

Registered Charity No. 1002212 (England and Wales)
Company Registration No. 02331296



Somerhill Charitable Trust Limited
(a company limited by guarantee)

Report and Financial Statements
for the year ended 31 August 2024

SOMERHILL
SOME SCHOOL

A LEADING INDEPENDENT PREP SCHOOL FOR GIRLS AND BOYS

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Chair of Governors' summary	2
Governors' report and strategic report	3 – 15
Statement of Governors' responsibilities	16
Independent auditor's report	17 – 19
Statement of financial activities	20 – 21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24 – 40

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

CHAIR OF GOVERNORS' SUMMARY
For the year ended 31 August 2024

This note has been updated as of the recorded date for post-year events.

The board currently has a full complement of skills, but there have been two resignations for which we have excellent candidates.

We were saddened by the resignation of our head teacher for personal reasons and we are currently in the midst of a recruitment drive with a strong slate of candidates. We are blessed to have an extremely strong and time-served leadership team that works extremely well together and that has made it such that we have not needed to find an interim head.

Much of our strategic focus has been and remains around risk planning for the imposition of VAT and business rates and the reducing demographic pool of pupils for which we must compete. We are fortunate to be in a strong financial position that will enable us to weather any significant shakeout in our sector as we continue to see mergers and consolidations both between prep-schools and in some cases senior schools. We also plan to ensure that we are the school of choice in this area maintaining an excellent offering at a reasonable cost.

We had excellent reports for both our PSB and ISI inspections and these are available on our website.

We are continuing to invest towards net Zero with contracts to both reduce our energy usage and generate more solar energy.

Saplings, our outside teaching environment, is well established, popular and profitable.

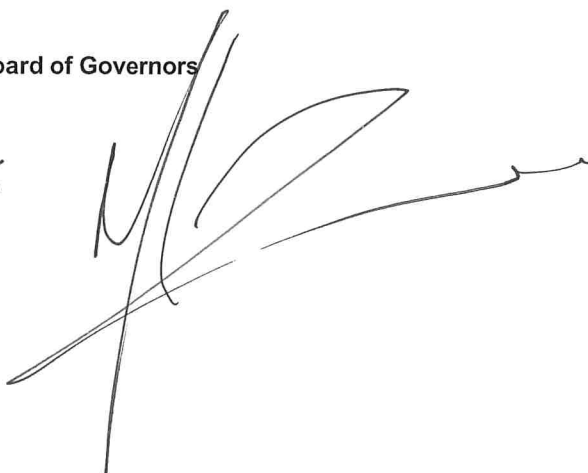
We continue to focus on excellence in provision of facilities for education and overall wellbeing. We plan to upgrade our hard play area (Hockey/football) in the upcoming year, discussions are underway that may result in our becoming a centre of excellence.

The year has been pleasingly successful in both academic, sporting and other extra-curricular offerings reported elsewhere. We are happy to report that we were extremely successful both in placement of 11+ candidates (our success rate is one of the highest around) and in gaining scholarships and places at public schools, with over 24 awards, one of our best outcomes and, perhaps per pupil headcount, the best we have ever delivered. In summary, while we are often asked what our specialization is, and we say that "we grow amazing people", the reality is that we are very successful in delivering the best for each pupil who joins us in achieving the outcomes they and their parents wish.

Mark A. Jiskoot
Chair of the Board of Governors

Date:

11/4/25



SOMERHILL CHARITABLE TRUST LIMITED (A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT For the year ended 31 August 2024

The Directors of Somerhill Charitable Trust Limited (the "School", "Somerhill"), who are also the Trustees of the charity and the Governors of the School (and will be referred to throughout these financial statements as the "Governors"), present their annual report and the audited financial statements of the company for the year ended 31 August 2024 and confirm they comply with the requirements of the Charities Act 2011, the governing document, the Charities SORP (FRS 102) (effective 1 January 2019) and the Companies Act 2006.

Constitution

The School is a charitable company incorporated under the Companies Act with company number 02331296 and charity number 1002212. The company is limited by guarantee and does not have a share capital. The liability of the members is limited to £1 each. The School's governing document is the Memorandum and Articles of Association adopted by special resolution on 9 August 2024.

Directors, Trustees and Governors

The Board should have a minimum of three members, with no maximum unless determined at a General Meeting through an Ordinary Resolution. Each Governor has one vote.

The Directors from 1 September 2023 to the date of signing were:

C A Barry ** (appointed 30 November 2023)
P G Bromley *
P R Brooks +** (resigned 22 January 2025)
P M Goodyer +
E Henery +
C Holder *
J V Irvine * **
M A Jiskoot * + ** ++ (Chair of Governors from 1 September 2022)
P J North +
R E Verrell *
D A Wells *

* Members of the Finance and General Purposes Committee chaired by J V Irvine.

+ Members of the Education Committee chaired by P R Brooks until 22 January 2025 and then by P M Goodyer.

** Members of the HR Committee chaired by C A Barry.

++ Members of the Health & Safety Committee chaired by J M Hunt (Bursar).

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued)

For the year ended 31 August 2024

Strategic Report

Objectives and Activities

The Governors' aim is to provide an all-round excellent education to boys and girls from ages 3 – 13. The objectives are set to reflect the educational aims and ethos of Somerhill. It is important that the Governors maintain and enhance the reputation of the School through the continued success of the curricular and co-curricular programmes. In setting the objectives and planning the activities, the Governors have carefully considered the Charity Commission's general guidance on public benefit and in particular its supplementary public benefit guidance on advancing education, including the provision of assisted places. Particular reference is given to a) promoting the spiritual, moral, cultural, mental and physical development of pupils and b) preparing pupils at the school for the opportunities, responsibilities and experiences of later life.

The key objectives include:

- To continue to enhance the academic curriculum offered across the School
- To continue to monitor and enhance the co-curricular programmes across the School
- To continue to develop the first-class pastoral care the School provides for pupils
- To maintain pupil numbers in the School
- To provide continuing support to the pupils already in receipt of fee assistance
- To provide access to the School from age 7 through means tested financial assistance
- To monitor and review the key policies and procedures to ensure a safe environment for employees, pupils and visitors to the School
- To continue to develop the links with local state schools and to open the facilities to the local community
- To manage and maintain the historic buildings and estate in a cost effective, sustainable and environmentally responsible manner

Risk management

The Governors consider that the principal risks and uncertainties facing the School are as follows:

- Child protection and safer recruitment
- Safeguarding and welfare of employees, pupils and visitors
- Maintenance of reputation
- Reduction in pupil numbers
- Retention of key personnel
- Imposition by Parliament of tax changes or changes to charitable status
- Security of school buildings
- Impact of a resurgent Covid pandemic or similar

The Governors formally review the major risks that the company faces each financial year when preparing the strategic development plan and budget. The School has developed systems and procedures to manage and monitor these risks. The key controls used by the Governors include:

