

Stowe School Limited
(Limited by Guarantee)

Financial statements 31 August 2022
together with Trustees' and Auditor's reports

Registered number: 187251

Charity number: 310639

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Directors and Officers

Directors

Simon Charles Creedy Smith BA, FCA
The Reverend Canon Peter Michael Ackroyd MA, MBA, MA, PhD
Jonathan Michael Arundell Bewes BA, FCA
Patrick Bradshaw BA
Her Honour Judge Rebecca Brown BA
Julie Christine Brunskill BSc, MRICS
Simon Cuerden BA, ACA
Elizabeth de Burgh Sidley BA, FRICS
Rupert Fordham BA (Cantab)
John Philip Cardain Frost BSc, MRICS
Richard Greaves BA
Joanne Elizabeth Hastie-Smith
Will Jakeman BSc, PGCE
Sunjeewa Jayawardena BSc, MBA
Andrea Karen Johnson BSc, PGCE
Mairi Johnstone LLB, DipLP, BSc, MBA, GradCG
Catriona Helen Lloyd MA (Cantab)
Alexander Muirhead
Christopher John Tate BA, MIMC

Company Secretary

Michael Porter BA, MSc

Registered and Principal Office

Stowe School
Stowe
Buckingham
MK18 5EH

Independent Auditors

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Bankers

Barclays Bank Plc
Wytham Court
11 West Way
Oxford OX2 0JB

Trustees' report

For the year ended 31 August 2022

Financial Statements

The Directors, who are also referred to as Governors and who are also Charity Trustees as defined in the Charities Act 2011, present their annual report and audited financial statements for the year ended 31 August 2022.

The financial statements comply with the Companies Act 2006, Charities Act 2011, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102).

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Trustees' Report, including the Strategic Report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Directors are aware, there is no relevant audit information of which the charitable company's auditors are unaware and the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is limited by guarantee and governed by the provisions in the Articles of Association adopted by Special Resolution on 6 October 2020; these replaced the Memorandum and Articles of Association, dated 20 January 1923 (as altered by Special Resolution on 25 September 1951). Each of the seven Members has undertaken to contribute an amount not exceeding £1 (one pound) towards the assets of the company in the event of the same being wound up and the assets being insufficient to cover the company's debts and liabilities.

Trustees' report (continued)

For the year ended 31 August 2022

Stowe School Limited is a member of the Allied Schools group of independent schools, all of which were founded by the Martyrs' Memorial and Church of England Trust (MMT). On 26 September 2013, the Allied Schools signed a new Management Agreement with MMT by which the members of the group agreed to the appointment of the Allied Schools Agency Limited to oversee the performance of the schools and to monitor their adherence to the foundational religious principles on behalf of MMT.

Charitable Status

The company is a registered charity with registered charity number 310639.

Governing Body

The Directors constitute the Governing Body and are elected by the Governing Body, except that two Directors are nominated by the MMT if the total does not exceed twelve, three if the number exceeds twelve but does not exceed eighteen and four if the number exceeds eighteen. The Directors nominated by the MMT are The Reverend Peter Ackroyd, Mr Bewes, Mrs Hastie-Smith and Mrs Johnstone.

The Directors of the company serving since 1 September 2021 were as follows:

Simon Charles Creedy Smith BA, FCA
The Reverend Canon Peter Michael Ackroyd MA, MBA, MA, PhD
Jonathan Michael Arundell Bewes BA, FCA
Patrick Bradshaw BA
Her Honour Judge Rebecca Brown BA
Julie Christine Brunskill BSc, MRICS
Simon Cuerden BA, ACA (appointed 1 September 2022)
Elizabeth de Burgh Sidley BA, FRICS
Rupert Fordham BA (Cantab)
John Philip Cardain Frost BSc MRICS
Richard Greaves BA
Joanne Elizabeth Hastie-Smith
Will Jakeman BSc, PGCE (appointed 14 November 2022)
Sunjeewa Jayawardena BSc, MBA
Mairi Johnstone LLB, DipLP, BSc, MBA, GradCG
Andrea Karen Johnson BSc, PGCE
Catriona Helen Lloyd MA (Cantab)
Alexander Muirhead
Andrew Reekes MA, MReS (resigned 19 April 2022)
Vanessa Stanley BSc (Eng) ACGI, M Ed (resigned 17 June 2022)
Lady Stringer BSc, MB, BS, LRCP, MRCS (resigned 17 June 2022)
Christopher John Tate BA, MIMC

In accordance with the Articles of Association, Rev Ackroyd, Ms Brunskill, Mr Creedy Smith, Mr Cuerden, Mr Jakeman and Mrs Johnson retire by rotation and being eligible offer themselves for re-election.

Trustees' report (continued)

For the year ended 31 August 2022

Induction and Training of Directors

When new Directors are appointed, care is taken to ensure that the appropriate skills and experience relevant to the Governing Body are represented. Each new Director is provided with an information pack and a list of relevant training courses, some of which they are expected to attend. They are inducted into the workings of Stowe School Limited through a visit programme, discussion and an introductory pack. All Directors receive information on governor training update courses.

Governance

The Directors are responsible for the overall management and control of Stowe School Limited and meet four times a year. The work of overseeing the implementation of the group's policies is carried out by committees appointed by the Directors for that purpose (Executive; Education; Estates; Finance; Marketing & Admissions; Nomination & Remuneration and Prep School), which usually meet in the weeks preceding meetings of the full Governing Body. These committees perform detailed reviews within their areas of responsibility. The day to day running of Stowe School Limited is delegated to the Head of Stowe School and the Executive Leadership Team (ELT), who are considered the key management personnel of the charity.

Head of Stowe School	Dr Anthony Wallersteiner
Senior Deputy Head	Liam Copley
Deputy Head Pastoral	Michael Rickner
Deputy Head Academic	Dr Julie Potter
Designated Safeguarding Lead (DSL)	Michael Rickner
Finance	Mark Greaves
Strategic Development & Fundraising	Colin Dudgeon
Marketing and Admissions	Tori Roddy
Head of People	Jaime Chahal
Group Head of ICT	Aditya Gupta
Head of Swanbourne House	Simone Mitchell (acting Head)
Head of Winchester House	Antonia Lee

The Head and members of the ELT attend meetings of the above committees, as appropriate.

Key Management Personnel Remuneration

The pay of the Head of Stowe School is reviewed annually by the Nomination & Remuneration Committee. The pay of the remaining members of the ELT is reviewed annually by the Head and agreed by the Nomination & Remuneration Committee. Pay is subject to performance and market forces.

All Directors give freely of their time and no Director remuneration was paid in the year. Details of Directors' expenses and related party transactions are disclosed in the financial statements.

Directors are required to disclose all relevant interests in accordance with our policy and withdraw from decisions where a conflict of interest arises.

The Stowe Group of Schools

On 5 January 2021, the mergers of Swanbourne House School (SHS) and Winchester House School (WHS) (together the Prep Schools) with Stowe School was completed. Stowe School has taken on all the assets and liabilities of both preparatory schools. Both schools have a long tradition of sending pupils to Stowe School. The Stowe group of schools now offers an educational pathway for over 1,400 children from 3-18 years old. It allows member schools to benefit from a wealth of shared expertise and enables both preparatory schools to benefit from the many facilities and opportunities that the Stowe group provides. It also provides opportunities for sharing strategic leadership, resources for professional

Trustees' report (continued)

For the year ended 31 August 2022

development and ideas as well as delivering cost efficiencies across the group. Six new Governors, three from each preparatory school, were appointed to the Governing Body at the time of the mergers.

Group Structure and Relationships

Stowe School Limited now comprises the assets and liabilities of all three schools in one charitable body with one set of Governors. These financial statements are the accounts for the group and comprise a full year for the group in 2022 and for 2021, a full year for Stowe School and eight months from January 2021 for the Prep Schools.

Stowe School Limited has a wholly owned non-charitable trading subsidiary, Stowe Enterprises Limited (SEL), which operates the School shop and makes available the facilities of the School to the public and various organisations for events, educational and leisure purposes. SEL owns the trading subsidiary Winchester House Trading Limited (WHT) and operates across the Stowe group of schools.

Stowe School Limited, in conjunction with its partners on the Stowe site, being The National Trust and The Stowe House Preservation Trust Limited (SHPT), assists in the restoration of Stowe (Stowe House and Stowe Landscape Garden) and the improvement of the visitor experience. Stowe House is open to the public on over 200 days in a normal year.

