

COLFE'S SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Company Number: 05352523
Registered in England

Charity Registration Number: 1109650

COLFE'S SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2022

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GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The Governors of Colfe's School ("the School") are the School's charity trustees under charity law and the directors of the charitable company limited by guarantee. The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below.

		1	2	3	4	5
Mr M P E Pellereau	(Chair of Governors)	•	•	•	•	•
Mr S M G Williams	(Deputy Chair of Governors) (until 31 st August 2022))	•		•	•	
Mrs C Lennon	(Master of the Leathersellers' Company (from 20 th July 2022))					
Mr G G Bacon	(Master of the Leathersellers' Company (until 19 th July 2022))					
Mrs J A Bradley		•	•		•	
Prof A B Brueggemann				•		
Mrs B W Canham				•	•	
Miss S H Cooke			•			•
Mr D G Coulson	(Deputy Chair of Governors) (from 1 st September 2022))		•			•
Mr J B Guyatt				•	•	
Dr N K Jones				•		
Mr T N Lister		•			•	
Mr J O Mafe		•				
Mr C D Ramsey				•		
Mr J P K Russell		•			•	
Mr M G Williams	(until 31 st August 2022)	•				

¹ - Member of the Finance and General Purposes Committee

² - Member of the Estates Committee

³ - Member of the Education Committee

⁴ - Member of the Risk Management Committee

⁵ - Member of the Health, Safety and Security Committee

During the year, the activities of the Governing Body were carried out through five committees. The membership of these committees is shown above for each Governor.

Except in the case of the Governors who are appointed on an ex-officio basis, service on the Board is for a term of three years. Retiring Governors can be re-elected provided that no Governor serves for a period in excess of twelve years unless a resolution is passed by the Board of Governors granting a final three-year term.

OFFICERS

Mr R F Russell	Headmaster
Mr Max Adamson	Bursar, Company Secretary and Clerk to the Governors
Mrs D F Graham	Deputy Head
Miss C M Macleod	Head of Junior School (Autumn term 2021)
Mr L T Rogers	Interim Head of the Junior School (Spring and Summer terms 2022)

PRINCIPAL ADDRESS AND REGISTERED OFFICE

Horn Park Lane, London, SE12 8AW

AUDITORS

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

BANKERS

HSBC Bank plc, 100 Old Broad Street, London, EC2N 1BG

INSURANCE BROKERS

Marsh Brokers Limited, Education Practice, Capital House, 1-5 Perrymount Road, Haywards Heath, West Sussex, RH16 3SY

SOLICITORS

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH

Lewis Silkin, 5 Chancery Lane, London, EC4A 1BL

Veale Wasbrough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS

WEBSITE

www.colfes.com

COLFE'S SCHOOL ANNUAL REPORT OF THE GOVERNORS YEAR ENDED 31 AUGUST 2022

The members of Colfe's School Governing Body present their Annual Report for the year ended 31 August 2022 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year. The financial statements consolidate the accounts of Colfe's School ("the School"), Colfe's Educational Foundation ("the Foundation") and Colfe's Leisure Services Ltd ("CLS"), a wholly owned subsidiary of the School. The School is the corporate trustee of Colfe's Educational Foundation.

REFERENCE AND ADMINISTRATIVE INFORMATION

Originally established by John Glyn in 1574, Colfe's School was re-founded in 1652 by Reverend Abraham Colfe, Vicar of Lewisham. When Reverend Colfe died in 1657 he took the enlightened step of entrusting the School to the Worshipful Company of Leathersellers' in the City of London. Today the School principally provides coeducational day education for children from a wide range of backgrounds in its Junior (ages 3-11) and Senior (ages 11-18) Schools. Colfe's Leisure Services Limited, the trading subsidiary, offers sports and leisure facilities for the benefit of the local community as well as the School.

Details of the Governing Body, together with the School's officers and principal advisers, are given on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The School is governed by its Articles of Association last amended on 5 May 2015. The Articles of Association forbid the distribution of any income, which is to be applied solely towards the objects of the company.

Governing Body

Under the Articles of Association, the members of the Board of Governors are the Directors and Charity Trustees of Colfe's School. When complete, this body comprises fifteen persons, being the Master of the Leathersellers' Company (ex-officio), eight others nominated by the Leathersellers' Company and six co-optative governors.

Each Governor is elected to hold office for three years after which they may be considered for re-election. Normally the maximum period of service is twelve consecutive years although in a special circumstance a governor may serve a final three-year term if approved by a resolution of the Governors.

Recruitment and Training of Governors

When determining the appointment of Governors, the Board and the Leathersellers' Company look to ensure a mix of skills and select new Governors taking into account the knowledge, qualifications and experience of each candidate. The Head, Bursar and wider staff provide new Governors with induction training which introduces them to the workings of the School and the Company as a registered charity. They are encouraged to attend training workshops run by a number of organisations, including AGBIS (the Association of Governing Bodies of Independent Schools). Continuing Governors are also encouraged to attend relevant training courses to keep them up to date on key issues. Governors attend an annual training day.

Organisational Management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School. They usually meet four times a year as a full Board to determine the general policy of the School and review its overall management and control. The work of implementing most of their policies is carried out by the following sub-committees:

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- The Education Committee, which is chaired by Mr S Williams, met three times in the year. The Education Committee, reporting directly to the Governing Body, actively considers educational and pastoral policy and performance.
- The Finance and General Purposes Committee (F&GP), which is chaired by Mr M Williams, met four times during the year. The Committee, which reports directly to the Governing Body, scrutinises revenue, the budget and capital expenditure in addition to receiving reports from the Estates committee and on any other non-educational aspect of the School. The Committee also finalises the audited financial statements and annual report for approval by the Governing Body.
- The Pensions Committee, which is chaired by Mr S Williams, is convened as a sub-committee of the F&GP to manage all aspects of the consultation on teachers pensions and met six times in the year
- The Estates Committee, which is chaired by Mrs J Bradley, met three times in the year, Reporting to the Finance and General Purposes Committee, the Estates Committee supervises and monitors capital building projects and the maintenance of the School and Foundation estate
- The Risk Management Committee, which is chaired by Mr J Russell, met twice in the year. The Committee monitors all strategic risks facing the School and reports directly to the Governing Body.
- The Health, Safety and Security Committee, which is chaired by Mr M Pellereau, met twice in the year. The committee, which reports directly to the Governing Body, is tasked with scrutinising the health, safety and security procedures and mechanisms within the School.
- The Strategic Planning Group, which is chaired by Mr M Pellereau and to which all governors are invited to attend, met once in the year. Working closely with those in key management positions, the group is responsible for the development and monitoring of the School strategic plan.

The day-to-day management of the School is delegated to the Headmaster and Key Officer's. They are also supported by their Senior Management teams and wider senior staff. The Headmaster and the Bursar attended all committees. All Governing Body meetings are also attended by the Deputy Head and Junior School Head. Various members of the Senior Management Team attended governor and subcommittee meetings during the year. The Chairman receives the minutes of Senior Management Team meetings and attends in person regularly.

The remuneration of the Headmaster and Bursar is set by the Board, with other key management remuneration being determined by the Headmaster. The overarching policy objective is to provide appropriate incentives to encourage enhanced performance and reward key management fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools through anonymous benchmarking surveys, to ensure that the School remains sensitive to the broader issue of pay and employment conditions elsewhere. The School aims to offer competitive salaries, subject to experience, ensuring that there is scope for rewarding excellence. Delivery of the School's charitable vision and purpose is primarily dependent on key management personnel, and staff costs overall are the largest single element of charitable expenditure.

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Group Structure and relationships

On 1 September 2005, all the activities and net assets of Colfe's Educational Foundation were transferred to Colfe's School, with the exception of permanent endowment funds, restricted funds and freehold land and buildings. On the same date, Colfe's School was appointed the sole trustee of Colfe's Educational Foundation and ownership of Colfe's Leisure Services Limited (Company Registration No. 02586190 registered in England) was transferred to Colfe's School from Colfe's Educational Foundation.

On 24 August 2006, Colfe's School and Colfe's Educational Foundation were granted a Uniting Direction by the Charity Commission, directing that Colfe's Educational Foundation be treated as forming a part of Colfe's School for the purposes of registration and accounting. The sole member of Colfe's School is the Worshipful Company of Leathersellers.