- Budgeting and budget accountability
- Monitoring of pupil intake and retention
- Formal written policies including policies on the safeguarding of children and health & safety
- Authorisation procedures
- External audit of and internal identification of health & safety risks
- Appropriate training of governors, teaching and non-teaching staff
- Appropriate insurance to mitigate perceived risks

SOMERHILL CHARITABLE TRUST LIMITED **(A company limited by guarantee)**

GOVERNORS' REPORT AND STRATEGIC REPORT (continued) **For the year ended 31 August 2024**

Remuneration of key management personnel

The day-to-day running of the School is delegated to the Headmaster of Somerhill. He is supported by other members of the School's Senior Leadership Team, as set out on page 12. The remuneration of key management personnel is agreed by the Board through the School's annual budget, as recommended by the F&GP and HR Committees. It is the objective of the Board to ensure that key management personnel are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the School's success. The appropriateness of the remuneration policy is reviewed annually with reference to published salary levels of other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Public Benefit

The Governors have given due regard to the Charity Commission's guidance on public benefit. As a Registered Charity, the Trustees (Governors) are mindful of the School's obligation to provide public benefit through means tested assisted places, by providing access to the School's facilities and links with local maintained schools which complement its objectives to provide for the advancement of education.

The School maintains a Public Benefit Register which is reviewed by the Governors each year. The School continues to support a range of local schools and organisations within the local community. This includes weekly swimming lessons with Somerhill swimming teachers, including transport for four local primary schools, all at no charge to the schools. Monson Swimming Club also use the pool on a near daily basis, both to teach swimming and for coaching competitive swimming for children in the local area.

The sports hall and playing fields are used by local sporting clubs, both for children and adult use, and our parkland is regularly used for cross-country events, football tournaments and mountain biking.

The school provided financial assistance of £560,703 in 2023-24 (£495,090 in 2022-23).

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued)

For the year ended 31 August 2024

Achievements and Performance

Overview: Somerhill is a vibrant, successful school with a good reputation within its marketplace. During the final term of the year ended 31 August 2024, Somerhill had 600 pupils.

Business review, achievements and performance: The company is principally engaged in the owning and running of the School and is a registered charity. The operation of the School is the responsibility of the Governors, who are the directors of the company, none of whom receive any remuneration.

Academic Achievement: As mentioned in the last ISI report, the teaching across the school is cited as being 'of a consistently high standard'; teachers 'know their pupils' abilities and needs well', 'challenge pupils to think' and 'have ambitious aims for pupils' achievements' whilst also planning 'to ensure all are appropriately supported and challenged.' As a result, Somerhill pupils are described as 'highly numerate and literate'. Pupils move on successfully to secondary education in both the grammar and independent sectors, notably with 10 pupils heading to Tonbridge or Sevenoaks School and 35 gaining entry to local grammar schools. Also impressive was the fact that 24 leavers gained scholarships in academics, art, drama, music and sport.

Pupil Experience: Somerhill prides itself on providing a wide ranging and varied education. The School believes that enjoyment and inclusivity should go hand in hand with the setting of high standards and the pursuit of excellence. This year we have not only continued to celebrate our proud tradition of excellent academic results, but we have thoroughly enjoyed our sporting contests, been wonderfully entertained by top class musical and dramatic performances and seen our children thrive in a broad and exciting co-curricular programme which offers opportunity to all our young people – from beekeeping to Formula One model design and racing. As a unique school with a 'diamond model' for our boys and girls, we have enjoyed recognising where differences exist in their approaches to learning while promoting a unified and equal approach to their broader educational experience. The diamond model allows for a 'best of both worlds' approach – boys and girls are taught in the classroom together until Year 3; at this point classroom lessons become single sex although all other co-curricular and day-to-day activities take place in a co-educational environment. Pupils are then well prepared to go into a co-educational classroom setting at either secondary school or sixth form.

Pre-Senior Baccalaureate: The introduction of the Pre-Senior Baccalaureate (PSB) in the past few years has moved the curriculum to discovery-led, enquiry-based learning for our pupils, which sees the teacher as a facilitator to learning, not an oracle imparting academic knowledge. The skills extend more broadly into the establishment of skills for life. It is a programme of study that sits not only in the academic lessons of the School, but extends into the creative and performing arts, the practical elements of engineering and also onto the sports pitch and playground. The Pre-Senior Project Qualification (PSPQ) aims to develop pupils' independent learning and performance, inspiring them to consider new areas or methods of study and preparing them for their learning at senior schools and later at university and at work. It has been very well received by destination senior schools. The PSPQ is now an annual feature of the Year 8 curriculum culminating in some outstanding oral presentations. The PSB is now firmly established in both Year 8 and Year 7 with PSB style project work extending to art, engineering and drama as well as expanding to the rest of the Prep School where we have designed age appropriate PSB skills grids and pupils reflect on academic performance regularly with their Form teachers.

Curriculum Enhancements: Somerhill was only the second prep school in the UK to introduce Engineering as part of its curriculum. Pupils have used woodworking skills to make canvas frames and full-sized catapults, utilising skills in aerodynamics and civil engineering. Other practical units work with technology such as robotics, GPS systems and micro controllers to understand what engineers do. Our annual STEM Day is an opportunity for pupils to work in teams on projects which bring together skills developed in science, engineering and maths lessons as well as developing a whole host of PSB skills. We also continue to leverage the use of our wonderful grounds in which our children have enjoyed pond dipping, den building and learning about the different flora and fauna. Pupils of all ages get to experience the outdoor learning whereby more traditional learnt knowledge can be re-enforced using the natural world. Our dedicated "outdoor" classroom, Saplings, goes from strength to strength and allows our pre-school children to enjoy a mixed model where existing and new parents can select internal and external classroom time for our youngest pupils.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued)
For the year ended 31 August 2024



Co-Curricular Clubs and School Trips at Somerhill

The importance of providing a broad range of co-curricular activities in schools cannot be overstated. These activities are essential in preparing children for the challenges and opportunities they will face beyond the classroom. The benefits extend to several key areas, including social-emotional development (building empathy, self-confidence, and resilience), academic performance (improving grades and learning skills through teamwork and time management), and career prospects (helping students identify passions and interests to guide their future choices). Furthermore, co-curricular activities promote healthy lifestyles through physical activity, offer opportunities for fun and relaxation to counter academic pressures and foster creativity by encouraging exploration beyond the curriculum.

Somerhill School actively supports student involvement in co-curricular activities through a three-pronged approach. First, a wide variety of clubs are offered each term, catering to diverse interests, both academic and non-academic. These clubs, run by school staff and external providers, ensure a dynamic and engaging experience for students. Second, the school provides six weeks of in-house holiday courses annually, allowing families flexibility while offering children enriching experiences in a familiar environment. These courses prioritise fun but also aim to enhance specific skills.