Stowe School Limited works closely with The Stowe School Foundation (SSF), a separate charity. The Trustees of SSF can apply the capital and income of the trust, both for the provision of educational resource and facilities at the School and for scholarships and bursaries, as well as the provision of any other financial support to Stowe School Limited as the Trustees may from time to time decide. SSF has three ex officio Trustees, between two and six nominated Trustees, appointed by Stowe School Limited, and up to four co-opted Trustees appointed by the Trustees.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charity's objects and aims

The primary objects of the charity as set out in its Articles of Association are to provide education in accordance with the Protestant principles of the Church of England. The main aim of the charity is to provide public benefit through the use of the Stowe group of schools for the provision of education (which includes an understanding of culture and heritage) to its pupils.

To achieve this aim the charity seeks to maintain the Stowe group of schools' reputation as a centre of excellence in education, culture and heritage at a local, regional and national level by:

- maintaining and promoting the Stowe group of schools as one of Britain's best, national co-educational group of boarding and day schools for fee-paying and supported pupils, offering a combination of high academic standards and outstanding pastoral care, with first class facilities and infrastructure that provide an efficient and cost effective education;
- delivering a rich provision in sport, music, art, drama and other activities in an inspiring, sustainable environment; and
- working in partnership with The National Trust and SHPT to make the internationally significant Stowe landscaped Gardens and Mansion accessible to members of the public, as a means of widening access and sharing the heritage and history of Stowe with a diverse audience, which in turn contributes to achieving the charity's primary object of education.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education, when reviewing the future aims and objectives.

Trustees' report (continued)

For the year ended 31 August 2022

Strategies and objectives for the year

The main strategies and objectives for the charity to achieve the aims have included:

Strategies for Education

- Promote a supportive, secure and nurturing environment that places a high premium on the emotional, physical and mental well-being of every pupil by providing the highest standards of pastoral care and a culture of responsibility, tolerance, attachment and inclusiveness with equality of opportunity for all.
- Promote the highest standards of teaching in the curriculum as well as fostering curiosity, love of subject, wider reading, creativity, intellectual risk-taking and the pursuit of individual or specialised talents in the belief that all pupils have the capacity to respond to and benefit from greater stretching and higher expectations.
- Steady recruitment to maintain a full school with a pupil roll of up to 950 pupils at Stowe School with applications exceeding capacity and an appropriate balance between UK and overseas students, whilst safeguarding Stowe as a co-educational, predominantly boarding school.
- Steady recruitment for the Prep Schools with a pupil roll of over 600 pupils.

Main objectives for the year

- 2022 targets for A levels: 80% A*B grades; for GCSE: 55% 7-9 or A*A grades.
- For the Prep Schools to achieve entry to pupils' first choice of a wide range of secondary schools and a wide range of scholarships and exhibitions to Senior Schools.
- Developing the theme of Change Makers to maintain the group's reputation for innovation by building on previous themes such as Growth Mindset, Marginal Gains, Effective Teaching and Learning and the Learning Power Approach. The group emphasises character virtues such as grit, resilience, determination and perseverance.

Strategies for Sport, Music, Art and Drama

- Provide a rich diet of cultural activities that mixes classroom and academic achievement with personal cultural development through sport, music, art and drama supported by a wide range of activities such as concerts, plays, exhibitions, lectures, trips and weekend activities.
- Promote the belief that ability comes in many forms and that pupils need to be supported to discover and enjoy success no matter where their talents lie.

Main objectives for the year

- Maintaining a wide variety of sport, music, art and drama available to all.
- Developing a cultural programme to attract pupils to drama and musical productions, in support of the curriculum.

Strategies for Heritage and Restoration

- Participate, through an effective partnership with The National Trust and SHPT, in the heritage restoration of the landscape gardens and mansion at Stowe while protecting the interests of the School.

Main objectives for the year

- Working with SHPT to plan the restoration of the State Dining Room.

Trustees' report (continued)

For the year ended 31 August 2022

Strategies for Public Benefit

The following strategies are designed to ensure that Public Benefit remains intrinsic to all of the Charity's activities:

- Promote scholarships and bursaries to allow access for pupils from all backgrounds.
- Promote participation with State Schools.
- Provide access to Stowe's heritage, in partnership with The National Trust and SHPT.
- Promote good citizenship through participation in external activities and initiatives.
- Provide access to school facilities to the local community.
- Provide access for the public to music, art, sport, drama and science activities at Stowe.

Main objectives for the year

- Progressing educational initiatives with Silverstone UTC, local State Schools and the University of Buckingham.
- Promoting participation in Service@Stowe, CCF, Duke of Edinburgh Award scheme and 'green team'.
- Providing high level bursaries to deserving applicants who would otherwise not be able to attend Stowe School.

Strategies for Fundraising

- Build and sustain the Campaign for Stowe to generate funds each year to augment operating surpluses and to enable the steady implementation of the Development Plan and of Change 100.

Main objectives for the year

- Generating, through the Campaign for Stowe, funds of a minimum of £2 million per annum towards bursaries and scholarships; planning future fundraising initiatives in the areas of Sport and other masterplans.
- Continued pursuit of Change 100 – Stowe's ambitious mission to generate an endowment of £100 million that will provide means-tested bursarial support to change the lives of talented and deserving children from much less-advantaged backgrounds, whose world can be transformed through an education in the Stowe group. The aim of Change 100 is to provide full funding for 100 pupils in the Stowe group, every year in perpetuity.
- Fundraising for specific projects for the Prep Schools.

The remainder of the Trustees' Report also constitutes the Strategic Report for the purposes of the Companies Act 2006.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The principal activity of the Company continued to be the provision of education in a boarding and day school environment for pupils aged 3 to 18. This academic year Stowe School averaged 879 (2021: 842) pupils. The Prep Schools averaged 555 (548 pupils in the eight months to 31 August 2021).

Trustees' report (continued)

For the year ended 31 August 2022

Whereas the year ended 31 August 2021 was influenced by COVID-19 resulting in the closure of all three schools during the lent term and the implementation of the successful Stowe Distance Learning programme and other virtual learning platforms, this year saw an uninterrupted year and the first full year incorporating the Prep Schools.

Public Benefit

Scholarships and bursaries are promoted in recruitment literature, on Stowe School's website and through advertising. Scholarships at Stowe School are awarded at entry at 13+ and 16+ for academic, musical, artistic, sporting or all-round merit.

Scholarships at Stowe School are awarded with a fixed remission of fees of between 5% and 25%. Scholarships may be supplemented by means-tested bursaries.

Bursaries are awarded on the basis of financial need and principally to those pupils who for financial reasons might not be able to come to the Stowe group of schools or who might not be able to remain to complete their education. Bursary awards are made on the basis of full financial disclosure and are reviewable annually. At least two fully funded places are available each year, subject to financial need - during 2022 there were 14 (2021: 9) fully funded places at Stowe School.

Community programmes operated by staff and pupils are encouraged, with emphasis on the elderly and disabled and on widening support to local schools and the local community. The level of activity is yet to regain pre-Covid levels.

The School's partnership with Silverstone UTC, announced in July 2017, continues to flourish and to provide enhanced educational and co-curricular opportunities for pupils at both educational establishments. The partnership is intended to demonstrate the best that can be achieved by independent and state schools working together. The partnership involves reciprocal governor arrangements, teaching and sharing best practice and facilities.

The StoweEd conference, normally attended by both state and independent schools and cancelled the previous year, was held this year on-line and focused on Complex Problem Solving.

The Head continues to chair Street Child, which works in conflict and post-conflict countries and has helped over 200,000 children to attend schools.

The School invited local clubs to use its sports facilities and equipment at subsidised rates and encouraged staff to coach sport in the community.

Stowe House attracts the wider and local community to enjoy its heritage, through being open to the public for weddings, corporate, commercial and charitable events. A full summer of events took place in the summer of 2022.

Fee Support

Stowe School, together with SSF and other outside Trusts, supported 310 (2021: 306) pupils, through the provision of scholarships and bursaries during the year.

Stowe School and SSF allocated £2,472,850 (2021: £2,034,773), being 7.9% (2021: 7.7%) of fee income, to scholarships and bursaries. Included in this total are means-tested bursaries, awarded in addition to scholarships, which allow access for pupils from all backgrounds, with 80 (2021: 80) pupils receiving such awards. 14 (2021: 9) of these benefited from a full remission of fees. External trusts also provided funds of £7,492 (2021: £17,453) towards individual pupils' fees.

The Prep Schools continue to offer bursaries and allowances totalling £811,943 (2021: 8 months - £557,045).

Education

Academic Standards

This summer's A Level results saw Stoics achieving 77% A*B grades (2021: 87% with Teacher Assessed Grades). The GCSE results saw Stoics achieving 60% at grade 7 or above (2021: 56% with Teacher Assessed Grades).

Trustees' report (continued)

For the year ended 31 August 2022

The Prep Schools had all their top year leavers accepted into their first choice of a wide range of senior schools and SHS exceeded their PSB objectives with 100% achieving Level 5 in eight or more subjects, 89% at Level 6 and 53% at Level 7. SHS achieved 19 scholarship and exhibition awards to senior schools, while WHS achieved 10.