Colfe's Leisure Services Limited is a wholly owned non-charitable trading subsidiary. The trading activities of Colfe's Leisure Services primarily comprise membership and hire revenue from letting the school campus and sports facilities when not in use by the School.

Through its sole member, the Leathersellers' Company, the School is associated indirectly with many charitable bodies including the Leathersellers' Company Charitable Fund from which it received grants totalling £300,000 for the year ended 31 August 2022 (2021: £420,000). Colfe's Charitable Trust, registered charity number 275447, is run independently of the school and by its own Board of Trustees, donated £50,000 during the year (2021: £50,000).

Other Relationships

The Headmaster is a member of the Headmasters' and Headmistresses' Conference whilst the School is a member of the Independent Schools' Bursars' Association. Both memberships permit the sharing of expertise and experience across the independent sector which ensures the School remains abreast of current developments and ideas in the independent sector. The School is also a member of the Association of Governing Bodies of Independent Schools and the Independent Association of Prep Schools.

Employment Policy

The School is an equal opportunities employer and is committed to creating a diverse and inclusive workplace. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs.

Investment policy and objectives

The School's investment objectives are to maximise total return at an acceptable level of risk, which should maintain a percentage return higher than inflation, balancing the current and future needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure; and
- delivering these objectives within acceptable levels of risk.

To meet these objectives the School's investments are managed to maintain diversification across a range of asset classes in order to produce an appropriate balance between risk and return. An investment property is also held from which income rental is received and regularly reviewed. The investment strategy and policy are monitored by the Finance and General Purposes Committee, as is investment performance, which is reported below, within the Strategic Report.

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Charity Governance Code

The Governing body take their governance responsibilities seriously and aim to have a governance framework that is fit for purpose, compliant and efficient. The Board reviews its structure and practices against the Charity Code of Governance to ensure the School's governance framework is robust and fit for purpose.

Fundraising Practice

The Governing Body is aware of the Code of Fundraising Practice and the advice and recommendations contained therein. The School is undertaking fundraising activities to raise funds in support of its means-tested scholarship programme in the form of donations or legacy giving to the Colfe's Charitable Trust. The School has no fundraising activities requiring disclosure under s162A of the Charities Act 2011.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The School's Objects, as set out in the Articles of Association are the advancement of education for the benefit of the public by the provision and conduct of a day school for boys and girls in or near the London Borough of Lewisham and, in so far as it is incidental or ancillary to the advancement of education, such other purposes for the benefit of the local community as shall be exclusively charitable.

In furtherance of these Objects for the benefit of the public the School has established and administers bursaries, scholarships and other benefactions, and acts as the trustee and manager of property, endowments, bequests, and gifts given or established in pursuance of these Objects. The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplementary guidance on fee-charging.

Intended impact

Within its charitable Objects, the School aims to achieve its objectives in ways that are consistent with the principles of its founder Abraham Colfe, ensuring the safeguarding of all pupils, maintaining the financial stability of the School providing public benefit.

Aims

The School's aims for the public benefit are:

- To promote excellence in all areas of school life and to develop each pupil's abilities and character to the full, whilst ensuring that each child is happy and developing their unique potential;
- to provide innovative academic teaching which adds value and fosters learning and scholarship of the highest quality together with a wide range of cultural, sporting and co-curricular activities;
- to nurture an awareness of spiritual and moral values amongst its pupils in accordance with the principles of the Founder, Abraham Colfe;
- to maintain a balanced and diverse community of children from varied backgrounds within the context of an academically selective school;
- to promote a purposeful, disciplined, supportive and respectful atmosphere in which all pupils are encouraged to achieve their full potential, staff can find vocational fulfilment in

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their careers and all can use their talents for the greater good of the community and society as a whole.

Primary objectives

The key objectives of the School to fulfil these aims are:

- to provide an educational experience which is consistent with its stated aims and philosophy and which is recognised for its excellence within a learning culture in which pupils are encouraged to aim high and work systematically towards the achievement of their goals;
- to maintain and improve the performance of its pupils in public examinations relative to their potential so as to enhance the academic reputation of Colfe's, whilst maintaining the strength of the School's cultural, sporting and co-curricular activities;
- to ensure that all pupils who leave the Senior School are prepared and equipped to meet the challenges and opportunities which they will face on entering the wider world;
- to ensure that the aspirational culture of the school is reflected in all parts of the school. In achieving this objective, the Junior School also aims to become an important source of academically able and well-rounded pupils for Colfe's Senior School;
- to develop a distinctive learning culture within the whole school to promote mental strength and resilience;
- to attract and retain key members of staff;
- to continue our improvement of the fabric of the school estate in the context of providing enhanced facilities in which to deliver and achieve our educational objectives;
- to provide a clear, simple and effective governance and management structure capable of taking timely decisions and allocating necessary resources appropriately;
- to provide the necessary administrative and logistical framework to meet the needs of pupils and staff alike; and
- to be the coeducational independent day school of choice in South East London.

The aims and objectives set for Colfe's Leisure Services are to facilitate the achievement of the School's aims and objectives as above.

Strategies to achieve the primary objectives

To achieve these objectives the School continues to pursue its strategy of investing in its broad educational proposition, its staffing and its infrastructure.

In terms of the educational proposition, our objective is to improve the academic performance of the school without sacrificing its inclusiveness, social mix, or its broad educational experience or our commitment to pastoral care. The School continues to focus on strengthening our offer in the sixth form level. High performance in the sixth form will help strengthen the School's academic standing, drive improved academic performance through the School and increase the attractiveness of the School to parents.

This strategy is supported by the School's partnership programme with state schools across Greenwich and Lewisham including the Leathersellers' Federation of schools. The Leathersellers' Scholarship Programme is allowing up to 12 students in each of the sixth form years to benefit from free places and contributes to the learning environment and academically standards of the sixth-form.

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To support this broad educational proposition our staffing strategy is to recruit and retain teachers of high calibre. In the Senior School we will continue to recruit bright and capable graduates and train them through our successful in-house teacher training programme. We will invest in the continuing professional development of our existing staff to maintain and improve high standards of teaching. We intend to remain competitive in the market for attracting new teachers.

Investment in our infrastructure is also a necessary part of our strategy. The Estates Committee is responsible for providing oversight of facilities development at Colfe's. The near-term imperative is to improve facilities in the Senior School.

In addition, we will continue to utilise our facilities commercially through Colfe's Leisure Services.

Principal activity

The School's principal activity, as specified in the Articles of Association, is the advancement of education. The School continues to fulfil its principal activity with much success. The school roll for 2021/22 averaged 1,255 (2020/21: 1,201) pupils with 813 in the senior school (2020/21: 764) and 442 in the junior school (2020/21: 437).

Public Benefit

Colfe's School remains committed to the aim of providing public benefit in accordance with its founding principles. The governors have complied with the duty prescribed in the Charities Act 2011 to have due regard to guidance published by the Charity Commission, including public benefit guidance.

As a former state grammar school, Colfe's attaches great importance to widening participation and playing a full part in the life of its local community. Abraham Colfe, our Founder, was Vicar of St Mary's Church in Lewisham during the period of the English Civil War. The School maintains an active link with St Mary's Church in Lewisham and Father Hall is the school Chaplain. We still attach great value to our historic links with the Borough of Lewisham, as well as with Greenwich.

Colfe's School is a charitable company and seeks to benefit the public through the pursuit of its stated aims. As a charity, the parents of the school have the reassurance that all of the income of the School must be applied for educational purposes. Our fees are set at a level to ensure the financial viability of the School whilst being consistent with our aim of providing first-class education to boys and girls.

The Promotion of Education

In accordance with our objects, we provide education to children 'in or near the London Borough of Lewisham'. During the year, Colfe's School educated an average of 1,255 children between the ages of 3 to 18. All of these children reside in the UK and they experience an above average level of educational training. The School has a broad curriculum and seeks to ensure that all children reach their academic potential. We believe that access to our educational services is vital to our success and that our successful outcomes must be shared by the local communities that use our facilities.