Finally, Somerhill emphasises educational trips as a crucial component of the co-curricular program. These trips vary in length and location, from local excursions to enhance classroom learning to longer trips to London and coastal areas. For older students, a progression of residential trips builds confidence and independence, culminating in opportunities for more adventurous trips, such as visits to the UKSA centre on the Isle of Wight or the annual ski trip in the Alps. This comprehensive approach ensures Somerhill students have abundant opportunities to develop holistically and confidently prepare for future success.

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued)

For the year ended 31 August 2024

Pre Prep at Somerhill

Somerhill Pre-Prep provides a nurturing and high-quality start to education for children aged 2 to 7. The Pre-Prep places significant emphasis on both academic excellence and pastoral care, ensuring that each child's wellbeing is central to every decision made. Recognising the vital role early education plays in shaping future success, Somerhill is proud of its highly skilled team of early years practitioners who collaborate closely with parents. This partnership ensures that each child's learning journey is personalised and supported to meet their individual needs, providing a strong foundation for future development.

From Reception to Year 2, Form Teachers and Teaching Assistants ensure a consistent and cohesive educational experience. The curriculum is age-appropriate, fun, and exciting, designed to ignite a passion for learning that is crucial at the beginning of each child's educational journey. Enriched by specialist subjects such as music, physical education, swimming, French, and Saplings—the forest school programme—this diverse curriculum not only promotes academic growth but also encourages personal development. Taught by experts, these subjects offer children a variety of opportunities to explore and engage, fostering a love for learning while supporting both intellectual and emotional growth.

The Pre-Prep's commitment to high educational standards is reflected in its carefully designed, comprehensive curriculum. The curriculum integrates core subjects with a dynamic, topic-based approach, encouraging deeper learning and helping children apply knowledge in real-world contexts. The structured phonics programme, Read Write Inc., ensures that children develop strong reading skills at an accelerated pace, with many surpassing age-related expectations. Additionally, the mathematics curriculum consistently delivers outstanding results, while the hands-on, inquiry-based approach to science sparks curiosity and fosters a deeper understanding of the world. This thoughtfully structured and engaging curriculum nurtures each child's curiosity and ignites a passion for discovery, helping them a strong emphasis on co-curricular development, offering a broad range of opportunities in sport, music, art, outdoor education, and drama. Specialist teachers lead these activities, giving children their first experiences of sporting fixtures, musical tea-time concerts, and drama performances. This exposure helps students explore their interests and talents, while building confidence and self-esteem, which positively impacts their overall development.

Personal growth is a key focus in the Pre-Prep, with the "Pre-Prep Pals"—a group of charming animal characters that personify Somerhill's core values of Kindness, Resilience, Responsibility, Respect, Community, and Excellence. These values are deeply embedded in the Pre-Prep's daily routines, conversations, and reward system, helping to shape the overall school culture. The influence of these values extends beyond the school environment, with parents frequently sharing examples of how their children have referenced the "Pre-Prep Pals" at home. In many cases, parents have also invoked the animals' attributes to support their children through activities outside of school, further reinforcing the school's commitment to developing strong character both in and out of the classroom.

To support our working families, Somerhill Pre-Prep offers wraparound care, including a Breakfast Club from 7:30 a.m., and after-school care from 3:30 p.m. until 5:45 p.m. Experienced teaching assistants, who are already familiar with the children and their individual needs, provide a nurturing environment that ensures consistency and continued support after a busy school day. This thoughtful care allows children to unwind and feel secure, fostering a positive end to their day.

Transitions are a vital part of a child's educational journey, whether helping new children settle into school, guiding them from Pre-school to Reception, or supporting the move from Pre-Prep to Prep School in Year 3. In Pre-Prep, careful planning is essential, as the youngest learners are still building the confidence and independence needed to navigate change. By prioritising these transitions, we ensure that every child feels secure, confident, and happy as they take the next step. The strong foundations established in Pre-Prep provide the perfect springboard for the challenges and opportunities ahead in the Prep, enabling children to embrace new experiences with enthusiasm and setting them up for ongoing success at Somerhill.

SOMERHILL CHARITABLE TRUST LIMITED (A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued) For the year ended 31 August 2024

Music at Somerhill

At Somerhill, we recognize that learning about music and having the opportunity to play instruments and create music together is a vital part of a child's education. Music is not only a creative outlet but also plays a significant role in a child's broader development. Here, music is integral to our curriculum, and all children from Reception to Year Eight have lessons taught by two dedicated and experienced music teachers. In addition to classroom lessons, we are fortunate to have a dynamic team of Visiting Music Teachers (VMTs), who provide many one-on-one lessons each week across all three sections of the school.

Beyond the structured lessons, Somerhill offers numerous opportunities for students to perform and share their talents with others. We have upwards of fifty performances of different kinds, throughout the year, and across the whole school. Our current music groups include an orchestra, year 3 and 4 choirs, a boys choir, a girls choir, a chamber choir, a brass ensemble, flute groups, string groups, a clariphones troop, cello groups, and guitar groups.

The Michaelmas term always ends with a whole range of pre-prep performances celebrating Christmas, and carol services for both Juniors and Seniors. In the Michaelmas and Lent terms, instrumentalists and vocalists have the chance to perform in informal after-school Teatime concerts. These provide a relaxed setting for students to perform in front of peers, family, and friends. Similarly, in the summer term, we host a series of instrumental and vocal lunchtime concerts, offering another opportunity for students to see one another perform, and support each other.

At the end of the Lent term, we have one of our showcase events: the Spring Concert for the whole prep school. In the Summer, similarly, we have larger-scale concerts, one for the Juniors and one for Seniors. These performances give students the chance to present their hard work and musical achievements to family and friends.

Somerhill is also proud to continue its tradition of providing choristers for Tonbridge School, where our boys commit to three rehearsals a week and one or two performances on Sundays during term time. The boys involved gain an invaluable performance and rehearsal experience.

In addition to this, Somerhill is a thriving ABRSM centre (Associated Board of the Royal Schools of Music), supporting students in entering a variety of music exams across instruments and voice at all levels. This offers our students a structured path for assessing their musical progress, and we are proud of the exceptional results that we have had recently.

Whether it's a quiet lunchtime practice session or a grand concert performance, music at Somerhill is an essential and vibrant part of the school experience.



SOMERHILL CHARITABLE TRUST LIMITED (A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued) For the year ended 31 August 2024

Sport at Somerhill

Somerhill has always had a strong sporting tradition and the Governors are keen that this continues. The excellent and extensive facilities and the number of pupils at the School means that there are a large number of teams across many sporting disciplines, allowing all pupils to take part at a standard that is best suited to their abilities. Pupils are introduced to a wide range of physical education skills through the Pre Prep curriculum and clubs. These skills are then developed in the Prep School in both team and individual disciplines.

In the winter, the main sports in the Prep School are football, rugby, hockey, netball, swimming and cross country. In the summer athletics, tennis and cricket. The School has an indoor 25m swimming pool with viewing gallery, four hardcourt tennis courts, an astro and extensive sports pitches on both our terraces and parkland. Somerhill also offers a wide range of other sports as well, such as equestrian, dance, golf, triathlon and judo through the extensive after school clubs' programme. Somerhill regularly competes in local, county and national tournaments and has a full fixture list with local Prep Schools. Somerhill is viewed as one of the strongest sporting schools in Kent across many disciplines.