Pastoral Care

The group is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share in this commitment. The Designated Safeguarding Lead (DSL) for Stowe School is Michael Rickner, who is supported by Louise Springall, School Counsellor, as the Deputy DSL, and there are DSLs at both Prep Schools.

The group's policy for Safeguarding and Child Protection accords with the requirements of the relevant Safeguarding Children Board. It applies to all school employees, governors and to any volunteers working in the Stowe group.

There are processes of safeguarding induction and training in place, involving staff, governors, volunteers and contractors, which aim to ensure that this policy and safeguarding procedures are known and understood by those within the Stowe group community.

A programme of continuous improvements to the boarding houses in all three schools is expected to continue next year.

Culture - Sport, Music and Drama and other activities

The group maintained its reputation in a wide range of sports and other extra-curricular activities, with pupils encouraged to take part in school, county and national competitions. Full details of Stowe School's sporting and extra-curricular achievements can be found on the Stowe website: www.stowe.co.uk. There are links from there to the Prep School websites.

The arts and sciences programme is gradually regaining pre-Covid levels, but will take some time.

Heritage/Restoration

On 7 March 2018 Stowe School Limited agreed the Asset Exchange with The National Trust. This exchange of various leasehold interests in land and buildings is enabling The National Trust to restore the Western Garden to its 18th Century condition and Stowe School has built a replacement golf course and intends to use the Home Farm development in the future.

Stowe House was open to the public as normal this year. The School provides support on the historical archives and supports SHPT.

Stowe School has worked with SHPT as it continues to develop future plans. SHPT continues to restore the State Dining Room and continues to seek funding to complete the future phases of the restoration project.

Fundraising

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities. Stowe School is supported by SSF while the Prep Schools carry out their own fundraising. SSF changed its objects to be able to support the Prep Schools as well as the School. This took effect from 1 August 2022. The charity does not carry out any fundraising activity in order to raise funds from the general public. The charity does not work directly with commercial sponsors or engage professional fundraisers. The Trustees are not aware of any complaints made in respect of fundraising during the year.

The focus of SSF, supported by Stowe School, has continued to be on the generation of voluntary funding from alumni, patrons of the School and supporters of independent education. During the SSF year to 31 July 2022, funds of some £2.9 million (2021: £2.9 million) were raised. These included £372k for Design, Technology and Engineering, £125k towards the Sixth Form Centre, £116k for Climate change and projects and £2.1m of endowment and other funds for scholarships and bursaries to support those who might not otherwise be able to attend or remain at Stowe.

Trustees' report (continued)

For the year ended 31 August 2022

Charitable donations of cash and assets and grants totalling £635,324 (2021: £295,760) were received by Stowe School during the year. The costs of the Campaign Office of £575,742 (2021: £516,566) were borne by Stowe School.

SECTION 172 (1) STATEMENT

The Stowe group of schools ("the group") depends on the trust and confidence of its stakeholders to operate sustainably in the long term. The welfare of the group's pupils is of primary concern and the group seeks to put their interests at the forefront of everything it does. The group invests in its employees and supports the communities in which it operates.

The group seeks to generate appropriate operating surpluses to maintain its investment in both scholarships and bursaries and in its facilities.

The Trustees of Stowe School Limited have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the group for the benefit of its stakeholders as a whole, having regard to the matters set out in section 172 (1) of the Companies Act 2006. Section 172 considerations are embedded in decision making at Governing Body level and throughout the organisation. The stakeholders, which the Trustees have considered, are set out below.

Having regard to the likely consequences of any decision in the long term

The Governing Body is mindful that its strategic decisions have long-term implications for the business and its stakeholders and these are carefully assessed by the group's various committees and by the Governing Body (see the section on Structure, Governance and Management on pages 3 to 6 of the annual report). This is particularly the case in setting the group's budget for the year when the Board balances the need for affordable education with the capital needs of the business.

Having regard to the interests of the group's employees

The Governing Body has regard to the interests of the group's employees and it recognises the importance of effective employee engagement in the successful functioning of the group. Governors engage with employees both formally through the various Governor committees and informally, for example, through dinners held prior to Governing Body meetings.

The group has a number of effective workforce engagement mechanisms in place:

- Employees are kept informed of performance and strategy through regular briefings from the Head and ELT, including termly training days.
- The Head provides termly updates to the Governing Body on staffing matters and staff matters are discussed at the weekly ELT meeting in term time.
- Employees can channel views through an employee representative body and through annual employee surveys.
- The Pay and Conditions Committee allows pay and reward matters to be discussed and reviewed.

The Governing Body considers that, taken together, these arrangements deliver an effective means of ensuring the Board stays alert to the views of the workforce.

Disabled Employees

The group is committed to equal opportunities for all. It is the policy of the group that no job applicant or employee receives less favourable treatment on the grounds of disability. If an employee becomes disabled during the course of their employment, every effort is made to find suitable alternative employment within the group and re-training is given if this is necessary. Stowe School Limited continues to train and encourage the career development of disabled persons in its employment.

Trustees' report (continued)

For the year ended 31 August 2022

Having regard to the need to foster the group's business relationships with customers, suppliers and others

Customers

As a large fee-paying group, the Governing Body regularly reviews the academic and financial performance of the group and its pupils and the affordability of its fee structure. The Heads of each school in the group communicate regularly with both parents and pupils. In addition, pupil and parental surveys are regularly commissioned.

Suppliers

The group deals with hundreds of different suppliers and major contracts are reviewed and put out to tender where appropriate and are signed off by appropriate members of ELT and Governors. The group reports its payment practices every six months. The report to 31 August 2022 showed that 67 per cent of invoices were paid within 30 days and the average time taken to pay invoices was 30 days.

The wider community

The group is very mindful of its responsibilities to the wider community and of its relationships with its partners, including SHPT, the National Trust, the UTC at Silverstone and the Stowe Golf Club members as well as the local community.

Regulators

The group is regulated both by the Government, through Ofsted and ISI, and the Charity Commission. The Governing Body considers its reporting and dealings with the Regulators as of the utmost importance.

Having regard to the impact of the Company's operations on the community and the environment

A summary of the Company's Streamlined Energy and Carbon report is set out below under Environmental Reporting.

Having regard to the desirability of the Company maintaining a reputation for high standards of business conduct

Corporate governance

Details of the Company's corporate governance are set out on pages 3 to 6 of the annual report.

Political donations

No donations were made for political purposes (2021: £nil).

Trustees' report (continued)
For the year ended 31 August 2022

ENVIRONMENTAL REPORTING

Under the Energy and Carbon Report Regulations 2018, the Company is required to report on its environmental impacts. The key environmental impacts for the Company are gas, kerosene and electricity use across the site and the use of business and personal vehicles. Energy usage has been calculated using consumption in the year. Transport mileage has been estimated from recorded mileage for group vehicles from fuel cards and invoices and from mileage claims for personal vehicles.

The group considers energy efficiency as part of its evaluation of projects. The Company has continued to replace lights with LED fittings.

Comparison year on year is affected by Covid-19 and the merger with the Prep Schools from 1 January 2021.

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022

Streamline Energy and Carbon Reporting Disclosure

Global energy Scope 1 and 2 GHG emission data for period:

	Tonnes CO ₂ e					
	2022 location- based	2021 location- based	Variance location- based	2022 market- based	2021 market- based	Variance market- based
Emissions from						
Scope 1 (Fuel combustion in buildings)	363	232	57%	363	232	57%
Scope 1 (Fuel combustion in vehicles)	87	32	175%	87	32	175%
Scope 1 (Fuel combustion in mobile and static plant)	1,763	1,931	-9%	1,763	1,931	-9%
Scope 2 (Electricity)	673	678	-1%	136	106	28%
Total	2,885			2,349		23%

Company's chosen intensity metric: tCO₂e/Pupil

	2022 location- based	2022 market- based	Variance
Emissions reported per Pupil	2.018	1.637	23%

Scope 3 Global GHG emission data for period:

Emission from	2022	2021	Variance
Business travel (air, rail and vehicles)	10	5	115%

Underlying global energy data for period:

Energy use (kWh)	2022	2021	Variance
Electricity	3,478,919	3,192,240	9%
Natural Gas	1,987,692	1,265,781	57%
Mobile and Static Plant Fuel	7,345,341	7,978,798	-8%
Transport Fuel	404,745	152,585	165%
Total	13,216,697	12,589,404	5%

Renewable Energy Percentage	2022	2021	Variance
Electricity	80%	84%	-5%

Market-based emissions include procured green energy. As shown above, the Stowe group procured green electricity, which reduced their scope 2 emissions by 536 TCO₂e and resulted in an intensity metric of 1.637 TCO₂e per pupil.