Ukrainian refugees

The School responded swiftly to the onset of the war in Ukraine by making places available to child refugees on full scholarships. By the end of the year, 12 Ukrainian refugee pupils, aged 6 – 16 years, were on the School register, with two more joining for the next academic year. The School's community gave generously to the Colfe's Charitable Trust's Ukrainian Relief Fund which was established to cover incidental costs such as uniforms, school trips and personal laptops, as

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well as essential English language tuition. Staff and pupils have made these children and their families feel safe and valued and their presence at Colfe's is of great benefit to the school community.

Bursaries and Scholarships

The awarding of means-tested bursaries is a measurable means of providing public benefit. The Governing Body takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important, but not to the exclusion of the much wider benefit that the school provides within the community. Those pupils who attend our school and who receive financial support contribute to the school community in a variety of ways, and so the benefit is not purely to these pupils but to the whole School and, in some cases, to the wider community.

The Governors view means-tested bursaries and scholarships as an important means of helping children from families who would otherwise not be able to afford the fees to access the education we offer. As a matter of policy, Colfe's School provides access to children from less affluent backgrounds. Bursaries are available to candidates who would otherwise be unable to attend the school due to financial circumstance, provided that such candidates pass the entrance examination and demonstrate a high level of academic potential. The awards range from 10% to 100% remission of fees. Our scholarships are awarded on the basis of the individual's educational and extra-curricular potential and are usually awarded as a fixed remission amount (approximately 10% to 50%) and can be supplemented further by a bursary.

During the year, Colfe's School has provided means tested bursaries to 81 children, to the value of £1,130,000 maintaining the increase in means-tested awards in recent years (2020/21 91 children to the value of £1,253,000). 79 pupils received a bursary or combined bursary and scholarship of 50% or more including 51 children who benefited from a fully funded place. It is important to note that a number of pupils who currently benefit from academic scholarships, which are awarded for up to five years, would otherwise be prevented from attending the school for financial reasons.

The School is particularly grateful to the Leathersellers' Company Charitable Fund which has granted the School a total of £1,857,500 to be spent on fully funded bursaries in the Leathersellers' Scholarship Programme. The first of these bursaries were awarded to pupils joining the sixth form in September 2014.

Relationship with Local Schools

Non-selective comprehensive Schools with which we have regular contact include Conisborough College, Deptford Green School, Addey and Stanhope, Bonus Pastor, St Paul's Academy, St Thomas More, St Ursula's, Trinity School, Prendergast Ladywell School, and Prendergast Vale School. These schools tend to have a higher percentage of children eligible for free school meals than is average for the boroughs they are located in (averages: Southwark 34.2%, Lewisham 28% and Greenwich 23.8%). Our work with these schools continues to evolve and includes:

- A member of staff is responsible for schools' partnerships and has a significant proportion of their timetable dedicated to this work. They are aided by other members of the staff body.
- Colfe's teachers run A-level taster sessions and regular GCSE enrichment activities in Latin, Modern Foreign Languages, Science, Mathematics and debating which are attended by pupils and staff from local schools.
- Pupils from our partner school join our own year 10 students for joint trips to Oxford and Cambridge Universities. Pupils in Year 8,10 and 12 join in with The Catalyst - a joint

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program with seven state schools, Colfe's and St Catherine's College, Oxford. We also invite state schools to join our university information evening.

- The Leathersellers' Scholarship Programme is now in its eighth year and there are currently 24 sixth form pupils from local 11-16 state schools attending Colfe's on fully funded places.

The School also participates in the governance of a number of local state schools:

- The Deputy Head serves as a governor of Conisborough College.
- The Bursar serves on the Local Academy Council of Millennium and Timbercroft Primary schools.

Other Areas of Public Benefit

The School actively seeks opportunities to assist its wider community. Charitable events enjoy a high profile throughout the school year and all pupils have numerous opportunities to contribute to a wide range of projects. Colfe's School has a longstanding partnership with a school in The Gambia. The objectives of the school partnership are to further the development of Kotu Senior Secondary School and to provide a safe and responsible opportunity for Colfe's pupils to gain first-hand experience of life in a developing country.

Where possible Colfe's School makes facilities available to adults and children in the community. This is facilitated through both Colfe's Leisure Services and in conjunction with Colfeian Grounds Ltd, the latter using the School's Horn Park sports ground to provide a community sports club that is available to young people and other members of the local community.

Volunteers

The Parents and Friends Association (PAFA) and Old Colfeians help with fundraising and social and cultural activities. The Board continues to be extremely grateful for PAFA's continuing and valuable support to the School.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

School examinations were unable to take place because of the Coronavirus pandemic, therefore grades were awarded by application of the Department for Education's guidance for Teacher Assessed Grades.

In the context of standards rising nationally, A-level students recorded their best-ever results with 89.2% of A level exams graded A* to B (2021: 95.5%) and 71.7% at A* or A (2021: 71.5%). At GCSE, 94.6% were graded at 9-6 (2021: 90%) and 83.8% at 9-7 (2021: 71%). 37.5% of awards were graded 9 (2021: 23%).

69% of students were accepted onto Russell Group 'Plus' universities. One pupil gained an Oxbridge place (2021: 10 pupils), three are reading medicine and six enrolled on Art Foundation courses.

The School continued to build upon its success in recruiting pupils from a wide range of feeder schools including both state and independent schools. Record numbers sat the 11+ entrance examination in January 2022. Demand for places in the Junior School remains healthy.

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2021/22 saw a return to normality for the pupils, parents and staff at Colfe's as Coronavirus pandemic restrictions lifted. School trips, drama productions, sports fixtures, and parent events all made a welcome return. There were many highlights in the course of the year, including victory in the U15 mixed water polo National Champions; A-level photography work exhibited at Tate Modern; three National Youth Theatre places; winners of the National Reading Championships; productions of Cinderella, Grease! and Into the Woods; outdoor pursuits trips to the Lake District, Snowdonia and Dorset; musical performances at St Alfege Church in Greenwich, St Mary the Virgin in Lewisham and Buckingham Palace for the Queen's Jubilee Celebrations.

Investment Performance

At the year-end, the School's long-term investments, combining the listed and property investments, totalled £3.7 million. This represents a decrease in market value of £(119,000) in the year to 31 August 2022.. The income yield on investments is 4.1% (2021: 3.6%). No investments were realised, and no new investments were undertaken during the year.

FINANCIAL REVIEW

Results for the year - Colfe's School

The income of the School and its subsidiary, Colfe's Leisure Services Ltd, derives from school fees and other income streams in the form of fees paid for the public use of the sports centre and other facilities, donations, and from investments. The funds generated are for the unrestricted use by the Governors in the furtherance of the School's objectives, except for those funds generated from certain Prizes and Bequests Fund investments whose application is restricted to the uses specified by the original bequests, and donations and grants received for specific purposes.

The School's operations returned to normal after two years of disruption from the Coronavirus pandemic. Level of income reflect a full programme of sports and trips and ancillary revenue from lunches and wrap-around care. The School's Cost base is under pressure from high levels of inflation following Russia's invasion of Ukraine. The school's energy contract protected it from energy price rises and it is anticipated that the main impact of this will be felt in subsequent years.

Expenditure on estates refurbishment increased relative to the prior two years of the Coronavirus pandemic. The main areas renovated were the Senior school's Hamp Library and the Senior Hall.

The net income of the School and its subsidiary for the year amounted to £915,000, of which £(119,000) relates to unrealised losses on investments. This surplus is a strategic imperative to improve the School's contingent reserves and to position the finances for planned development of the estates and to navigate a period of economic uncertainty ahead.

The total consolidated funds of the School thus increased from £19,756,000 as at 31 August 2021 to £20,671,000 as at 31 August 2022. More details are provided in the Consolidated Statement of Financial Activities on page 22 and the Consolidated Balance Sheet on page 23.

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Going concern

The pupil roll has increased to a record number for the 2022/23 academic year and the School continues to see healthy interest at all levels and at 11+ and 16+ in particular, helped by the excellent performance in the 2021 public examinations.

Inflation and interest rates rose in the year and continued to do so after the year-end. The risks from inflation in the School's cost base and its impact on bad debts and parental affordability are being closely monitored in financial reporting and through Key Performance Indicators. Governors acknowledge heightened risks facing the independent school sector, especially the loss of charitable reliefs such as Business Rate Relief or the imposition of VAT on school fees. The potential impacts of these and the School's response are being explored through scenario forecasting.