The Libraries at Somerhill

Somerhill has two libraries managed by a full-time librarian. The pre-prep library caters for pupils from reception to year two and houses approximately 2000 resources including picture books, chapter books and non-fiction books. Classes visit the pre-prep library weekly with their teachers and borrow books to take home. The Woodgate library is located in the prep school and serves pupils from years three to eight. The library houses 10,000 resources in four sections – Junior Fiction, Middle grade fiction, Young Adult fiction (for years 7 and 8 only) and Non-fiction. Fiction is arranged by genre and non-fiction follows the Dewey Decimal system. The library includes a large selection of dyslexia-friendly books published by Barrington Stoke.

All pupils attend regular library classes with their English teachers. Year three enjoy weekly classes and all other year groups visit fortnightly. The library is also open to all pupils before school between 8.00 and 8.30 and at break times. Pupils may visit the library during their breaks to read, play chess, borrow books and (for students in years 7 and 8) to complete prep. The library has a variety of comfortable seating areas, a quiet well-being zone, a prep zone with tables and chairs and a large communal space furnished with sofas where classes and book groups can meet. The library is equipped with IT for teaching and learning purposes including a large TV and a chrome book which pupils can use to search the library catalogue Accessit (Library Management System) and reserve books. Pupils may access the library catalogue remotely and can use this facility to access booklists, see what is new in the library and reserve books.

Library resources in the Pre-prep library and the Woodgate library are regularly audited, reviewed and refreshed so that the libraries remain relevant, enticing and informative and reflect the abilities, identities and interests of our whole community.

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued)

For the year ended 31 August 2024

Environmental Awareness

Somerhill takes its responsibilities towards the environment very seriously and the governors are extremely conscious of the need to work towards becoming net carbon zero, in line with government targets. The school commissioned industry specialists, Re-energise, to produce a Site Decarbonisation Plan and this now forms part of the site Masterplan when considering future priorities. A number of phase 1 priorities have been identified, such as the installation of two solar panel arrays, and these will be progressed in the next academic year.

Recent projects and plans for future development

The Governors continue to provide the necessary resources from unrestricted general funds to maintain the buildings and structures that the Trust owns, especially the Grade 1 listed Jacobean Mansion. The year-long total redecoration of the school was completed in August 2024 and this included an improved layout for the dining room and opening of the new Woodgate library.

Financial Review

The financial results of the School for the year ended 31 August 2024 are shown in the Statement of Financial Activities. The School has maintained a strong NOR (numbers on roll) ending the year with 600 pupils. Overall budget has been exceeded by £122k with a net surplus of £335k for the year. Operating surplus was £942k, which is a £118k (14%) improvement on budgeted operating surplus of £824k.

Reserves policy

The Governors' policy on reserves is to hold sufficient liquid assets to cover short term requirements which range between £1.5 million and £2 million. At 31 August 2024, the School had total reserves of £21,884,179 (2023: £21,508,916), made up of a general fund of £5,328,189 (2023: £4,765,089) and various designated funds, representing the net book value of the school mansion and grounds, of £11,555,990 (2023: £11,743,827), the capital developments fund of £5,000,000 (2023: £nil) and the contingency fund of £1,500,000 (2023: £nil). The school's net current assets were £36,617 (2023: £631,011).

Given the uncertain and changing economic and regulatory environment, the School will review and update its reserves and investment policy in the next academic year to ensure that it is robust enough to handle the potentially challenging times ahead. Reserves are high at the moment to allow for capital expenditure as part of both the Site Master Plan and Site Decarbonisation Plan but also give a buffer to any unexpected regulatory and fiscal changes that may be introduced by the current government.

Other Assets

In addition to the school mansion and grounds (circa 120 acres), the Trust owns five residential properties with an aggregate historic cost of £3.3m, a figure the Governors consider to be an approximate current value. These could be liquidated without affecting the ability of the School to operate and continue to provide the excellent facilities enjoyed at present.

The Governors intend to build financial reserves so that they can continue to upgrade the facilities of the School in support of the Site Master Plan, and to continue providing appropriate assisted places/financial assistance for the parents of children who could otherwise not afford independent education.

Somerhill Parents' Association

Somerhill Parents' Association (SPA) holds circa 5 events across the academic year; these are for existing parents and their families, and other supporters of the school. Some events are designed to raise funds for the School, whilst others are intended to cover expenses and are there to build community spirit. Specific projects may raise funds for external charities e.g., a charity auction at the Summer Ball. Funds raised for the School are assigned to projects in consultation with the parent body, the Headmaster, and the Senior Leadership Team.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued)
For the year ended 31 August 2024

Other fundraising

The School does not carry out any fundraising activity in order to raise funds from the general public. The School has not received any complaints in relation to fundraising in the year (2022: none).

Fee Remissions

The School provides financial assistance through various means-tested schemes:

- **Bursaries** – bursary applications are assessed by a third party, Bursary Administration Ltd (BAL), who undertake an assessment and subsequently make a recommendation to the School. The Principal and Bursar then have the final say on the award of a bursary. The award is based on affordability and BAL use a means testing formula to inform their recommendation.
- **Employee Fee Concession** – as part of an emphasis on attracting and retaining high calibre staff, the School offers a discount scheme to staff members who choose to educate their children at Somerhill.

Family discounts – to underline the value the Governors place on continuity for families, the School offers sibling discounts of 5% for the second child and 10% for any further siblings.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued)
For the year ended 31 August 2024

Professional advisers and senior leadership team

Headmaster of Somerhill	Mr D B Sinclair
Head of Somerhill Pre-Prep	Mrs A L McKnight
Bursar/Company Secretary	Mr J M Hunt
Address and registered office	Somerhill Tonbridge Kent TN11 0NJ
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
Auditors	Azets Audit Services First Floor, River House 1 Maidstone Road Sidcup Kent DA14 5RH
Insurance brokers	Marsh Education Practice 4 Milton Road Haywards Heath West Sussex RH16 1AH
Bankers	Barclays Bank plc 105 High Street Tonbridge Kent TN9 1DJ National Westminster Bank Plc 130 High Street Tonbridge Kent TN0 1DE

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued)

For the year ended 31 August 2024

Structure, governance and management

Governing documents

The Company is governed by its Memorandum and Articles of Association of 9 August 2024. These were adopted by special resolution passed on 9 August 2024 and incorporated on 28 August 2024.