Trustees' report (continued)
For the year ended 31 August 2022

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial Results

The financial results for the year saw the first full year of the Stowe group of schools after the charitable merger in January 2021. The performance for the previous year was impacted by the charitable mergers with the Prep Schools and the £3.97m of net assets acquired as a result, net of merger costs.

	2022	2021
	£	£
Net income	2,076,180	4,697,084
Less:		
Charitable merger of the Prep Schools – majority non cash (note 5b)	-	(3,973,058)
Grants and donations – (see breakdown below)	(1,729,640)	(912,812)
Operating surplus/(deficit) of the group of schools	<u>346,540</u>	<u>(188,786)</u>
	2022	2021
	£	£
Grants and donations (note 5a):		
Funds from SSF to development of new facilities and enhancement of existing ones	1,542,462	233,508
Funds from SSF for other purposes	184,741	148,415
Government furlough scheme	2,437	530,889
	<u>1,729,640</u>	<u>912,812</u>

The majority of grants and donations received, which are required to be recognised in the Statement of Financial Activities (SoFA), which incorporates an income and expenditure account, were actually in respect of new facilities, the corresponding expenditure for which is included in Fixed asset additions.

Investment losses of £81,824 (2021: gain £96,221) have been transferred to the Restricted funds, which reflects the net movement in the composition fee fund.

Actuarial gains on defined benefit pension schemes resulted in a transfer of £110,252 (2021: gains £208) to the Unrestricted general fund in relation to the pension deficit re-measurement due to changes in assumptions.

This resulted in £2,213,999 (2021: £4,512,580) being allocated to the Unrestricted general fund and a loss of £27,567 (2021: profit £184,712, which included £98,505 resulting from the mergers with the Prep Schools) to the Restricted fund.

School fees receivable increased from £28,896,512 in 2021 to £36,529,460 in 2022. School fees receivable for the year in 2021 were severely reduced by the reductions offered as a consequence of the Government-imposed lockdown in the Lent Term and the inclusion of only 8 months' contribution from the Prep Schools. Total income increased from £35.2 million to £40.5 million.

Resources expended during the year were £38,351,603 (2021: £30,566,838). In addition, the group has invested £3.1 million (2021: £3.3 million) in capital expenditure, of which £2.7 million was for Stowe School and £0.4 million was for the Prep Schools.

Cash and bank balances at 31 August 2022 stood at £10,557,342 (2021: £11,070,241). The Company renewed a Revolving Credit Facility (RCF) for 5 years, from June 2022. There had been no drawdown on the RCF as at 31 August 2022.

Trustees' report (continued)

For the year ended 31 August 2022

Total funds at 31 August 2022 were £55,973,563 (2021: £53,787,131), of which £55,574,401 (2021: £53,360,402) were unrestricted.

The financial results for the year are reported in the SoFA.

Through its subsidiary, SEL, Stowe School Limited makes available its sporting and other amenities for use by the public. SEL produced a turnover for the year ended 31 December 2021 of £1,311,266 (2020: £835,129) and a profit before donation of £385,735 (2020: £141,778, the results were adversely affected by Covid-19).

Consolidated group financial statements have not been prepared as it is considered that they would be of no real value, in view of the insignificant overall effect of including the results of SEL.

Reserves Policy

The financial statements show that at 31 August 2022, the unrestricted funds totalled £55,574,401 (2021: £53,360,402) and restricted funds £399,162 (2021: £426,729).

Total unrestricted reserves include a funding deficit of £28,555 (2021: £154,094) calculated under FRS102 in respect of the notional funding deficit on the defined benefit pension plan for non-teaching staff. The Directors believe that this notional funding calculation, which can vary between surplus and deficit, depending on the assumptions used at each year end, has no material effect on the Company's cash flows in the short term and that in the longer term its effects are manageable out of future income.

The Company's unrestricted reserves are substantially represented by tangible fixed assets and are not readily available for spending. Excluding the FRS102 pension reserve and revaluation reserve above, the general unrestricted reserves were £55,602,955 (2021: £53,514,496), of which £54,970,327 (2021: £54,674,413) is represented by fixed assets.

The deficit on free reserves at 31 August 2022 of £632,629 (2021: deficit £1,987,416) is consistent with the longer term Development Plan cash flows, which are updated and reviewed by the Directors on a regular basis. Whilst the Directors consider that higher positive free reserves would be desirable, they recognise the demands of capital expenditure to equip the group with up to date facilities and to maintain the high standard of educational services provided. Therefore achieving the desired positive free reserves level remains a longer term objective. The policy is managed prudently by ensuring that sufficient liquid assets are available.

Investment policy and objectives

The Company's Articles of Association empower it to invest and deal with the monies of the Company not immediately required as it thinks fit.

Composition fee funds for the Stowe group of schools are held under trust and administered by Stowe School Limited.

FUTURE PLANS

The key objectives for the group for the following year are consistent with those stated above, with particular emphasis on:

- 2022 targets for A2: 80% A*B grades; for GCSE: 55% 7-9 grades
- All Prep School children being accepted into their first choice of senior schools
- Developing and consolidating the themes of the Learning Power Approach and Change Makers
- Working with SHPT to complete the restoration of the State Dining Room
- Generating, through the Campaign for Stowe, money towards bursaries (including Change 100) and scholarships and for specific projects, including Design, Technology and Engineering and sports facilities
- Continued integration of SHS and WHS into the Stowe group of schools

Trustees' report (continued)
For the year ended 31 August 2022

Principal Risks and Uncertainties

The Governing Body is responsible for the management of the risks faced by the group and reviews the major risks and measures for mitigation as part of an annual process. The major risks are considered to be those that would prevent the group from carrying out its charitable objects permanently. Individual committees are responsible for reviewing and monitoring the management of risk in their particular area. The Governors are satisfied that the mitigation of the currently identified major risks, detailed below, has been or is being addressed as follows:

Failure to govern effectively	Governing Body, Nomination & Remuneration Committee
Failure to deliver educational objectives	Education and Prep School Committee
Failure to safeguard pupil welfare	Governing Body, Education, Prep School and Estates Committees
Regulatory non-compliance	All Committees
Fire in Stowe House / Prep Schools	Estates Committee
Impact of economic and political climate	Governing Body and Finance Committee
Major fraud or financial mismanagement	Finance Committee
Major operational failure	Governing Body and All Committees
Reputational risk	Governing Body and All Committees
Temporary closure of the Schools	Governing Body and Finance Committee

In assessing the risks, the impact on group activity, disruption, injury or property damage, loss of income, reputation, management focus, missed opportunity and strategic direction change are all considered. Risks are recorded in a register and assessed as to their impact and likelihood of materialising, with the register including controls and mitigation plans. Risks are classed as key, medium concern or manageable. The risk register is updated termly by the ELT and reviewed by Committees at least annually.

Auditors

Saffery Champness LLP has expressed their willingness to remain in office as auditors of the Company.

This report, including the Strategic Report, was approved by the Board on 17 March 2023.



Michael Porter, Company Secretary

Stowe School Limited
Independent auditor's report to the members
For the year ended 31 August 2022

Opinion

We have audited the financial statements of Stowe School Limited for the year ended 31 August 2022, which comprise the statement of financial activities, balance sheet, cash flow statement 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 charitable company's state of affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditor's report to the members (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the trustees (who are also 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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further the charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charitable company's operations. We identified the most significant laws and regulations to be the Independent School Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Independent auditor's report to the members (continued)

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas, which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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.



.....
Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 31 March 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 £	2021 £
Income from:					
Charitable activities					
School fees receivable	1	36,529,460	-	36,529,460	28,896,512
Ancillary trading income	2	1,745,407	-	1,745,407	1,190,761
Other trading activities					
Non-ancillary trading income (covenants)	12	385,735	-	385,735	141,778
Other activities	3	29,364	-	29,364	23,583
Investments					
Bank and other interest	4	31,516	58,485	90,001	29,197
Voluntary sources					
Grants and donations	5a	1,729,400	240	1,729,640	912,812
Charitable acquisition donations	5b	-	-	-	3,973,058
Total incoming resources		<u>40,450,882</u>	<u>58,725</u>	<u>40,509,607</u>	<u>35,167,701</u>
Expenditure on:					
Raising funds					
Financing costs	7	77,981	4,468	82,449	95,739
Fundraising and development		575,742	-	575,742	516,566
Total deductible costs		<u>653,723</u>	<u>4,468</u>	<u>658,191</u>	<u>612,305</u>
Charitable activities					
Education		<u>37,693,412</u>	<u>-</u>	<u>37,693,412</u>	<u>29,954,533</u>
Total expenditure	6	<u>38,347,135</u>	<u>4,468</u>	<u>38,351,603</u>	<u>30,566,838</u>
		2,103,747	54,257	2,158,004	4,600,863
Net Investment (losses)/gains	16	<u>-</u>	<u>(81,824)</u>	<u>(81,824)</u>	<u>96,221</u>
Net income		<u>2,103,747</u>	<u>(27,567)</u>	<u>2,076,180</u>	<u>4,697,084</u>
Other recognised gains and losses:					
Actuarial gains on defined benefit pension schemes	22	<u>110,252</u>	<u>-</u>	<u>110,252</u>	<u>208</u>
Net movement in funds		<u>2,213,999</u>	<u>(27,567)</u>	<u>2,186,432</u>	<u>4,697,292</u>
Reconciliation of funds:					
Total funds brought forward	18	53,360,402	426,729	53,787,131	49,089,839
Total funds carried forward	18	<u>55,574,401</u>	<u>399,162</u>	<u>55,973,563</u>	<u>53,787,131</u>

All operations of the Company continued throughout both years and no operations were discontinued in either year. In 2021, the Prep Schools' operations were acquired by means of Charitable Mergers, whereby the Prep Schools' assets are included as charitable donations net of costs and the Prep Schools' results are included for the eight months from January 2021. All recognised gains and losses during the year are included within SoFA. The accompanying notes are an integral part of this SoFA.