The School is considering modest borrowing to fund new facilities, and this will be on fixed terms. Debt service costs are manageable if the development is undertaken.

CLS is popular and its membership numbers are increasing and there is confidence that the current level of contribution to the School can be sustained.

Governors continue to monitor admissions and the School's and CLS' financial position carefully. They consider the financial position of the School and its subsidiary to be satisfactory therefore have prepared the financial statements on a going concern basis.

Results for the year - Colfe's Leisure Services Limited

Colfe's Leisure Services Limited (CLS) is a wholly owned trading subsidiary of Colfe's School. It provides sports and leisure facilities to the Colfe's community and the general public through operation of the CLS membership club and letting of the School's facilities.

The activities of CLS were unconstrained by the restrictions seen during the Coronavirus pandemic and participation in both the Swim Academy and Leisure club increased to record levels under its new management. Letting income from facilities increased significantly, mainly due to negotiating a new 5 year contract with Camp Beaumont to run their holiday-camp.

Its income for the year was £922,000 (2021: £518,000, of which £114,000 related to CJRS grants claimed), resulting in a net profit of £357,000 before tax and gift aid payments (2021: £52,000). A gift aid payment of £49,984 was made during the year in respect of the profit made in 2020/21, and a further £357,953 has been accrued as a gift aid payment in relation to the profits made in 2021/22. Net assets at 31 August 2022 amounted to £242,000 (2021: £290,000).

Reserves Level and Policy and Financial Viability

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall. It is the policy of the Governing Body to retain sufficient reserves to allow:

- the continuing operations of the School, equating to three months' running costs;
- the replacement of its tangible fixed assets as they end their useful working lives;
- continuous assistance to pupils of the School by awarding bursaries and scholarships; and
- the enhancement and expansion of the School's facilities from time to time.

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ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

The School's Reserves Policy is to hold sufficient unrestricted income reserves to cover three month's essential running costs. This reserve is defined as unrestricted cash, readily realisable investments (unrestricted stocks and shares), less Net Current Assets (excluding entrance deposits held).

Current unrestricted reserves at £5m are in line with the policy target of £4.7m. This is due to two successive years of surpluses resulting from reductions in capital and facilities expenditure. The School has also taken legal advice to determine which purposes its restricted investments and income can be applied towards. This identified £1,060k as unrestricted for general purposes. Governors are giving consideration as to whether it will be used for means-tested scholarships, capital development or held in reserves. The Board is mindful of the level of reserves when considering financial and strategic decisions affecting the school.

PRINCIPAL RISKS AND UNCERTAINTIES

The importance of Health, Safety and Security (HSS) is the principal concern for risk management and the School is ever mindful of the need to provide a safe environment for its pupils, staff and visitors. Risks are wide ranging from educational visits and outdoor pursuits to infrastructure and fire. An enormous range of activities are offered and facilitated by the School and the associated risks of all activities are minimised by thorough planning and risk assessment. These risks are monitored and managed through the operational HSS Sub-committee; Governors oversight is at the HSS Committee.

The Governing Body considers the affordability of fees by parents across the independent sector to be a major risk faced by the school, and one that is being exacerbated by the challenging outlook for the UK economy, high-inflation and rising interest rates. The removal of charitable business rate relief for independent schools is now considered probable in the next 2-3 years and is incorporated into financial plans. The debate on applying VAT to school fees has once again risen to prominence on the political agenda and is a risk bearing careful consideration.

The principal financial risks arising from these factors are that fee income cannot be sustained at levels needed to support necessary operational and capital expenditure, and inflationary pressure on the cost base – particularly energy and staff costs.

The Governing Body of Colfe's School is responsible for the management of the risks faced by the School. Detailed consideration of the risks faced by Colfe's School is delegated to the Risk Management Committee, who met twice during the year. Risks are identified, assessed and controls established. A review of Colfe's School's risk management processes is undertaken on a bi-annual basis. The key controls used by Colfe's School include:

- a. Formal agendas for all meetings of the Governing Body and Committees;
- b. Detailed terms of reference for all Committees;
- c. Comprehensive strategic planning, budgeting and management accounting;
- d. Established and identifiable organisational structure and reporting lines;
- e. Comprehensive formal written policies and the monitoring of these policies;
- f. Clear authorisation and approval levels;
- g. Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the School, the Governing Body is satisfied that the major risks identified have been adequately mitigated where necessary and to the extent reasonably possible. It is recognised that systems can only provide reasonable but not absolute assurance that the major risks have been adequately managed.

COLFE'S SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

SECR is a mandatory reporting requirement for large companies which is designed to increase internal awareness of energy usage and cost and drive adoption of energy efficiency measures. The School has developed an Environmental Sustainability Policy and is receiving expert advice on adaptations to operate the School's estates more sustainably.

Annual energy use and carbon emissions:

	Year to 31 Aug 2022	Year to 31 Aug 2021
UK energy use kwh¹		
- electricity	948,811	900,715
- gas	2,204,737	2,610,441
- total	3,153,548	3,511,156
Associated Greenhouse gas emissions tonnes CO₂ equivalent²		
- electricity	200	208
- gas	397	478
- total	597	686
Intensity ratio emissions - tonnes per m³ floor area		
- electricity	0.01	0.01
- gas	0.03	0.03
- total	0.04	0.05
Intensity ratio emissions tonnes per headcount (student & staff FTE)		
- electricity	0.13	0.14
- gas	0.26	0.33
- total	0.39	0.47

Notes

1. UK energy use covers educational and related activities of Colfe's School and its subsidiary Colfe's Leisure Services Ltd.

2. Associated Greenhouse gases are calculated on metered energy consumption. Energy use in accommodated property and fuel for school vehicles is excluded as de-minimus.

FUTURE PLANS

The School's key objectives, as reported in the Strategic Plan, are broadly unchanged. These objectives underpin development plans which are in place for each of the areas of the School so that the School continues to enhance its ability to provide a first-class education and pastoral care to its pupils.

All pupils in the Senior school will have a personal digital device to support blended learning over the course of the next two years and the School is upgrading its wireless IT network to facilitate this strategy.

**COLFE'S SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 31 AUGUST 2022**

The School is developing new classroom and changing room facilities to accommodate the increase in pupil numbers more comfortably, and the importance of sustainability is emphasised, and the School has developed and is implementing an Environmental Sustainability Policy.

SECTION 172(1) STATEMENT

Under the revised UK Corporate Governance Code, Governors are required to explain how they have considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company.

Promotion of the success of the organisation to benefit its members

The Governors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the purposes of the Company. In making this assessment the Governors have considered the following:

S 172(1) A. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by the Governors as set out in the Future Plans and Going Concern sections of the Annual Report of the Governors. Specifically, Governors consider both short- and longer-term financial projections and the key risks that could negatively impact the sustainability of the School. Governors monitor progress against financial plans by review of management information and financial sensitivities. The principal financial risks are explored through the preparation of risk scenario forecasts and management action plans for scrutiny by the Finance and General Purposes Committee.

Risk management is embedded at all levels across the School. The most significant risks are considered at the Risk Committee. See information within the Principal Risks and Uncertainties for further details.

Governors are involved in key decisions in relation to capital expenditure and investment decisions, for example approval of Estate masterplan and the individual phases of development.

S 172(1) B. The interests of the company's employees

Governors are kept apprised of staff morale and engagement at Governors' meetings, through the Chairman's attendance at Senior Leadership meetings, and regular communication with the Headmaster and Bursar. Governors have the opportunity to meet staff on visits to the School and at events such as prizegiving and Founder's day.

The School has a strategic objective to recruit and retain teachers of high calibre. Governors receive annual salary benchmarking reports to inform pay decisions and ensure the School remain competitive in its market. The School has agreed a voluntary recognition agreement with the two main teaching unions; this has established a Joint Consultative Committee as the forum for engaging with staff on matters pertaining to pay, hours and holidays and pensions.

The Company has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The report is available on the School's website.

COLFE'S SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

S 172(1) C. The need to foster the company's business relationships with suppliers, customers and others

The Governors and Senior Leadership are mindful that parents are the key customers and arbiters of the School's success. Admission to the school is contingent on signing the School's Terms & Conditions that are the basis of a legal contract for educational services. Most aspects of the School's operations are governed by policies designed to ensure its contractual obligations are fully and consistently met. There is regular communication with the Parent body by the School, and Senior leadership is informed by parental feedback when making key decisions.