Recruitment and training of governors

Governors are appointed in accordance with the Memorandum and Articles of Association filed at Companies House (and the Charity Commission) adopted in 2024. The composition of the Board of Governors is designed to offer a wide range of expertise to meet the needs of Somerhill. Possible candidates for election as new Governors are proposed by an existing Governor and recommended by him or her through the Chair to the Board of Governors. Financial provision is made for external training courses for Governors. An induction tour is given by the Chair of the Governors, or by a designated person, to new Governors. Regular visits and inspections take place by existing Governors applicable to the relevant skills and contributions of those appointed. Trustee indemnity insurance is in place for the benefit of the Governors.

Scope of activities

The Memorandum of Association of the company restricts the Trust to provision of education but permits the Governors powers to conduct a wide range of activities in support of its aims. Education is also about the personal development of the pupils as recognised by the Charity Commission in their definition of education.

Organisation and administrative structure

The Governors determine the general strategy of the School. The Board of Governors meets as and when necessary, but certainly not less than once a term, when it receives reports from the Education Committee, the HR Committee and the Finance and General Purposes Committee (F&GP), along with reports from the School's Senior Leadership Team. The day-to-day management of the School is delegated to the Headmaster and the Senior Leadership Team.

The Headmaster, in conjunction with the F&GP, the Education Committee and the Senior Leadership Team, prepares the School Development Plan (Achievements and Performance) which is considered and reviewed by the Board of Governors on an annual basis at their meeting in the Summer.

Education Committee: This is an advisory Committee designed to give guidance and assistance to the Headmaster, Head of Pre-Prep and Deputy Head Teachers. The Education Committee discusses matters specific to the education of children at Somerhill. The Committee meets as and when necessary, but certainly not less than once a term, and reports to the Main Board.

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND STRATEGIC REPORT (continued)
For the year ended 31 August 2024

Organisation and administrative structure (continued)



Financial & General Purposes Committee: This Committee is responsible for monitoring the management of the finances and administration of Somerhill and, where necessary, taking appropriate action. The Committee reports to the Board of Governors and, when necessary, obtains their approval for the recommendations being made to them. The Committee is responsible for the maintenance of the buildings, properties and estate owned by the School. Changes to the Charities Acts and Charity Commission procedures are monitored and, if appropriate, recommendations made to ensure that Somerhill Charitable Trust Limited complies with its legal responsibilities and follows best practice. The Committee meets as and when necessary, but certainly not less than once a term, and reports to the Main Board.

Human Resources & Remuneration Committee: The main responsibility of the Committee is to monitor and review all aspects of HR and set the remuneration of the Senior Leadership Team. This Committee also meets as and when necessary, but certainly not less than once a term, and reports to the Main Board.

Charitable Activity

Somerhill pupils take part in regular charitable fundraising activities. Pupils have previously raised money for a diverse set of charities addressing local and global issues. These include the Nourish Food Bank, Anti Bullying Alliance, Children in Need, Hospice in the Weald, Save the Children, Marie Curie, Battersea Dogs and Cats Home, RSCPA, RNLI, Restless Development and Sport in Mind. In addition, the School annually supports the Royal British Legion Poppy Appeal and Books for Africa, whereby books are sent to schools across Africa.

Investment powers and investment policy

The Memorandum of Association of the School empowers the Governors to invest the monies of the School not immediately required for its purposes in such investments, securities or property as may be thought fit and within the law. The Governors will take professional advice as required.

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

For the year ended 31 August 2024

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

Company law requires the Governors to prepare a financial statement for each financial year which gives a true and fair view of the state of affairs of the charitable company, the incoming resources and application of resources, including the income and expenditure of the charitable company for the accounting period. In preparing this financial statement, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Statement as to disclosure of information to auditor

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

The Governors' Report was approved by the board of Trustees and the Strategic Report (included therein) was approved by the board of Governors in their capacity as the directors of the company on 19th March 2025 and signed on its behalf by:



Mark A. Jiskoot
Chair of the Board of Governors

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT

To the Governors of Somerhill Charitable Trust Limited

Opinion

We have audited the financial statements of Somerhill Charitable Trust Limited (the 'School') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the School's affairs as at 31 August 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the School 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 Governors' 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 School'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT

To the Governors of Somerhill Charitable Trust Limited (continued)

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the School and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Governors' report.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Governors' report and from the requirement to prepare a strategic report.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the School for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Governors are responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the School or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT
To the Governors of Somerhill Charitable Trust Limited (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the School'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 School's members those matters we are required to state to them in an auditors' 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 School and the School's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

M Wilkes FCA
for and on behalf of Azets Audit Services

Date: 7 May 2025

Chartered Accountants
Statutory Auditor

First Floor, River House
1 Maidstone Road
Sidcup
Kent DA14
5R

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
Including Income and Expenditure Account
For the year ended 31 August 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
<u>Income and endowments from:</u>					
Donations and legacies		597	10,055	10,652	40,390
Charitable activities:					
- School fees receivable	2	9,184,946	-	9,184,946	8,934,333
- Ancillary trading income	3	222,519	-	222,519	366,466
- Government grants	4	-	3,607	3,607	3,658
Other trading activities:					
- Lettings income		109,337	-	109,337	78,670
Investments		185,498	-	185,498	81,223
Other income	5	30,714	-	30,714	1,644
Total income		9,733,611	13,662	9,747,273	9,506,384
<u>Expenditure on:</u>					
Raising funds:					
- Financing costs		12,206	-	12,206	14,128
- Fundraising and development		14,507	-	14,507	8,112
Charitable activities:					
- Education		9,576,976	53,662	9,630,638	8,880,229
Total expenditure	6	9,603,689	53,662	9,657,351	8,902,469
Net income/(expenditure) before other gains and losses		129,922	(40,000)	89,922	603,915
Gains on fixed asset investments	12	245,341	-	245,341	30,275
Net income and net movement in funds		375,263	(40,000)	335,263	634,190
Fund balances at 1 September 2023		21,508,916	40,000	21,548,916	20,914,726
Fund balances at 31 August 2024	19	21,884,179	-	21,884,179	21,548,916

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
Including Income and Expenditure Account (continued)
For the year ended 31 August 2024

Year ended 31 August 2023 (comparative)

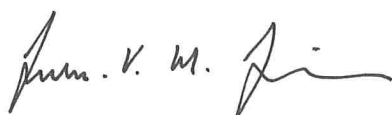
	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<u>Income and endowments from:</u>					
Donations and legacies		390	40,000	40,390	5,010
Charitable activities:					
- School fees receivable	2	8,934,333	-	8,934,333	8,174,768
- Ancillary trading income	3	366,466	-	366,466	388,419
- Government grants	4	-	3,658	3,658	5,970
Other trading activities:					
- Lettings income		78,670	-	78,670	105,214
Investments		81,223	-	81,223	17,788
Other income	5	1,644	-	1,644	99,773
Total income		9,462,726	43,658	9,506,384	8,796,942
<u>Expenditure on:</u>					
Raising funds:					
- Financing costs		14,128	-	14,128	10,333
- Fundraising and development		8,112	-	8,112	14,794
Charitable activities:					
- Education		8,876,571	3,658	8,880,229	8,123,811
Total expenditure	6	8,898,811	3,658	8,902,469	8,148,938
Net income before other gains and losses		563,915	40,000	603,915	648,004
Gains/(losses) on fixed asset investments	12	30,275	-	30,275	-
Net income and net movement in funds		594,190	40,000	634,190	648,004
Fund balances at 1 September 2022		20,914,726	-	20,914,726	20,266,722
Fund balances at 31 August 2023	19	21,508,916	40,000	21,548,916	20,914,726