Balance Sheet

As at 31 August 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	9	54,970,327	54,674,413
Investment in subsidiary undertakings	11	164,200	164,200
Composition fee fund investments	16	2,329,801	2,404,700
		<u>57,464,328</u>	<u>57,243,313</u>
Current assets			
Stocks	13	269,382	178,280
Property held for sale	5b)	-	221,667
Debtors	14	11,623,721	9,401,683
Cash and deposits		10,557,342	11,070,241
		<u>22,450,445</u>	<u>20,871,871</u>
Creditors: amounts falling due within one year	15	<u>(22,711,534)</u>	<u>(22,804,765)</u>
Net current liabilities		<u>(261,089)</u>	<u>(1,932,894)</u>
Total assets less current liabilities		57,203,239	55,310,419
Long-term liabilities			
Creditors payable after one year			
Composition fees	16	(1,124,602)	(1,339,266)
Other creditors	17	(76,519)	(29,928)
		<u>(1,201,121)</u>	<u>(1,369,194)</u>
Net assets and liabilities excluding pension liability		<u>56,002,118</u>	<u>53,941,225</u>
Defined benefit pension scheme liability	22	(28,555)	(154,094)
Net assets		<u>55,973,563</u>	<u>53,787,131</u>
The funds of the charity			
Unrestricted funds:			
General reserve		55,602,956	53,514,496
Pension reserve	22	(28,555)	(154,094)
		<u>55,574,401</u>	<u>53,360,402</u>
Restricted funds:			
General reserve	18	189,014	188,794
Revaluation reserve	18	210,148	237,935
		<u>399,162</u>	<u>426,729</u>
Total funds	18	<u>55,973,563</u>	<u>53,787,131</u>

Balance Sheet (continued)

As at 31 August 2022

The financial statements on pages 20 to 42 were approved by the board of Trustees on 17 March 2023 and signed on their behalf by:



Simon Creedy Smith
Trustee



Simon Cuerden
Trustee

Company number 187251

The accompanying notes are an integral part of these financial statements.

Cash Flow Statement

For the year ended 31 August 2022

	Notes	2022 £	2021 £
Net cash inflow from operating activities	20	770,306	5,305,479
Cashflows from investing activities			
Interest received		60,939	52,780
Additions to composition fee investments		(867,797)	(778,237)
Realisation of composition fee investments		930,290	1,063,844
Donations and grants received		1,727,203	381,923
Cash acquired on charitable acquisitions		-	660,994
Merger costs		-	(752,562)
Payments for tangible fixed assets		(3,143,130)	(3,315,184)
Proceeds from sale of tangible fixed assets		9,290	-
Net cash outflow from investing activities		(1,283,205)	(2,686,442)
Change in cash and cash equivalents in the reporting year		(512,899)	2,619,037
Cash and cash equivalents at the beginning of the reporting year		11,070,241	8,451,204
Cash and cash equivalents at the end of the reporting year		10,557,342	11,070,241
Net cash movement	21	(512,899)	2,619,037

Notes to the financial statements

For the year ended 31 August 2022

Accounting policies

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

Stowe School Limited meets the definition of a public benefit entity under FRS102. The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The accounts include a Statement of Financial Activities (SoFA) rather than a profit and loss account. The financial information is presented for Stowe School Limited as an individual undertaking and not for the group. The Directors have taken advantage of the SORP and of the Companies Act 2006 (S405(2)) exemption not to prepare group financial statements as they consider the effects of any changes would not be material to the financial statements of Stowe School Limited.

Having reviewed the funding facilities available to the Company, together with the expected ongoing demand for places and the Company's future projected cash flows, the Directors have a reasonable expectation that the Company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The functional currency is pounds sterling.

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

a) Income and expenditure

School fees and operating expenses are included in the financial statements on an accruals basis. Registration fees are credited to income in the year in which they are received. All income and expenditure included in the financial statements is from continuing operations.

b) Investment income

Investment income is principally from bank balances and is accounted for on an accruals basis.

c) Income from voluntary sources

Income from voluntary sources (donations) is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Company is considered probable. Donations are accounted for as unrestricted income and credited to General Funds, as they relate to specific in year projects, and Trustees do not consider setting up separate restricted funds for each project.

Donations of tangible assets are capitalised at the estimated value as at the date of donation. Other donations are accounted for within the SoFA.

Donations from charitable mergers are accounted for within the SoFA as the fair value of net assets donated less any relevant merger costs incurred.

d) Grants

Grants are credited to income when receivable, irrespective of when the related expenditure is incurred.

e) 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 of the underlying assets, as

Notes to the financial statements (continued)

appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates. Repairs and maintenance expenditure is charged as an operating expense in the year in which it is incurred.

f) Governance costs

Governance costs are those incurred in complying with statutory requirements and governance matters.

g) Tangible assets and depreciation

Expenditure relating to the acquisition of and extensions to freehold land and buildings together with the initial equipping thereof is capitalised and is stated in the financial statements at cost less depreciation. The Directors are aware that the realisable value is considerably greater than the original cost less depreciation.

Tangible assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided on tangible assets other than land and historic buildings (the cost of which is not significant) on the first full month of use, so as to write off their cost by equal instalments over the expected useful lives of the assets concerned. The estimated useful lives are considered to be as follows:

Astroturf facility	10 years	Central heating	20 years
Technology equipment	4 to 10 years	Freehold buildings	15 to 50 years
Furniture, fixtures and fittings	5 to 25 years	Motor vehicles	4 to 7 years
Plant and equipment	5 to 25 years	Property improvements	5 to 50 years

Assets costing under £1,000 are not capitalised.

Land and buildings are reviewed annually for impairment. Assets in the course of construction are not depreciated until they are brought into use.

h) Heritage assets

Stowe School acquired Stowe House in 1923; the House is leased to SHPT with a coterminous leaseback to Stowe School for 99 years effective from 1 January 2000. The House is occupied by the School as an operational asset. Stowe House is included in the balance sheet at cost. The School considers that its owned paintings, statues and busts on display and in archive are operational assets.

i) Investments and Investment properties

Investments are shown at market value, less any provision for diminution in value. Gains and losses are included in the SoFA. Investments in subsidiary undertakings are shown at cost, less any provision for permanent diminution in value.

j) Stocks

Stocks are stated at the lower of cost and net realisable value.

k) Debtors

Debtors in respect of school fees are recognised at the point of issuing invoices for the following term. If the pupil withdraws before the start of term, the fees are still due for settlement.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes to the financial statements (continued)

Accounting policies (continued)

l) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term, highly liquid investments with a short maturity of one year or less from the date of acquisition or opening of the deposit account or similar account.

m) Deferred income

Deferred income represents income after scholarships, bursaries and discounts awarded for the first term of the following academic year and therefore relates to the following financial year.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Operating leases

Assets held under operating leases are not capitalised. The costs associated with hire rental are charged directly to income as they arise.

p) Pensions

Stowe School's professional teaching staff are members of a Superannuation Scheme operated by the Department for Education. This is a multi-employer defined benefit scheme and individual schools are not able to identify their share of the underlying assets and liabilities of the scheme.

Other staff are members of a defined contribution scheme or a multi-employer defined benefit scheme. The amount charged to the SoFA in respect of pension costs is the contribution 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.

q) Composition fees

Composition fees represent payments in advance in respect of school fees for pupils, present and future, and, in respect of Stowe School only, are deposited with Stowe School Limited, as Trustee, for investment. A transfer to the SoFA is made each term in respect of school fees which are then due.

r) Support costs

Support costs are administration and other costs incurred in supporting the charitable activities.

s) Critical accounting judgement and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised where the revision affects only that year, or in the year of the revision and future years where the revision affects both current and future years.