Colfe's is an important employer and contractor of services in the context of its local area. The School has a policy of paying suppliers promptly and always seeks to resolve supplier disputes amicably and fairly.

The School is grateful to its Parents and Friends Association and its alumni network for the voluntary and charitable support they provide.

S 172(1) D. The impact of the company's operations on the community and the environment

The School's pupils and staff show concern for the environment and demonstrate a commitment to sustainable living. 'Sustainability' is now a priority objective of the School Strategic Plan. The strategy is supported by the Environmental Sustainability Policy and the Estates Committee has oversight of how the School is delivering its sustainability agenda. Recent progress includes establishing the Ecology Working group and planning improvements to the School estate to improve carbon management.

The Company has completed the Energy Savings Opportunity Scheme (ESOS) reporting requirements and has met obligations for disclosures under Streamlined Energy and Carbon Reporting (SECR).

S 172(1) E. The desirability of the company maintaining a reputation for high standards of business conduct

The School works with trusted and reputable suppliers who are vetted and expected to comply with school procedures and risk assessments. The School ensures its procurement processes demonstrate fairness and integrity, comply with relevant laws and regulations, and keep information confidential and secure. The Bursary are aware of Money Laundering risks in Independent Schools undertake appropriate vetting and screening of sources of funds.

S 172(1) F. The need to act fairly as between members of the company.

The School is a member of Association of Governing Bodies of Independent Schools (AGBIS) and seeks to comply with the Charity Code of Governance. All Governors receive training on avoiding and disclosing potential conflicts of interest and these are declared at the start of committee meetings. Related Party Disclosures are completed in preparation of the annual Report and Accounts.

COLFE'S SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The members of the Governing Body (who are also the directors of Colfe's School for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards)

Company law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Governing Body must not approve the financial statement unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governing Body are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The members of the Governing Body are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relevant Audit Information

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

Approved by the Governing Body of Colfe's School on 14 March 2023, including, in their capacity as company directors, approving the Directors' and Strategic reports contained therein, and signed on its behalf by:



M P E Pellereau
Chairman of the Governing Body

**COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Independent Auditor's Report to the Members of Colfe's School

Opinion

We have audited the financial statements of Colfe's School ('the charitable company') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Summary Income and Expenditure Account, the Consolidated 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 state of the group's and the charitable company's affairs as at 31 August 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other

**COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but

COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there

**COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date 2 May 2023

COLFE'S SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted Funds	Restricted Funds	Freehold Property Funds	Endowed Funds	Total Funds	Total Funds
	Notes	£'000	£'000	£'000	£'000	2022 £'000	2021 £'000
INCOME AND EXPENDITURE							
Income from :							
Charitable activities							
School fees	2	18,429	-	-	-	18,429	16,904
Other educational & ancillary activities	4	2,093	-	-	-	2,093	1,173
Other trading activities							
Colfe's Leisure Services Ltd	3	924	-	-	-	924	403
Other Income		-	-	-	-	-	288
Investments	8d	124	29	-	-	153	133
Grants and Donations		-	369	-	-	369	488
Total Income		21,570	398	-	-	21,968	19,389
Expenditure on :							
Raising funds							
Colfe's Leisure Services Ltd	6a	525	-	-	-	525	425
Charitable activities							
Provision of education	6b	19,754	10	650	66	20,480	18,215
Total expenditure		20,279	10	650	66	21,005	18,640
Net income / (expenditure) before investment and actuarial gains / (losses)		1,291	388	(650)	(66)	963	749
Pension scheme actuarial gains	15	71	-	-	-	71	23
Net Investment (losses) / gains	8	(85)	-	-	(34)	(119)	643
Net income / (expenditure)		1,277	388	(650)	(100)	915	1,415
Transfers between funds	12	1,261	(1,036)	158	(383)	-	-
Net movement in funds		2,538	(648)	(492)	(483)	915	1,415
Fund balances at 1 September 2021		2,580	1,009	12,907	3,260	19,756	18,341
FUND BALANCES at 31 August 2022	12	5,118	361	12,415	2,777	20,671	19,756

There is no difference between the net expenditure or income above and the historical cost equivalent. All of the group's activities are in respect of continuing operations.

Net income/(losses) under the Companies Act 2006 excludes investment gains and losses on endowed funds and is therefore £949k for the year (2021: £1,314k)

The notes on pages 25 to 43 form part of these accounts.

COLFE'S SCHOOL
BALANCE SHEETS
AS AT 31 AUGUST 2022

		Group		Colfe's School	
	Notes	2022 £'000	2021 £'000	2022 £'000	2021 £'000
FIXED ASSETS					
Tangible Fixed Assets	7	16,597	16,938	16,594	16,933
Investment assets	8	3,667	3,786	3,909	4,077
		<u>20,264</u>	<u>20,724</u>	<u>20,503</u>	<u>21,010</u>
CURRENT ASSETS					
Debtors	9	664	439	975	411
Cash at bank and in hand		<u>4,770</u>	<u>3,883</u>	<u>4,154</u>	<u>3,554</u>
		5,434	4,322	5,129	3,965
CREDITORS: due within one year	10	<u>(4,355)</u>	<u>(4,005)</u>	<u>(4,289)</u>	<u>(3,934)</u>
NET CURRENT ASSETS		<u>1,079</u>	<u>317</u>	<u>840</u>	<u>31</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,343	21,041	21,343	21,041
LONG TERM LIABILITIES					
Creditors due after one year	11	<u>(672)</u>	<u>(1,285)</u>	<u>(672)</u>	<u>(1,285)</u>
TOTAL NET ASSETS		<u>20,671</u>	<u>19,756</u>	<u>20,671</u>	<u>19,756</u>
Represented by :					
ENDOWED FUNDS	12a	2,777	3,260	2,777	3,260
FREEHOLD PROPERTY FUND	12b	12,415	12,907	12,415	12,907
RESTRICTED FUNDS	12c	361	1,009	361	1,009
UNRESTRICTED FUNDS					
General funds		<u>5,118</u>	<u>2,580</u>	<u>5,118</u>	<u>2,580</u>
TOTAL FUNDS	12	<u>20,671</u>	<u>19,756</u>	<u>20,671</u>	<u>19,756</u>

Approved by the Board of Governors of Colfe's School on 29th March 2023
and signed on its behalf by:



Chair of Governors
Matthew P E Pellereau



Deputy Chair of Governors
Daniel Coulson

The notes on pages 25 to 43 form part of these accounts.

COLFE'S SCHOOL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

		2022 £'000	2021 £'000
Net cash flow from operating activities			
Net cash provided by operating activities	A	2,372	2,207
Cash flows from investing activities	B	(926)	(633)
Cash flows from financing activities	C	(559)	(324)
Change in cash and cash equivalents in the year		887	1,250
Reconciliation of net cash flow to movement in net funds :			
Cash and cash equivalents at 1 September 2022		3,883	2,633
Cash and cash equivalents at the end of the year	D	4,770	3,883

A Reconciliation of net movements in funds to net cash provided by operating activities

Net movement in funds (as per the statement of financial activities)	915	1,415
Depreciation charge	1,420	1,250
(Increase) / Decrease in Debtors	(225)	32
Increase in Creditors	289	210
Loan interest	78	99
Investment income	(153)	(133)
Net investment losses / (gains)	119	(643)
Pension scheme gains	(71)	(23)
Net cash provided by operating activities	2,372	2,207

B Cash flows from investing activities

Purchase of tangible fixed assets	(1,079)	(766)
Investment income	153	133
Net cash used in investing activities	(926)	(633)

C Cash flows from financing activities

Repayments of borrowing	(559)	(324)
Cash inflows from new borrowing	-	-
Net cash used in financing activities	(559)	(324)

D Cash and cash equivalents

Cash at bank and in hand	4,770	3,883
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Note

Charity law requires separate administration of the cashflows on endowed and other restricted funds of the charity. This constraint has not adversely affected group cashflows as stated above.

The notes on pages 25 to 43 form part of these accounts.

**COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

I ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2015. In preparing the financial statements, the Governors have considered whether the accounting policies required by the standard require the restatement of information.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

Demand for places in the school continues. The School's projected cash flows are reviewed regularly at Governor level and as a result there is reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability.

Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 17.

On 24 August 2006 the Charity Commission issued a Uniting Direction directing that Colfe's Educational Foundation should be treated as forming part of Colfe's School for the purposes of registration and accounting. References to Colfe's School therefore refer to the aggregated results of Colfe's School and Colfe's Educational Foundation. The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Colfe's Leisure Services Ltd. No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006 as the results of its subsidiary are separately identified in the Consolidated SOFA and the related Note 3.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 4 February 2005 (company number: 1109650) and registered as a charity on 24 May 2005 (charity number: 5352523)

Critical accounting judgements and key sources of estimation uncertainty

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

COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

I. ACCOUNTING POLICIES (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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

I.1 Fees and similar earned income

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

I.2 Investment income

Income from investments, interest on deposits and rental income are accounted for on an accruals basis. Membership subscriptions to the sports and leisure centre relating to future accounting periods are carried forward as deferred income within creditors.

I.3 Donations, legacies, grants and other voluntary incoming resources

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

Donations and legacies for the School's general purposes are accounted for as unrestricted and are credited to the general reserve. Where the donor has imposed trust law restrictions, income is credited to the relevant restricted fund and endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, and in the case of assets for retention or consumption, at the value to the School in the case of donated services or facilities.

Government grants are recognised on the accruals basis, when there is reasonable assurance that the School will comply with the conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme, has been recognised in the period to which the underlying furloughed staff costs relate to.

COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

I. ACCOUNTING POLICIES (continued)

Government grants are recognised on the accruals basis, when there is reasonable assurance that the School will comply with the conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme, has been recognised in the period to which the underlying furloughed staff costs relate to.

I.4 Expenditure

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

Governance costs comprise the costs of running the charity, including strategic planning, for its future development, internal and external audit fees, any legal advice for Colfe's School Governors and the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory financial statements and satisfying public accountability.

Intra-group income and expenses between the School and its subsidiaries are excluded from trading income and expenditure.

I.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. All assets costing more than £500 and with an expected useful life exceeding one year are capitalised in the School and Colfe's Leisure Services Limited. Care however is taken to be consistent in considering whether to capitalise similar items that may fall below this threshold.

I.6 Depreciation

Depreciation is provided at the following rates in order to write off the expenditure on each asset over its estimated useful life. No depreciation is provided on freehold land.

Buildings	on cost at 2% to 10% p.a.
Temporary buildings & fixtures	on cost at 6.67% to 20% p.a.
Gymnasium and sports equipment	on cost at 20% to 33.3% p.a.
Furniture and equipment	on cost at 10% to 33.3% p.a.
Motor vehicles	on cost at 33.3% p.a.
Major refurbishments	on cost at 6.67% to 10% p.a.

**COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

I. ACCOUNTING POLICIES (continued)

I.7 Investments

Quoted investments are stated in the Balance Sheet at market value. Investment properties are stated in the Balance Sheet at market value as assessed by the Governors, having taken professional advice.

Realised and unrealised gains and losses are included in the Statement of Financial Activities in the year to which they relate and are calculated by reference to the market value at the beginning of the year. Realised and unrealised gains and losses on investments are reflected in the funds to which they relate.

The unquoted investment in Colfe's Leisure Services Limited is included in the financial statements at the value of net assets, as shown by the financial statements.

I.8 Fund accounting

Endowed Funds

These are funds which have been endowed for a particular purpose where the capital must remain intact. Permanent endowments are those where the capital must remain indefinitely. In certain cases, restrictions as to the use of income are in place.

Freehold Property Fund

The Freehold Property Fund represents the net book value of the land and buildings of Colfe's Educational Foundation

Restricted Funds

Restricted Funds are subject to donor-imposed conditions or have been raised for a particular purpose. Restrictions may apply to the capital sums alone or to the capital and income generated from them. The Governors are bound by the restrictions and may not vary them.

Unrestricted Funds

General Funds are available to the Governors for unrestricted use, subject to law, and the Articles of Association.

Where general funds have been set aside for a particular purpose by the Governors they are termed 'designated funds'. The designation may be removed at any time at the Governors' discretion.

I.9 Pension costs

Retirement benefits to employees of the School are provided through two pension schemes, on defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

**COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

ACCOUNTING POLICIES (continued)

The Teachers' Pension Scheme

This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

Growth Plan

This is a defined contribution group personal pension plan with TPT Retirement Solutions (formerly The Pension's Trust). Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

For deficit recovery contributions, the present value of the expected future contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability. More detail is provided in note 15.

1.10 Operating leases

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

1.11 Taxation

Colfe's School is exempt from corporation and income tax on its charitable activities by virtue of its status as a registered charity. Colfe's Leisure Services Limited is subject to corporation tax and the charge for the year is based on the profit or loss for the period as adjusted for disallowable and non-taxable items and after taking account of losses brought forward.

1.12 Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

At the balance sheet date the School held financial assets at fair value of £3,667k (2021 £3,786k).

COLFE'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

2 SCHOOL FEES

	Unrestricted Funds	
	2022	2021
	£'000	£'000
The School's fee income comprised:		
Gross fees	21,201	19,550
Less: Total bursaries, grants and allowances	(2,772)	(2,646)
	18,429	16,904

3 SUMMARY INFORMATION

The results and balance sheets of the two charities, Colfe's School and Colfe's Educational Foundation, and the subsidiary company, Colfe's Leisure Services Limited (CLS) are summarised below:

	School	Foundation	CLS	Adjustments	2022	2021
	£'000	£'000	£'000	£'000	Total £'000	Total £'000
Income	21,433	585	924	(974)	21,968	19,389
Expenditure	(20,389)	(617)	(973)	974	(21,005)	(18,640)
Net investment (losses) / gains	(134)	(34)	-	49	(119)	643
Pension scheme gains	71	-	-	-	71	23
Net movement in funds	<u>981</u>	<u>(66)</u>	<u>(49)</u>	<u>49</u>	<u>915</u>	<u>1,415</u>
Tangible fixed assets	2,212	14,382	3	-	16,597	16,938
Investments	<u>3,133</u>	<u>774</u>	<u>-</u>	<u>(240)</u>	<u>3,667</u>	<u>3,786</u>
Total Fixed Assets	<u>5,345</u>	<u>15,156</u>	<u>3</u>	<u>(240)</u>	<u>20,264</u>	<u>20,724</u>
Current assets	16,258	933	664	(12,421)	5,434	4,322
Current liabilities	<u>(4,288)</u>	<u>(12,062)</u>	<u>(426)</u>	<u>12,421</u>	<u>(4,355)</u>	<u>(4,005)</u>
Net Current Assets / (Liabilities)	<u>11,970</u>	<u>(11,129)</u>	<u>238</u>	<u>-</u>	<u>1,079</u>	<u>317</u>
Total Assets less Current Liabilities	17,315	4,027	241	(240)	21,343	21,041
Long term creditors	(672)	-	-	-	(672)	(1,285)
Total net assets	<u>16,643</u>	<u>4,027</u>	<u>241</u>	<u>(240)</u>	<u>20,671</u>	<u>19,756</u>

Colfe's School owns the whole of the share capital of Colfe's Leisure Services Limited, which provides sports and leisure facilities for the School and for the public, during non-school hours, via its Roebuck Club.