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

BALANCE SHEET
As at 31 August 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	11		15,814,775		16,038,210
Investments	12		7,711,669		5,031,293
			<u>23,526,444</u>		<u>21,069,503</u>
Current assets					
Debtors	13	2,351,089		2,613,229	
Investments	14	1,028,488		1,508,007	
Cash at bank and in hand		1,511,333		533,337	
			<u>4,890,910</u>		<u>4,654,573</u>
Creditors: amounts falling due within one year	15	(4,854,293)		(4,023,562)	
Net current assets			36,617		631,011
Total assets less current liabilities			<u>23,563,061</u>		<u>21,700,514</u>
Creditors: amounts falling due after more than one year	16		(1,678,882)		(151,598)
Net assets			<u>21,884,179</u>		<u>21,548,916</u>
Income funds					
Restricted funds	17		-		40,000
Unrestricted funds	18				
- Designated funds		16,555,990		16,743,827	
- General funds		5,328,189		4,765,089	
			<u>21,884,179</u>		<u>21,508,916</u>
	19		<u>21,884,179</u>		<u>21,548,916</u>

The financial statements were approved by the Board of Governors on 11 APRIL 2025 and signed on behalf of the Board by



Julia V. Irvine
Chair of the Finance and General Purposes Committee

Company Registration No. 02331296

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

CASH FLOW STATEMENT
For the year ended 31 August 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Net cash provided in operating activities	22		284,780		1,069,756
Investing activities					
Purchase of tangible fixed assets		(377,366)		(651,535)	
Sale proceeds of fixed assets		28,774		-	
Purchase of fixed asset investments		(2,948,012)		(7,590,495)	
Sale proceeds of fixed asset investments		512,977		2,649,513	
Investment income received		184,743		81,223	
Net cash used in investing activities			<u>(2,651,837)</u>		<u>(5,511,294)</u>
Net cash inflow before financing			<u>(2,367,057)</u>		<u>(4,441,538)</u>
Financing activities					
New fees in advance money		2,985,743		194,326	
Fees in advance amounts utilised		(120,210)		(326,108)	
Net cash used in financing activities			<u>2,865,533</u>		<u>(131,782)</u>
Net increase/(decrease) in cash and cash equivalents			<u>498,476</u>		<u>(4,441,538)</u>
Cash and cash equivalents at beginning of year			<u>2,041,345</u>		<u>6,482,883</u>
Cash and cash equivalents at end of year	23		<u><u>2,539,821</u></u>		<u><u>2,041,345</u></u>

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

1 Accounting policies

The School is a registered Charitable Company limited by guarantee in the United Kingdom. The address of the registered office is given in the reference and administrative details, on page 12.

1.1 Basis of preparation

The financial statements of the School, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in England and Wales and the Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in England and Wales and the Republic of Ireland' and the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the School.

1.2 Going concern

At the time of approving the financial statements, the Governors' have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Consolidation

The School is exempt from the requirement to produce group accounts as the subsidiary is dormant and considered immaterial.

Accordingly, the accounts present a view of the individual charitable company and not of the group of which it is the parent.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Governors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

1 Accounting policies (Continued)

1.5 Income

Income is recognised when the School is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Fees and similar earned income are accounted for in the period in which the service is provided. Invoices are raised in advance of each school term; any invoices outstanding at the balance sheet date are shown as trade debtors. Any element of fees relating to future terms is treated as deferred income and included within current liabilities.

Bursaries are awarded based on financial circumstances.

Donations and other voluntary income are accounted for as and when entitlement arises, the amount can be reasonably quantified, and receipt is considered probable.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.6 Expenditure

Expenditure is allocated to functional headings either on a direct cost basis or apportioned accordingly. The irrecoverable element of VAT is included with the item of expense to which it relates. Supplies of books, expenditure and sundry equipment are written off when the expenditure is incurred.

Support costs are those that assist the work of the School but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resource.

Governance costs include those incurred in the governance of the School and are primarily associated with constitutional and statutory requirements.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the School to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

1 Accounting policies (Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land	Not depreciated
Freehold buildings	Between 0 and 50 years
Equipment, fixtures and fittings	Between 3 and 10 years
Motor vehicles	5 years
Website	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Assets below the value of £1,000 are not capitalised.

No depreciation has been charged in relation to the School mansion building and other residential properties on the estate and owned by the School on the basis of immateriality. The Governors consider that any change and accumulated depreciation would be immaterial to the financial statements, due to the assets having a very long useful economic life, in any instance considered to far exceed 50 years, given the age of the buildings to date. The current estimated residual value would exceed any depreciation charged. An impairment review is undertaken annually.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the School reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities.

Deposit accounts with more than 90 day maturity are classified as current asset investments.

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

1 Accounting policies (Continued)

1.11 Financial instruments

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

Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.13 Pension schemes

A hybrid retirement benefits scheme is provided to the teaching employees of the School. They may choose to be included within the Teachers' Pension Scheme (TPS) or opt out into the group pension plan described below and shared with all other employees. The School's contribution towards teachers' pension is limited for either scheme.

The TPS 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, where 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.

The School also operates a group Personal Pension Plan (defined contribution). The assets of the plan are held separately from those of the School. The School will contribute double the amount of employee's contribution percentage to a maximum of 10% for non-teaching staff. For teachers in this scheme, the School contributes 16% plus the employer NI saving under the salary sacrifice regulations. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2024

1 Accounting policies (Continued)

1.14 Finance and operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Value Added Tax

The School is not registered for VAT. All amounts in the financial statements are shown inclusive of VAT where appropriate.

1.16 Corporation Tax

Somerhill Charitable Trust Limited is a registered charity and as such its income and gains falling within Section 471 to 489 of the Corporation Tax Act 2010 or Section 256 of Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

1.17 Judgements and uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment, and for the useful economic lives for each class of assets.

Defined benefit pension scheme

The present value of the defined benefit pension deficit contributions payable depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the future recovery plan contributions due include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pension liability. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Bad debt provision

The value of trade debtors is sensitive to the recoverability in full of school fees. Once a debt becomes overdue, it is chased and periodically reviewed to ensure it is recoverable in full. An external debt collection agency is used. If a provision is deemed necessary, this is included on an annual basis.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

2	School fees receivable	2024	2023
		£	£
	The school's fee income comprised:		
	Gross fees	9,984,536	9,550,980
	Less: Assisted places and fee discounts	(799,590)	(616,647)
		<u>9,184,946</u>	<u>8,934,333</u>

The above awards were all made to individuals.