The key judgement in these accounts relates to the fair values applied at the date of acquisition.

Notes to the financial statements (continued)

1 School fees receivable

	2022 £	2021 £
Gross school fees	40,286,115	32,029,564
Less: Scholarships, bursaries and allowances	(3,756,655)	(3,133,052)
	<u>36,529,460</u>	<u>28,896,512</u>

Due to the impact of COVID-19 last year, the fees for the Lent term in all three schools for the period of the lockdown were reduced to compensate for pupils not being able to use the facilities at the schools. Pupils were taught through the Stowe Distance Learning Programme and other virtual learning platforms.

2 Ancillary trading income

	2022 £	2021 £
Pupil extras	809,941	834,290
Registration fees	159,629	146,091
Rental income	138,632	109,286
Other income	637,205	101,094
	<u>1,745,407</u>	<u>1,190,761</u>

3 Other activities

	2022 £	2021 £
Interest on overdue accounts	<u>29,364</u>	<u>23,583</u>

4 Bank and other interest

	2022 £	2021 £
Interest and dividends on composition fee investments (note 16)	27,706	27,463
Bank interest receivable	29,253	294
Net present value movement on composition fee investment	30,720	-
Interest from SEL loan	2,322	1,440
	<u>90,001</u>	<u>29,197</u>

5a) Grants and donations

	2022 £	2021 £
Donations	1,727,203	381,923
Government furlough scheme	2,437	530,889
	<u>1,729,640</u>	<u>912,812</u>

Notes to the financial statements (continued)

5b) Charitable acquisition donations (Previous year)

Charitable acquisition donations represent the assets received from the Prep Schools in January 2021 at fair value, less relevant costs. The breakdown is as follows:

	SHS	WHS	Total
	£	£	£
Fixed assets	1,774,629	3,430,679	5,205,308
Cash	153,889	507,105	660,994
Net current liabilities	(466,273)	(674,409)	(1,140,682)
Less:			
Acquisition costs	<u>(33,071)</u>	<u>(719,491)</u>	<u>(752,562)</u>
	<u>1,429,174</u>	<u>2,543,884</u>	<u>3,973,058</u>

The acquisition costs for WHS include £647,386, in respect of breaking and repaying the mortgage on a property belonging to WHS. Included in net current liabilities for SHS was a surplus residential property held for sale at £221,667, which was sold in the current year.

6 Analysis of total expenditure

	Staff costs £	Other costs £	Depreciation £	2022 £
Expenditure on raising funds				
Financing costs (note 7)	-	82,449	-	82,449
Fundraising and development	459,947	115,795	-	575,742
Total costs of generating funds	<u>459,947</u>	<u>198,244</u>	<u>-</u>	<u>658,191</u>
Charitable activities				
Teaching	15,117,121	1,769,200	457,830	17,344,151
Welfare	3,424,414	2,613,035	135,506	6,172,955
Premises repairs and maintenance	2,051,247	5,323,542	2,167,149	9,541,938
Support costs and governance	2,416,573	2,131,450	86,345	4,634,368
Total charitable expenditure	<u>23,009,355</u>	<u>11,837,227</u>	<u>2,846,830</u>	<u>37,693,412</u>
Total expenditure	<u>23,469,302</u>	<u>12,035,471</u>	<u>2,846,830</u>	<u>38,351,603</u>

Notes to the financial statements (continued)

	Staff costs £	Other costs £	Depreciation £	2021 £
Expenditure on raising funds				
Financing costs (note 7)	0	95,739	0	95,739
Fundraising and development	425,805	90,761	0	516,566
Total costs of generating funds	<u>425,805</u>	<u>186,500</u>	<u>0</u>	<u>612,305</u>
Charitable activities				
Teaching	12,441,938	1,085,835	478,704	14,006,476
Welfare	3,270,960	1,601,178	65,834	4,937,971
Premises repairs and maintenance	1,951,446	3,802,131	1,987,466	7,741,043
Support costs and governance	1,986,788	1,193,748	88,505	3,269,041
Total charitable expenditure	<u>19,651,132</u>	<u>7,682,892</u>	<u>2,620,509</u>	<u>29,954,533</u>
Total expenditure	<u>20,076,937</u>	<u>7,869,391</u>	<u>2,620,509</u>	<u>30,566,838</u>

Governance included in support costs:

	2022 £	2021 £
Remuneration paid to auditors for audit services	37,366	35,967
Directors – travel and subsistence costs	7,018	2,687
Other governance costs	5,729	4,367
	<u>50,113</u>	<u>43,021</u>

The Directors and Company Secretary did not receive any emoluments during the year (2021: £nil) and none received retirement or other benefits from the School. Travel and subsistence expenses were claimed by 22 (2021: 17) individuals, who were reimbursed directly or indirectly.

In addition to the above audit remuneration, the auditors performed other services with fees totalling £4,640 (2021: £2,760).

Notes to the financial statements (continued)

7 Financing costs

	2022 £	2021 £
Commitment fee on rolling credit facility	35,000	35,000
Investment charges on composition fees investments (note 16)	4,389	49,305
Bank charges	43,060	11,434
	<u>82,449</u>	<u>95,739</u>

8 Staff costs

	2022 £	2021 £
Total staff costs were:		
Salaries and wages	19,204,740	16,580,771
Social security costs	1,904,325	1,539,402
Other pension costs	2,360,237	2,006,938
	<u>23,469,302</u>	<u>20,127,111</u>

The aggregate employee remuneration and benefits of the key management personnel were:

	<u>1,601,827</u>	<u>1,343,579</u>
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The total staff costs above include payments relating to departing staff of £60,958 (2021: £58,816). The aggregate employee remuneration figures for 2022 include a full year for the Prep Schools and new members of the key management team.

	2022 Number	2021 Number
The average number of employees of the Company during the financial year was as follows:		
Teaching and teaching support staff	318	305
Visiting music teachers	35	45
Establishment and administrative staff	381	384
	<u>734</u>	<u>734</u>
The average FTE of employees of the Company during the financial year was as follows:		
Teaching and teaching support staff	258	252
Visiting music teachers	9	15
Establishment and administrative staff	260	279
	<u>527</u>	<u>546</u>
The number of staff in pension schemes was as follows:		
Money purchase schemes	469	459
Teachers' pensions scheme	121	121
	<u>590</u>	<u>580</u>

The staging date for pension auto enrolment was October 2013 and the most recent re-enrolment date was 1 November 2022, which required staff who opted out to elect to be enrolled or opt out again.

Notes to the financial statements (continued)

The number of employees whose emoluments exceeded £60,000 were:	2022 Number	2021 Number
£60,001 - £70,000	20	17
£70,001 - £80,000	5	1
£80,001 - £90,000	3	2
£90,001 - £100,000	3	2
£100,001- £110,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£200,001 - £210,000	1	1
£280,001 - £290,000	1	1
	<hr/>	<hr/>

Stowe School Limited's pension contributions for the above 35 (2021: 25) employees totalled £422,249 (2021: £276,534), divided between Teachers' Pensions £325,696 (2021: £242,056) and other schemes £96,554 (2021: £34,498).

The emoluments of the highest paid employee reflect the fact that employer pension contributions of 16.48% of salary to the Teachers' Pensions Scheme ceased with effect from 31 May 2016, at which time the salary was increased by an amount equivalent to the contributions foregone.

Notes to the financial statements (continued)

9 Tangible fixed assets

	Freehold Property £	Property Improvements £	Plant & Equipment £	Computer Equipment £	Furniture, Fixtures & Fittings £	Motor Vehicles £	Total £
Cost							
1 September 2021	32,299,314	37,264,339	2,588,959	2,063,025	4,262,466	799,324	79,277,427
Reclassification	-	-	(3,738)	-	3,738	-	-
Additions	492,299	2,110,272	139,358	68,958	138,633	193,610	3,143,130
Disposals	-	-	(54,610)	(395,366)	(166,928)	(18,082)	(634,986)
31 August 2022	32,791,613	39,374,611	2,669,969	1,736,617	4,237,909	974,852	81,785,571
Depreciation							
1 September 2021	5,531,763	11,719,185	2,112,677	1,712,975	3,029,011	497,403	24,603,014
Reclassification	-	-	(2,244)	-	2,244	-	-
Charge for Year	653,329	1,519,410	125,617	149,097	255,731	143,645	2,846,829
Disposals	-	-	(54,223)	(395,366)	(166,928)	(18,082)	(634,599)
31 August 2022	6,185,092	13,238,595	2,181,827	1,466,706	3,120,058	622,966	26,815,244
Net Book Value							
31 August 2022	26,606,521	26,136,016	488,142	269,911	1,117,851	351,886	54,970,327
1 September 2021	26,767,551	25,545,154	476,282	350,050	1,233,455	301,921	54,674,413

The assets acquired from the Prep Schools are included at their fair value as at January 2021, when the Prep Schools were acquired by means of charitable mergers.