CLS expenditure includes £12,687 (2021: £12,687) management charge from the School and includes £29,000 (2021: £29,000) in respect of facility charges paid to the Foundation

There was a donation paid by CLS to the school during the year of £48,984 in relation to 2020/21 (2020 : nil)
A trust deed signed during the year, changed the basis of accounting for CLS to accrue a donation within the year to which it relates rather to recognise such donation on a cash basis. The amount accrued for 2021/22 is £357,953

COLFE'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted Funds	
		2022	2021
		£'000	£'000
4	OTHER INCOME		
Other educational activities			
	Examination Fees	92	82
	Registration fees	63	66
	Outdoor Pursuits and Educational visits	487	215
	Other income	118	75
		760	438
Other ancillary activities			
	Catering Income	618	423
	Wraparound care	206	117
	Other school trips	282	62
	Other income	227	133
		1,333	735
	Total Other Income	2,093	1,173
5	STAFF COSTS		
		2022	2021
		£'000	£'000
Total staff costs comprised:			
	Wages and salaries	10,562	10,123
	Social security costs	1,138	1,062
	Pension contributions	1,744	1,716
		13,444	12,901
The average number of employees in the year was:			
	School	298	290
	Subsidiary	58	52
		356	342

Neither Colfe's School Governors nor persons connected with them received any remuneration, other benefits or reimbursement of expenses from the School or any connected organisation apart from reimbursed Governors' travelling and accommodation expenses of £3,427 (2021: £1,055). The number of Governors claiming travel and accommodation expenses was 5 (2021: 1)

The number of higher paid employees was:		2022	2021
		No.	No.
Taxable emoluments band:			
£60,001 - £70,000		19	16
£70,001 - £80,000		4	6
£80,001 - £90,000		-	1
£90,001 - £100,000		2	1
£100,001 - £110,000		2	2
£120,001 - £130,000		-	1
£130,001 - £140,000		1	-
		24	23
The number with retirement benefits accruing in			
- Defined Benefit Schemes		24	23

Aggregate employee-benefits for key management personnel including pension contributions total £ 1,145,282 in 2021/22 (2020 £1,115,779)
These emoluments also include accommodation benefits. There were termination payments totalling £170,650 in 2020/21 (2021: £10,896k)

COLFE'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

6 ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £'000	Other costs £'000	Depreciation £'000	2022 Total £'000	2021 Total £'000
(a) Costs of raising funds					
Trading costs of the subsidiary	453	70	2	525	425
(b) Charitable activities					
Teaching	10,597	1,186	346	12,129	11,646
Other activities	-	2,078	-	2,078	1,193
Buildings depreciation	-	-	716	716	622
Premises	963	2,233	356	3,552	2,808
Support costs of schooling	1,431	528	-	1,959	1,911
Governance cost	-	35	-	35	25
School's operating costs	12,991	6,060	1,418	20,469	18,205
Awards and prizes	-	11	-	11	10
	<u>12,991</u>	<u>6,071</u>	<u>1,418</u>	<u>20,480</u>	<u>18,215</u>
Total expenditure	<u>13,444</u>	<u>6,141</u>	<u>1,420</u>	<u>21,005</u>	<u>18,640</u>

Governance costs include auditor's remuneration for audit services of £31k (2020/21: £29k).

COLFE'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

7 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Assets under Construction £'000	Motor Vehicles £'000	Furniture & Equipment £'000	School Total £'000	Furniture & Equipment £'000	Subsidiary Total £'000	Group Total £'000
Cost								
1 September 2021	27,381	378	71	4,870	32,700	154	154	32,854
Transfers	327	(327)	-	-	-	-	-	-
Additions	159	49	37	834	1,079	-	-	1,079
Disposals	-	-	(20)	(689)	(709)	(18)	(18)	(727)
31 August 2022	27,867	100	88	5,015	33,070	136	136	33,206
Depreciation								
1 September 2021	12,100	116	68	3,483	15,767	149	149	15,916
Transfers	116	(116)	-	-	-	-	-	-
Charge for year	716	-	13	689	1,418	2	2	1,420
Disposals	-	-	(20)	(689)	(709)	(18)	(18)	(727)
31 August 2022	12,932	-	61	3,483	16,476	133	133	16,609
Net book values								
31 August 2022	14,935	100	27	1,532	16,594	3	3	16,597
31 August 2021	15,281	262	3	1,387	16,933	5	5	16,938

HSBC have taken a charge over the land and buildings of the Horn Park Lane site as security for the 10 year loan facility which assisted in financing the 6th form centre.

COLFE'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

8 INVESTMENTS

	2022 £'000	2021 £'000
Market value:		
Listed investments	8a 2,792	2,911
Investment Property	8b 875	875
Group total	<u>3,667</u>	<u>3,786</u>
At fair value		
Investment in Subsidiary	8c 242	291
School total	<u>3,909</u>	<u>4,077</u>

Group unrealised gains on investments included above:

8a Listed Investments

	£'000
Market value at 1 September 2021	2,911
Net unrealised gain	(119)
Market value at 31 August 2022	<u>2,792</u>
Historic cost at 31 August 2022	<u>1,704</u>

All listed investments are held in unit trusts or common investment funds.

8b Investment Property

	£'000
Market value at 1 September 2021	875
Unrealised Gain on investment	-
Market value at 31 August 2022	<u>875</u>
Historic cost at 31 August 2022	<u>413</u>

8c Investment in Subsidiary

	£'000
Fair value	
At 1 September 2021	291
Gain for the year	(49)
At 31 August 2022	<u>242</u>

Colfe's Leisure Services made a gift aid payment of £49k to the school during 2021/22 in respect of profits made in 2020/21. In addition to the payment made, an accrual of the profits made in 2021/22 of £358k has been recognised within the year. The accounting basis has changed in 2021/22 from a cash basis to an accrual basis.

8d Investment income comprises:

	Unrestricted Funds	Restricted Funds	2022 Total £'000	2021 Total £'000
Quoted investments	94	29	123	110
Bank deposits	12	-	12	5
Property Investment	18	-	18	18
Total 2022	<u>124</u>	<u>29</u>	<u>153</u>	<u>133</u>
Total 2021	<u>106</u>	<u>27</u>		<u>133</u>

COLFE'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

9 DEBTORS

	Group		Colfe's School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts due from subsidiary company	-	-	358	-
School fees	32	76	32	76
Stock	4	-	-	-
Trade debtors	32	13	-	-
Sundry debtors	124	75	124	75
Prepayments & Accrued Income	472	275	461	260
	664	439	975	411

10 CREDITORS DUE WITHIN ONE YEAR

	Group		Colfe's School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loan	637	637	637	637
Trade creditors	607	531	602	528
Taxation and social security	504	486	486	475
Other creditors and accruals	917	728	874	671
Pupil Deposits	1,345	1,292	1,345	1,292
Pension deficit recovery payments (note 15)	8	25	8	25
Fees received in advance	337	306	337	306
	4,355	4,005	4,289	3,934

11 CREDITORS DUE AFTER MORE THAN ONE YEAR

	Group		Colfe's School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Pension deficit recovery payments (note 15)	10	64	10	64
Bank loan 1-2 years	662	637	662	637
Bank loan 2 - 5 years	-	584	-	584
	672	1,285	672	1,285

The bank loan balance relates to a loan with a term of 10 years. This started in October 2014 at an interest rate of 4.84% and is secured by a charge over the land and buildings of the Horn Park Lane site.

COLFE'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

12 NET ASSETS OF THE FUNDS OF COLFE'S SCHOOL AND GROUP

Colfe's School's net assets belong to the various funds as follows:

	Fixed Assets	Investments	Net Current Assets / (Liabilities)	Long Term Liabilities	Fund Balance 2022
	£'000	£'000	£'000	£'000	£'000
Endowment funds	2,575	191	11	-	2,777
Freehold Property fund	12,415	-	-	-	12,415
Restricted funds	-	7	354	-	361
Unrestricted funds	1,604	3,711	475	(672)	5,118
Colfe's School	16,594	3,909	840	(672)	20,671
Colfe's Leisure Services Limited	3	(242)	239	-	-
Group	16,597	3,667	1,079	(672)	20,671

	Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Fund Balances 2021
	£'000	£'000	£'000	£'000	£'000
Endowment funds	2,641	619	-	-	3,260
Freehold Property fund	12,907	-	-	-	12,907
Restricted funds	-	201	808	-	1,009
Unrestricted funds	1,385	3,257	(777)	(1,285)	2,580
Colfe's School	16,933	4,077	31	(1,285)	19,756
Colfe's Leisure Services Limited	5	(291)	286	-	-
Group	16,938	3,786	317	(1,285)	19,756

COLFE'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

12a ENDOWED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 September 2021 £'000	Expenditure £'000	Investment Gains / (losses) £'000	Funds Transfer	Balance at 31 August 2022 £'000
Endowments:					
Property	2,641	(66)	-		2,575
Prizes and other bequest funds	619	-	(34)	(383)	202
Total	3,260	(66)	(34)	(383)	2,777
	<i>1st September 2020 £000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>31st August 2021 £000</i>
Property	2,707	(66)	-	-	2,641
Prizes and other bequest funds	518	-	101	-	619
Total	3,225	(66)	101	-	3,260

The prizes and other bequest funds are permanent endowments which have been made from time to time by benefactors of the Foundation. The income arising is to be used for specific or general purposes of the Foundation, as specified by the endowments.