These include discretionary awards, assisted places, staff remission and sibling discounts made to 218 (2023: 253) individuals.

3	Ancillary trading income	2024	2023
		£	£
	Income from fundraising events	10,965	8,930
	Other educational income:		
	- Extras	197,854	340,786
	- Entrance and registration fees	13,701	16,750
		<u>222,519</u>	<u>366,466</u>

4	Income from government grants	2024	2023
		£	£
	Rural payments agency	3,607	3,658
		<u>3,607</u>	<u>3,658</u>

5 Other income

Other income in 2024 primarily related to proceeds on sale of a motor vehicle (2023: primarily related to amount received from an insurance claim).

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

6 Expenditure	Staff costs (note 10) £	Direct costs (note 9) £	Support costs (note 7) £	Total 2024 £	Total 2023 £
Raising funds					
Financing costs	-	-	12,206	12,206	14,128
Fundraising events	-	-	14,507	14,507	8,112
	-	-	26,713	26,713	22,240
Charitable activities					
Education	4,405,996	2,132,840	3,091,802	9,630,638	8,880,229
	4,405,996	2,132,840	3,118,515	9,657,351	8,880,229
Total expenditure	4,405,996	2,132,840	3,118,515	9,657,351	8,902,469
				£	£
Expenditure includes:					
Depreciation – owned assets				583,302	515,741
Operating lease rentals – equipment				56,656	52,200
Auditor's remuneration (excl VAT)					
- Current year audit				15,500	14,750
- Prior year audit				-	5,485
- Other services				3,950	3,650
				3,950	3,650
				£	£
7 Support costs					
				2024	2023
				£	£
Staff costs				2,011,304	1,736,683
Other expenses				182,957	155,934
Depreciation				339,827	283,895
Insurance				172,940	148,875
IT costs				153,669	143,815
Legal and professional fees				74,286	69,640
Motor costs				74,220	64,818
Advertising				58,798	53,948
Movement in provision against debts				28,832	8,552
Governance costs (note 8)				21,682	30,611
				3,118,515	2,696,771

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

8 Governance costs	2024	2023
	£	£
Audit and statutory accounts fee	22,200	21,000
(Over)/under provision in prior year	(4,300)	6,582
Teachers' pension scheme audit fee	1,140	1,080
Governors' indemnity insurance	2,642	1,949
	<u>21,682</u>	<u>30,611</u>
9 Direct costs	2024	2023
	£	£
Teaching costs	333,071	516,305
Welfare costs	822,055	740,197
Premises costs	977,714	982,119
	<u>2,132,840</u>	<u>2,238,621</u>
10 Staff costs	2024	2023
	£	£
Wages and salaries	4,676,536	4,323,534
Social security costs	475,035	415,399
Pension contributions	1,012,408	877,162
Other staff costs	253,321	87,665
	<u>6,417,300</u>	<u>5,703,760</u>
This is made up of:	£	£
Teaching salaries	4,405,996	3,967,077
Support salaries	2,011,304	1,736,683
	<u>6,417,300</u>	<u>5,703,760</u>
The average number of employees in the year was:	Number	Number
Teaching	116	111
Non-teaching	39	36
	<u>155</u>	<u>147</u>

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

10 Staff costs (continued)

The number of employees whose gross pay and benefits (excluding pension contributions) exceeded £60,000 in the year were:

	2024	2023
	Number	Number
£60,000 - £70,000	4	3
£70,001 - £80,000	2	-
£80,001 - £90,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

Total remuneration for key management personnel (including pension contributions) during the year amounted to £687,524 (2023: £543,589).

There were £nil of termination payments in the year (2023: £nil).

Governors were reimbursed £932 (2023: £1,379) for travel and other meeting related costs.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

11 Tangible fixed assets	School freehold land and buildings £	Other freehold land and buildings £	Equipment, fixtures and fittings £	Motor vehicles £	Website £	Total £
Cost or valuation						
At 1 September 2023	13,535,335	3,488,016	1,709,949	136,971	21,302	18,891,573
Additions	55,638	28,933	236,348	56,448	-	377,366
Disposals	-	-	(346,107)	(42,600)	-	(388,707)
At 31 August 2024	13,590,973	3,516,948	1,600,190	150,819	21,302	18,880,232
Depreciation and impairment						
At 1 September 2023	1,791,508	61,060	879,485	105,689	15,622	2,853,363
Charge for the year	243,475	18,307	303,657	12,182	5,681	583,302
Eliminated on disposal	-	-	(346,107)	(25,101)	-	(371,208)
At 31 August 2024	2,034,983	79,367	837,035	92,770	21,302	3,065,457
Net book values						
At 31 August 2024	11,555,990	3,437,581	763,155	58,049	-	15,814,775
At 31 August 2023	11,743,827	3,426,956	830,514	31,282	5,680	16,038,210

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

11 Tangible fixed assets (continued)

All freehold land and buildings are valued, for insurance purposes and including contents, at £97 million (2023: £97 million). School freehold land and buildings comprises the school mansion and grounds of 150 acres and other buildings owned by the School that are used for educational purposes. Other freehold land and buildings comprises other residential properties owned by the School.

12 Fixed asset investments

	2024	2023
	£	£
Investment in managed funds	7,711,569	5,031,193
Investment in subsidiary	100	100
	<u>7,711,669</u>	<u>5,031,293</u>

Investments in managed funds are made up of an Insignis Cash Account with a market value of £2,029,293 (2023: £2,000,917) and a portfolio with LGT Wealth Management with a market value of £5,682,543 (2023: £3,030,276).

	£	£
Market value at 1 September 2023	5,031,193	-
Additions	2,948,012	7,590,495
Disposal	(512,971)	(2,589,577)
Gain in market value	245,341	30,275
Market value at 31 August 2024	<u>7,711,569</u>	<u>5,031,193</u>
Cost at 31 August 2024	<u>7,503,080</u>	<u>5,036,513</u>

Included in the above are the following investments that make up more than 5% of the total portfolio value:

Insignis Cash Account	£2,029,293	26%
LGT Cash Account	£2,464,456	32%
GIA Account	£3,217,820	42%

The School has a wholly owned subsidiary, Somerhill Enterprises Limited, a company incorporated in England and Wales (company number 02580724). The company was dormant throughout the reporting period. The cost and net book value of the School's investment as at 31 August 2024 was £100 (2023: £100). The company was wound down after the year-end.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

13 Debtors	2024 £	2023 £
Trade debtors	2,117,460	2,411,372
Other debtors	38,172	313
Prepayments and accrued income	195,467	201,543
	<u>2,351,089</u>	<u>2,613,229</u>
14 Current asset investments	2024 £	2023 £
Cash held in deposit accounts	1,028,488	1,508,007
	<u>1,028,488</u>	<u>1,508,007</u>
15 Creditors: amounts falling due within one year	2024 £	2023 £
Trade creditors	355,603	359,896
Other taxation and social security costs	181,703	177,163
Accruals	51,448	174,403
Deferred income	2,461,105	2,877,974
Advance fees	1,492,954	154,702
Other creditors	311,383	279,324
Amounts payable to subsidiary company	100	100
	<u>4,854,293</u>	<u>4,023,562</u>

Included within other creditors are amounts totalling £62,046 (2023: £55,227) in respect of outstanding pension contributions.