Within additions, £990,971 (2021: £866,427) of assets are under construction, most notably the Design, Technology and Engineering building and the Menagerie. £1,542,462 (2021: £233,508) of donations and grants were used to fund capital additions in the year.

10 Capital commitments

There was £342,783 of capital expenditure authorised and contracted for at the balance sheet date (2021: £412,338).

11 Investment in subsidiary undertakings

	2022 £	2021 £
Stowe Enterprises Limited - shares at cost	100	100
Stowe Enterprises Limited - interest bearing loan	164,000	164,000
Stowe School Developments Limited – shares at cost	100	100
	164,200	164,200

For additional information refer to Note 12 – Related party transactions.

Notes to the financial statements (continued)

12 Related party transactions

Stowe School Limited owns the whole of the issued ordinary share capital of Stowe Enterprises Limited (SEL), a company registered in England. Stowe School Limited allows SEL to make available the facilities of the School for use by the public and to operate the School shop.

SEL prepares its annual accounts to 31 December, an accounting date which the Directors of SEL consider to be appropriate for administrative reasons. The taxable profits of SEL are donated to the School each year.

The last audited accounts of SEL were for the year ended 31 December 2021. The following information is disclosed in respect of SEL:

	31 December 2021	31 December 2020
	£	£
Turnover	1,311,266	835,129
Expenditure	(925,531)	(693,351)
Profit for the financial year	385,735	141,778
Donated to the school	(385,735)	(141,778)
Result for the year	-	-
Balance of capital and reserves	404,183	160,226

Stowe School Limited recharged costs to SEL during the year of £465,707 (2021: £304,641). SEL received income from the School for purchases made in the School shop during the year of £111,963 (2021: £65,908). At the year end the amount owed by SEL to the School was £163,911 (2021: £78,412).

The total taxable profits donated to the Company were:	2022	2021
	£	£
SEL	385,735	141,778

As part of the acquisition in January 2021 of WHS, WHS's trading company, WHS Trading Limited (WHT), was transferred to become a subsidiary of SEL. No results of WHT are recorded for the above SEL figures.

During the year to 31 July 2011 the Company acquired the whole of the issued ordinary share capital of Stowe School Developments Limited (SSDL), a company registered in England. The company had turnover of £50,000 (2020: £nil) and made a profit before tax of £42,533 (2020: loss £40,212) in the year to 31 December 2021. At the year end the amount owed by SSDL to the Company was £39,832 (2021: £41,730).

SSDL owns the whole of the issued share capital of Stowe UAE Limited and Stowe China Limited. Stowe UAE received no income in the year to 31 December 2021 (2020: £nil). At the year end the amount owed by Stowe UAE to the Company was £3,412 (2021: £3,399). Stowe China received no income in the year to 31 December 2021 (2020: £nil). At the year end the amount owed to the Company by Stowe China was £569 (2021: £526).

Last year, Stowe Qatar, a dormant company, was dissolved and £3,311 owed by the subsidiary to its parent was written off.

A company controlled by Mr R Greaves, a Trustee, and his family provided supplies to the Company totalling £1,769 (2021 - £648 from January 2021, when he became a Trustee). This company supplied WHS before the acquisition of the Prep Schools.

Notes to the financial statements (continued)

13 Stocks

	2022 £	2021 £
Raw materials and consumables	269,382	178,280

The replacement cost of stocks is not considered to be materially different from their historical cost.

14 Debtors

	2022 £	2021 £
Debtors in respect of school fees	10,192,287	8,450,187
Other debtors	183,328	74,688
Prepayments and accrued income	1,040,382	752,740
Amounts owed by subsidiary undertakings (note 12)	207,724	124,068
	<u>11,623,721</u>	<u>9,401,683</u>

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Deferred income	12,784,430	12,515,078
School fees paid on account	1,549,439	1,418,713
Deposits paid on account	3,409,564	3,485,483
Trade creditors	1,364,094	2,074,931
Other creditors	739,138	589,246
Taxation and social security	483,128	414,636
Accruals	1,386,690	1,479,179
Current portion of Composition fees (note 16)	995,051	827,499
	<u>22,711,534</u>	<u>22,804,765</u>

Deferred income represents income relating to the next financial year (see note 14 – Debtors in respect of school fees).

Notes to the financial statements (continued)

16 Composition fee fund investments

Composition fees represent fees paid by parents to the Stowe group of schools up to the equivalent of five years' fees in advance and are held separately from the general funds of the company, with Stowe School Limited as Trustee. The Directors have delegated the day to day management of the investments to Evelyn Partners Investment Management LLP (formerly Smith & Williamson Investment Management LLP).

	2022	2021
	£	£
Market value at 1 September	2,404,700	2,594,087
Composition fees received and invested	699,969	755,309
Composition fees received in error	69,418	-
Cash in transit from group	144,511	-
Net income arising reinvested	23,317	22,927
Applied to school fees	(930,290)	(1,063,844)
Investment (loss)/profit during the year	(81,824)	96,221
Market value at 31 August	2,329,801	2,404,700
Historical cost at 31 August	2,157,207	2,141,964
Listed investments:	£	£
UK Fixed Interest:		
I Shares III Plc	788,097	1,054,196
Sanlam SHT	395,559	-
Smith & Williamson Investment Funds	-	528,835
	1,183,656	1,583,031
UK Equities: J P Morgan Asset Management Ltd	398,612	539,126
	1,582,268	2,122,157
Client Money	20,363	4,963
Total Investments	1,602,631	2,127,120
Cash at Bank	582,659	277,580
Cash in Transit from the group	144,511	-
Total Composition fee fund investments	2,329,801	2,404,700
Assuming pupils remain at the relevant school, advance fees will be applied as follows:		
	£	£
Greater than five years	43,348	126,646
Between two and five years	412,419	573,439
Between one and two years	668,835	639,181
	1,124,602	1,339,266
In one year or less	995,051	827,500
Net present value	2,119,653	2,166,766

Notes to the financial statements (continued)

17 Other creditors due in more than one year

	2022	2021
	£	£
Allied Schools Agency pension deficit (see note 22)	622	17,651
Other (less than 2 years)	75,897	12,277
	<u>76,519</u>	<u>29,928</u>

18 The funds of the Charity

	Unrestricted general funds	Composition fee restricted funds	Stowe Harvard restricted funds	Other restricted funds	Total restricted funds	Total funds
	£	£	£	£	£	£
At 1 September 2021	53,360,402	237,935	86,139	102,655	426,729	53,787,131
Net movement in funds	2,213,999	(27,787)	60	160	(27,567)	2,186,432
At 31 August 2022	<u>55,574,401</u>	<u>210,148</u>	<u>86,199</u>	<u>102,815</u>	<u>399,162</u>	<u>55,973,563</u>

Analysis of net assets

	£	£	£	£	£	£
Tangible fixed assets	54,970,327	-	-	-	-	54,970,327
Investments	164,200	2,329,801	-	-	2,329,801	2,494,001
Current assets	22,261,431	-	86,199	102,815	189,014	22,450,445
Creditors amounts falling due within one year	(21,716,483)	(995,051)	-	-	(995,051)	(22,711,534)
Creditors payable after one year	(76,519)	(1,124,602)	-	-	(1,124,602)	(1,201,121)
Provisions	(28,555)	-	-	-	-	(28,555)
At 31 August 2022	<u>55,574,401</u>	<u>210,148</u>	<u>86,199</u>	<u>102,815</u>	<u>399,162</u>	<u>55,973,563</u>

Unrestricted funds

Within the Unrestricted funds is a pension reserve of £28,555 (2021: £154,094) relating to a defined benefit scheme provision (see note 22). Donations of £16,138 (2021: £62,981) were received for the Prep Schools during the year.

Restricted funds (Composition and Stowe Harvard)

Within the Restricted funds is £86,199 (2021: £86,139) relating to the Stowe Harvard Fund, whose funds are to be used towards the costs of the Stowe Harvard Fellowship and a revaluation reserve of £210,148 (2021: £237,935) which reflects the difference between the market value of the composition fee investments and the net present value of future fee commitments at 31 August 2022 (see note 16).

An analysis of the Funds of the Charity for last year can be found at note 25.