12b FREEHOLD PROPERTY FUND: MOVEMENTS IN THE YEAR

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Fund Transfers £'000	Balance at 31 August 2022 £'000
Freehold property fund	12,907	-	(650)	158	12,415
	<i>2020 £000</i>				<i>2021 £000</i>
Freehold property fund	13,420	-	(556)	43	12,907

The Freehold Property Fund represents the net book value of the land and buildings of the School and Foundation. The root of the title to the properties held by the Foundation is the Will of Abraham Colfe dated 7 September 1656, probate of which was granted on 25 January 1659.

The freehold property is a mixture of that remaining out of the original endowment or acquired from the proceeds of part or all of the endowed land and that acquired since 1659 out of general funds. The Governors are unable to identify the land and buildings acquired out of the original endowment.

Where restricted or unrestricted funds have been expended on additions to freehold land and buildings, a transfer is made from the relevant fund.

COLFE'S SCHOOL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

12c RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Fund Transfers £'000	Investment Gains/(Losses) £'000	Balance at 31 August 2022 £'000
Grants and Donations	18	369	(10)	(359)	-	18
Prizes and other bequest funds	991	29	-	(677)	-	343
	<u>1,009</u>	<u>398</u>	<u>(10)</u>	<u>(1,036)</u>	<u>0</u>	<u>361</u>
	2020 £'000	£'000	£'000	£'000	£'000	2021 £'000
Grants and Donations	18	488	(10)	(478)	-	18
Prizes and other bequest funds	933	27	-	-	31	991
	<u>951</u>	<u>515</u>	<u>(10)</u>	<u>(478)</u>	<u>31</u>	<u>1,009</u>

Prizes and other bequest funds comprise accumulated undistributed income from endowed funds

Where funds are used for scholarships or bursaries these are shown as transfers from the restricted funds to unrestricted funds.

13 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2022 the charity had aggregate annual commitments under non-cancellable operating leases of £63k

	Group		Colfe's School	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due :				
Within one year	22	43	22	43
Due within 2 - 5 years	41	43	41	43
Due in more than 5 years	-	10	-	10
	<u>63</u>	<u>96</u>	<u>63</u>	<u>96</u>

COLFE'S SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

14 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURE BY FUND TYPE

		Unrestricted Funds	Restricted Funds	Freehold Property Funds	Endowed Funds	Total Funds
	Notes	£'000	£'000	£'000	£'000	2021 £'000
INCOME AND EXPENDITURE						
Income from :						
Charitable activities						
School fees	2	16,904	-	-	-	16,904
Other educational & ancillary activities	4	1,173	-	-	-	1,173
Other trading activities						
Colfe's Leisure Services Ltd	3	403	-	-	-	403
Other Income		288				288
Investments	8d	106	27	-	-	133
Donations & Legacies (restricted)		-	488	-	-	488
Total Income		18,874	515	-	-	19,389
Expenditure on :						
Raising funds						
Colfe's Leisure Services Ltd	6a	425	-	-	-	425
Charitable activities						
Provision of education	6b	17,583	10	556	66	18,215
Total expenditure		18,008	10	556	66	18,640
Net income / (expenditure) before investment and actuarial gains / (losses)		866	505	(556)	(66)	749
Pension scheme actuarial gains / (losses)	15	23	-	-	-	23
Net Investment gains	8	511	31	-	101	643
Net income / (expenditure)		1,400	536	(556)	35	1,415
Transfers between funds	12	435	(478)	43	-	-
Net movement in funds		1,835	58	(513)	35	1,415
Fund Balance brought forward at 1 September 2019 as previously stated		745	951	13,420	3,225	18,341
FUND BALANCES at 31 August 2020	12	2,580	1,009	12,907	3,260	19,756

COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

15 PENSION SCHEMES

Teaching Staff

The School participates in the Teachers' Pension Scheme (the "TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,11,798 (2021: £2,097,142) and at the year-end £180,291 was accrued in respect of the contributions to this scheme.

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

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

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

Support Staff

TPT Retirement Solutions (formerly the Pensions Trust) – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company 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.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

The Group paid contributions at the rate of 14.1% or 10% dependent on the employee during the accounting period. Under current service members paid contributions at the optional rates of 6% or 7% during the accounting period. Auto-enrolment was implemented on 1 April 2014, which gave the additional option for members to pay a rate, which rose in 2018/19 from 3% to 5% with a Group contribution rising in 2018/19 from 2% to 3%. Support staff are required to notify the group if they do not wish to join this pension scheme. In addition, the School paid contributions totalling £21,306 (2021: £24,563) in respect of the past service deficit.

COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

As at the balance sheet date there were 90 active members (2021: 99) of the Plan employed by the Group and contributions paid during the year were £379,787 (2021: £368,759). The Group continues to offer membership of the Plan to its employees.

A full actuarial valuation for the scheme was carried out at 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 Apr 2019 – 31 Jan 2025	£11,243,000 p.a payable monthly and increasing by 3% each on 1 st April)
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Unless a concession has been agreed with the Trustee the term to 31 Jan 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 Sept 2014. This valuation Showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. 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 Apr 2019 – 30 Sept 2025	£12,945,440 p.a payable monthly and increasing by 3% each on 1 st April.
From 1 April 2016 – 30 Sept 2028	£54,560 p.a payable monthly and increasing by 3% each on 1 st 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.

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 the discount detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Present Value of Provision

	31 August 2022 £000	31 August 2021 £000	31 August 2020 £000
Present Value of Provision	<u>18</u>	<u>89</u>	<u>112</u>

Reconciliation of Opening & Closing Provisions

	2022 £000	2021 £000
Provision at start of period	89	112
Unwinding of the discount factor (interest expense)	1	1
Deficit contribution paid	(18)	(24)
Remeasurements - impact of any change in assumptions	(1)	-
Remeasurements - amendments to the contribution schedule	(53)	-
Provision at the end of period	<u>18</u>	<u>89</u>

Income and Expenditure Impact

	2022 £000	2021 £000
Interest expense	1	1
Remeasurements - impact of any change in assumptions	(1)	0
Remeasurements - amendments to the contribution schedule	(53)	-

Assumptions

	31st August 2022 % per annum	31st August 2021 % per annum	31st August 2020 % per annum
Rate of discount	4.46	0.63	0.55

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The Group has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2016. As of this date, the estimated employer debt for the Group was £806,658 (30 September 2015: £716,577).

COLFE'S SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

16 CONTROLLING ENTITY AND CONNECTED PARTY TRANSACTIONS

The School is controlled by its sole member, The Leathersellers' Company which is entitled to nominate eight of the fifteen Governors. The Master of the Company is also a Governor (ex officio).

Colfe's Leisure Centre (CLS) (company number 02586190) is a subsidiary of Colfe's School. During the year there were payments made from CLS of £41,183 to Colfe's School in respect of payroll recharges and payments from Colfe's School to CLS of £29,000 in respect of goods and services paid for by CLS. At the year end there was an intercompany debtor balance in the school of £357,953 (2021: creditor balance of £621). A gift aid cash donation of £49,584 paid during the year to 31 August 2021, with a further £357,953 being accrued as at 31st August 2022. (2021 : no gift aid was paid).

The School is indirectly associated with a number of charities for which the Leathersellers' Company acts as a trustee or appoints some of the trustees. Of these, Colfe's Charitable Trust, which raises monies for the benefit of the School, made grants to the School of £50,000 (2021: £50,000) in the year; and the Leathersellers' Company Charitable Fund made a grant to the School of £30,000 (2021: £427,500). As at 31 August 2022, an amount of £1,140 was due to Colfe's Charitable Trust (2021: Debtor £1,173).

The School is not aware of any related party transactions with its Governors.

17 CAPITAL COMMITMENTS

At 31 August 2022 the group had no outstanding capital commitments £179k (2021 : nil).