Deferred income

Included within creditors is an amount of £2,461,105 (2023: £2,877,974) in respect of fees invoiced prior to the year-end relating to future terms.

	2024 £	2023 £
Balance at 1 September 2023	2,877,974	2,771,421
Released to fee income in year	<u>(2,877,974)</u>	<u>(2,771,421)</u>
	-	-
New deferred income	<u>2,461,105</u>	<u>2,877,974</u>
Balance at 31 August 2024	<u>2,461,105</u>	<u>2,877,974</u>

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

15 Creditors: amounts falling due within one year (continued)

Advanced fees

Included within creditors is an amount of £1,492,951 (2023: £154,702) in respect of fees received in advance, there is also a further amount of £1,678,882 (2023: £151,598) in respect of fees due after more than one year.

Fees paid in advanced are analysed as follows:

	2024	2023
	£	£
Balance at 1 September 2023	306,300	438,082
New amounts paid	3,114,252	194,326
	<u>3,420,552</u>	<u>632,408</u>
Amounts utilised in the payments of fees	(248,719)	(326,108)
Balance at 31 August 2024	<u>3,171,833</u>	<u>306,300</u>

16 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Fees in advance	<u>1,678,882</u>	<u>151,598</u>

17 Restricted funds – current year

	Balance at 1			Balance at 31
	September 2023	Income	Expenditure	August 2024
	£	£	£	£
Long Library fund	40,000	10,055	(50,055)	-
Government grants	-	3,607	(3,607)	-
	<u>40,000</u>	<u>13,662</u>	<u>(53,662)</u>	<u>-</u>

Restricted funds represent donations received for specific items or appeals.

The School received restricted government grant income of £3,607 in the year (2023: £3,658) – see note 4 for further details. All monies were fully spent during the year.

The School received a donation of £10,055 in the year (2023: £40,000) specifically towards the Long Library refurbishment and all monies, including gift aid recoverable, were fully spent post year end on the works carried out. Further donations were received in the year 2023/24 to cover the final costs of the project.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

17 Restricted funds (continued) – prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
Long Library fund	-	40,000	-	40,000
Government grants	-	3,658	(3,658)	-
	<u>-</u>	<u>43,658</u>	<u>(3,658)</u>	<u>40,000</u>

18 Designated funds – current year

	Balance at 1 September 2023 £	New designations £	Designations released £	Balance at 31 August 2024 £
Designated property	11,743,827	-	(243,475)	11,555,990
Capital developments fund	5,000,000	-	-	5,000,000
	<u>16,743,827</u>	<u>-</u>	<u>(243,475)</u>	<u>16,555,990</u>

The designated property reserve fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of school freehold land and buildings.

The capital developments fund represents funds designated for future projects that support the strategic vision of the School.

Prior year

	Balance at 1 September 2022 £	New designations £	Designations released £	Balance at 31 August 2023 £
Designated property	11,867,027	-	(123,200)	11,743,827
Capital developments fund	-	5,000,000	-	5,000,000
	<u>11,867,027</u>	<u>5,000,000</u>	<u>(123,200)</u>	<u>16,743,827</u>

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

19 Analysis of net assets between funds – current year

	Unrestricted funds £	Designated funds £	Restricted Funds £	Total £
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	4,258,785	11,555,990	-	15,814,775
Investments	7,711,669	-	-	7,711,669
Net current assets	(4,963,443)	5,000,000	-	36,557
Non-current liabilities	(1,678,822)	-	-	(1,678,822)
	<u>5,328,189</u>	<u>16,555,990</u>	<u>-</u>	<u>21,884,179</u>

Prior year

	Unrestricted funds £	Designated funds £	Restricted Funds £	Total £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	4,294,383	11,743,827	-	16,038,210
Investments	31,293	5,000,000	-	5,031,293
Net current assets	591,011	-	40,000	631,011
Non-current liabilities	(151,598)	-	-	(151,598)
	<u>4,765,089</u>	<u>16,743,827</u>	<u>40,000</u>	<u>21,548,916</u>

20 Related party transactions

There were no related party transactions in the year (2023: none). No Governors' received remuneration, payments for services or reimbursed expenses during the year (2023: none).

21 Operating lease commitments

At 31 August 2024, the School was committed to make minimum lease payments in respect of non-cancellable operating leases as follows:

	2024 £	2023 £
Amounts payable:		
Within one year	46,079	43,737
Between two and five years	58,673	51,702
	<u>104,752</u>	<u>95,439</u>

All leases relate to amounts payable in respect of equipment.

SOMERHILL CHARITABLE TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 August 2024

22	Cash generated from operations		2024 £	2023 £
	Surplus for the year		335,263	634,190
	Adjustments for:			
	Depreciation charges		583,302	515,741
	Interest receivable		(185,498)	(81,223)
	Gain in market value of fixed asset investments		(245,341)	(30,275)
	Gain on sale of fixed assets		27,861	-
	Decrease/(increase)/in debtors		262,140	62,957
	Increase/(decrease) in creditors		(639,300)	(31,634)
	Cash generated from operations		284,780	1,069,756
 23	 Analysis of changes in net funds			
		At 1 September	Cash flows	At 31 August
		2023		2024
		£	£	£
	Cash at bank and in hand	533,338	977,995	1,511,333
	Current asset investments	1,508,007	(479,519)	1,028,488
		2,041,345	498,476	2,539,821

SOMERHILL CHARITABLE TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2024

24 Pension and similar obligations

Defined contribution pension scheme

The School makes contributions to one defined contribution scheme on behalf of its employees. The assets of the defined contribution scheme in which employees participate are held separately from those of the School in independently administered funds. The pension costs charge represents contributions payable by the School to the funds and amounted to £723,476 (2023: £538,638). At the year-end £61,828 (2023: £54,681) was accrued in respect of employer contributions to other pension schemes.

Teachers' Pension Scheme

Introduction

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Teachers are now offered a hybrid scheme and they have a choice to remain in this scheme or to opt out of it completely.

The TPS is an unfunded scheme and members to which both the member and employer makes contributions, as a percentage of salary – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The pension charge for the period includes employer contributions payable to the TPS of £350,761 (2023: £295,011) and at the year-end £nil (2023: £546) was accrued in respect of employer contributions to this scheme.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set from 1 September 2019 at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218.1 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196.1 billion giving a notional past service deficit of £22 billion
- The SCAPE rate, set by HMR, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

25 Capital commitments

Capital commitments totalling £nil (2023: £20,448) relate to the roofing works on 3 and 4 Bothy Cottages properties, which straddled the year-end.

