a ENDOWMENT AND BUILDING FUNDS

	Balance 1 August 2020 £'000	Incoming resources £'000	Resources Expended £'000	Investment gains/(losses) £'000	Transfers £'000	Balance 31 July 2021 £'000
Represented by:						
Land and buildings	5,792	-	(69)	-	-	5,723
500 th Anniversary Fund	104	84	-	-	-	188
Scholarship and prize fund	1,699	-	-	376	-	2,075
	<u>7,595</u>	<u>84</u>	<u>(69)</u>	<u>376</u>	<u>-</u>	<u>7,986</u>

23b RESTRICTED FUNDS

The Berkhamstedian Foundation	190	1	-	-	-	191
500 th Anniversary Fund	-	95	(95)	-	-	-
	<u>190</u>	<u>96</u>	<u>(95)</u>	<u>-</u>	<u>-</u>	<u>191</u>

23c DESIGNATED FUNDS

The Berkhamstedian Foundation	115	3	-	-	-	118
500 th Anniversary Fund	800	40	-	152	204	1,196
Land and buildings	31,370	-	(1,430)	-	3,999	33,939
Heatherton Development Fund	245	-	-	-	-	245
	<u>32,530</u>	<u>43</u>	<u>(1,430)</u>	<u>152</u>	<u>4,203</u>	<u>35,498</u>

23d UNRESTRICTED FUNDS

School funds	-	36,890	(32,687)	-	(4,203)	-
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23e TOTAL FUNDS HELD

TOTAL FUNDS	<u>40,315</u>	<u>37,113</u>	<u>(34,281)</u>	<u>528</u>	<u>-</u>	<u>43,675</u>
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Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2022

23f ALLOCATION OF SCHOOL NET ASSETS

Year Ended 31 July 2021

	Tangible fixed assets £'000	Investments £'000	Other assets/ (liabilities) £'000	Total £'000
Endowment and building funds	5,723	3,141	(878)	7,986
Restricted funds	-	-	191	191
Unrestricted funds:				
Designated funds	34,184	-	1,314	35,498
Retained income	5	-	(5)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	39,912	3,141	622	43,675
	<hr/>	<hr/>	<hr/>	<hr/>