Notes to the financial statements (continued)

Other Restricted Funds

These represent the following restricted funds at WHS:

	2022	2021
	£	£
Prize fund	38	38
Bursary fund	38,232	38,072
Gifts fund	1,751	1,751
Development fund	62,794	62,794
	<u>102,815</u>	<u>102,655</u>

19 Operating leases

Other Assets - Total commitments relating to operating leases:

	2022	2021
	£	£
Less than one year	<u>161,913</u>	<u>148,042</u>
Between two and five years	<u>240,626</u>	<u>188,317</u>

During the year £162,189 (2021: £145,640) was spent on operating leases.

Property Assets – Total commitments relating to operating leases:

Stowe House:

The house has been leased to SHPT, with a coterminous leaseback to Stowe School Ltd for 99 years, effective from 1 January 2000 (no break clauses). The arrangements were confirmed under Charity Order 0149530D dated 10 November 1999.

The lease charge represents the rent payable to SHPT for the School's occupation of Stowe House. The lease charge is reviewed every five years (next review 2023); the charge for the year is £155,162 (2021: £155,162).

The total minimum lease payments remaining on this lease are £7.6 million, over the remaining 76 years.

National Trust:

An agreement was made on 29 March 1990 between the Company and the National Trust to lease, surrender and develop various premises and land at Stowe, Buckinghamshire for 190 years.

The lease charge represents the rent payable to the National Trust for the School's occupation of certain properties. The lease charge is reviewed every five years. The charge for the year is £14,603 (2021: 13,830). Following a rent review, this increased to £15,602 per annum from March 2022.

The total minimum lease payments remaining on this lease at the current rate of charge are £2.5 million, over the remaining 158 years. The exact amount payable depends on the properties used by the School.

Notes to the financial statements (continued)

SHS:

An agreement was made on 5 January 2021 between SHS and its landlord to lease various parts of the Prep School for 27 years, with payments starting from 1 September 2021. The charge for the year was £69,019.

The total minimum lease payments remaining on these leases are £1.4 million, over the remaining periods of the leases. The exact amount payable depends in part on pupil numbers.

SHS also rents one residential property. The lease payment for the year was £24,900 (eight months to 31 August 2021 - £32,250).

20 Reconciliation of net movement in funds to net cash inflow from operating activities

	2022 £	2021 £
Net income	2,076,180	4,697,083
Donations received	(1,727,203)	(381,923)
Fair value of assets on acquisition	-	(3,973,058)
Interest received	(60,939)	(52,780)
Operating surplus for the year	288,038	289,322
Depreciation charges	2,846,830	2,620,510
Loss on disposal of fixed assets	(8,903)	-
Unrealised loss/(gain) arising on revaluation of investments	81,824	(96,221)
(Increase)/decrease in stocks	(91,102)	25,797
Increase in debtors	(2,069,789)	(863,661)
(Decrease)/increase in creditors	(261,305)	3,371,519
Decrease in provision	(15,287)	(41,787)
Net cash inflow from operating activities	770,306	5,305,479

21 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash and cash equivalents			
Cash	11,070,241	(512,899)	10,557,342
	<u>11,070,241</u>	<u>(512,899)</u>	<u>10,557,342</u>

22 Pensions Schemes

Teachers' Pensions

Stowe School participates in the Teachers' Pensions Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,291,539 (2021: £1,208,739) and at the year-end £150,238 (2021: £142,646) was accrued in respect of employer contributions to this scheme.

The TPS is an unfunded, multi-employer defined benefits pension scheme governed by the Teachers' Pensions Scheme Regulations 2014. 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.

Notes to the financial statements (continued)

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department.

The latest actuarial valuation was completed in 2018, which determined the opening balance of the cost cap fund and also provided an analysis of the cost cap as required by the Public Service Pensions Act 2013. The employers contribution rate for the TPS increased to 23.60% from 1 September 2019 and the employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

Support Staff Pensions

Stowe School's support staff have the opportunity to join either the Pensions Trust Growth Plan Series 4, the Pensions Trust Flexible Retirement Plan or a Standard Life Group Personal Pension Scheme. These schemes are defined contribution schemes.

The School also participates in a Pensions Trust multi-employer scheme (i.e. all employers that employed active members before 1 October 2001) which provides benefits to some 638 non-associated participating employers; the Growth Plan Series 1, 2 and 3 are defined benefit schemes in the UK. It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pension Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

Because Series 3 liabilities do not contribute towards the deficit (as investments are matched to liabilities) the Trustee of the scheme has agreed that employers who have only ever had involvement with Series 3 were not required to pay any additional contributions from 1 April 2013.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the Company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m, resulting in a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions: from 1 April 2022 to 31 January 2025 - £3,312,000 per annum (payable monthly).

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions: from 1 April 2019 to 30 September 2025 - £11,243,000 per annum (payable monthly and increasing by 3% on each 1 April).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

The additional contributions required from Stowe School Limited from 1 April 2013 were agreed at £49,507 per annum (rising by inflation annually) for 10 years. The additional contributions made in the year totalled £30,675 (2021: £42,830).

Where the scheme is in deficit and where the Company has agreed to a deficit funding arrangement, the Company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using an appropriate discount rate. The unwinding of the discount rate is recognised as a finance cost.

Notes to the financial statements (continued)

Prep Schools

All academic and support staff at the Prep Schools participate in defined contribution pension schemes. The pension charge for the year includes contributions to these schemes of £619,293 (2021: 8 months £287,110).

Net present value of provision

	2022 £	2021 £
Net present value of provision	28,555	154,094

Reconciliation of opening and closing provision

	2022 £	2021 £
Provision at start of year	154,094	196,177
Unwinding of the discount factor (interest expense)	877	955
Deficit contribution paid	(30,675)	(42,830)
Re-measurements – impact of any change in assumptions	(1,278)	(208)
Re-measurements – amendments to the contribution schedule	(94,463)	-
Provision at end of year	28,555	154,094

SoFA impact

	2022 £	2021 £
Interest expense	877	955
Re-measurements – impact of any change in assumptions	(1,278)	(208)
Costs recognised in SoFA	30,675	42,830
Re-measurements – amendments to the contribution schedule	(94,463)	-
Impact at end of the year	(64,189)	43,577

23 Legal charges

The Company renewed a Revolving Credit Facility (RCF) for five years, from June 2022. The RCF is secured by legal charges on Stowe School's domestic properties.

Notes to the financial statements (continued)

24 Statement of Financial Activities (incorporating an income and expenditure account) for prior year

	Notes	Unrestricted funds £	Restricted funds £	2021 £
Income from:				
Charitable activities				
School fees receivable	1	28,896,512	-	28,896,512
Ancillary trading income	2	1,190,761	-	1,190,761
Other trading activities				
Non-ancillary trading income (covenants)	12	141,778	-	141,778
Other activities	3	23,583	-	23,583
Investments				
Bank and other interest	4	1,725	27,472	29,197
Voluntary sources				
Grants and donations	5a	900,980	11,832	912,812
Charitable acquisition donations	5b	3,874,553	98,505	3,973,058
Total incoming resources		35,029,892	137,809	35,167,701
Expenditure on:				
Raising funds				
Financing costs	7	46,421	49,318	95,739
Fundraising and development		516,566	-	516,566
Total deductible costs		562,987	49,318	612,305
Charitable activities				
Education		29,954,533	-	29,954,533
Total expenditure		30,517,520	49,318	30,566,838
		4,512,372	88,491	4,600,863
Net investment gains	16	-	96,221	96,221
Net income		4,512,372	184,712	4,697,084
Other recognised gains and losses:				
Actuarial gains on defined benefit pension schemes	22	208	-	208
Net movement in funds		4,512,580	184,712	4,697,292
Reconciliation of funds:				
Total funds brought forward		48,847,822	242,017	49,089,839
Total funds carried forward	18	53,360,402	426,729	53,787,131

Notes to the financial statements (continued)

25 The funds of the Charity for prior year

	Unrestricted general funds	Composition fee restricted funds	Stowe Harvard restricted funds	Other restricted funds	Total restricted funds	Total funds
	£	£	£	£	£	£
At 1 September 2020	48,847,822	163,555	78,462	-	242,017	49,089,839
Net movement in funds	4,512,580	74,380	7,677	102,655	184,712	4,697,292
At 31 August 2021	53,360,402	237,935	86,139	102,655	426,729	53,787,131

Analysis of net assets

	£	£	£	£	£	£
Tangible fixed assets	54,674,413	-	-	-	-	54,674,413
Investments	164,200	2,404,700	-	-	2,404,700	2,568,900
Current assets	20,683,077	-	86,139	102,655	188,794	20,871,871
Creditors amounts falling due within one year	(21,977,266)	(827,499)	-	-	(827,499)	(22,804,765)
Creditors payable after one year	(29,928)	(1,339,266)	-	-	(1,339,266)	(1,369,194)
Provisions	(154,094)	-	-	-	-	(154,094)
At 31 August 2021	53,360,402	237,935	86,139	102,655	426,729	53,787,131